

MONROE LOCAL SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2008



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Monroe Local School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 23, 2009

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MONROE LOCAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u> (Passed through Ohio Department of Education)				
Food Donation	n/a	10.550	\$ 37,386	37,386
Nutrition Cluster:				
School Breakfast Program	05PU-2008	10.553	25,376	25,376
National School Lunch Program	LLP4-2008	10.555	167,831	167,831
Nutrition Cluster Total			<u>193,207</u>	<u>193,207</u>
Total U.S. Department of Agriculture			<u>230,593</u>	<u>230,593</u>
<u>U.S. Department of Education:</u> (Passed through Ohio Department of Education)				
Title I Grants to Local Educational Agencies	C1S1-2007	84.010	-	9,614
Title I Grants to Local Educational Agencies	C1S1-2008	84.010	58,755	59,314
Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2007	84.010	-	5,382
Title I Grants to Local Educational Agencies (Title I Neglected)	C1SN-2008	84.010	26,057	24,326
			<u>84,812</u>	<u>98,636</u>
Special Education Cluster:				
Special Education - Grants to States	6BSF-2007	84.027	-	31,597
Special Education - Grants to States	6BSF-2008	84.027	399,056	459,793
Special Education - Preschool Grants	PGS1-2008	84.173	5,714	6,357
Special Education Cluster Total			<u>404,770</u>	<u>497,747</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2008	84.186	2,055	358
State Grants for Innovative Programs	C2S1-2008	84.298	3,666	3,395
Education Technology State Grants	TJS1-2008	84.318	486	528
Improving Teacher Quality State Grants	TRS1-2007	84.367	-	41,504
Improving Teacher Quality State Grants	TRS1-2008	84.367	31,829	30,206
			<u>31,829</u>	<u>71,710</u>
Total U.S. Department of Education			<u>527,618</u>	<u>672,374</u>
Total Federal Awards			\$ <u>758,211</u>	<u>902,967</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - CHILD NUTRITION CLUSTER

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

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

To the Board of Education
Monroe Local School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monroe Local School District (the "School District") as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 17, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies labeled as 2008-1 and 2008-2 and described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiencies described above are material weaknesses.


Compliance And Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2008-3, 2008-4 and 2008-5.

We noted certain matters that we reported to management of the School District in a separate letter dated December 17, 2008.

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

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



Cincinnati, Ohio
December 17, 2008

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

To the Board of Education
Monroe Local School District:

Compliance

We have audited the compliance of the Monroe Local School District (the "School District") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. 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 requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 17, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 17, 2008

MONROE LOCAL SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2008

Section I – Summary of Auditors’ Results

Financial Statements

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

Type of auditors’ report issued on compliance for major programs:	unqualified
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Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	no
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Identification of major programs:

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

Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
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Auditee qualified as low-risk auditee?	yes
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Section II – Financial Statement Findings

Finding 2008-1 – Prior Period Adjustment

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

Views of Responsible Officials: *Management concurs with the finding.*

Finding 2008-2 – Audit Adjustment

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

Views of Responsible Officials: *Management concurs with the finding.*

Finding 2008-3 – Expenditures and encumbrances exceeded appropriations

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

Views of Responsible Officials: *The Treasurer is implementing procedures to ensure that appropriations are updated and maintained regularly and that expenditures and encumbrances do not exceed said appropriations.*

Finding 2008-4 – Appropriations Exceeded Estimated Revenue

Ohio Revised Code Section 5705.36 stipulates that total appropriations made during the fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources or the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation. During our testing of compliance with budgetary requirements, we noted various funds which had appropriations in excess of certified estimated resources as of February 29, 2008 and June 30, 2008. We recommend the School District request increased amended certificates from the County Budget Commission as needed whenever the appropriation or supplemental appropriation exceeds the current certificate of estimated resources.

Views of Responsible Officials: *The Treasurer is implementing procedures to ensure that the certificate of amended resources is updated and maintained regularly and that revenues do not exceed said resources.*

Finding 2008-5 – Negative Cash Fund Balance

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

Views of Responsible Officials: *The Treasurer will ensure that monies are advanced as needed to prevent negative fund balances for the appropriate federal funds.*

Section III – Federal Award Findings and Questioned Costs

None.

MONROE LOCAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

Finding 2007-10409-001 – Appropriations Exceeded Estimated Revenue

Ohio Revised Code, Section 5705.39, states that the total appropriation from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official certificate. The District had two funds that had appropriations in excess of estimated resources and available balances for the fiscal year ended June 30, 2007.

Status: Reissued as Finding 2008-4

Finding 2007-10409-002 – 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. The District has several funds in which expenditures and encumbrances in excess of appropriations for the fiscal year ended June 30, 2007.

Status: Reissued as Finding 2008-3

Finding 2007-10409-003 – Negative Fund Balances

Ohio Revised Code, Section 5705.10 states that money paid into a fund must be used only for the purpose for which such fund has been established. The District had four funds with negative fund balances for the fiscal year ended June 30, 2007.

Status: Reissued as Finding 2008-5



*Monroe Local
School District
Monroe, Ohio*

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

For the Fiscal Year Ended
June 30, 2008



Monroe Local School District
Butler County, Ohio

Comprehensive Annual Financial Report

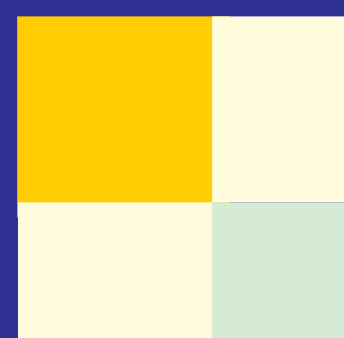
For the Fiscal Year Ended June 30, 2008

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, 2008



***Monroe Local School District
Butler County, Ohio
June 30, 2008***

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Monroe Local School District
Butler County, Ohio

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Butler County, Ohio***

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Monroe Local Schools

Continuing a tradition in excellence

Elizabeth J. Lolli, Ph.D., Superintendent

Kelley Thorpe, Treasurer

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

December 17, 2008

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, 2008. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

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

The Reporting Entity and Services Provided

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

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

Growth and Development

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

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

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

DISTRICT FOCUS

History of the District

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

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

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

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

District Mission Statement

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

Board of Education

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

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

Enrollment

Enrollment for the Monroe Local School District was 2,195 students for 2007-2008

Monroe Primary School	(Pre-K – Kindergarten)	185
Monroe Elementary School	(1-6)	1,018
Monroe Junior High School	(7-8)	324
Monroe Senior High School	(9-12)	668

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)

2008-09	2,272
2009-10	2,374
2010-11	2,443
2011-12	2,577
2012-13	2,689

District Report Card

On the 2008 report card, Monroe Local School District received an effective rating having met 25 of 30 indicators. The District has improved its rating significantly during the last several years. This rating is given by the Ohio Department of Education based on student's performance on the achievement tests in the 3rd, 4th, 5th, 6th, 7th and 8th grades, the Ohio Graduation Tests in 10th grade, student attendance rate and the graduation rate.

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

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

Performance Index Score: The performance index score reflects the achievement of every tested student. The score is a weighted average of all tested subjects in grades 3, 4, 5, 6, 7, 8, and 10. The most weight is given to the advanced students (1.2), and the weights decrease for each subsequent performance level. This creates a scale of 0 to 120 points, with 100 being the goal. Monroe's performance index score is 98.

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 met AYP for the 2007/2008 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 2007-2008, Monroe had below expected growth for this indicator.

Major Initiatives

Continuous Improvement Plan

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

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

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

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

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

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

Curriculum Initiatives

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

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

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

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

Technology

The district is beginning to update the technology course of study. This revision focuses on the integration of technology into the curriculum areas. Purchasing and use of technology hardware and related supporting software enables the integration of technology.

Building Project

The Monroe Local Schools broke ground in June of 2002 for a new school facility to house grades K-12. The building was designed through the "School House of Quality Process" with architects Steed●Hammond●Paul. This process enabled the District to gain input on the design from all levels of the school community. Building design teams allowed school employees to work hand in hand with the community to finalize plans for what is now the cornerstone of Monroe.

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

FINANCIAL INFORMATION

Accounting Controls

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

Budgetary Controls

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

Internal Controls

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

Cash Management

The School District Treasurer is in charge of the School District's cash management program. All School District cash is pooled for investment purposes. Longer term investments consist of Certificates of Deposit insured by the Federal Deposit Insurance Corporation or protected by either pledged collateral held in trust by the Federal Reserve Bank or pooled collateral and United States Agency Obligations. During 2008, the School District earned \$113,977 in interest. A majority of the School District's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of the public funds on deposit. Trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions hold the collateral. The School District regularly reviews the market value of the pool to insure that adequate collateral is being provided

Risk Management

The District continues to protect its assets through a comprehensive insurance program. Insurance policies for fleet liability, general liability, excess liability, directors and officers, and property loss are purchased from Indiana Insurance Company and boiler and machinery coverage are purchased from the Cincinnati Insurance Company. Employee health insurance is provided by Butler County Health Plan. In addition, the District offers a full range of supplementary retirement plans for eligible staff members.

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, 2008. 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, 2007. 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, 2007.

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, 2008.

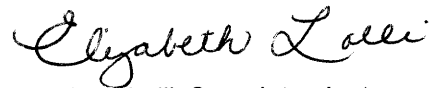
Acknowledgments

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**

Elizabeth Lolli	Superintendent
Kelley Thorpe	Treasurer
Deborah Sander/ Diane Ivory	Directors of Curriculum
Deborah Witt	Director of Special Services
Sharron Moon	Director of Facilities

Board of Education Members

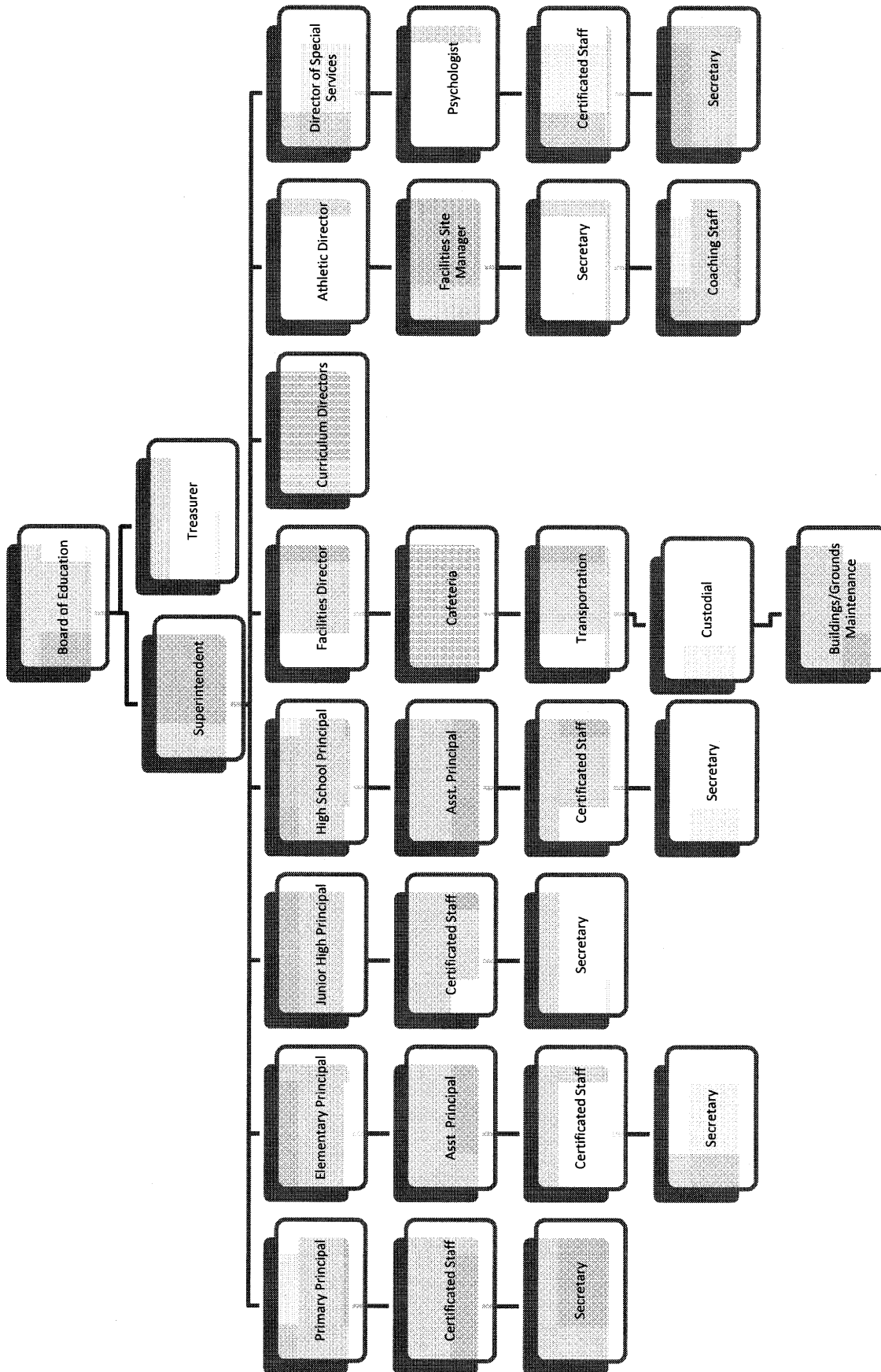
Mr. Thomas Leeds	President
Mr. Chris Snyder	Vice-President

Mr. Tom Birdwell

Mr. Michael R. Irwin

Mr. Mike Lane

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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, 2007

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.



Chane S. Cox

President

Jeffrey R. Emmer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

MONROE LOCAL SCHOOL DISTRICT, BUTLER COUNTY, OHIO

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2007

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

James E. Brendel

President

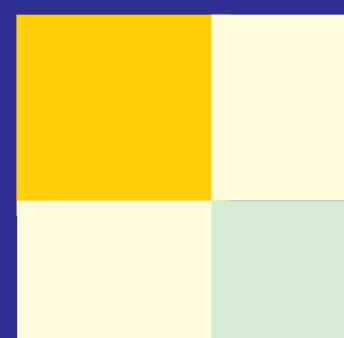
John D. Messer

Executive Director



Financial Section

Comprehensive Annual Financial Report
Monroe Local School District
Monroe, Ohio
For the Fiscal Year Ended June 30, 2008



INDEPENDENT AUDITORS' REPORT

To the Board of Education
Monroe Local School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe Local School District (the "School District") as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on the financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Monroe Local School District as of June 30, 2008, and the respective changes in financial position thereof and the budgetary comparisons for the General, Emergency Levy, and Food Service funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2008 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 audit.

