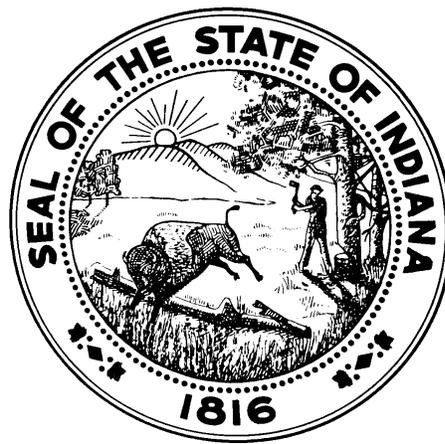


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF  
COMMUNITY SCHOOLS OF FRANKFORT  
CLINTON COUNTY, INDIANA  
July 1, 2005 to June 30, 2007



**FILED**  
02/29/2008



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen Rudolph	07-01-05 to 06-30-08
Superintendent of Schools	Dr. Kevin Caress	07-01-05 to 06-30-08
President of the School Board	Bill Smith Dean Huddleston	07-01-05 to 06-30-06 07-01-06 to 06-30-08



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE COMMUNITY SCHOOLS OF FRANKFORT,  
CLINTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Schools of Frankfort (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these 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 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.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated December 20, 2007, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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.

The Schedule of Funding Progress as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The Supplementary Information, as listed in the Table of Contents, was presented for additional analysis and is not a required part of the basic financial information. The Supplementary Information has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Supplementary Information.

STATE BOARD OF ACCOUNTS

December 20, 2007



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

TO: THE OFFICIALS OF THE COMMUNITY SCHOOLS OF FRANKFORT,  
CLINTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Schools of Frankfort (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated December 20, 2007. 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 Corporation'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 Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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.

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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation'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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 20, 2007

COMMUNITY SCHOOLS OF FRANKFORT  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 11,589,758	\$ -	\$ 145,733	\$ (11,444,025)
Support services	17,724,011	645,975	969,882	(16,108,154)
Community services	295,252	-	-	(295,252)
Nonprogrammed charges	298,339	-	-	(298,339)
Debt service	2,135,885	-	-	(2,135,885)
Total governmental activities	\$ 32,043,245	\$ 645,975	\$ 1,115,615	(30,281,655)
General receipts:				
Property taxes				8,023,993
Other local sources				2,215,328
State aid				14,535,951
Bonds and loans				366,625
Grants and contributions not restricted to specific programs				4,778,776
Sale of property, adjustments, and refunds				155,714
Investment earnings				205,792
Total general receipts				30,282,179
Change in net assets				524
Net assets - beginning				7,626,889
Net assets - ending				\$ 7,627,413
<u>Assets</u>				
Cash and investments				\$ 6,958,243
Restricted assets:				
Cash and investments				669,170
Total assets				\$ 7,627,413
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 669,170
Unrestricted				6,958,243
Total net assets				\$ 7,627,413

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

COMMUNITY SCHOOLS OF FRANKFORT  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 11,926,828	\$ -	\$ 146,583	\$ (11,780,245)
Support services	16,672,414	614,241	960,496	(15,097,677)
Community services	306,772	-	-	(306,772)
Nonprogrammed charges	331,534	-	-	(331,534)
Debt service	2,813,074	-	-	(2,813,074)
<b>Total governmental activities</b>	<b><u>\$ 32,050,622</u></b>	<b><u>\$ 614,241</u></b>	<b><u>\$ 1,107,079</u></b>	<b><u>(30,329,302)</u></b>
General receipts:				
Property taxes				4,841,610
Other local sources				2,365,973
State aid				15,076,466
Grants and contributions not restricted to specific programs				5,117,387
Sale of property, adjustments, and refunds				3,017,977
Investment earnings				416,878
<b>Total general receipts</b>				<b><u>30,836,291</u></b>
Change in net assets				506,989
Net assets - beginning				<u>7,627,413</u>
Net assets - ending				<b><u>\$ 8,134,402</u></b>
<b>Assets</b>				
Cash and investments				\$ 8,134,242
Restricted assets:				
Cash and investments				<u>160</u>
<b>Total assets</b>				<b><u>\$ 8,134,402</u></b>
<b>Net Assets</b>				
Restricted for:				
Debt service				\$ 160
Unrestricted				<u>8,134,242</u>
<b>Total net assets</b>				<b><u>\$ 8,134,402</u></b>

