

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

EXAMINATION REPORT  
OF  
ORLEANS COMMUNITY SCHOOLS  
ORANGE COUNTY, INDIANA  
July 1, 2004 to June 30, 2006



**FILED**  
02/12/2007



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Financial Information:	
Government-Wide Financial Statements:	
Statement of Cash and Investments .....	4-5
Statement of Cash Activities .....	6-7
Fund Financial Statements:	
Governmental Funds:	
Statement of Receipts, Disbursements, and Cash and Investment Balances	
– Governmental Funds .....	8-9
Fiduciary Funds:	
Statement of Receipts, Disbursements, and Changes in Cash and Investments	
– Fiduciary Funds .....	10-11
Statement of Cash and Investments – Fiduciary Funds .....	12-13
Notes to Financial Information.....	14-18
Required Supplementary Information:	
Schedule of Funding Progress .....	19
Supplementary Information:	
Schedule of Capital Assets .....	20
Schedule of Long-Term Debt.....	21
Exit Conference.....	22

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Allana C. Smelser	07-01-04 to 06-30-07
Superintendent of Schools	James L. Terrell	07-01-04 to 06-30-09
President of the School Board	Mary Lou Denbo	07-01-04 to 06-30-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ORLEANS COMMUNITY SCHOOLS, ORANGE COUNTY, INDIANA

We have examined the financial information presented herein of Orleans Community Schools (School Corporation), for the period of July 1, 2004 to June 30, 2006. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above present fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress, Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 28, 2006

ORLEANS COMMUNITY SCHOOLS  
STATEMENT OF CASH AND INVESTMENTS  
June 30, 2005

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 3,511,014
Restricted assets:	
Cash and investments	<u>394,395</u>
Total assets	<u>\$ 3,905,409</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 394,395
Unrestricted	<u>3,511,014</u>
Total net assets	<u>\$ 3,905,409</u>

The accompanying notes are an integral part of the financial statements.

ORLEANS COMMUNITY SCHOOLS  
STATEMENT OF CASH AND INVESTMENTS  
June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 3,518,933
Restricted assets:	
Cash and investments	<u>357,522</u>
Total assets	<u>\$ 3,876,455</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 357,522
Unrestricted	<u>3,518,933</u>
Total net assets	<u>\$ 3,876,455</u>

The accompanying notes are an integral part of the financial statements.

ORLEANS COMMUNITY SCHOOLS  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2005

Functions/Programs	Disbursements	Program Receipts		Net
		Charges for Services	Operating Grants and Contributions	(Disbursement) Receipts
				Total
Governmental activities:				
Instruction	\$ 2,729,467	\$ -	\$ 40,308	\$ (2,689,159)
Support services	3,166,012	187,353	153,733	(2,824,926)
Community services	72,170	-	-	(72,170)
Nonprogrammed charges	565,929	-	-	(565,929)
Debt service	743,237	-	-	(743,237)
<b>Total governmental activities</b>	<b>\$ 7,276,815</b>	<b>\$ 187,353</b>	<b>\$ 194,041</b>	<b>(6,895,421)</b>
General receipts:				
Property taxes				3,298,158
Other local sources				620,665
State aid				2,986,278
Grants and contributions not restricted				401,976
Sale of property, adjustments, and refunds				580,224
Investment earnings				88,843
Transfers:				
Intergovernmental				424,804
<b>Total general receipts and transfers</b>				<b>8,400,948</b>
<b>Change in cash and investments</b>				<b>1,505,527</b>
<b>Net assets - beginning</b>				<b>2,399,882</b>
<b>Net assets - ending</b>				<b>\$ 3,905,409</b>

The accompanying notes are an integral part of the financial statements.

ORLEANS COMMUNITY SCHOOLS  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 2,789,182	\$ -	\$ 80,710	\$ (2,708,472)
Support services	3,377,838	187,212	160,211	(3,030,415)
Community services	78,982	-	-	(78,982)
Nonprogrammed charges	636,068	-	-	(636,068)
Debt service	<u>1,056,782</u>	<u>-</u>	<u>-</u>	<u>(1,056,782)</u>
<b>Total governmental activities</b>	<u>\$ 7,938,852</u>	<u>\$ 187,212</u>	<u>\$ 240,921</u>	<u>(7,510,719)</u>
General receipts:				
Property taxes				2,724,676
Other local sources				583,353
State aid				3,317,690
Grants and contributions not restricted				233,449
Sale of property, adjustments, and refunds				67,454
Investment earnings				157,419
Transfers:				
Intergovernmental				<u>397,724</u>
<b>Total general receipts and transfers</b>				<u>7,481,765</u>
<b>Change in cash and investments</b>				<b>(28,954)</b>
<b>Net assets - beginning</b>				<u>3,905,409</u>
<b>Net assets - ending</b>				<u>\$ 3,876,455</u>

The accompanying notes are an integral part of the financial statements.