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f. 513.241.1212

The management's discussion and analysis on pages 3-13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 17, 2008

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(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, 2008. 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 eighth year of operation after being established in 2000 following a resident vote to deconsolidate from the Middletown City School District. Upon separation, the School District inherited an academic rating of Academic Watch. The School District has made many significant improvements and has attained a rating of Effective for the past five years. The School District continues to make changes to curricular offerings in its goal to become an Excellent School District.

Financial Highlights

Key financial highlights for 2008 are as follows:

- Current and other assets were greater than current liabilities at the close of the most recent fiscal year by \$1.88 million.
- General revenues accounted for \$17.80 million in revenue or 85.00 percent of all revenues. Program specific revenues in charges for services and grants and contributions accounted for \$3.14 million or 15.00 percent of \$20.93 million in total revenues.
- At the end of the current fiscal year, cash and cash equivalents of \$2.07 million accounted for 13.96 percent of total assets, excluding capital assets.
- The School District had \$22.11 million in expenses relating to governmental activities; only \$3.14 million of these expenses were offset by program specific revenues. \$17.80 million in general revenues and beginning balances were adequate to cover the cost of these programs.
- Among major funds, the general fund had \$12.25 million in revenues and \$12.64 in expenditures. The debt service and emergency levy funds had year end balances of \$1.18 million and \$2.27, respectively.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(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, 2008
(unaudited)

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

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

The School District adopts an annual appropriation budget for all of its governmental funds. Budgetary comparison statements have been provided for the major funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 18-25 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 26 of this report.

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

Individual Fund Statements and Schedules. The individual fund statements and schedules provide more detailed information about each individual fund for the School District. These statements and schedules can be found starting on page 64 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 97 of this report.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(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 2007 to 2008.

Table 1
Net Assets
(in Millions)

	2007	2008	Change
Assets			
Current and Other Assets	\$17.81	\$14.82	(\$2.99)
Capital Assets, net of Accumulated depreciation	36.56	35.31	(1.25)
<i>Total Assets</i>	<u>54.37</u>	<u>50.13</u>	<u>(4.24)</u>
Liabilities			
Long-term Liabilities	(32.99)	(33.21)	0.22
Other Liabilities	(16.22)	(12.94)	(3.28)
<i>Total Liabilities</i>	<u>(49.21)</u>	<u>(46.15)</u>	<u>(3.06)</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	5.13	2.81	(2.32)
Restricted for:			
Grants/Mandates	0.01	0.20	0.19
Debt Service	1.28	1.18	(0.10)
Capital Improvements	0.01	0.13	0.12
Unrestricted	(1.27)	(0.34)	0.93
<i>Total Net Assets</i>	<u><u>\$5.16</u></u>	<u><u>\$3.98</u></u>	<u><u>(\$1.18)</u></u>

The changes in capital assets and invested in capital assets, net of related debt of the School District relate to the annual depreciation (\$1.46) million on the assets with minimal acquisitions -\$0.21 million- during the fiscal year. As you can see from the statement of net assets, the School District has been able reduce short term liabilities even though the current assets were less than last year. The School District works hard on watching the various account balances to maintain a strong fiscal balance.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

Graph 1 breaks down the School District's revenues into percentages, while Table 2 compares total revenues for fiscal years 2007 and 2008.

Graph 1
Total Revenues

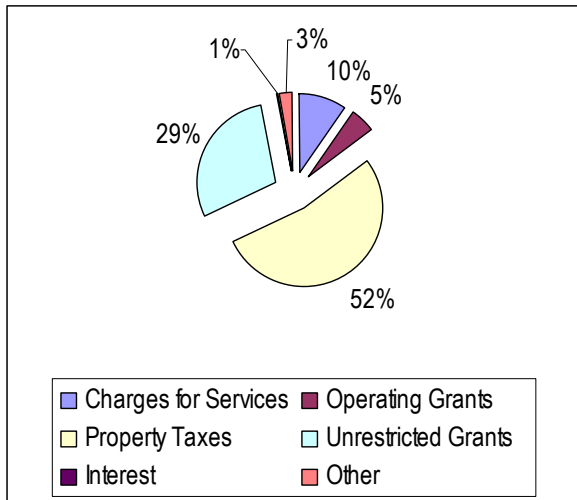


Table 2
Total Revenues
(in Millions)

Revenues	<u>2007</u>	<u>2008</u>
<i>Program Revenues</i>		
Charges for Services	\$2.36	\$2.05
Operating Grants	0.65	1.09
<i>General Revenues</i>		
Property Taxes	11.61	11.08
Payment in Lieu of Taxes	0.05	0.38
Grants and Contributions not restricted to specific programs	5.53	6.07
Unrestricted Investment Earnings	0.18	0.11
Miscellaneous	0.06	0.15
Total Revenues	<u><u>\$20.44</u></u>	<u><u>\$20.93</u></u>

For fiscal year 2008, the School District had \$8,979 in revenue per pupil ratio. This compares with the School District's \$9,390 expenditure per pupil. The School District received \$40 more per pupil in 2007 than it spent. Similar to most years, the School District expended more on a child's education than it received through all the sources available.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

Table 3 compare total program expenses for fiscal years 2007 and 2008.

Table 3
Total Program Expense
(in millions)

	2007	2008	Change
Program Expenses			
<i>Instruction</i>			
Regular	\$8.65	\$9.96	\$1.31
Special	0.92	1.27	0.35
Other	0.05	0.03	(0.02)
<i>Support Services:</i>			
Pupils	0.74	0.96	0.22
Instructional Staff	0.59	0.71	0.12
Board of Education	0.04	0.06	0.02
Administration	1.41	1.60	0.19
Fiscal	0.46	0.53	0.07
Business	0.07	0.13	0.06
Operation and Maintenance of Plant	1.99	1.60	(0.39)
Pupil Transportation	1.53	1.63	0.10
Central	0.33	0.47	0.14
Operation on Non-Instructional Services	0.00	0.01	0.01
Food Service	0.64	0.81	0.17
Extracurricular Activities	0.70	0.84	0.14
Interest and Fiscal Charges	2.25	1.50	(0.75)
Total Expenses	<u>20.37</u>	<u>22.11</u>	<u>\$1.74</u>
Change in Net Assets	<u>0.07</u>	<u>(1.18)</u>	
Ending Net Assets	<u>\$5.16</u>	<u>\$3.98</u>	

*Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)*

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 93.63% of the \$20.85 million in total revenue and 93.28% percent of the \$21.81 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 general fund and the emergency levy creating a year end fund balance of (\$1.00) million and \$2.27 million, respectively.

The general fund recognized a (\$0.39) million change in fund balance for the fiscal year as School District expended the majority of allowable operating expenditures from the General Fund; however, in future years it is possible a portion of those type expenditures could be paid from the Emergency Levy Fund per the spending plan. The General Fund was able to reduce the deficiency from the prior year but expenditures still exceed revenues. The General Fund, coupled with the Emergency Levy Fund, accounts for the majority of support services. With increases in fuel costs and other maintenance (5.15% increase over 2007) along with the continued state and federal mandates in special instruction (34.18% increase over 2007), the School District's general revenues of taxes and state foundation just doesn't increase at the same rate.

The debt service fund accounted for a decrease of \$0.99 million in fund balance resulting in an ending fund balance of \$1.18 million. The School District received \$1.95 million in property taxes related to the bond levy during the year.

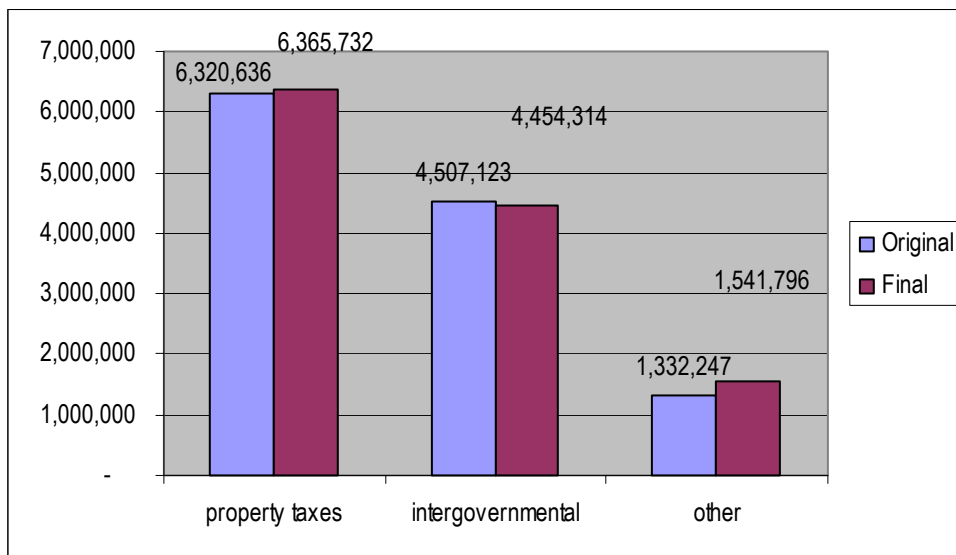
The other major fund for the School District with significant activity is the food service fund. The School District decided to classify the food service as a major fund even though it did not meet the classification requirements; however, the School District desires to report such activity in a separate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

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(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, 2008.

Graph 3
Original Budget versus Final Budget for General Fund Revenues



The School District had a total increase of 1.66 percent from original to final budgets for revenues as the School District did not budget for collection of payment in lieu of taxes; however, all other budgeted revenues were pretty much unchanged. The final revenue amount was slightly higher (\$0.14 million) as actual payment in lieu of taxes was higher than anticipated.

Table 4 examines the major changes from the original to the final general fund expenditures budget for the fiscal year ended June 30, 2008. The School District increased the final budget in accordance with the increases it received in the final revenue change also. Despite a relatively small total change, the School District did make some changes between instruction and support services as the School District knew all the costs associated with each function towards the end of the year.

Monroe Local School District
Butler County, Ohio
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For the Fiscal Year Ended June 30, 2008
(unaudited)

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

	Original	Final	Change
Instruction	\$7.69	\$7.54	(\$0.15)
Support Services	4.91	4.01	(0.90)
Other	0.30	0.25	(0.05)

For comparison of actual amounts to final budgets, School District final budget was 5.88 percent less than the actual expenditures. For operating purposes, the School District combines the general and emergency levy funds but for reporting purposes those funds are required to be separated.

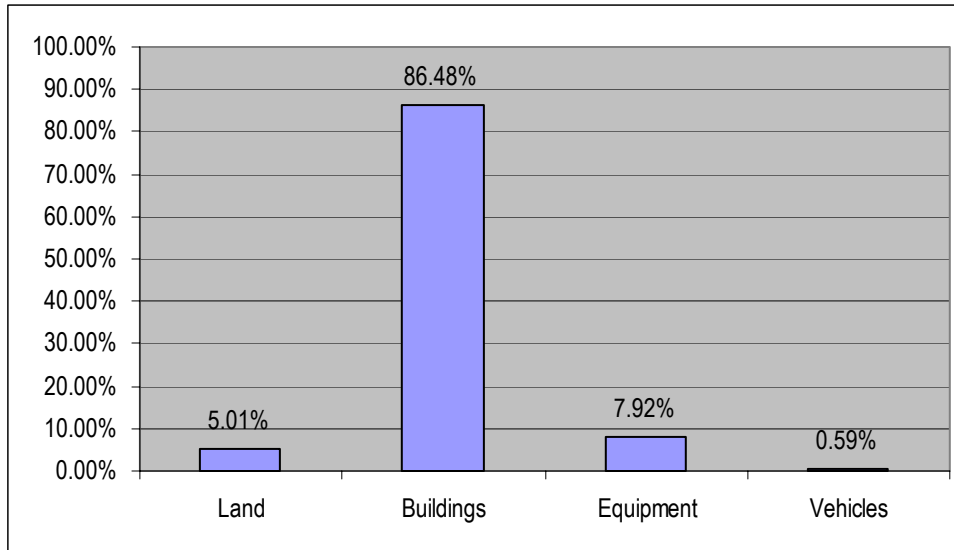
Capital Assets

At the end of the fiscal year, the School District had \$35.31 million invested in land, buildings and improvements, furniture and equipment, and vehicles less accumulated depreciation. The major movement in capital assets for the School District was related to recognizing the annual depreciation on School District's assets. The School District kept expenditures on other capital assets to a minimum during the year.

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

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

Graph 2
Percentage of Capital Assets by Class



Debt Administration

The School District retired \$0.68 million of general obligation bonds during the fiscal year. The School District retired \$0.07 million of capital lease obligations for copier and printer equipment during the year. The School District also had a long term note payable obligation at year end of \$4.36 million. The School District's overall legal debt margin was \$24,472,619.

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 2008 was 5.00%. For more information on the School District's long term debt obligations review Note 14 to the basic financial statements.

Monroe Local School District
Butler County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
(unaudited)

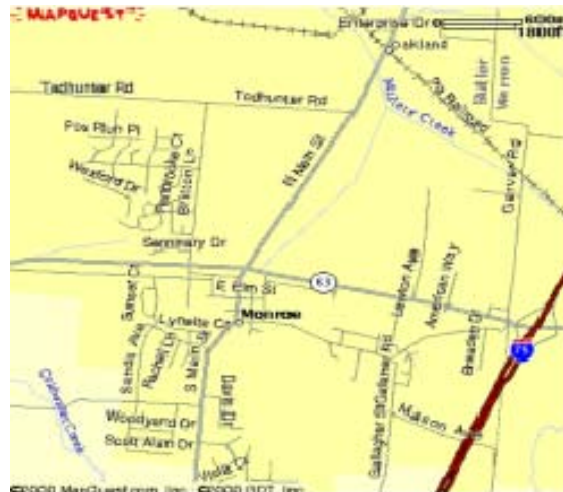
Other items impacting the financial strength of the School District

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

The School District saw net assets trend upwards during the year but with continued revenue growth and managing operating expenses they are proving the School District's financial condition has improved over the prior year.