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

COMMUNITY SCHOOLS OF FRANKFORT  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day	School Lunch	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>									
Local sources	\$4,623,818	\$ 658,437	\$ -	\$ 513,132	\$ 1,846,149	\$ 1,750,465	\$ 123,847	\$ 1,569,296	\$ 11,085,144
Intermediate sources	5,940	-	-	-	-	-	-	-	5,940
State sources	14,651,309	-	-	12,355	-	-	-	372,822	15,036,486
Federal sources	-	-	-	875,742	-	-	-	4,518,119	5,393,861
Bonds and loans	-	-	-	-	-	-	-	366,625	366,625
Sale of property, adjustments and refunds	62,680	6,800	557	11,075	-	2,380	-	72,221	155,713
<b>Total receipts</b>	<b>19,343,747</b>	<b>665,237</b>	<b>557</b>	<b>1,412,304</b>	<b>1,846,149</b>	<b>1,752,845</b>	<b>123,847</b>	<b>6,899,083</b>	<b>32,043,769</b>
<b>Disbursements:</b>									
<b>Current:</b>									
Instruction	9,569,133	-	-	-	-	-	-	2,020,625	11,589,758
Support services	8,229,970	673,788	410,170	1,180,885	-	1,718,613	177,752	5,332,833	17,724,011
Community services	284,698	-	-	-	-	-	-	10,554	295,252
Nonprogrammed charges	267,647	-	-	30,000	-	-	-	692	298,339
Debt services	-	-	-	-	1,679,478	61,359	-	395,048	2,135,885
<b>Total disbursements</b>	<b>18,351,448</b>	<b>673,788</b>	<b>410,170</b>	<b>1,210,885</b>	<b>1,679,478</b>	<b>1,779,972</b>	<b>177,752</b>	<b>7,759,752</b>	<b>32,043,245</b>
Excess (deficiency) of receipts over disbursements	992,299	(8,551)	(409,613)	201,419	166,671	(27,127)	(53,905)	(860,669)	524
<b>Other financing sources (uses):</b>									
Transfers in	9,562	50,000	883,445	-	-	-	-	1,231,063	2,174,070
Transfers out	(800,000)	(50,000)	(1,159,713)	-	(34,698)	-	-	(129,659)	(2,174,070)
<b>Total other financing sources (uses)</b>	<b>(790,438)</b>	<b>-</b>	<b>(276,268)</b>	<b>-</b>	<b>(34,698)</b>	<b>-</b>	<b>-</b>	<b>1,101,404</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	201,861	(8,551)	(685,881)	201,419	131,973	(27,127)	(53,905)	240,735	524
Cash and investments - beginning	2,854,230	191,351	900,052	613,461	537,197	1,562,562	119,654	848,382	7,626,889
Cash and investments - ending	<u>\$3,056,091</u>	<u>\$ 182,800</u>	<u>\$ 214,171</u>	<u>\$ 814,880</u>	<u>\$ 669,170</u>	<u>\$ 1,535,435</u>	<u>\$ 65,749</u>	<u>\$ 1,089,117</u>	<u>\$ 7,627,413</u>
<b>Cash and Investment Assets - Ending</b>									
Cash and investments	\$3,056,091	\$ 182,800	\$ 214,171	\$ 814,880	\$ -	\$ 1,535,435	\$ 65,749	\$ 1,089,117	\$ 6,958,243
Restricted assets:									
Cash and investments	-	-	-	-	669,170	-	-	-	669,170
<b>Total cash and investment assets - ending</b>	<b><u>\$3,056,091</u></b>	<b><u>\$ 182,800</u></b>	<b><u>\$ 214,171</u></b>	<b><u>\$ 814,880</u></b>	<b><u>\$ 669,170</u></b>	<b><u>\$ 1,535,435</u></b>	<b><u>\$ 65,749</u></b>	<b><u>\$ 1,089,117</u></b>	<b><u>\$ 7,627,413</u></b>
<b>Cash and Investment Fund Balance - Ending</b>									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 669,170	\$ -	\$ -	\$ -	\$ 669,170
Unrestricted	3,056,091	182,800	214,171	814,880	-	1,535,435	65,749	1,089,117	6,958,243
<b>Total cash and investment fund balance - ending</b>	<b><u>\$3,056,091</u></b>	<b><u>\$ 182,800</u></b>	<b><u>\$ 214,171</u></b>	<b><u>\$ 814,880</u></b>	<b><u>\$ 669,170</u></b>	<b><u>\$ 1,535,435</u></b>	<b><u>\$ 65,749</u></b>	<b><u>\$ 1,089,117</u></b>	<b><u>\$ 7,627,413</u></b>

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

COMMUNITY SCHOOLS OF FRANKFORT  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2007