ORLEANS COMMUNITY SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2005

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 2,209,556	\$ 477,375	\$ 708,701	\$ 212,285	\$ 72,962	\$ 513,419	\$ 4,194,298
Intermediate sources	475	-	-	-	-	244	719
State sources	3,014,946	-	-	-	-	88,318	3,103,264
Federal sources	4,270	-	-	-	-	474,763	479,033
Sale of property, adjustments and refunds	63,207	52	-	-	-	516,965	580,224
Intergovernmental transfers	279,181	-	-	56,657	3,047	85,919	424,804
<b>Total receipts</b>	<b>5,571,635</b>	<b>477,427</b>	<b>708,701</b>	<b>268,942</b>	<b>76,009</b>	<b>1,679,628</b>	<b>8,782,342</b>
Disbursements:							
Current:							
Instruction	2,464,468	-	-	-	-	264,999	2,729,467
Support services	1,903,049	329,862	-	341,924	68,864	522,313	3,166,012
Community services	72,170	-	-	-	-	-	72,170
Nonprogrammed charges	178,427	7,635	10,648	1,875	3,903	363,441	565,929
Debt services	-	-	478,812	-	-	264,425	743,237
<b>Total disbursements</b>	<b>4,618,114</b>	<b>337,497</b>	<b>489,460</b>	<b>343,799</b>	<b>72,767</b>	<b>1,415,178</b>	<b>7,276,815</b>
Excess (deficiency) of total receipts over (under) total disbursements	953,521	139,930	219,241	(74,857)	3,242	264,450	1,505,527
Cash and investments - beginning	808,213	279,287	147,184	571,480	94,969	498,749	2,399,882
Cash and investments - ending	<u>\$ 1,761,734</u>	<u>\$ 419,217</u>	<u>\$ 366,425</u>	<u>\$ 496,623</u>	<u>\$ 98,211</u>	<u>\$ 763,199</u>	<u>\$ 3,905,409</u>

The accompanying notes are an integral part of the financial statements.

ORLEANS COMMUNITY SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 1,561,609	\$ 403,646	\$ 742,418	\$ 316,101	\$ 57,347	\$ 570,595	\$ 3,651,716
Intermediate sources	623	-	-	-	-	319	942
State sources	3,386,784	-	-	-	-	52,069	3,438,853
Federal sources	4,500	-	-	-	-	348,709	353,209
Sale of property, adjustments and refunds	31,808	277	-	17,799	-	17,570	67,454
Intergovernmental transfers	69,884	-	-	-	-	327,840	397,724
<b>Total receipts</b>	<b>5,055,208</b>	<b>403,923</b>	<b>742,418</b>	<b>333,900</b>	<b>57,347</b>	<b>1,317,102</b>	<b>7,909,898</b>
Disbursements:							
Current:							
Instruction	2,515,836	-	-	-	-	273,346	2,789,182
Support services	1,933,694	338,317	-	475,282	46,751	583,794	3,377,838
Community services	78,152	-	-	-	-	830	78,982
Nonprogrammed charges	380,468	38,207	61,691	27,877	8,067	119,758	636,068
Debt services	-	-	735,244	-	-	321,538	1,056,782
<b>Total disbursements</b>	<b>4,908,150</b>	<b>376,524</b>	<b>796,935</b>	<b>503,159</b>	<b>54,818</b>	<b>1,299,266</b>	<b>7,938,852</b>
Excess (deficiency) of total receipts over (under) total disbursements	147,058	27,399	(54,517)	(169,259)	2,529	17,836	(28,954)
Cash and investments - beginning	1,761,734	419,217	366,425	496,623	98,211	763,199	3,905,409
Cash and investments - ending	<u>\$ 1,908,792</u>	<u>\$ 446,616</u>	<u>\$ 311,908</u>	<u>\$ 327,364</u>	<u>\$ 100,740</u>	<u>\$ 781,035</u>	<u>\$ 3,876,455</u>

The accompanying notes are an integral part of the financial statements.