Request for Information

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



Treasurer
Monroe Local School District

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Monroe Local School District
Butler County, Ohio
Statement of Net Assets
June 30, 2008

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 2,069,225
Receivables:	
Property and Other Taxes	11,723,354
Payment in Lieu of Taxes	45,096
Accounts	57,881
Accrued Interest	1,936
Intergovernmental	114,937
Materials and Supplies Inventory	10,121
Issuance Costs	797,538
Nondepreciable Capital Assets	2,228,759
Depreciable Capital Assets	33,086,448
Total Assets	50,135,295
 <u>Liabilities</u>	
Payables:	
Accounts	105,041
Intergovernmental	223,862
Interest	81,979
Salaries and Employee Benefits	1,338,751
Unearned Revenue	11,191,220
Noncurrent Liabilities:	
Due within one year	1,130,213
Due in more than one year	32,080,693
Total Liabilities	46,151,759
 <u>Net Assets</u>	
Invested in capital assets, net of related debt	2,809,409
Restricted for:	
Grants	32,303
Debt Service	1,179,456
Capital Improvements	132,113
State Mandates	164,552
Unrestricted	(334,297)
Total Net Assets	\$ 3,983,536

See accompanying notes to the basic financial statements

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Monroe Local School District
Butler County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2008

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction:				
Regular	\$ 9,962,807	\$ 1,108,087	\$ 152,489	\$ (8,702,231)
Special	1,273,693	-	49,942	(1,223,751)
Other	33,521	-	-	(33,521)
Support Services:				
Pupils	956,942	25,451	229,697	(701,794)
Instructional Staff	710,573	32,303	275,059	(403,211)
Board of Education	61,300	-	-	(61,300)
Administration	1,600,549	37,867	-	(1,562,682)
Fiscal	529,038	-	-	(529,038)
Business	132,802	-	-	(132,802)
Operation and Maintenance of Plant	1,599,746	17,836	-	(1,581,910)
Pupil Transportation	1,629,905	-	-	(1,629,905)
Central	468,385	-	26,041	(442,344)
Operation of Non-Instructional Services	2,370	-	-	(2,370)
Food Service	807,224	619,186	177,831	(10,207)
Extracurricular Activities	840,643	210,715	175,000	(454,928)
Interest and Fiscal Charges	1,501,000	-	-	(1,501,000)
Total Governmental Activities	\$ 22,110,498	\$ 2,051,445	\$ 1,086,059	(18,972,994)

General Revenues:	
Property Taxes	11,080,062
Payment in Lieu of Taxes	384,064
Grants and Contributions not restricted to specific programs	6,070,229
Unrestricted investment earnings	113,977
Miscellaneous	152,963
Total General Revenues	17,801,295
Changes in Net Assets	(1,171,699)
Net Assets-Beginning	5,155,235
Net Assets-Ending	\$ 3,983,536

See accompanying notes to the basic financial statements

Monroe Local School District
Butler County, Ohio
Balance Sheet - Governmental Funds
June 30, 2008

	General	Debt Service	Emergency Levy	Food Service	Building
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 37,102	\$ 1,086,365	\$ 524,723	\$ 111,507	\$ -
Receivables:					
Property and Other Taxes	5,751,144	2,061,468	3,910,742	-	-
Payments in Lieu of Taxes	45,096	-	-	-	-
Accounts	7,436	-	-	60	-
Interfund	163,764	-	1,669,484	-	-
Accrued Interest	1,936	-	-	-	-
Intergovernmental	-	-	-	-	-
Materials and Supplies Inventory	-	-	-	10,121	-
Total Assets	6,006,478	3,147,833	6,104,949	121,688	-
Liabilities and Fund Balances					
Liabilities:					
Payables:					
Accounts	91,585	-	2,112	-	-
Due to Local Governments	152,473	-	21,158	19,406	-
Salaries and Employee Benefits	1,203,774	-	79,749	11,801	-
Interfund	-	-	-	47,785	1,627,806
Matured Leave Payable	74,806	-	-	-	-
Deferred Revenue	5,488,622	1,968,377	3,734,221	-	-
Total Liabilities	7,011,260	1,968,377	3,837,240	78,992	1,627,806
Fund Balances:					
Reserved for:					
Encumbrances	105,960	-	97,650	84,500	-
Property Taxes	187,542	66,476	126,028	-	-
Capital Improvements	164,552	-	-	-	-
Unreserved, reported in:					
General (Deficit)	(1,462,836)	-	-	-	-
Debt Service	-	1,112,980	-	-	-
Special Revenue (Deficit)	-	-	2,044,031	(41,804)	-
Capital Projects (Deficit)	-	-	-	-	(1,627,806)
Total Fund Balances (Deficit)	(1,004,782)	1,179,456	2,267,709	42,696	(1,627,806)
Total Liabilities and Fund Balances	\$ 6,006,478	\$ 3,147,833	\$ 6,104,949	\$ 121,688	\$ -

See accompanying notes to the basic financial statements

Monroe Local School District
Butler County, Ohio
Balance Sheet - Governmental Funds
June 30, 2008

Other Governmental Funds	Total Governmental Funds		
\$ 309,528	\$ 2,069,225	Reconciliation of Total Governmental Fund Balances to Statement of Net Assets	
-	11,723,354	Total Governmental Fund Balances	\$ 1,088,870
-	45,096		
50,385	57,881		
40,286	1,873,534	Amounts reported for governmental activities in the statement of net assets are different because:	
-	1,936		
114,937	114,937	Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	35,315,207
-	10,121		
<u>515,136</u>	<u>15,896,084</u>	Issuance costs associated with long term debt are not financial resources and, therefore, are not reported in the funds.	797,538
		Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(33,218,079)</u>
11,344	105,041	Net Assets of Governmental Activities	<u>\$ 3,983,536</u>
30,825	223,862		
43,427	1,338,751		
197,943	1,873,534		
-	74,806		
-	11,191,220		
<u>283,539</u>	<u>14,807,214</u>		
64,897	353,007		
-	380,046		
-	164,552		
-	(1,462,836)		
-	1,112,980		
34,587	2,036,814		
132,113	(1,495,693)		
<u>231,597</u>	<u>1,088,870</u>		
<u>\$ 515,136</u>	<u>\$ 15,896,084</u>		

Monroe Local School District
Butler County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Debt Service	Emergency Levy	Food Service	Building
Revenues:					
Property and Other Taxes	\$ 5,420,886	\$ 1,953,456	\$ 3,705,720	\$ -	\$ -
Payments in Lieu of Taxes	384,064	-	-	-	-
Intergovernmental	5,250,897	249,367	569,965	177,831	-
Charges for Services	3,582	-	-	619,186	-
Tuition and Fees	1,054,661	-	-	-	-
Interest	113,977	-	-	-	-
Gifts and Donations	6,045	-	-	-	-
Rent	11,112	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Miscellaneous	5,596	-	-	-	-
Total Revenues	12,250,820	2,202,823	4,275,685	797,017	-
Expenditures:					
Current:					
Instruction:					
Regular	7,314,106	-	530,000	-	-
Special	542,723	-	678,821	-	-
Other	33,521	-	-	-	-
Support Services:					
Pupils	546,828	-	176,646	-	-
Instructional Staff	306,424	-	98,650	-	-
Board of Education	59,758	-	-	-	-
Administration	1,359,792	-	197,676	-	-
Fiscal	376,721	30,769	125,271	-	-
Business	129,205	-	-	-	-
Operation and Maintenance of Plant	1,032,803	-	511,887	-	-
Pupil Transportation	-	-	1,629,576	-	-
Central	180,284	-	253,992	-	-
Operation of Non-Instructional Services	2,240	-	-	804,883	-
Extracurricular Activities	658,688	-	-	-	-
Capital Outlay	7,741	-	390,810	-	-
Debt Service:					
Principal Retirement	77,322	792,000	-	-	-
Interest and Fiscal Charges	11,384	1,478,618	-	-	-
Total Expenditures	12,639,540	2,301,387	4,593,329	804,883	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(388,720)	(98,564)	(317,644)	(7,866)	-
Other Financing Sources (Uses):					
Transfers - In	-	-	-	-	-
Transfers - Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(388,720)	(98,564)	(317,644)	(7,866)	-
Fund Balances (Deficit) - beginning - restated	(616,062)	1,278,020	2,585,353	50,562	(1,627,806)
Fund Balances (Deficit) - ending	\$ (1,004,782)	\$ 1,179,456	\$ 2,267,709	\$ 42,696	\$ (1,627,806)

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, 2008

Other Governmental Funds	Total Governmental Funds		
\$ -	\$ 11,080,062	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	
-	384,064		
740,039	6,988,099		
17,836	640,604		
-	1,054,661		
-	113,977		
214,884	220,929		
4,565	15,677		
307,328	307,328		
43,654	49,250		
1,328,306	20,854,651	Net Change in Governmental Fund Balances	\$ (950,430)
		Amounts reported in governmental activities in the statement of activities are different because:	
277,146	8,121,252	Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,249,546)
39,993	1,261,537		
-	33,521		
257,253	980,727	Amortization of long-term debt related items, such as issuances costs, discounts, and premiums, do not require use of current financial resources and are not reported in the funds.	84,148
324,640	729,714		
-	59,758		
44,603	1,602,071	Repayment of long-term obligations is reported as an expenditure in governmental funds; however, the repayment reduces long-term liabilities in the statement of net assets. In the current year, this amount is:	869,322
-	532,761		
-	129,205		
36,387	1,581,077	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.	74,807
329	1,629,905		
29,515	463,791		
130	807,253		
229,629	888,317		
226,317	624,868	Change in net assets of governmental activities	\$ (1,171,699)
-	869,322		
-	1,490,002		
1,465,942	21,805,081		
(137,636)	(950,430)		
242,379	242,379		
(242,379)	(242,379)		
-	-		
(137,636)	(950,430)		
369,233	2,039,300		
\$ 231,597	\$ 1,088,870		

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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, 2008

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$6,320,636	\$6,365,732	\$5,676,164	(\$689,568)
Intergovernmental	4,507,123	4,454,314	5,250,897	796,583
Interest	125,000	125,000	115,880	(9,120)
Tuition and Fees	1,167,247	1,176,777	1,051,335	(125,442)
Extra Curricular Activities	25,000	25,000	0	(25,000)
Rent	0	0	8,824	8,824
Gifts and Donations	5,000	5,000	6,045	1,045
Customers Sales and Services	0	0	3,582	3,582
Payments in Lieu of Taxes	0	200,000	384,064	184,064
Miscellaneous	10,000	10,019	4,659	(5,360)
Total Revenues	12,160,006	12,361,842	12,501,450	139,608
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	7,235,150	7,010,653	7,148,008	(137,355)
Special	419,462	498,033	498,033	0
Other	36,000	33,521	33,521	0
Support Services:				
Pupils	589,307	551,012	551,012	0
Instructional Staff	244,083	309,759	309,759	0
Board of Education	59,026	59,743	59,743	0
Administration	1,194,049	1,285,209	1,385,210	(100,001)
Fiscal	456,537	380,622	380,622	0
Business	126,729	129,161	129,161	0
Operation and Maintenance of Plant	1,771,978	1,080,386	1,113,577	(33,191)
Pupil Transportation	144,453	0	0	0
Central	322,723	214,652	214,652	0
Operation of Non-				0
Instructional Services	0	2,240	2,240	0
Extracurricular Activities	269,829	242,235	642,236	(400,001)
Capital Outlay	33,641	7,741	7,741	0
Total Expenditures	12,902,967	11,804,967	12,475,515	(670,548)
Excess of Revenues over (Under) Expenditures	(742,961)	556,875	25,935	(530,940)
<u>Other Financing Sources (Uses):</u>				
Advances In	0	0	1,100,000	1,100,000
Refund of Prior Year Expenditures	0	0	249	249
Advances Out	0	(1,100,000)	(1,100,000)	0
Total Other Financing Sources (Uses)	0	(1,100,000)	249	1,100,249
Net Change in Fund Balance	(742,961)	(543,125)	26,184	569,309
Fund Balances (Deficit) at Beginning of Year	(161,090)	(161,090)	(161,090)	0
Prior Year Encumbrances Appropriated	212,161	212,161	212,161	0
Fund Balances (Deficit) at End of Year	(\$691,890)	(\$492,054)	\$77,255	\$569,309

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, 2008

	Emergency Levy Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$3,988,645	\$4,284,274	\$3,860,250	(\$424,024)
Intergovernmental	566,500	765,555	569,965	(195,590)
Total Revenues	4,555,145	5,049,829	4,430,215	(619,614)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	60,885	529,765	529,765	0
Special	617,692	680,338	680,338	0
Support Services:				
Pupils	45,267	176,646	176,646	0
Instructional Staff	128,375	84,530	84,530	0
Administration	155,000	235,336	235,337	(1)
Fiscal	112,400	129,104	129,104	0
Business	35,000			0
Operation and Maintenance of Plant	35,000	511,887	511,887	0
Pupil Transportation	2,336,566	1,646,132	1,646,132	0
Central	112,671	253,992	253,992	0
Extracurricular Activities	17,000	0	0	0
Capital Outlay	432,996	454,978	504,296	(49,318)
Total Expenditures	4,088,852	4,702,708	4,752,027	(49,319)
Excess of Revenues Over (Under) Expenditures	466,293	347,121	(321,812)	(668,933)
<u>Other Financing Sources (Uses):</u>				
Advances In	0	200,000	1,100,000	900,000
Advance Out	0	0	(1,100,000)	(1,100,000)
Transfers Out	(613,855)	0	0	0
Total Other Financing Sources (Uses)	(613,855)	200,000	0	(200,000)
Net Change in Fund Balance	(147,562)	547,121	(321,812)	(868,933)
Fund Balances at Beginning of Year	536,505	536,505	536,505	0
Prior Year Encumbrances Appropriated	147,566	147,566	147,566	0
Fund Balances at End of Year	\$536,509	\$1,231,192	\$362,259	(\$868,933)

See accompanying notes to the basic financial statements

Monroe Local School District
Butler County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual -
Food Service Fund
For the Fiscal Year Ended June 30, 2008

	Food Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$149,100	\$149,100	\$198,202	\$49,102
Charges for Services	530,900	530,900	619,125	88,225
Total Revenues	<u>680,000</u>	<u>680,000</u>	<u>817,327</u>	<u>137,327</u>
<u>Expenditures:</u>				
Current:				
Operation of Non-Instructional Services	<u>680,000</u>	<u>680,000</u>	<u>887,108</u>	<u>(207,108)</u>
Total Expenditures	<u>680,000</u>	<u>680,000</u>	<u>887,108</u>	<u>(207,108)</u>
Net Change in Fund Balance	0	0	(69,781)	(69,781)
Fund Balances at Beginning of Year	<u>96,788</u>	<u>96,788</u>	<u>96,788</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$96,788</u></u>	<u><u>\$96,788</u></u>	<u><u>\$27,007</u></u>	<u><u>(\$69,781)</u></u>

See accompanying notes to the basic financial statements

Monroe Local School District
Butler County, Ohio
Statement of Fiduciary Assets and Liabilities -
Fiduciary Fund
June 30, 2008

	<u>Student Activities Fund</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 60,889</u>
<u>Liabilities</u>	
Due to Students	<u>60,889</u>
Total Liabilities	<u>\$ 60,889</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, 2008*

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 47 non-certificated personnel, 138 teaching personnel and 10 administrative employees providing education to 2,332 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 County 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, 2008

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 changes in net assets) 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, 2008

Note 2 - Summary of Significant Accounting Policies (continued)

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

Fund Accounting

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

Governmental Funds

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

The District reports the following major governmental funds:

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

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

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

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

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

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 2 - Summary of Significant Accounting Policies (continued)

Fiduciary Fund

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

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

C. Budgetary Process

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

Tax Budget:

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

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 2 - Summary of Significant Accounting Policies (continued)

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

Estimated Resources:

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

The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2008.