	General	Transportation Operating	Rainy Day	School Lunch	Debt Service	Capital Projects	School Bus Replacement	Athletic Fields Construction	Other	Totals
<b>Receipts:</b>										
Local sources	\$3,173,128	\$ 450,390	\$ -	\$ 482,723	\$ 1,135,838	\$ 1,306,006	\$ 84,054	\$ 79,655	\$ 1,517,315	\$ 8,229,109
Intermediate sources	9,590	-	-	-	-	-	-	-	-	9,590
State sources	15,191,121	-	-	11,662	-	-	-	-	394,963	15,597,746
Federal sources	-	-	-	860,926	-	-	-	-	4,842,263	5,703,189
Sale of property, adjustments and refunds	37,760	6,500	1,117,316	14,077	-	720	-	1,770,000	71,604	3,017,977
<b>Total receipts</b>	<b>18,411,599</b>	<b>456,890</b>	<b>1,117,316</b>	<b>1,369,388</b>	<b>1,135,838</b>	<b>1,306,726</b>	<b>84,054</b>	<b>1,849,655</b>	<b>6,826,145</b>	<b>32,557,611</b>
<b>Disbursements:</b>										
<b>Current:</b>										
Instruction	10,026,351	-	-	-	-	-	-	-	1,900,477	11,926,828
Support services	8,208,910	663,320	54,641	1,200,198	-	1,884,286	95,667	394,315	4,171,077	16,672,414
Community services	291,490	-	-	-	-	-	-	-	15,282	306,772
Nonprogrammed charges	293,732	-	-	30,000	-	-	-	-	7,802	331,534
Debt services	-	-	-	-	2,418,080	-	-	-	394,994	2,813,074
<b>Total disbursements</b>	<b>18,820,483</b>	<b>663,320</b>	<b>54,641</b>	<b>1,230,198</b>	<b>2,418,080</b>	<b>1,884,286</b>	<b>95,667</b>	<b>394,315</b>	<b>6,489,632</b>	<b>32,050,622</b>
Excess (deficiency) of receipts over disbursements	(408,884)	(206,430)	1,062,675	139,190	(1,282,242)	(577,560)	(11,613)	1,455,340	336,513	506,989
<b>Other financing sources (uses):</b>										
Transfers in	87,280	109,795	504,167	-	660,710	24,106	1,877	-	339,464	1,727,399
Transfers out	(450,000)	(50,000)	(913,095)	-	(47,532)	-	-	-	(266,772)	(1,727,399)
<b>Total other financing sources (uses)</b>	<b>(362,720)</b>	<b>59,795</b>	<b>(408,928)</b>	<b>-</b>	<b>613,178</b>	<b>24,106</b>	<b>1,877</b>	<b>-</b>	<b>72,692</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(771,604)	(146,635)	653,747	139,190	(669,064)	(553,454)	(9,736)	1,455,340	409,205	506,989
Cash and investments - beginning	3,056,091	182,800	214,171	814,880	669,170	1,535,435	65,749	-	1,089,117	7,627,413
Cash and investments - ending	<u>\$2,284,487</u>	<u>\$ 36,165</u>	<u>\$ 867,918</u>	<u>\$ 954,070</u>	<u>\$ 106</u>	<u>\$ 981,981</u>	<u>\$ 56,013</u>	<u>\$ 1,455,340</u>	<u>\$ 1,498,322</u>	<u>\$ 8,134,402</u>
<b>Cash and Investment Assets - Ending</b>										
Cash and investments	\$2,284,487	\$ 36,165	\$ 867,918	\$ 954,070	\$ -	\$ 981,981	\$ 56,013	\$ 1,455,340	\$ 1,498,268	\$ 8,134,242
Restricted assets:										
Cash and investments	-	-	-	-	106	-	-	-	54	160
<b>Total cash and investment assets - ending</b>	<u>\$2,284,487</u>	<u>\$ 36,165</u>	<u>\$ 867,918</u>	<u>\$ 954,070</u>	<u>\$ 106</u>	<u>\$ 981,981</u>	<u>\$ 56,013</u>	<u>\$ 1,455,340</u>	<u>\$ 1,498,322</u>	<u>\$ 8,134,402</u>
<b>Cash and Investment Fund Balance - Ending</b>										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 106	\$ -	\$ -	\$ -	\$ 54	\$ 160
Unrestricted	<u>2,284,487</u>	<u>36,165</u>	<u>867,918</u>	<u>954,070</u>	<u>-</u>	<u>981,981</u>	<u>56,013</u>	<u>1,455,340</u>	<u>1,498,268</u>	<u>8,134,242</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$2,284,487</u>	<u>\$ 36,165</u>	<u>\$ 867,918</u>	<u>\$ 954,070</u>	<u>\$ 106</u>	<u>\$ 981,981</u>	<u>\$ 56,013</u>	<u>\$ 1,455,340</u>	<u>\$ 1,498,322</u>	<u>\$ 8,134,402</u>

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

COMMUNITY SCHOOLS OF FRANKFORT  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND  
INVESTMENT BALANCES - FIDUCIARY FUNDS  
For the Year Ended June 30, 2006

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>92,093</u>
Deductions:	
Administrative and general	<u>66,641</u>
Excess of total additions over total deductions	25,452
Cash and investment fund balance - beginning	<u>606,664</u>
Cash and investment fund balance - ending	<u>\$ 632,116</u>
Net Assets:	
Cash and investments	<u>\$ 632,116</u>
Total net assets - cash and investment basis held in trust	<u>\$ 632,116</u>

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

COMMUNITY SCHOOLS OF FRANKFORT  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND  
INVESTMENT BALANCES - FIDUCIARY FUNDS  
For the Year Ended June 30, 2007

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	\$ 115,047
Deductions:	
Administrative and general	56,789
Excess of total additions over total deductions	58,258
Cash and investment fund balance - beginning	632,116
Cash and investment fund balance - ending	\$ 690,374
Net Assets:	
Cash and investments	\$ 690,374
Total net assets - cash and investment basis held in trust	\$ 690,374

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

COMMUNITY SCHOOLS OF FRANKFORT  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Community Schools of Frankfort

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with Clinton Prairie School Corporation, Clinton Central School Corporation, Western Boone School Corporation, Rossville School Corporation, Northwest Hendricks School Corporation, and Lebanon Community Schools Corporation in a Joint Venture to operate the Boone-Clinton Northwest Hendricks County Joint Services Cooperative which was created to provide instruction to handicapped students. The School Corporation maintains the treasury function of the Cooperative.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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. However, at this time, the School Corporation has not established any enterprise funds.