ORLEANS COMMUNITY SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
For The Year Ended June 30, 2005

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Local sources	\$ -	\$ 83,167
Sale of property, adjustments and refunds	200	-
Total additions	200	83,167
Deductions:		
Instruction	-	4,705
Support services	2,449,349	82,099
Total deductions	2,449,349	86,804
Deficiency of total additions under total deductions	(2,449,149)	(3,637)
Cash and investments - beginning	3,442,658	3,637
Cash and investments - ending	\$ 993,509	\$ -

The accompanying notes are an integral part of the financial statements.

ORLEANS COMMUNITY SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
For The Year Ended June 30, 2006

	Pension Trust Funds	Private-Purpose Trust Funds
Additions:		
Local sources	\$ -	\$ 23,000
Sale of property, adjustments and refunds	392	-
Transfers	-	5,000
Total additions	392	28,000
Deductions:		
Support services	164,844	23,141
Excess (deficiency) of total additions over (under) total deductions	(164,452)	4,859
Cash and investments - beginning	993,509	-
Cash and investments - ending	\$ 829,057	\$ 4,859

The accompanying notes are an integral part of the financial statements.

ORLEANS COMMUNITY SCHOOLS  
STATEMENT OF CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
June 30, 2005

<u>Assets</u>	<u>Pension Trust Funds</u>
Cash and investments	\$ 993,509
<u>Net Assets</u>	
Held in trust for employee benefits and other purposes	\$ 993,509

The accompanying notes are an integral part of the financial statements.

ORLEANS COMMUNITY SCHOOLS  
STATEMENT OF CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
June 30, 2006

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Cash and investments	\$ 829,057	\$ 4,859
	<u>                    </u>	<u>                    </u>
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ 829,057	\$ 4,859
	<u>                    </u>	<u>                    </u>

The accompanying notes are an integral part of the financial statements.

ORLEANS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The School Corporation reports the following major governmental funds:

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

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

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

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

ORLEANS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the retirement/severance benefits fund, which accumulates resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the students and the School Corporation.

**B. Measurement Focus and Basis of Accounting**

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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

ORLEANS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

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

Note 5. Deposits and Investments

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

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2005 and 2006, were as follows:

Transfer From	Transfer To	2005	2006
General fund	Other governmental	\$ 37,302	\$ 143,124
	All others	-	5,000
Transportation operating	Other governmental	7,635	38,207
Debt service	Other governmental	10,648	61,691
Capital projects	Other governmental	1,875	27,877
School bus replacement	Other governmental	3,903	8,067
Other governmental	General fund	279,181	69,884
	Capital projects	56,657	-
	School bus replacement	3,047	-
	Other governmental	24,556	48,874
Totals		<u>\$ 424,804</u>	<u>\$ 402,724</u>

ORLEANS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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

Note 7. Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Teacher's Retirement Fund

Plan Description

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

ORLEANS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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

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

Funding Policy and Annual Pension Cost

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

ORLEANS COMMUNITY SCHOOLS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 213,436	\$ 237,907	\$ (24,471)	90%	\$ 265,791	(9%)
07-01-04	214,861	280,735	(65,874)	77%	281,489	(23%)
07-01-05	225,748	347,375	(121,627)	65%	289,001	(42%)

ORLEANS COMMUNITY SCHOOLS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost.  
 Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 139,082
Buildings	11,544,224
Improvements other than buildings	89,634
Machinery and equipment	<u>1,310,507</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 13,083,447</u>

ORLEANS COMMUNITY SCHOOLS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2006

Description of Debt	Ending Balance	Due Within One Year
Capital leases:		
1998 High school building improvements	\$ 3,495,000	\$ 180,000
2004 Elementary school building improvements	2,945,000	220,000
2004 Elementary school building improvements - QZAB	1,855,000	-
Notes and loans payable	255,354	68,774
Bonds payable:		
General obligation bonds:		
2004 Pension bonds	<u>3,645,000</u>	<u>120,000</u>
Total long-term debt	<u>\$ 12,195,354</u>	<u>\$ 588,774</u>

ORLEANS COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on January 10, 2007, with James L. Terrell, Superintendent of Schools; and Allana C. Smelser, Treasurer. Our examination disclosed no material items that warrant comment at this time.