Appropriations:

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

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

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

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 2 - Summary of Significant Accounting Policies (continued)

Lapsing of Appropriations:

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

D. Cash and Cash Equivalents

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

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

During fiscal year 2008 investments were limited to funds invested in federal mortgage backed agencies securities, United States treasury obligations, money market mutual funds, and the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2008.

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 2008 amounted to \$113,977 which includes \$107,570 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.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 2 - Summary of Significant Accounting Policies (continued)

F. Capital Assets

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

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

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

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

G. Compensated Absences

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

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 2 - Summary of Significant Accounting Policies (continued)

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

H. Long-Term Obligations

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

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

I. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally separated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure in the governmental fund balance sheet. Fund balances represent the difference between assets and liabilities in the Balance Sheet - Governmental Funds, while unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes and 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 represents the cumulative required set aside under State statute the District has not expended at June 30, 2008.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 2 - Summary of Significant Accounting Policies (continued)

J. Net Assets

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

K. Interfund Activity

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

L. Interfund Balances

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

M. Deferred Revenues/Unearned Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 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, 2008*

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, 2008

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 (\$33,218,079) difference are as follows:

Capital Lease Payable	(\$72,753)
Long Term Notes Payable including Discount	(4,308,646)
General Obligation Bonds Payable including Premium	(28,124,399)
Accrued Interest Payable	(81,979)
Compensated Absences	<u>(630,302)</u>
Net Adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>(\$33,218,079)</u></u>

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.” The details of \$35,315,207 difference are as follows:

Capital Assets	\$44,456,339
Accumulated Depreciation	<u>(9,141,132)</u>
Net Adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$35,315,207</u></u>

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

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 \$74,807 are as follows:

Change in Leave Balances	\$85,805
Net Interest on Bonds	25,930
Amortization of Issuance Costs	(36,928)
Net Adjustment - current financial resources focus to increase <i>fund balance</i> - <i>total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$74,807

Another element of that reconciliation states that "Capital additions are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense." The details of this (\$1,249,546) are as follows:

Current capital additions	\$214,157
Depreciation Expense	(1,463,703)
Net Adjustment - capital assets to reduce <i>fund balance - total</i> <i>governmental funds</i> to arrive at <i>net assets - governmental activities</i>	(\$1,249,546)

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).

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 3 - Budgetary Basis of Accounting (continued)

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

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

	Net Change in Fund Balance Major Funds		
	General Fund	Emergency Levy Fund	Food Service Fund
GAAP Basis	(\$388,720)	(\$317,644)	(\$7,866)
Adjustments:			
Revenue Accrual	250,879	154,530	20,311
Expenditure Accrual	283,004	(61,052)	2,275
Encumbrances	(118,979)	(97,650)	(84,500)
Budget Basis	\$26,184	(\$321,816)	(\$69,780)

Note 4 - Accountability and Compliance

A. Accountability

At June 30, 2008, the general, early entry program, summer intervention, title vi-b, title i grant, title vi grant, EHA preschool grant, reducing class size and miscellaneous federal grants special revenue funds and building capital projects fund had deficit fund balances of \$1,004,782; \$9,556; \$7,420; \$28,984; \$71,590; \$2,856; \$1,563; \$23,171; \$21; and \$1,627,806, respectively. The deficits in the special revenue funds were created through recognition of amounts owed but not yet paid by the funds (accounts payable). The School District advances monies to these funds only when required and transfers funds only to the extent that the amount issued between funds cannot be repaid.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 4 - Accountability and Compliance (continued)

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

B. Compliance

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

Major Funds:	
General Fund	\$425,245
Non Major Funds:	
District Managed Activities	44,623
Title VI-B Grant	120,096
Title I Grant	94,290
Drug Free Act Grant	3,034
EHA Preschool Grant	3,189
Improving Teacher Quality Grant	17,043

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

Major Funds:	
General	\$737,357
Emergency Levy	1,149,318
Food Services	207,108
Non Major Funds:	
Public School Support	6,520
Other Grant	1,485
Special Collections	264,414
Early Entry Programs	5,106
OneNet Ohio	1,216
Improving Teacher Quality Grant	18,346
Permanent Improvement	319,953

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 5 - Deposits and Investments

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

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

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

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

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

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

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

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 5 - Deposits and Investments (continued)

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

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

Deposits

At fiscal year-end, the carrying value of the School District's deposits was \$42,225 and the bank balance was \$407,094. \$200,000 of the School District's deposits was insured by federal depository insurance. Based on criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, \$207,094 of the School District's bank balance of \$407,094 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 5 - Deposits and Investments (continued)

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, 2008, the School District had the following investments.

	<u>Carrying and Fair Value</u>	<u>Average Maturity</u>
Federal Home Loan Bank Bonds	\$303,093	0.65 year
Federal Home Loan Mortgage Corporation Bonds	50,881	1.87 year
United States Treasury Note	50,672	1.04 year
Money Market Mutual Funds	17,491	< 1 year
STAR Ohio	1,665,752	< 1 year
Total Investments	<u>\$2,087,889</u>	

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

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

<u>Security</u>	<u>Rating Agency</u>	
	<u>Moody's</u>	<u>Standard & Poor's</u>
STAR Ohio	N/A	AAAm
United States Treasury Note	N/A	N/A
Federal Home Loan Bank Bonds	Aaa	AAA
Federal Home Loan Mortgage Corporation Bonds	Aaa	AAA

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 5 - Deposits and Investments (continued)

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

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 79.78% of the School District's investments with Federal Home Loan Bank Bonds representing 14.52% 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 2008 for real and public utility property taxes represents collections of calendar 2008 taxes. Property tax payments received during calendar 2008 for tangible personal property (other than public utility property) is for calendar 2008 taxes.

2008 real property taxes are levied after April 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2008 public utility property taxes became a lien December 31, 2008, are levied after April 1, 2008 and are collected in 2008 with real property taxes.

2008 tangible personal property taxes are levied after April 1, 2008, on the value as of December 31, 2008. Collections are made in 2008. Tangible personal property assessments are twenty-five percent of true value.

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

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 6 - Property Taxes (continued)

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 2008 taxes were collected are as follows:

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$260,040,970	82.55%	\$267,884,360	86.91%
Public Utility	17,085,920	5.42	17,463,260	5.67
Tangible Personal Property	37,863,915	12.03	22,885,766	7.42
Total Assessed Value	\$314,990,805	100.00%	\$308,233,386	100.00%
Tax rate per \$1,000 of assessed valuation	46.80		46.21	

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, 2008. 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, 2008, was \$187,542 in the general fund, \$66,476 in the debt service fund and \$126,028 in the emergency levy fund.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 7 - Receivables

Receivables at June 30, 2008, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for nonpayment of taxes, the stable conditions of State programs, and the current year guarantee of federal funds. All amounts recorded as a receivable are reasonably expected to be received within one year and any amounts beyond one year are immaterial.

The title vi-b, title i, title vi, drug free act, reducing class size and miscellaneous federal grants nonmajor special revenue funds had intergovernmental receivables of \$74,276; \$16,277; \$1,340; \$6,914; \$16,010; and \$120; respectively.

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance 7/01/07	Increases	Decreases	Balance 6/30/08
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$2,228,759	\$0	\$0	\$2,228,759
Capital Assets, being depreciated				
Buildings and Improvements	38,447,439	0	0	38,447,439
Furniture and Equipment	3,305,636	214,157	0	3,519,793
Vehicles	260,348	0	0	260,348
Total at Historical Cost	44,242,182	214,157	0	44,456,339
Accumulated Depreciation				
Buildings and Improvements	(4,789,466)	(1,042,192)	0	(5,831,658)
Furniture and Equipment	(2,665,490)	(418,080)	0	(3,083,570)
Vehicles	(222,473)	(3,431)	0	(225,904)
Total Accumulated Depreciation	(7,677,429)	(1,463,703)	0	(9,141,132)
Governmental Activities				
Capital Assets, Net	\$36,564,753	(\$1,249,546)	\$0	\$35,315,207

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 8 - Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,286,041
Special	4,311
Support Services:	
Pupils	780
Instructional Staff	5,837
Board of Education	1,542
Administration	72,802
Fiscal	2,074
Operation and Maintenance of Plant	23,025
Central	46,564
Food Services	2,587
Extracurricular Activities	18,140
Total Depreciation Expense	\$1,463,703

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 2008, 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)	\$46,478,985
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, 2008*

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 2008, 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, 2008***

Note 10 – Defined Benefit Pension Plans

A. School Employee Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$162,766, \$157,427 and \$180,561 respectively; 57.37 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

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

***Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008***

Note 10 – Defined Benefit Pension Plans (continued)

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

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

Funding Policy - For the fiscal year ended June 30, 2008, 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 2007, 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, 2008, 2007, and 2006 were \$1,027,655, \$828,011, and \$945,647 respectively; 92.19 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$32,508 made by the School District and \$44,786 made by the plan members.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 11 – Postemployment Benefits

A. School Employee Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$53,178.

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

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$74,275, \$48,938, and \$58,366 respectively; 57.37 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal year ended June 30, 2008 (first year required disclosure) was \$11,728, 57.37 percent has been contributed for fiscal year 2008.

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

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 2008, 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, 2008, 2007, and 2006 were \$79,050, \$63,693, and \$72,742 respectively; 92.19 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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, 2008

Note 12 - Other Employee Benefits (continued)

B. Health, Dental and Life Insurance

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

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

Note 13 - Capital Leases

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

Capital assets consisting of copiers have been capitalized on the statement of net assets in the amount of \$487,385 book value. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was also recorded. Principal payments in fiscal year 2008 totaled \$77,322 in the general fund.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Furniture and Equipment	\$487,385
Less: Accumulated Depreciation	(358,314)
Total	\$129,071

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 13 - Capital Leases (continued)

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

Fiscal Year Ending June 30, 2009	Governmental Activities		
	Principal	Interest	Total
	\$72,753	\$3,296	\$76,049

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 7/01/07	Additions	Reductions	Obligation Outstanding 6/30/08	Amounts Due in One Year
Governmental Activities					
Compensated Absences	\$716,107	\$600,158	\$611,157	\$705,108	\$112,460
Long Term Notes	4,473,000	0	112,000	4,361,000	115,000
Note Discount/Premium	(55,438)	0	(3,084)	(52,354)	0
General Obligation Bonds	7,600,229	0	680,000	6,920,229	830,000
Bond Premium	493,305	0	21,761	471,544	0
Refunded General					
Obligation Bonds	19,325,000	0	0	19,325,000	0
Bond Premium	1,473,097	0	65,471	1,407,626	0
Capital Leases Payable	150,075	0	77,322	72,753	72,753
Total Governmental	\$34,175,375	\$600,158	\$1,564,627	\$33,210,906	\$1,130,213

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%.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 14 - Long-Term Liabilities (continued)

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

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

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

At June 30, 2008, the School District’s overall legal debt margin was \$24,472,619, an energy conservation debt margin of \$2,774,100 and an unvoted debt margin of \$308,233.

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2009	\$830,000	\$1,253,767	\$2,083,767
2010	900,000	1,219,789	2,119,789
2011	325,000	1,195,045	1,520,045
2012	435,000	1,179,058	1,614,058
2013	505,000	1,158,957	1,663,957
2014-2018	3,470,000	5,660,346	9,130,346
2019-2023	3,895,229	4,683,131	8,579,360
2024-2028	10,345,000	2,526,238	12,871,238
2029-2030	5,540,000	252,000	5,792,000
Totals	\$26,245,229	\$19,128,331	\$45,373,560

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 14 - Long-Term Liabilities (continued)

Fiscal Year Ending June 30,	Long Term Notes		
	Principal	Interest	Total
2009	\$115,000	\$189,019	\$304,019
2010	120,000	183,948	303,948
2011	126,000	178,618	304,618
2012	132,000	147,990	279,990
2013	138,000	118,528	256,528
2014-2018	801,000	541,756	1,342,756
2019-2023	1,017,000	426,747	1,443,747
2024-2028	876,000	285,671	1,161,671
2029-2033	801,000	136,793	937,793
2034	235,000	4,190	239,190
Totals	\$4,361,000	\$2,213,260	\$6,574,260

Note 15 - Interfund Balances

Interfund balances at June 30, 2008, 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
Major Funds:		
General Fund	\$163,764	\$0
Emergency Levy	1,669,484	0
Food Service	0	47,785
Building	0	1,627,806
Nonmajor Funds	40,286	197,943
Total All Funds	\$1,873,534	\$1,873,534

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

Note 15 - Interfund Balances (continued)

During the year the Emergency Levy fund advanced the General Fund, Food Service, Other Grants, District Managed Activities, Educational Management Information Systems, Early Entry Programs Grant, Summer Intervention Grant, Miscellaneous State Grants, Title VI-B Grant, Title I Grant, Title VI Grant, Drug Free Act, EHA Preschool Grant, Reducing Class Size, and Miscellaneous Federal Grant special revenue funds monies for expenditures related to the program. The advance to the building capital projects fund was for additional expenditures related to the construction of the fieldhouse. These advances will be repaid within one year or less after the revenues for the next program year are received.

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 2008 fiscal year, the School District paid \$54,716 to SWOCA for services. The District has neither ongoing financial interest in nor responsibility for the Association. To obtain financial information, write to SWOCA, at 3607 Hamilton-Middletown Road, Hamilton, Ohio 45011.

B. Butler Technology and Career Development Schools

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

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

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 County Health Plan

The School District participates in the Butler County Health Plan (BCHP), an insurance purchasing pool. The BCHP 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 BCHP at 6025 Dixie Highway, Suite 250, Fairfield, Ohio 45014.

Note 18 - Set-aside calculations and fund reserves

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

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

	Textbooks	Capital Acquisition
Set-aside Cash Balance as of June 30, 2007	(\$776,708)	\$137,047
Current Year Set-aside Requirement	304,120	304,120
Qualifying Disbursements	(205,977)	(276,615)
Total	<u>(678,565)</u>	<u>164,552</u>
Set-Aside Offset Carried Forward to FY 2008	<u>(\$678,565)</u>	<u>\$164,552</u>

*Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008*

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

Although the School District had qualifying disbursements during the year that reduced the textbook set-aside amounts to below zero, only the amount for the textbooks set-aside may be used to reduce the set-aside requirement of future years. The capital acquisition amount is presented as being carried forward to the next fiscal year but isn't restricted as the general fund does not have the available cash balance to restrict the cash requirement.

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, 2008.

B. Litigation

As of June 30, 2008, there were no pending cases.