COMMUNITY SCHOOLS OF FRANKFORT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 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.

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

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

The rainy day fund is used to account for funds in accordance with Indiana Code 36-1-8-5.1 and locally adopted resolution.

The school lunch fund is used to account for the receipts and disbursements for the food service program.

The athletic fields construction fund is used to account for the receipts and disbursements related to the construction of new facilities.

Additionally, the School Corporation reports the following fund types:

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the students through scholarship awards.

C. 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.

COMMUNITY SCHOOLS OF FRANKFORT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Normally property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in 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 may become delinquent if not paid by May 10 and November 10, respectively.

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 5 to 10 days per year. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is paid to employees through cash payments upon retirement.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 10 days to 15 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 3 days per year. Personal leave does not accumulate from year to year.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations is accounted for as capital outlay disbursements of the fund upon acquisition.

COMMUNITY SCHOOLS OF FRANKFORT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement Activities and Net Assets, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.

COMMUNITY SCHOOLS OF FRANKFORT  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2006
Perkins 05/06	\$ 8,755

COMMUNITY SCHOOLS OF FRANKFORT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Cash and investment deficits arose primarily from the underestimate of current requirements.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>	<u>2007</u>
General Fund	Major Fund	\$ 800,000	\$ 450,000
Major Fund	General Fund	9,562	47,532
Major Fund	Major Fund	50,000	805,983
Major Fund	Other governmental	1,184,849	157,112
Other governmental	General Fund	-	39,748
Other governmental	Major Fund	83,445	44,672
Other governmental	Other governmental	<u>46,214</u>	<u>182,352</u>
Totals		<u>\$ 2,174,070</u>	<u>\$ 1,727,399</u>

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

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk. Risk financing is not utilized for the other risks of loss.

COMMUNITY SCHOOLS OF FRANKFORT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Holding Corporations

The School Corporation has entered into capital leases with Frankfort Middle School Holding Corporation and Frankfort High School - Elementary School Building Corporation (the lessors). The lessors were organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related party of the School Corporation. Lease payments during the 2006/2007 school year totaled \$1,650,475.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 30 years of service. Currently, 29 retirees meet these eligibility requirements. The School Corporation and retirees provide 83% and 17%, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$116,058 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

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 the 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 member's 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. The 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

COMMUNITY SCHOOLS OF FRANKFORT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 136,161
Interest on net pension obligation	(16,006)
Adjustment to annual required contribution	18,240
Annual pension cost	138,395
Contributions made	146,553
Decrease in net pension obligation	(8,158)
Net pension obligation, beginning of year	(220,774)
Net pension obligation, end of year	\$ (228,932)
Contribution rates:	
School Corporation	4.875%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

COMMUNITY SCHOOLS OF FRANKFORT  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 115,158	118%	\$ (201,975)
	06-30-05	122,672	115%	(220,774)
	06-30-06	138,395	106%	(228,932)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' 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 member's 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.

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:

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

Funding Policy and Annual Pension Costs

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.

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2005, 2006, and 2007, were \$440,442, \$518,914, and \$485,511, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

COMMUNITY SCHOOLS OF FRANKFORT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,359,658	\$ 2,289,593	\$ 70,065	103%	\$ 2,608,291	3%
07-01-05	2,471,699	2,415,270	56,429	102%	2,689,172	2%
07-01-06	2,668,750	2,544,418	124,332	105%	2,708,248	5%