Note 20 – Change in Accounting Principle and Restatement of Fund Balance

For 2008, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting for Financial Reporting by Employers for Postemployment Benefits other than Pensions" and Governmental Accounting Standards Board (GASB) Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues".

GASB Statement No. 45 addresses how state and local governments should account for and disclose their costs and obligations related to postemployment healthcare and other non-pension benefits.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing).

The implementation of these statements did not result in any change to the financial statements.

Monroe Local School District
Butler County, Ohio
Notes to the Basic Financial Statements
For the Year Ended June 30, 2008

Note 20 – Change in Accounting Principle and Restatement of Fund Balance (continued)

During fiscal year 2007, the School District retired a tax anticipation note in the amount of \$1,190,000 but reported the payment as a reduction of general obligation bonds. Thus, a note liability did not exist at June 30, 2007 and the bond liability was understated. This had no impact on the government-wide financial statements but caused the General Fund to understate fund balance by \$1,190,000. A prior period adjustment was recorded to correct as follows:

	<u>General Fund</u>
Net Assets - June 30, 2007	(\$1,806,062)
Removal of Note Payable	<u>1,190,000</u>
Net Assets - June 30, 2007 as restated	<u><u>(\$616,062)</u></u>

The School District presents individual fund schedules for budgetary reporting in the Combining Statements and Individual Fund Schedules. Due to reporting errors, various funds reported incorrect ending balances as of June 30, 2007. These schedules have been corrected to restate the beginning fund balances.

Monroe Local School District

Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

Special Trust – A fund used to account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, other governmental and/or other funds.

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

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

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

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

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

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

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

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

Monroe Local School District

Fund Descriptions

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

Monroe Local School District

Fund Descriptions

Nonmajor Special Revenue Funds (continued)

E-Rate Grant – This fund accounts for monies refunded from telecommunications vendors. This money will be used to pay future telecommunications bills or will be transferred to the general fund.

Reducing Class Size 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, 2008

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 227,415	\$ 82,113	\$ 309,528
Receivables:			
Accounts	385	50,000	50,385
Interfund	40,286	-	40,286
Intergovernmental	114,937	-	114,937
	<u>383,023</u>	<u>132,113</u>	<u>515,136</u>
Total Assets	<u>383,023</u>	<u>132,113</u>	<u>515,136</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Payables:			
Accounts	11,344	-	11,344
Due to Local Governments	30,825	-	30,825
Salaries and Employee Benefits	43,427	-	43,427
Interfund	197,943	-	197,943
	<u>283,539</u>	<u>-</u>	<u>283,539</u>
Total Liabilities	<u>283,539</u>	<u>-</u>	<u>283,539</u>
<u>Fund Balances:</u>			
Reserved for:			
Encumbrances	64,897	-	64,897
Unreserved, reported in:			
Special Revenue	34,587	-	34,587
Capital Projects	-	132,113	132,113
	<u>99,484</u>	<u>132,113</u>	<u>231,597</u>
Total Fund Balances	<u>99,484</u>	<u>132,113</u>	<u>231,597</u>
Total Liabilities and Fund Balances	<u>\$ 383,023</u>	<u>\$ 132,113</u>	<u>\$ 515,136</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, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental	\$ 740,039	\$ -	\$ 740,039
Charges for Services	17,836	-	17,836
Rent	-	4,565	4,565
Gifts and Donations	39,884	175,000	214,884
Extracurricular Activities	307,328	-	307,328
Miscellaneous	13,654	30,000	43,654
Total Revenues	1,118,741	209,565	1,328,306
Expenditures:			
Current:			
Instruction:			
Regular	203,454	73,692	277,146
Special	39,993	-	39,993
Support Services:			
Pupils	257,253	-	257,253
Instructional Staff	324,640	-	324,640
Administration	44,603	-	44,603
Operation and Maintenance of Plant	36,387	-	36,387
Pupil Transportation	329	-	329
Central	13,571	15,944	29,515
Operation of Non-Instructional Services	130	-	130
Extracurricular Activities	212,629	17,000	229,629
Capital Outlay	-	226,317	226,317
Total Expenditures	1,132,989	332,953	1,465,942
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,248)	(123,388)	(137,636)
Other Financing Sources (Uses)			
Transfers - In	-	242,379	242,379
Transfers - Out	(242,379)	-	(242,379)
Total Other Financing Sources (Uses)	(242,379)	242,379	-
Net Change in Fund Balances	(256,627)	118,991	(137,636)
Fund Balances - beginning	356,111	13,122	369,233
Fund Balances - ending	\$ 99,484	\$ 132,113	\$ 231,597

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2008

	Special Trust	Public School Support	Other Grant	Special Collections	District Managed Activities
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 8,509	\$ 68,561	\$ 64,704	\$ -	\$ 53,181
Receivables:					
Accounts	-	385	-	-	-
Interfund	-	-	-	40,286	-
Intergovernmental	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>8,509</u>	<u>68,946</u>	<u>64,704</u>	<u>40,286</u>	<u>53,181</u>
Liabilities and Fund Balances					
Liabilities:					
Payables:					
Accounts	-	43	3,520	-	4,977
Due to Local Governments	-	-	-	-	6,369
Salaries and Employee Benefits	-	-	-	-	-
Interfund	-	-	311	-	8,064
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>-</u>	<u>43</u>	<u>3,831</u>	<u>-</u>	<u>19,410</u>
Fund Balances:					
Reserved for:					
Encumbrances	-	1,848	3,368	-	12,456
Unreserved, reported in:					
Special Revenue (Deficit)	<u>8,509</u>	<u>67,055</u>	<u>57,505</u>	<u>40,286</u>	<u>21,315</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances (Deficit)	<u>8,509</u>	<u>68,903</u>	<u>60,873</u>	<u>40,286</u>	<u>33,771</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 8,509</u>	<u>\$ 68,946</u>	<u>\$ 64,704</u>	<u>\$ 40,286</u>	<u>\$ 53,181</u>

**Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2008**

Educational Management Information Systems	Early Entry Programs	OneNet Ohio	School Net Professional Development	Summer Intervention	Miscellaneous State Grants
\$ 7,267	\$ -	\$ 1,784	\$ 370	\$ -	\$ 19,465
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,267</u>	<u>-</u>	<u>1,784</u>	<u>370</u>	<u>-</u>	<u>19,465</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,687	9,556	-	-	7,420	630
<u>4,687</u>	<u>9,556</u>	<u>-</u>	<u>-</u>	<u>7,420</u>	<u>630</u>
-	-	-	-	-	-
2,580	(9,556)	1,784	370	(7,420)	18,835
<u>2,580</u>	<u>(9,556)</u>	<u>1,784</u>	<u>370</u>	<u>(7,420)</u>	<u>18,835</u>
<u>\$ 7,267</u>	<u>\$ -</u>	<u>\$ 1,784</u>	<u>\$ 370</u>	<u>\$ -</u>	<u>\$ 19,465</u>

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2008
(continued)

	Title VI-B Grant	Title I Grant	Title VI Grant	Drug-Free Grant
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ -	\$ 524	\$ 1,734
Receivables:				
Accounts	-	-	-	-
Interfund	-	-	-	-
Intergovernmental	74,276	16,277	1,340	6,914
Total Assets	<u>74,276</u>	<u>16,277</u>	<u>1,864</u>	<u>8,648</u>
Liabilities and Fund Balances				
Liabilities:				
Payables:				
Accounts	-	1,433	-	-
Due to Local Governments	23,660	774	-	-
Salaries and Employee Benefits	35,493	7,934	-	-
Interfund	44,107	77,726	4,720	1,094
Total Liabilities	<u>103,260</u>	<u>87,867</u>	<u>4,720</u>	<u>1,094</u>
Fund Balances:				
Reserved for:				
Encumbrances	24,871	6,085	82	7,517
Unreserved, reported in:				
Special Revenue (Deficit)	<u>(53,855)</u>	<u>(77,675)</u>	<u>(2,938)</u>	<u>37</u>
Total Fund Balances (Deficit)	<u>(28,984)</u>	<u>(71,590)</u>	<u>(2,856)</u>	<u>7,554</u>
Total Liabilities and Fund Balances	<u>\$ 74,276</u>	<u>\$ 16,277</u>	<u>\$ 1,864</u>	<u>\$ 8,648</u>

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2008

EHA Preschool Grant	E-Rate Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ 1,180	\$ -	\$ 136	\$ 227,415
-	-	-	-	385
-	-	-	-	40,286
-	-	16,010	120	114,937
<u>-</u>	<u>1,180</u>	<u>16,010</u>	<u>256</u>	<u>383,023</u>
-	-	1,371	-	11,344
-	-	22	-	30,825
-	-	-	-	43,427
1,563	-	37,788	277	197,943
<u>1,563</u>	<u>-</u>	<u>39,181</u>	<u>277</u>	<u>283,539</u>
-	-	8,670	-	64,897
(1,563)	1,180	(31,841)	(21)	34,587
(1,563)	1,180	(23,171)	(21)	99,484
<u>\$ -</u>	<u>\$ 1,180</u>	<u>\$ 16,010</u>	<u>\$ 256</u>	<u>\$ 383,023</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, 2008

	Special Trust	Public School Support	Other Grant	Special Collections	District Managed Activities
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 38,739	\$ -	\$ -
Charges for Services	-	-	-	17,836	-
Gifts and Donations	8,700	130	31,054	-	-
Extracurricular Activities	-	97,888	225	-	209,215
Miscellaneous	1,010	10,289	855	-	1,500
Total Revenues	9,710	108,307	70,873	17,836	210,715
Expenditures:					
Current:					
Instruction:					
Regular	8,775	39,344	14,964	-	-
Special	-	-	7,524	-	-
Support Services:					
Pupils	1,641	24,361	25,225	-	-
Instructional Staff	-	30,447	8,887	-	-
Administration	-	-	3,183	-	-
Operation and Maintenance of Plant	-	-	3,984	32,403	-
Pupil Transportation	-	329	-	-	-
Central	-	-	-	-	-
Operation of Non-Instructional Services	-	130	-	-	-
Extracurricular Activities	200	43	-	-	212,386
Total Expenditures	10,616	94,654	63,767	32,403	212,386
Excess (deficiency) of Revenues Over (Under) Expenditures	(906)	13,653	7,106	(14,567)	(1,671)
Other Financing Uses					
Transfers - Out	-	-	-	(242,379)	-
Total Other Financing Uses	-	-	-	(242,379)	-
Net Change in Fund Balances	(906)	13,653	7,106	(256,946)	(1,671)
Fund Balances (Deficit) - beginning	9,415	55,250	53,767	297,232	35,442
Fund Balances (Deficit) - ending	\$ 8,509	\$ 68,903	\$ 60,873	\$ 40,286	\$ 33,771

**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, 2008**

Educational Management Information Systems	Early Entry Program	OneNet Ohio	School Net Professional Development	Summer Intervention	Miscellaneous State Grants
\$ 7,267	\$ 12,800	\$ 12,000	\$ -	\$ -	\$ 19,570
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,267</u>	<u>12,800</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>19,570</u>
-	-	-	-	-	-
-	-	-	-	-	2,051
-	18,706	-	-	-	250
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,918	-	-	1,125
-	-	-	-	-	-
<u>-</u>	<u>18,706</u>	<u>11,918</u>	<u>-</u>	<u>-</u>	<u>3,426</u>
7,267	(5,906)	82	-	-	16,144
-	-	-	-	-	-
-	-	-	-	-	-
7,267	(5,906)	82	-	-	16,144
(4,687)	(3,650)	1,702	370	(7,420)	2,691
<u>\$ 2,580</u>	<u>\$ (9,556)</u>	<u>\$ 1,784</u>	<u>\$ 370</u>	<u>\$ (7,420)</u>	<u>\$ 18,835</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, 2008
(continued)

	Title VI-B Grant	Title I Grant	Title VI Grant	Drug-Free Grant	EHA Preschool Grant
Revenues:					
Intergovernmental	\$ 473,332	\$ 101,089	\$ 5,006	\$ 8,969	\$ 5,714
Charges for Services	-	-	-	-	-
Gifts and Donations	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	473,332	101,089	5,006	8,969	5,714
Expenditures:					
Current:					
Instruction:					
Regular	725	64,421	3,395	358	-
Special	25,992	-	-	-	4,426
Support Services:					
Pupils	204,200	-	-	-	1,826
Instructional Staff	235,705	29,015	-	-	-
Administration	38,222	3,198	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-
Pupil Transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of Non-Instructional Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Total Expenditures	504,844	96,634	3,395	358	6,252
Excess (deficiency) of Revenues Over (Under) Expenditures	(31,512)	4,455	1,611	8,611	(538)
Other Financing Uses					
Transfers - Out	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-
Net Change in Fund Balances	(31,512)	4,455	1,611	8,611	(538)
Fund Balances (Deficit) - beginning	2,528	(76,045)	(4,467)	(1,057)	(1,025)
Fund Balances (Deficit) - ending	<u>\$ (28,984)</u>	<u>\$ (71,590)</u>	<u>\$ (2,856)</u>	<u>\$ 7,554</u>	<u>\$ (1,563)</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, 2008

E-Rate Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ 55,433	\$ 120	\$ 740,039
-	-	-	17,836
-	-	-	39,884
-	-	-	307,328
-	-	-	13,654
-	55,433	120	1,118,741
-	71,472	-	203,454
-	-	-	39,993
-	-	-	257,253
-	1,630	-	324,640
-	-	-	44,603
-	-	-	36,387
-	-	-	329
-	528	-	13,571
-	-	-	130
-	-	-	212,629
-	73,630	-	1,132,989
-	(18,197)	120	(14,248)
-	-	-	(242,379)
-	-	-	(242,379)
-	(18,197)	120	(256,627)
1,180	(4,974)	(141)	356,111
<u>\$ 1,180</u>	<u>\$ (23,171)</u>	<u>\$ (21)</u>	<u>\$ 99,484</u>

Monroe Local School District
Butler County, Ohio
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2008

	Permanent Improvement	Total Nonmajor Capital Projects Funds
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$ 82,113	\$ 82,113
Receivables:		
Accounts	50,000	50,000
Total Assets	132,113	132,113
<u>Liabilities and Fund Balances</u>		
<u>Liabilities:</u>		
Total Liabilities	-	-
<u>Fund Balances:</u>		
Unreserved, reported in:		
Capital Projects	132,113	132,113
Total Fund Balances	132,113	132,113
Total Liabilities and Fund Balances	\$ 132,113	\$ 132,113

Monroe Local School District
Butler County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2008