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Special Education Preschool	Textbook Rental	Levy Excess	Joint Services and Supply	Special Education Cooperative	Special Education Occupational Therapy	Special Education Services
<b>Receipts:</b>							
Local sources	\$ 77,670	\$ 114,032	\$ 141,137	\$ 671,610	\$ 1,230	\$ 104,161	\$ -
State sources	101,382	79,345	-	-	-	-	135,160
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	538	56,350	-	-	-	-	15,000
<b>Total receipts</b>	<b>179,590</b>	<b>249,727</b>	<b>141,137</b>	<b>671,610</b>	<b>1,230</b>	<b>104,161</b>	<b>150,160</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	135,223	-	-	173,533	-	85,043	136,087
Support services	27,319	264,861	-	481,588	1,604	15,773	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>162,542</b>	<b>264,861</b>	<b>-</b>	<b>655,121</b>	<b>1,604</b>	<b>100,816</b>	<b>136,087</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>17,048</b>	<b>(15,134)</b>	<b>141,137</b>	<b>16,489</b>	<b>(374)</b>	<b>3,345</b>	<b>14,073</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	34,698	-	-	-	-	33,327
Transfers out	-	-	-	-	-	-	(33,327)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>34,698</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>17,048</b>	<b>19,564</b>	<b>141,137</b>	<b>16,489</b>	<b>(374)</b>	<b>3,345</b>	<b>14,073</b>
Cash and investments - beginning	97,086	85,852	-	178,513	746	12,998	-
Cash and investments - ending	<u>\$ 114,134</u>	<u>\$ 105,416</u>	<u>\$ 141,137</u>	<u>\$ 195,002</u>	<u>\$ 372</u>	<u>\$ 16,343</u>	<u>\$ 14,073</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ 114,134</u>	<u>\$ 105,416</u>	<u>\$ 141,137</u>	<u>\$ 195,002</u>	<u>\$ 372</u>	<u>\$ 16,343</u>	<u>\$ 14,073</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ 114,134</u>	<u>\$ 105,416</u>	<u>\$ 141,137</u>	<u>\$ 195,002</u>	<u>\$ 372</u>	<u>\$ 16,343</u>	<u>\$ 14,073</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Building Trades	Alternative Education	Safe Haven Grant 05-06	Wal-Mart Music Donation	Kyger Donations	Kyger Clinic	Ferrell Donation
Receipts:							
Local sources	\$ 46,136	\$ -	\$ -	\$ -	\$ 1,901	\$ -	\$ -
State sources	-	20,000	6,559	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>46,136</b>	<b>20,000</b>	<b>6,559</b>	<b>-</b>	<b>1,901</b>	<b>-</b>	<b>-</b>
Disbursements:							
Current:							
Instruction	53,639	9,612	6,500	521	2,596	-	52,211
Support services	12,630	678	4,759	-	-	4,125	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>66,269</b>	<b>10,290</b>	<b>11,259</b>	<b>521</b>	<b>2,596</b>	<b>4,125</b>	<b>52,211</b>
Excess (deficiency) of receipts over disbursements	(20,133)	9,710	(4,700)	(521)	(695)	(4,125)	(52,211)
Other financing sources (uses):							
Transfers in	18,174	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>18,174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,959)	9,710	(4,700)	(521)	(695)	(4,125)	(52,211)
Cash and investments - beginning	8,906	-	8,457	750	2,427	5,332	53,817
Cash and investments - ending	<u>\$ 6,947</u>	<u>\$ 9,710</u>	<u>\$ 3,757</u>	<u>\$ 229</u>	<u>\$ 1,732</u>	<u>\$ 1,207</u>	<u>\$ 1,606</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ 6,947</u>	<u>\$ 9,710</u>	<u>\$ 3,757</u>	<u>\$ 229</u>	<u>\$ 1,732</u>	<u>\$ 1,207</u>	<u>\$ 1,606</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ 6,947</u>	<u>\$ 9,710</u>	<u>\$ 3,757</u>	<u>\$ 229</u>	<u>\$ 1,732</u>	<u>\$ 1,207</u>	<u>\$ 1,606</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	FALC	ENL Services to other Schools	Tobacco Cessation Grant	Lilly Grant	EDS Technology Grant	Gifted 04-05	Gifted 05-06
<b>Receipts:</b>							
Local sources	\$ -	\$ 500	\$ -	\$ 7,195	\$ 1,500	\$ -	\$ -
State sources	-	-	-	-	-	-	16,311
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>7,195</b>	<b>1,500</b>	<b>-</b>	<b>16,311</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	1,570	-	-	-	-	5,184	7,281
Support services	-	1,081	-	-	-	-	4,436
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,570</b>	<b>1,081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,184</b>	<b>11,717</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(1,570)</b>	<b>(581)</b>	<b>-</b>	<b>7,195</b>	<b>1,500</b>	<b>(5,184)</b>	<b>4,594</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(1,570)</b>	<b>(581)</b>	<b>-</b>	<b>7,195</b>	<b>1,500</b>	<b>(5,184)</b>	<b>4,594</b>
Cash and investments - beginning	1,804	3,118	214	-	53	5,184	-
Cash and investments - ending	<u>\$ 234</u>	<u>\$ 2,537</u>	<u>\$ 214</u>	<u>\$ 7,195</u>	<u>\$ 1,553</u>	<u>\$ -</u>	<u>\$ 4,594</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ 234</u>	<u>\$ 2,537</u>	<u>\$ 214</u>	<u>\$ 7,195</u>	<u>\$ 1,553</u>	<u>\$ -</u>	<u>\$ 4,594</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ 234</u>	<u>\$ 2,537</u>	<u>\$ 214</u>	<u>\$ 7,195</u>	<u>\$ 1,553</u>	<u>\$ -</u>	<u>\$ 4,594</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Extra- Curricular Activities	Non-English Speaking 04-05	Non-English Speaking 05-06	Title I 05-06	School Improvement Kyger 2005	Title I 04-05
<b>Receipts:</b>						
Local sources	\$ 7,795	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	14,065	-	-	-
Federal sources	-	-	-	394,254	-	45,914
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>7,795</u>	<u>-</u>	<u>14,065</u>	<u>394,254</u>	<u>-</u>	<u>45,914</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	6,346	17,133	10,686	231,246	-	19,685
Support services	280	-	-	85,646	2,064	11,367
Community services	-	-	-	6,798	-	1,608
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>6,626</u>	<u>17,133</u>	<u>10,686</u>	<u>323,690</u>	<u>2,064</u>	<u>32,660</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>1,169</u>	<u>(17,133)</u>	<u>3,379</u>	<u>70,564</u>	<u>(2,064)</u>	<u>13,254</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	18,217	-	-
Transfers out	-	-	-	-	-	(18,217)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,217</u>	<u>-</u>	<u>(18,217)</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>1,169</u>	<u>(17,133)</u>	<u>3,379</u>	<u>88,781</u>	<u>(2,064)</u>	<u>(4,963)</u>
<b>Cash and investments - beginning</b>	<u>882</u>	<u>17,133</u>	<u>-</u>	<u>-</u>	<u>2,064</u>	<u>4,963</u>
<b>Cash and investments - ending</b>	<u>\$ 2,051</u>	<u>\$ -</u>	<u>\$ 3,379</u>	<u>\$ 88,781</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	<u>\$ 2,051</u>	<u>\$ -</u>	<u>\$ 3,379</u>	<u>\$ 88,781</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	<u>\$ 2,051</u>	<u>\$ -</u>	<u>\$ 3,379</u>	<u>\$ 88,781</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 For the Year Ended June 30, 2006  
 (Continued)