	Permanent Improvement	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>		
Rent	\$ 4,565	\$ 4,565
Gifts and Donations	175,000	175,000
Miscellaneous	30,000	30,000
	209,565	209,565
<u>Expenditures:</u>		
Instruction:		
Regular	73,692	73,692
Support Services:		
Central	15,944	15,944
Extracurricular Activities	17,000	17,000
Capital Outlay	226,317	226,317
	332,953	332,953
Deficiency of Revenues Under Expenditures	(123,388)	(123,388)
<u>Other Financing Sources:</u>		
Transfers - In	242,379	242,379
	242,379	242,379
Net Change in Fund Balances	118,991	118,991
Fund Balances - beginning	13,122	13,122
Fund Balances - ending	\$ 132,113	\$ 132,113

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, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$2,002,360	\$2,002,360	\$2,034,852	\$32,492
Intergovernmental	398,500	398,500	249,367	(149,133)
Total Revenues	<u>2,400,860</u>	<u>2,400,860</u>	<u>2,284,219</u>	<u>(116,641)</u>
<u>Expenditures:</u>				
Current:				
Support Services:				
Fiscal	40,000	30,769	30,769	0
Debt Service:				
Principal Retirement	1,059,646	792,000	792,000	0
Interest and Fiscal Charges	1,301,214	1,578,091	1,478,618	99,473
Total Expenditures	<u>2,400,860</u>	<u>2,400,860</u>	<u>2,301,387</u>	<u>99,473</u>
Net Change in Fund Balance	0	0	(17,168)	(17,168)
Fund Balances at Beginning of Year - restated	<u>1,103,436</u>	<u>1,103,436</u>	<u>1,103,436</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$1,103,436</u></u>	<u><u>\$1,103,436</u></u>	<u><u>\$1,086,268</u></u>	<u><u>(\$17,168)</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, 2008

	Special Trust			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Gifts and Donations	\$6,000	\$6,000	\$8,700	\$2,700
Miscellaneous	1,000	1,000	1,010	10
Total Revenues	7,000	7,000	9,710	2,710
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	6,500	6,500	8,775	(2,275)
Support Services:				
Pupils	2,286	2,286	1,640	646
Extracurricular Activities	200	200	200	0
Total Expenditures	8,986	8,986	10,615	(1,629)
Net Change in Fund Balance	(1,986)	(1,986)	(905)	1,081
Fund Balances at Beginning of Year	8,928	8,928	8,928	0
Prior Year Encumbrances Appropriated	486	486	486	0
Fund Balances at End of Year	\$7,428	\$7,428	\$8,509	\$1,081

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, 2008

	Public School Support			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$67,000	\$84,471	\$97,888	\$13,417
Gifts and Donations	0	0	130	130
Miscellaneous	10,000	10,000	10,363	363
Total Revenues	<u>77,000</u>	<u>94,471</u>	<u>108,381</u>	<u>13,910</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	19,000	41,161	47,681	(6,520)
Support Services:				
Pupils	17,549	26,070	26,070	0
Instructional Staff	39,000	30,447	30,447	0
Pupil Transportation	0	568	568	0
Operation of Non- Instructional Services	<u>0</u>	<u>130</u>	<u>130</u>	<u>0</u>
Total Expenditures	<u>75,549</u>	<u>98,376</u>	<u>104,896</u>	<u>(6,520)</u>
Net Change in Fund Balance	1,451	(3,905)	3,485	7,390
Fund Balances at Beginning of Year - restated	62,636	62,636	62,636	0
Prior Year Encumbrances Appropriated	<u>549</u>	<u>549</u>	<u>549</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$64,636</u></u>	<u><u>\$59,280</u></u>	<u><u>\$66,670</u></u>	<u><u>\$7,390</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, 2008

	Other Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$20,000	\$30,505	\$38,739	\$8,234
Extracurricular Activities	0	0	225	225
Gifts and Donations	25,000	25,000	36,054	11,054
Miscellaneous	0	2,000	855	(1,145)
Total Revenues	<u>45,000</u>	<u>57,505</u>	<u>75,873</u>	<u>18,368</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	4,000	15,776	15,775	1
Special	10,132	7,534	7,534	0
Support Services:				
Pupils	5,000	25,225	25,225	0
Instructional Staff	22,972	9,698	11,184	(1,486)
Administration	1,000	3,183	3,183	0
Operation and Maintenance of Plant	6,000	4,234	4,234	0
Total Expenditures	<u>49,104</u>	<u>65,650</u>	<u>67,135</u>	<u>(1,485)</u>
Net Change in Fund Balance	(4,104)	(8,145)	8,738	(16,883)
Fund Balances at Beginning of Year - restated	40,259	40,259	40,259	0
Prior Year Encumbrances Appropriated	<u>8,819</u>	<u>8,819</u>	<u>8,819</u>	<u>0</u>
Fund Balances at End of Year	<u>\$44,974</u>	<u>\$40,933</u>	<u>\$57,816</u>	<u>(\$16,883)</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, 2008

	Special Collections			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$10,000	\$45,000	\$35,336	(\$9,664)
Total Revenues	10,000	45,000	35,336	(9,664)
<u>Expenditures:</u>				
Current:				
Support Services:				
Operation and Maintenance of Plant	10,401	10,401	32,435	(22,034)
Total Expenditures	10,401	10,401	32,435	(22,034)
Excess of Revenues (Under) Expenditures	(401)	34,599	2,901	(31,698)
<u>Other Financing Uses:</u>				
Transfers Out	0	0	(242,379)	(242,379)
Total Other Financing Uses	0	0	(242,379)	(242,379)
Net Change in Fund Balance	(401)	34,599	(239,478)	(274,077)
Fund Balances at Beginning of Year	239,077	239,077	239,077	0
Prior Year Appropriated	401	401	401	0
Fund Balances at End of Year	<u>\$239,077</u>	<u>\$274,077</u>	<u>\$0</u>	<u>(\$274,077)</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, 2008

	District Managed Activities			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$154,500	\$167,428	\$209,270	\$41,842
Gifts and Donations	1,500	1,500	0	(1,500)
Miscellaneous	4,000	4,000	1,500	(2,500)
Total Revenues	<u>160,000</u>	<u>172,928</u>	<u>210,770</u>	<u>37,842</u>
<u>Expenditures:</u>				
Current:				
Extracurricular Activities	<u>239,447</u>	<u>264,447</u>	<u>219,957</u>	<u>44,490</u>
Total Expenditures	<u>239,447</u>	<u>264,447</u>	<u>219,957</u>	<u>44,490</u>
Net Change in Fund Balance	(79,447)	(91,519)	(9,187)	82,332
Fund Balances at Beginning of Year - restated	24,684	24,684	24,684	0
Prior Year Encumbrances Appropriated	<u>22,212</u>	<u>22,212</u>	<u>22,212</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u><u>(\$32,551)</u></u>	<u><u>(\$44,623)</u></u>	<u><u>\$37,709</u></u>	<u><u>\$82,332</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, 2008

	Educational Management Information Systems			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$6,000	\$6,000	\$7,267	\$1,267
Total Revenues	6,000	6,000	7,267	1,267
<u>Expenditures:</u>				
Current:				
Support Services:				
Central	6,000	6,000	0	6,000
Total Expenditures	6,000	6,000	0	6,000
Net Change in Fund Balance	0	0	7,267	7,267
Fund Balances at Beginning of Year - restated	0	0	0	0
Fund Balances at End of Year	\$0	\$0	\$7,267	\$7,267

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, 2008

	Early Entry Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$13,600	\$12,800	(\$800)
Total Revenues	\$0	\$13,600	\$12,800	(\$800)
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff	0	13,600	18,706	(5,106)
Total Expenditures	0	13,600	18,706	(5,106)
Net Change in Fund Balance	0	0	(5,906)	(5,906)
Fund Balances at Beginning of Year	77	77	77	0
Fund Balances (Deficit) at End of Year	<u>\$77</u>	<u>\$77</u>	<u>(\$5,829)</u>	<u>(\$5,906)</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, 2008

	OneNet Ohio			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$9,000	\$12,000	\$12,000	\$0
Total Revenues	9,000	12,000	12,000	0
<u>Expenditures:</u>				
Support Services:				
Central	10,702	10,702	11,918	(1,216)
Total Expenditures	10,702	10,702	11,918	(1,216)
Net Change in Fund Balance - restated	(1,702)	1,298	82	(1,216)
Prior Year Encumbrances Appropriated	1,702	1,702	1,702	0
Fund Balances at End of Year	<u>\$0</u>	<u>\$3,000</u>	<u>\$1,784</u>	<u>(\$1,216)</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, 2008

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

Monroe Local School District
Butler County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008

	Miscellaneous State Grants			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$25,000	\$27,970	\$19,570	(\$8,400)
Total Revenues	25,000	27,970	19,570	(8,400)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	25,000	24,763	0	24,763
Special	0	2,051	2,051	0
Support Services:				
Instructional Staff	26,231	26,262	26,262	0
Central	0	1,125	1,125	0
Total Expenditures	51,231	54,201	29,438	24,763
Net Change in Fund Balance	(26,231)	(26,231)	(9,868)	16,363
Fund Balances at Beginning of Year	3,102	3,102	3,102	0
Prior Year Encumbrances Appropriated	26,231	26,231	26,231	0
Fund Balances at End of Year	<u>\$3,102</u>	<u>\$3,102</u>	<u>\$19,465</u>	<u>\$16,363</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, 2008

	Title VI-B Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$395,365	\$395,365	\$399,056	\$3,691
Total Revenues	395,365	395,365	399,056	3,691
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	1,838	725	725	0
Special	32,735	28,677	28,677	0
Support Services:				
Pupils	0	259,592	212,165	47,427
Instructional Staff	429,234	231,449	231,449	0
Administration	5,488	43,249	43,249	0
Total Expenditures	469,295	563,692	516,265	47,427
Net Change in Fund Balance	(73,930)	(168,327)	(117,209)	51,118
Fund Balances (Deficit) at Beginning of Year - restated	(25,699)	(25,699)	(25,699)	0
Prior Year Encumbrances Appropriated	73,930	73,930	73,930	0
Fund Balances (Deficit) at End of Year	<u>(\$25,699)</u>	<u>(\$120,096)</u>	<u>(\$68,978)</u>	<u>\$51,118</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, 2008

	Vocational Education Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$10,000	\$10,000	\$0	(\$10,000)
Total Revenues	10,000	10,000	0	(10,000)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	10,000	10,000	0	10,000
Total Expenditures	10,000	10,000	0	10,000
Net Change in Fund Balance	0	0	0	0
Fund Balances at Beginning of Year - restated	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, 2008

	Title I Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$53,538	\$57,710	\$84,812	\$27,102
Total Revenues	<u>53,538</u>	<u>57,710</u>	<u>84,812</u>	<u>27,102</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	64,175	64,971	64,971	0
Support Services:				
Pupils	42,659	46,049	0	46,049
Instructional Staff	21,491	36,027	36,027	0
Administration	900	4,953	4,953	0
Total Expenditures	<u>129,225</u>	<u>152,000</u>	<u>105,951</u>	<u>46,049</u>
Net Change in Fund Balance	(75,687)	(94,290)	(21,139)	73,151
Fund Balances (Deficit) at Beginning of Year	(54,196)	(54,196)	(54,196)	0
Prior Year Encumbrances Appropriated	<u>54,196</u>	<u>54,196</u>	<u>54,196</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u><u>(\$75,687)</u></u>	<u><u>(\$94,290)</u></u>	<u><u>(\$21,139)</u></u>	<u><u>\$73,151</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, 2008

	Title VI Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$2,915	\$2,915	\$3,666	\$751
Total Revenues	2,915	2,915	3,666	751
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	2,915	3,477	3,477	0
Total Expenditures	2,915	3,477	3,477	0
Net Change in Fund Balance	0	(562)	189	751
Fund Balances at Beginning of Year	254	254	254	0
Fund Balances (Deficit) at End of Year	<u>\$254</u>	<u>(\$308)</u>	<u>\$443</u>	<u>\$751</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, 2008

	Drug-Free Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$4,804	\$4,804	\$2,055	(\$2,749)
Total Revenues	4,804	4,804	2,055	(2,749)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	4,804	3,551	3,551	0
Support Services:				
Central	0	4,324	4,324	0
Total Expenditures	4,804	7,875	7,875	0
Net Change in Fund Balance	0	(3,071)	(5,820)	(2,749)
Fund Balances at Beginning of Year - restated	37	37	37	0
Fund Balances (Deficit) at End of Year	\$37	(\$3,034)	(\$5,783)	(\$2,749)

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, 2008

	EHA Preschool Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$3,252	\$3,252	\$5,714	\$2,462
Total Revenues	3,252	3,252	5,714	2,462
<u>Expenditures:</u>				
Current:				
Instruction:				
Special	0	5,153	4,426	727
Support Services:				
Pupils	3,342	1,826	1,826	0
Total Expenditures	3,342	6,979	6,252	727
Net Change in Fund Balance	(90)	(3,727)	(538)	3,189
Fund Balances at Beginning of Year	448	448	448	0
Prior Year Encumbrances Appropriated	90	90	90	0
Fund Balances (Deficit) at End of Year	<u>\$448</u>	<u>(\$3,189)</u>	<u>\$0</u>	<u>\$3,189</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, 2008

	E-Rate Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Total Revenues	\$0	\$0	\$0	\$0
<u>Expenditures:</u>				
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balances at Beginning of Year	1,180	1,180	1,180	0
Fund Balances at End of Year	<u>\$1,180</u>	<u>\$1,180</u>	<u>\$1,180</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, 2008

	Improving Teacher Quality			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$40,645	\$40,645	\$39,423	(\$1,222)
Total Revenues	40,645	40,645	39,423	(1,222)
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	56,892	61,583	79,928	(18,345)
Support Services:				
Instructional Staff	0	1,608	1,608	0
Central	498	741	742	(1)
Total Expenditures	57,390	63,932	82,278	(18,346)
Net Change in Fund Balance	(16,745)	(23,287)	(42,855)	(19,568)
Fund Balances (Deficit) at Beginning of Year - restated	(10,554)	(10,554)	(10,554)	0
Prior Year Encumbrances Appropriated	16,798	16,798	16,798	0
Fund Balances (Deficit) at End of Year	<u>(\$10,501)</u>	<u>(\$17,043)</u>	<u>(\$36,611)</u>	<u>(\$19,568)</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, 2008

	Miscellaneous Federal Grants			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Fund Balances at Beginning of Year	\$136	\$136	\$136	\$0
Fund Balances at End of Year	\$136	\$136	\$136	\$0

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, 2008

	Permanent Improvement			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Rent	\$13,000	\$13,000	\$4,565	(\$8,435)
Gifts and Donations	0	0	125,000	125,000
Miscellaneous	0	0	30,000	30,000
Total Revenues	<u>13,000</u>	<u>13,000</u>	<u>159,565</u>	<u>146,565</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	73,692	(73,692)
Support Services:				
Central	0	0	15,944	(15,944)
Extracurricular Activities	0	0	17,000	(17,000)
Capital Outlay	13,000	13,000	226,317	(213,317)
Total Expenditures	<u>13,000</u>	<u>13,000</u>	<u>332,953</u>	<u>(319,953)</u>
Excess of Revenues (Under) Expenditures	0	0	(173,388)	(173,388)
<u>Other Financing Sources</u>				
Transfers In	0	0	242,379	242,379
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>242,379</u>	<u>242,379</u>
Net Change in Fund Balance	0	0	68,991	68,991
Fund Balances at Beginning of Year	13,122	13,122	13,122	0
Fund Balances (Deficit) at End of Year	<u>\$13,122</u>	<u>\$13,122</u>	<u>\$82,113</u>	<u>\$68,991</u>

**Monroe Local School District
Butler County, Ohio
Combining Statement of Changes
in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2008**

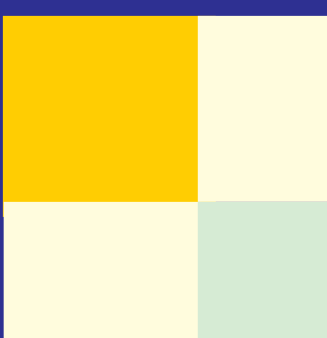
	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 58,452	\$ 60,889	\$ 58,452	\$ 60,889
Total Assets	<u>58,452</u>	<u>60,889</u>	<u>58,452</u>	<u>60,889</u>
<u>Liabilities:</u>				
Accounts Payable	2,464	-	2,464	-
Due to Students	55,988	60,889	55,988	60,889
Total Liabilities	<u>\$ 58,452</u>	<u>\$ 60,889</u>	<u>\$ 58,452</u>	<u>\$ 60,889</u>

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Statistical Section

Comprehensive Annual Financial Report
Monroe Local School District
Monroe, Ohio
For the Fiscal Year Ended June 30, 2008



**Monroe Local School District
Butler County, Ohio
Statistical Section Descriptions
June 30, 2008**

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.	101-105
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.	106-109
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.	110-114
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.	115
Operating Information	
These schedules contain operational data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	116-119

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

	2008	2007	2006	2005	2004	2003	2002	2001
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$ 2,809,409	\$ 5,129,951	\$ 4,307,686	\$ 10,825,911	\$ 1,983,542	\$ 16,917,919	\$ 4,622,375	\$ 1,134,589
Restricted	1,508,424	1,299,613	1,083,162	1,163,394	1,425,736	18,398,174	30,690,231	333,123
Unrestricted (Deficit)	(334,297)	(1,274,329)	(304,070)	(5,526,512)	3,237,927	(24,919,174)	(25,265,125)	6,222,817
Total Governmental Activities Net Assets	\$ 3,983,536	\$ 5,155,235	\$ 5,086,778	\$ 6,462,793	\$ 6,647,105	\$ 10,396,919	\$ 10,047,481	\$ 7,690,529

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

Monroe Local School District

Changes in Net Assets

Last Eight Years

(accrual basis of accounting)

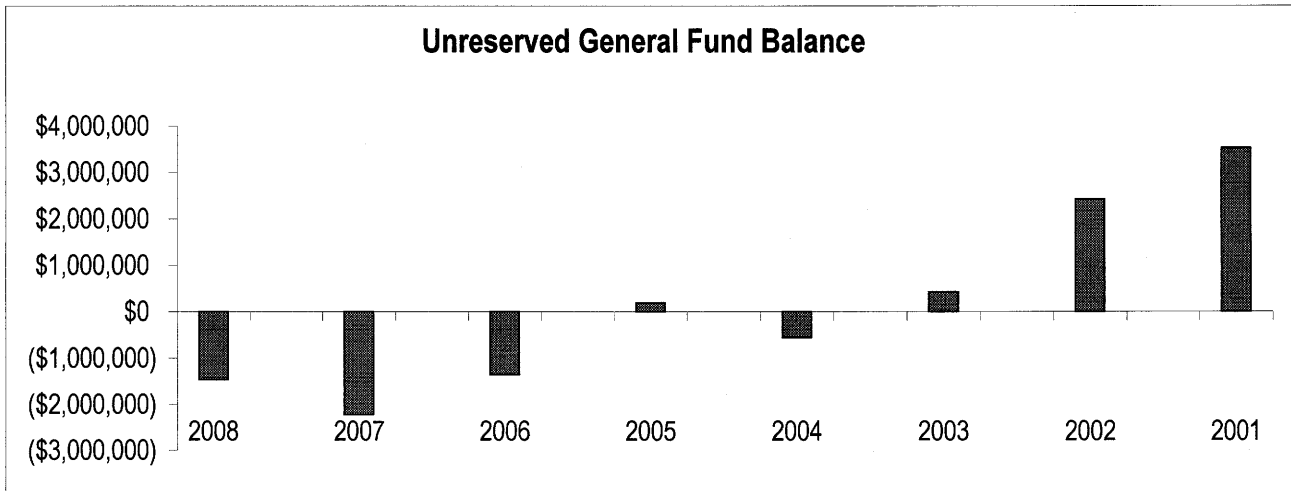
	2008	2007	2006
Expenses			
Governmental Activities:			
Instruction:			
Regular	\$ 9,962,807	\$ 8,644,854	\$ 8,062,675
Special	1,273,693	920,732	1,080,812
Other	33,521	51,873	27,362
Support Services:			
Pupils	956,942	744,215	761,542
Instructional Staff	710,573	592,121	593,733
Administration	1,600,549	1,409,912	1,596,018
Fiscal	529,038	458,825	478,179
Operation and Maintenance of Plant	1,599,746	1,986,607	1,851,389
Pupil Transportation	1,629,905	1,525,018	1,806,213
Other	662,487	444,335	493,984
Operation of Non-Instructional Services	2,370	0	15,174
Food Service	807,224	641,471	621,102
Extracurricular Activities	840,643	700,242	730,188
Interest and Fiscal Charges	1,501,000	2,250,281	1,715,492
Total Governmental Activities Expenses	22,110,498	20,370,486	19,833,863
Program Revenues			
Governmental Activities:			
Charges for Services:			
Instruction	1,108,087	1,285,807	1,174,781
Support Services	113,457	283,918	513,087
Other	829,901	790,422	727,418
Operating Grants and Contributions			
Instruction	202,431	110,942	356,994
Support Services	530,797	388,742	260,319
Other	352,831	155,235	131,941
Total Governmental Activities Program Revenues	3,137,504	3,015,066	3,164,540
Net (Expense)/Revenue	(18,972,994)	(17,355,420)	(16,669,323)
General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes	11,080,062	11,606,358	10,537,569
Payments in Lieu of Taxes	384,064	45,096	-
Grants and Entitlements not Restricted to Specific Programs	6,070,229	5,533,951	4,596,065
Investment Earnings	113,977	176,566	113,721
Miscellaneous	152,963	61,906	45,953
Total Governmental Activities	17,801,295	17,423,877	15,293,308
Change in Net Assets	\$ (1,171,699)	\$ 68,457	\$ (1,376,015)

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

	2005	2004	2003	2002	2001
\$	6,384,722	\$ 9,363,182	\$ 6,100,248	\$ 5,657,380	\$ 5,416,205
	978,066	737,684	621,551	617,886	491,787
	35,871	31,826	26,022	4,423	14,274
	693,616	442,508	338,215	337,391	272,452
	726,411	678,043	492,059	384,017	303,573
	1,462,075	1,588,427	2,148,592	1,522,336	2,129,566
	570,726	418,860	364,544	382,097	323,677
	1,692,149	1,481,270	1,061,756	966,552	1,377,148
	1,419,220	1,594,786	987,331	1,068,600	826,485
	611,762	499,564	220,623	237,209	132,119
	0	3,610	22,704	0	26,859
	592,179	554,387	408,692	482,777	495,290
	712,576	582,667	668,963	482,164	451,839
	1,477,542	1,474,837	1,610,865	505,843	5,500
	<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>
	1,040,129	928,306	16,801	2,411	5,861
	349,684	23,982	30,150	0	4,611
	558,323	507,366	463,493	466,356	475,934
	321,349	274,507	238,212	89,681	277,746
	300,514	218,184	148,459	96,897	45,315
	120,759	128,928	69,156	65,067	111,994
	<u>2,690,758</u>	<u>2,081,273</u>	<u>966,271</u>	<u>720,412</u>	<u>921,461</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>
	9,753,240	8,646,705	8,015,885	6,681,543	6,581,007
	31,179	35,080	72,974	-	-
	4,528,070	4,633,867	5,435,116	5,733,149	9,527,201
	86,970	79,041	844,174	758,245	186,759
	82,386	225,871	87,183	60,777	49,879
	<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>(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 Eight Years
(modified accrual basis of accounting)

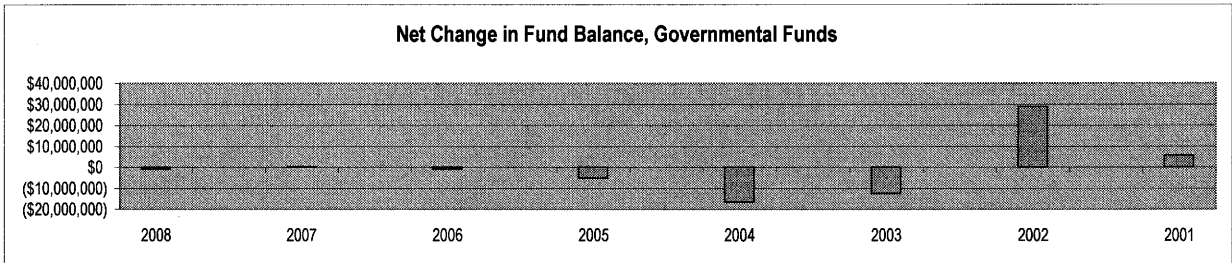
	2008	2007	2006	2005	2004	2003	2002	2001
General Fund								
Reserved	\$458,054	\$411,485	\$215,409	\$171,969	\$139,151	\$187,065	\$185,919	\$1,079,485
Unreserved	(1,462,836)	(2,217,547)	(1,346,421)	195,456	(547,347)	423,848	2,415,346	3,515,117
Total General Fund	(1,004,782)	(1,806,062)	(1,131,012)	367,425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



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

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

	2008	2007	2006	2005	2004	2003	2002	2001
Revenues								
Property and Other Local Taxes	\$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	384,064	45,096	0	0	0	0	0	0
Intergovernmental	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	640,604	774,055	1,010,459	784,028	453,963	408,320	350,578	366,444
Tuition and Fees	1,054,661	1,239,606	1,139,529	1,019,506	912,526	6,677	2,411	6,328
Interest	113,977	176,566	113,721	86,970	89,402	844,174	753,474	186,759
Gifts and Donations	220,929	59,977	30,875	41,149	10,306	16,627	14,687	50,158
Extracurricular Activities	307,328	253,806	233,547	138,125	121,737	104,877	89,402	107,791
Miscellaneous	64,927	48,115	44,013	87,306	132,931	119,090	674,577	52,891
Total Revenues	20,854,651	20,387,531	18,436,087	17,179,753	15,695,354	15,350,653	14,551,466	17,240,852
Expenditures								
Current:								
Instruction:								
Regular	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	1,261,537	915,844	1,076,466	978,126	753,247	598,984	587,916	458,044
Vocational/Other	33,521	51,873	27,362	35,871	31,826	26,022	4,423	14,274
Support Services								
Pupils	980,727	742,394	751,536	676,156	438,846	336,859	327,142	247,835
Instructional Staff	729,714	588,563	596,312	724,719	664,767	492,659	370,613	288,894
Administration	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	532,761	464,065	477,216	570,740	417,138	368,790	370,993	299,270
Operation and Maintenance of Plant	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	1,629,905	1,525,018	1,806,213	1,409,319	1,245,053	969,154	1,009,525	772,940
Other	652,754	422,139	491,559	597,373	539,185	296,076	224,359	131,567
Operation of Non-Instructional Services	2,370	0	412	0	3,610	39,630	52,971	26,859
Food Service	804,883	638,625	623,195	586,423	543,254	413,088	413,290	447,957
Extracurricular Activities	888,317	702,882	724,567	730,093	581,881	667,678	464,305	436,892
Capital Outlay	624,868	281,359	780,017	7,594,946	16,256,446	12,518,946	3,035,468	717,091
Debt service:								
Principal Retirement	869,322	2,325,507	700,344	553,425	434,489	476,800	24,975	13,770
Interest and Fiscal Charges	1,490,002	1,638,567	1,629,733	1,430,049	1,395,681	1,671,763	949,714	5,500
Total Expenditures	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	(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	0	0	0	1,000	0	4,000	0	0
Payment to Escrow Agent	0	(20,780,910)	0	0	0	0	0	0
Face Value from Sale of Bonds and Long-Term Notes	0	19,640,000	922,745	3,603,733	0	0	29,915,000	0
Premium on Sale of Debt	0	1,505,832	0	0	0	0	0	138,701
Inception of Capital Lease	0	0	0	0	348,684	0	0	138,701
Transfers In	242,379	0	391,140	2,050,000	16,249	30,299,930	1,981,770	0
Transfers Out	(242,379)	0	(391,140)	(2,050,000)	(16,249)	(30,299,930)	(1,981,770)	0
Total Other Financing Sources (Uses)	0	364,922	922,745	3,604,733	348,684	4,000	29,915,000	277,402
Net Change in Fund Balances	(\$950,430)	\$201,565	(\$861,188)	(\$5,213,439)	(\$16,704,315)	(\$12,462,549)	\$28,868,981	\$5,700,084
Debt Service as a Percentage of Noncapital Expenditures	12.3%	24.0%	13.5%	8.5%	6.0%	8.6%	6.9%	0.2%



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

Monroe Local School District

Assessed and Estimated Actual Value of Taxable Property
Last Eight Collection (Calendar) Years (1)

District Fiscal Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Direct Rate	Ratio (2)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2001	\$ 140,816,870	\$ 402,333,914	\$ 46,137,078	\$ 184,548,312	\$ 27,046,052	\$ 77,274,434	\$ 214,000,000	\$ 664,156,660	\$ 43.36	32.22%
2002	151,923,850	434,068,143	46,656,747	186,626,988	16,426,920	46,934,057	215,007,517	667,629,188	43.36	32.20%
2003	185,913,360	531,181,029	42,599,402	170,397,608	17,055,300	68,221,200	245,568,062	769,799,837	41.88	31.90%
2004	196,489,230	561,397,800	39,359,323	157,437,292	16,628,630	66,514,520	252,477,183	785,349,612	40.68	32.15%
2005	193,759,870	553,599,628	34,495,894	137,983,576	16,170,540	64,682,160	244,426,304	756,265,364	40.05	32.32%
2006	220,220,720	629,202,057	37,369,161	149,476,644	16,293,870	65,175,480	273,883,751	843,854,181	40.32	32.46%
2007	241,433,090	689,808,829	33,472,177	133,888,708	16,331,030	65,324,120	291,236,297	889,021,657	44.87	32.76%
2008	248,673,860	711,073,886	21,707,771	86,831,084	16,710,730	19,989,466	287,294,361	816,894,436	44.28	35.17%