	School Improvement Kyger 05-06	Title V 03-04	Title V 04-05	Title V 05-06	Migrant 05-06	Sliver 05-06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	93,379	-	-	11,955	55,000	36,946
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>93,379</b>	<b>-</b>	<b>-</b>	<b>11,955</b>	<b>55,000</b>	<b>36,946</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	57,786	6,022	-	8,171	28,115	-
Support services	19,590	7,269	15,797	2,322	26,839	31,216
Community services	390	-	-	-	-	-
Nonprogrammed charges	-	295	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>77,766</b>	<b>13,586</b>	<b>15,797</b>	<b>10,493</b>	<b>54,954</b>	<b>31,216</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>15,613</b>	<b>(13,586)</b>	<b>(15,797)</b>	<b>1,462</b>	<b>46</b>	<b>5,730</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	40,705	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,705</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>15,613</b>	<b>(13,586)</b>	<b>(15,797)</b>	<b>42,167</b>	<b>46</b>	<b>5,730</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>13,586</b>	<b>29,890</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 15,613</b>	<b>\$ -</b>	<b>\$ 14,093</b>	<b>\$ 42,167</b>	<b>\$ 46</b>	<b>\$ 5,730</b>
<b>Cash and Investment Assets - Ending</b>						
<b>Cash and investments</b>	<b>\$ 15,613</b>	<b>\$ -</b>	<b>\$ 14,093</b>	<b>\$ 42,167</b>	<b>\$ 46</b>	<b>\$ 5,730</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Unrestricted</b>	<b>\$ 15,613</b>	<b>\$ -</b>	<b>\$ 14,093</b>	<b>\$ 42,167</b>	<b>\$ 46</b>	<b>\$ 5,730</b>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 For the Year Ended June 30, 2006  
 (Continued)

	Joint Service Flow Thru 05-06	Flow Thru 04-05	Flow Thru CSF 04-05	Flow Thru CSF 05-06	Summer Essay Grant	Sliver 04-05
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	2,320,752	199,689	77,378	512,893	85,000	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>2,320,752</u>	<u>199,689</u>	<u>77,378</u>	<u>512,893</u>	<u>85,000</u>	<u>-</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	118,370	20,401	90,161	391,549	-	-
Support services	2,181,643	239,233	14,123	85,814	85,000	7,539
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>2,300,013</u>	<u>259,634</u>	<u>104,284</u>	<u>477,363</u>	<u>85,000</u>	<u>7,539</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>20,739</u>	<u>(59,945)</u>	<u>(26,906)</u>	<u>35,530</u>	<u>-</u>	<u>(7,539)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	9,556	-	-
Transfers out	-	-	(9,556)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(9,556)</u>	<u>9,556</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>20,739</u>	<u>(59,945)</u>	<u>(36,462)</u>	<u>45,086</u>	<u>-</u>	<u>(7,539)</u>
<b>Cash and investments - beginning</b>	<u>-</u>	<u>59,945</u>	<u>36,462</u>	<u>-</u>	<u>-</u>	<u>7,539</u>
<b>Cash and investments - ending</b>	<u>\$ 20,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,086</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	<u>\$ 20,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,086</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	<u>\$ 20,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,086</u>	<u>\$ -</u>	<u>\$ -</u>

COMMUNITY SCHOOLS OF FRANKFORT  
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 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 For the Year Ended June 30, 2006  
 (Continued)

	Preschool Handicap 05-06	Preschool Handicap 04-05	Adult Basic Ed 05-06	Adult Basic Ed 04-05	Drug Free Schools 04-05	Title IV Drug Free 03-04
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	93,116	-	32,506	-	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>93,116</b>	<b>-</b>	<b>32,506</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	33,715	2,495	17,958	4,953	5,035	-
Support services	52,198	542	9,051	68	4,468	93
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>85,913</b>	<b>3,037</b>	<b>27,009</b>	<b>5,021</b>	<b>9,503</b>	<b>93</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>7,203</b>	<b>(3,037)</b>	<b>5,497</b>	<b>(5,021)</b>	<b>(9,503)</b>	<b>(93)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>7,203</b>	<b>(3,037)</b>	<b>5,497</b>	<b>(5,021)</b>	<b>(9,503)</b>	<b>(93)</b>
Cash and investments - beginning	-	3,037	-	5,021	15,651	93
Cash and investments - ending	<u>\$ 7,203</u>	<u>\$ -</u>	<u>\$ 5,497</u>	<u>\$ -</u>	<u>\$ 6,148</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	<u>\$ 7,203</u>	<u>\$ -</u>	<u>\$ 5,497</u>	<u>\$ -</u>	<u>\$ 6,148</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	<u>\$ 7,203</u>	<u>\$ -</u>	<u>\$ 5,497</u>	<u>\$ -</u>	<u>\$ 6,148</u>	<u>\$ -</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 For the Year Ended June 30, 2006  
 (Continued)

	Title IV Drug Free 05-06	Perkins 04-05	Perkins 05-06	Medicaid Reimbursement Federal	21st Century	Title II 04-05
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	16,050	15,876	47,629	2,440	108,275	118,024
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>16,050</b>	<b>15,876</b>	<b>47,629</b>	<b>2,440</b>	<b>108,275</b>	<b>118,024</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	2,411	-	26,247	94,176	62,677
Support services	4,872	-	38,210	1,643	12,261	10,719
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,872</b>	<b>2,411</b>	<b>38,210</b>	<b>27,890</b>	<b>106,437</b>	<b>73,396</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>11,178</b>	<b>13,465</b>	<b>9,419</b>	<b>(25,450)</b>	<b>1,838</b>	<b>44,628</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(8,025)	-	(18,174)	(9,562)	-	(28,383)
<b>Total other financing sources (uses)</b>	<b>(8,025)</b>	<b>-</b>	<b>(18,174)</b>	<b>(9,562)</b>	<b>-</b>	<b>(28,383)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>3,153</b>	<b>13,465</b>	<b>(8,755)</b>	<b>(35,012)</b>	<b>1,838</b>	<b>16,245</b>
Cash and investments - beginning	-	(13,465)	-	48,969	4,470	-
Cash and investments - ending	\$ 3,153	\$ -	\$ (8,755)	\$ 13,957	\$ 6,308	\$ 16,245
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 3,153	\$ -	\$ (8,755)	\$ 13,957	\$ 6,308	\$ 16,245
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ 3,153	\$ -	\$ (8,755)	\$ 13,957	\$ 6,308	\$ 16,245

COMMUNITY SCHOOLS OF FRANKFORT  
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 (Continued)

	Title II Purdue Grant	Title IID 05/06	Title III 05/06	Pension Bond Debt Service	Construction	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 394,429	\$ -	\$ 1,569,296
State sources	-	-	-	-	-	372,822
Federal sources	94,985	8,595	147,463	-	-	4,518,119
Bonds and loans	-	-	-	-	366,625	366,625
Sale of property, adjustments and refunds	-	-	333	-	-	72,221
<b>Total receipts</b>	<b>94,985</b>	<b>8,595</b>	<b>147,796</b>	<b>394,429</b>	<b>366,625</b>	<b>6,899,083</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	39,475	260	56,552	-	-	2,020,625
Support services	57,622	21	64,195	-	1,442,274	5,332,833
Community services	-	-	1,758	-	-	10,554
Nonprogrammed charges	47	-	350	-	-	692
Debt services	-	-	-	395,048	-	395,048
<b>Total disbursements</b>	<b>97,144</b>	<b>281</b>	<b>122,855</b>	<b>395,048</b>	<b>1,442,274</b>	<b>7,759,752</b>
Excess (deficiency) of receipts over disbursements	(2,159)	8,314	24,941	(619)	(1,075,649)	(860,669)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	737	1,075,649	1,231,063
Transfers out	-	(4,297)	-	(118)	-	(129,659)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(4,297)</b>	<b>-</b>	<b>619</b>	<b>1,075,649</b>	<b>1,101,404</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,159)	4,017	24,941	-	-	240,735
Cash and investments - beginning	124,160	281	22,444	-	-	848,382
Cash and investments - ending	<u>\$ 122,001</u>	<u>\$ 4,298</u>	<u>\$ 47,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,089,117</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	<u>\$ 122,001</u>	<u>\$ 4,298</u>	<u>\$ 47,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,089,117</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	<u>\$ 122,001</u>	<u>\$ 4,298</u>	<u>\$ 47,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,089,117</u>