Source: Butler County Auditor

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

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

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

Monroe Local School District

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

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

Source: Butler County Auditor

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

Monroe Local School District
 Property Tax Levies and Collections - Real and Public Utility Property
 Last Seven 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	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%	

Source: Butler County Auditor

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

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

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

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

Current Year and Six Years Ago

Name of Taxpayer	2008			2002		
	Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Duke Energy (Formerly - Cincinnati Gas & Electric Co.)	\$ 16,144,340	1	5.62%	\$ 13,622,110	1	6.34%
Ohio Presbyterian	4,451,560	2	1.55%	2,639,570	5	1.23%
Dayton Technologies	3,373,090	3	1.17%	12,327,950	2	5.73%
Worthington Steel	3,105,010	4	1.08%	3,428,730	4	1.59%
EPHS Investments LLC	2,782,620	5	0.97%	2,389,920	6	1.11%
Monroe Crossing Inc.	2,779,420	6	0.97%	2,053,360	9	0.96%
Duke Realty Ohio	2,492,130	7	0.87%	2,085,101	8	0.97%
KP Properties of Ohio	2,150,570	8	0.75%	-	-	0.00%
Clark Cincinnati Inc.	2,009,640	9	0.70%	-	-	0.00%
Baker Monroe Properties	1,669,050	10	0.58%	1,988,627	10	0.92%
Kohls Department Stores Inc.	-	-	0.00%	-	3	0.00%
Deceuninck North America	-	-	0.00%	7,190,540	3	3.34%
Mount Pleasant Nursing Home	-	-	0.00%	2,100,320	7	0.98%
Total	\$ 40,957,430		14.26%	\$ 49,826,228		23.17%
Total Assessed Valuation	\$ 287,294,361			\$ 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 Eight 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	756
2008	7,133	287,294,361	26,245,229	1,179,456	25,065,773	8.72%	3.07%	3,514	not available

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

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

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

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

Monroe Local School District

Computation of Direct and Overlapping Debt
June 30, 2008

<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	\$ 25,735,229	100%	\$ 25,735,229
Overlapping:			
Butler County (1)	60,045,000	3%	2,053,539
City of Monroe (1)	6,355,000	100%	6,355,000
Total Overlapping	<u>66,400,000</u>		<u>8,408,539</u>
Total Direct and Overlapping Debt	<u>\$ 92,135,229</u>		<u>\$ 34,143,768</u>

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

(1) Only reflects bonded debt.

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

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

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

	2008	2007	2006	2005	2004	2003	2002
Assessed Valuation of District	\$ 308,233,386	\$ 314,990,850	\$ 273,883,751	\$ 244,426,304	\$ 252,447,183	\$ 245,568,062	\$ 215,007,517
<u>Overall Direct Debt Limit</u>							
Direct Debt Limitation	\$ 27,741,005	\$ 28,349,177	\$ 24,649,538	\$ 21,998,367	\$ 22,720,246	\$ 22,101,126	\$ 19,350,677
9% of assessed valuation (1)	1,112,980	1,278,020	1,079,838	1,095,436	876,602	708,653	30,903,555
Amount available in Debt Service Fund	32,505,798	32,119,193	32,499,707	32,191,769	29,060,228	29,460,228	59,825,228
Gross Indebtedness	(28,124,432)	(27,701,628)	(28,035,229)	(28,588,036)	(29,060,228)	(29,460,228)	(29,910,228)
Less Exempt Debt:	4,381,366	4,417,565	4,464,478	3,603,733	-	-	29,915,000
General Obligation Bonds paid with Special Levy							
Net Indebtedness	\$ 24,472,619	\$ 25,209,632	\$ 21,264,898	\$ 19,490,070	\$ 23,596,848	\$ 22,809,779	\$ 20,339,232
Legal Debt Margin within 9% Limitation	15.18%	14.91%	17.35%	15.60%	0.00%	0.00%	59.53%
Total Net Debt Applicable to the Limit as a Percentage of the Limit							
<u>Energy Conservation Debt Limitation</u>							
Debt Limitation	\$ 2,774,100	\$ 2,834,918	\$ 2,464,954	\$ 2,199,837	\$ 2,272,025	\$ 2,210,113	\$ 1,935,068
0.9% of assessed valuation (1)							
<u>Unvoted Direct Debt Limitation</u>							
Unvoted Debt Limitation	\$ 308,233	\$ 314,991	\$ 273,884	\$ 244,426	\$ 252,447	\$ 245,568	\$ 215,008
0.1% of assessed valuation (1)							
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 Eight Fiscal Years

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

Source: Monroe Local School District records

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

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

Monroe Local School District

Ratio of Annual Debt Service Expenditures

For General Bonded Debt to Total General Government Expenditures

Last Eight 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%

Source: Monroe Local School District records

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

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

Monroe Local School District
 Demographic Statistics
 Last Eight Calendar Years

Year	Butler County	Population of District (1)	School Enrollment (2)	Personal Income (4)	Personal Income Per Capita	Unemployment	Unemployment	Unemployment
	Population (1)					Rate Butler County (3)	Rate State of Ohio (3)	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	1,245	149,221,383	20,920	4.40	5.60	5.80
2003	343,207	7,133	1,149	164,412,661	23,050	4.50	5.80	5.60
2004	346,560	7,133	1,699	183,353,605	25,705	5.70	6.10	5.00
2005	350,412	7,133	1,885	202,404,969	28,376	6.00	5.10	4.60
2006	352,310	7,133	2,022	219,634,615	30,791	5.90	5.60	4.50
2007	357,276	7,133	2,322	230,616,346	32,331	6.50	6.60	5.5

Sources: (1) City of Monroe records

(2) Monroe Local School District records

(3) Ohio Bureau of Employment Services as of June

(4) City of Monroe Income Tax Department

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

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

2007

Employer	Employees	Percentage of Total City Employment
CM Temporary	1,525	6.31 %
1 Force	477	1.97
Minute Men	357	1.48
Monroe Local School District	332	1.37
Duke Energy	261	1.08
Hawthorne Glen	203	0.84
West Chester Holding	163	0.67
Arkay Plastic	158	0.65
Superior Tech	139	0.58
Berns Greenhouse	127	0.53
Total	3,742	15.48 %
Total City Employees	24,166	

2002

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

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

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

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

<u>Function/program</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	117	116	101	97	116	99	94
Special	16	13	12	13	11	11	1
Support Services							
Pupils	13	11	8	7	5	5	3
Instructional Staff	15	10	11	11	9	9	11
Administration	12	11	7	12	16	16	18
Fiscal	4	4	4	4	3	3	3
Operation and Maintenance of Plant	13	13	13	14	10	10	10
Pupil Transportation	0	0	0	1	1	0	0
Other	2	6	2	5	5	5	5
Food Service	21	17	16	17	14	14	12
Extracurricular Activities	2	2	2	2	2	2	1
Totals:	<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
 School Building Information
 Last Seven Fiscal Years

	Fiscal Year						
	2008	2007	2006	2005	2004	2003*	2002
CAPITAL ASSETS USED BY FUNCTION							
Current:							
Instruction:							
Regular	\$ 1,286,041	\$ 1,371,483	\$ 703,395	\$ 376,690	\$ 196,987	\$ 191,107	\$ 196,081
Special	4,311	3,431	2,832	2,225	1,553	28	17,592
Support Services							
Pupils	780	1,037	1,060	583	280	280	9,868
Instructional Staff	5,837	667	667	667	666	55	10,727
Administration	72,802	4,852	4,507	3,721	3,528	2,532	72,941
Fiscal	2,074	897	817	657	657	55	11,585
Operation and Maintenance of Plant	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	48,106	47,215	45,832	37,173	26,829	4,316	-
Food Service	2,587	2,822	2,900	3,663	4,426	1,839	16,733
Extracurricular Activities	18,140	9,339	8,014	4,533	1,289	73	15,446
Totals	\$ 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						
	2008	2007	2006	2005	2004	2003	2002
COST PER STUDENT							
Current:							
Instruction:							
Regular	\$ 3,498	\$ 3,600	\$ 3,828	\$ 4,185	\$ 6,113	\$ 4,708	\$ 3,900
Special	543	453	571	576	656	481	426
Vocational/Other	14	26	15	21	28	21	3
Support Services							
Pupils	422	367	399	398	382	271	237
Instructional Staff	314	291	316	427	579	396	268
Administration	690	661	791	785	1,053	1,626	1,047
Fiscal	229	230	253	336	363	296	269
Operation and Maintenance of Plant	681	810	970	981	1,052	847	673
Pupil Transportation	702	754	958	829	1,084	778	731
Other	281	209	261	352	469	238	162
Operation of Non-Instructional Services	-	-	-	-	3	32	38
Food Service	347	316	331	345	473	332	299
Extracurricular Activities	383	348	384	430	506	536	336
Capital Outlay	269	139	414	4,470	14,148	10,055	2,198
Debt service:							
Principal Retirement	374	1,150	372	326	378	383	18
Interest and Fiscal Charges	642	810	865	842	1,215	1,343	688
Totals	\$ 9,390	\$ 10,164	\$ 10,727	\$ 15,302	\$ 28,502	\$ 22,343	\$ 11,294

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

Source: Monroe Local School District Records

Monroe Local School District

Miscellaneous Statistical Data

June 30, 2008

Total Census Population	7,133	<u>Building Information</u>	<u>Square Footage</u>
Total Estimated 2007 Population	11,200		
Original Charter:	1999	Primary School	
Area of District:	20 square miles	including modulars	48,000
Number of Miles Traveled by Transportation		Elementary School	48,000
Fleet for the Fiscal 2007 School Year:	229,400	Junior High School	15,000
		High School	160,000
Number of Meals Served by Food Service		Central Office	3,000
Department for the Fiscal 2007 School Year:	538,591		
Percentage of Students with Free Lunch	15%		
Percentage of Students with Reduced Lunch	4%		
Student to Teacher Ratio - Classroom	18.05 to 1		
Student to Teacher Ratio - Special Education	14.29 to 1		

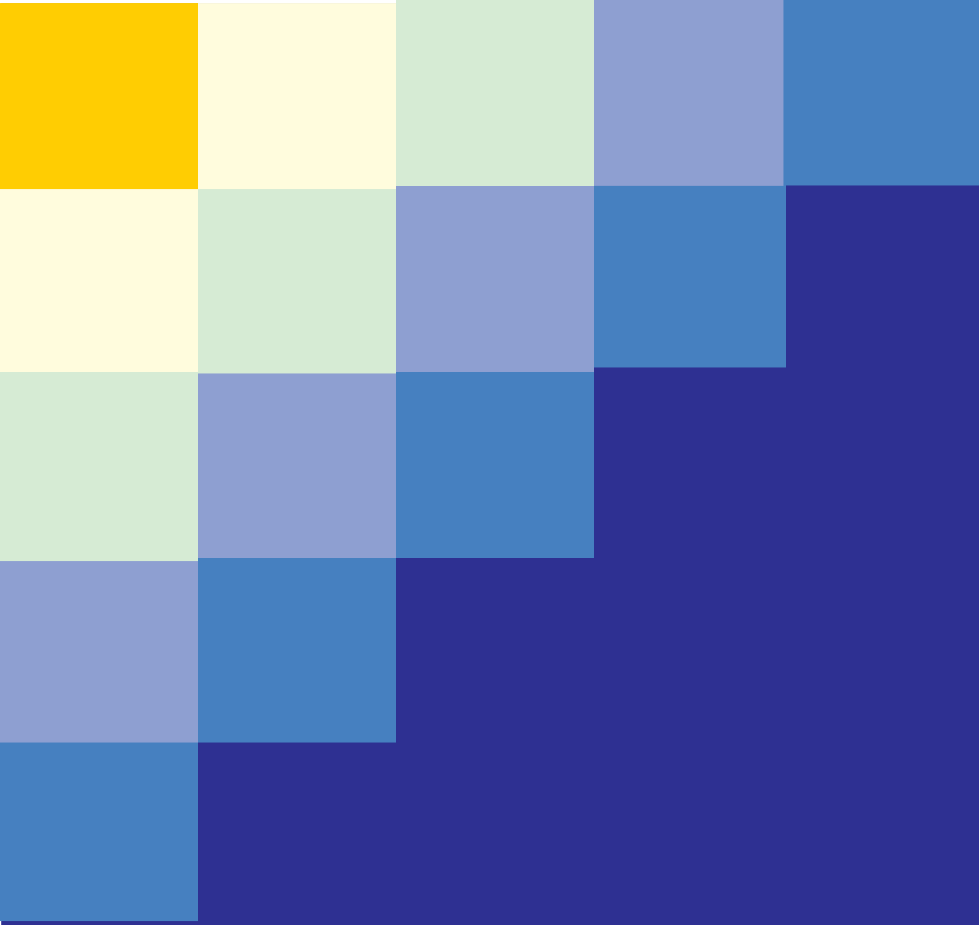
<u>School</u>	<u>Grade Level</u>	<u>Enrollment</u>
Monroe Primary	PreK - 2	600
Monroe Elementary	6-Mar	693
Monroe Junior High	7-8	339
Monroe Senior High	9-12	700
Total		<u><u>2,332</u></u>

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	28	21.21%
Bachelor + 1	8	6.06%
Bachelor + 30	14	10.61%
Masters	59	44.70%
Masters + 20	6	4.55%
Masters + 30	17	12.88%
Total	<u><u>132</u></u>	<u><u>100.00%</u></u>

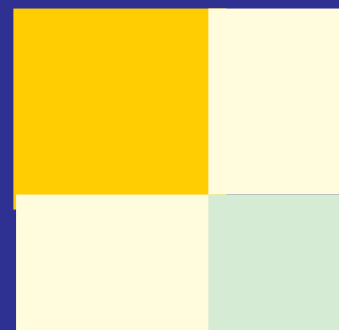
<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	42	31.83%
6 - 10	35	26.52%
11 - 15	16	12.12%
16 - 20	16	12.12%
21 - 25	10	7.58%
26 and over	13	9.85%
Total	<u><u>132</u></u>	<u><u>100.00%</u></u>

Sources: Monroe Local School District records

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Issued by the Treasurer's Office
Monroe Local School District
Kelley Thorpe, Treasurer
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(513) 539-2536
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Mary Taylor, CPA
Auditor of State

MONROE LOCAL SCHOOL DISTRICT
BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 5, 2009