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 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
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	Special Education Preschool	Textbook Rental	Levy Excess	Joint Services and Supply	Special Education Cooperative	Special Education Occupational Therapy	Special Education Services
<b>Receipts:</b>							
Local sources	\$ 61,639	\$ 110,972	\$ -	\$ 869,017	\$ 1,025	\$ 100,051	\$ -
State sources	116,750	75,046	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	481	-	375	-	-	-
<b>Total receipts</b>	<b>178,389</b>	<b>186,499</b>	<b>-</b>	<b>869,392</b>	<b>1,025</b>	<b>100,051</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	144,699	-	-	182,683	-	88,145	4,069
Support services	30,699	198,553	-	570,785	1,397	14,780	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>175,398</b>	<b>198,553</b>	<b>-</b>	<b>753,468</b>	<b>1,397</b>	<b>102,925</b>	<b>4,069</b>
Excess (deficiency) of receipts over disbursements	2,991	(12,054)	-	115,924	(372)	(2,874)	(4,069)
<b>Other financing sources (uses):</b>							
Transfers in	232	47,532	-	-	-	-	-
Transfers out	(14,326)	-	(141,137)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(14,094)</b>	<b>47,532</b>	<b>(141,137)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,103)	35,478	(141,137)	115,924	(372)	(2,874)	(4,069)
Cash and investments - beginning	114,134	105,416	141,137	195,002	372	16,343	14,073
Cash and investments - ending	\$ 103,031	\$ 140,894	\$ -	\$ 310,926	\$ -	\$ 13,469	\$ 10,004
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 103,031	\$ 140,894	\$ -	\$ 310,926	\$ -	\$ 13,469	\$ 10,004
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 103,031</b>	<b>\$ 140,894</b>	<b>\$ -</b>	<b>\$ 310,926</b>	<b>\$ -</b>	<b>\$ 13,469</b>	<b>\$ 10,004</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	103,031	140,894	-	310,926	-	13,469	10,004
<b>Total cash and investment fund balance - ending</b>	<b>\$ 103,031</b>	<b>\$ 140,894</b>	<b>\$ -</b>	<b>\$ 310,926</b>	<b>\$ -</b>	<b>\$ 13,469</b>	<b>\$ 10,004</b>

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 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	<u>Building Trades</u>	<u>Auto Body Vocational</u>	<u>Alternative Education</u>	<u>Safe Haven Grant 05-06</u>	<u>Safe Haven Grant</u>	<u>Wal-Mart Music Donation</u>	<u>Kyger Donations</u>
Receipts:							
Local sources	\$ 69,034	\$ 31,954	\$ -	\$ -	\$ -	\$ -	\$ 2,458
State sources	-	-	50,000	-	7,677	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	<u>69,034</u>	<u>31,954</u>	<u>50,000</u>	<u>-</u>	<u>7,677</u>	<u>-</u>	<u>2,458</u>
Disbursements:							
Current:							
Instruction	55,060	29,207	33,665	-	-	214	3,247
Support services	14,027	1,882	2,737	3,757	(1,050)	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	<u>69,087</u>	<u>31,089</u>	<u>36,402</u>	<u>3,757</u>	<u>(1,050)</u>	<u>214</u>	<u>3,247</u>
Excess (deficiency) of receipts over disbursements	<u>(53)</u>	<u>865</u>	<u>13,598</u>	<u>(3,757)</u>	<u>8,727</u>	<u>(214)</u>	<u>(789)</u>
Other financing sources (uses):							
Transfers in	51	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>51</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2)</u>	<u>865</u>	<u>13,598</u>	<u>(3,757)</u>	<u>8,727</u>	<u>(214)</u>	<u>(789)</u>
Cash and investments - beginning	<u>6,947</u>	<u>9,710</u>	<u>3,757</u>	<u>229</u>	<u>1,732</u>	<u>1,207</u>	<u>1,606</u>
Cash and investments - ending	<u>\$ 6,945</u>	<u>\$ 10,575</u>	<u>\$ 17,355</u>	<u>\$ (3,528)</u>	<u>\$ 10,459</u>	<u>\$ 993</u>	<u>\$ 817</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 6,945	\$ 10,575	\$ 17,355	\$ (3,528)	\$ 10,459	\$ 993	\$ 817
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 6,945</u>	<u>\$ 10,575</u>	<u>\$ 17,355</u>	<u>\$ (3,528)</u>	<u>\$ 10,459</u>	<u>\$ 993</u>	<u>\$ 817</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>6,945</u>	<u>10,575</u>	<u>17,355</u>	<u>(3,528)</u>	<u>10,459</u>	<u>993</u>	<u>817</u>
Total cash and investment fund balance - ending	<u>\$ 6,945</u>	<u>\$ 10,575</u>	<u>\$ 17,355</u>	<u>\$ (3,528)</u>	<u>\$ 10,459</u>	<u>\$ 993</u>	<u>\$ 817</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Kyger Clinic	SIA High School	Ferrell Donation	FALC	ENL Services to other Schools	Tobacco Cessation Grant	Lilly Grant
<b>Receipts:</b>							
Local sources	\$ -	\$ 6,500	\$ -	\$ 7,150	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>6,500</b>	<b>-</b>	<b>7,150</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	1,597	234	-	-	4,575
Support services	-	-	-	-	2,003	214	350
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>1,597</b>	<b>234</b>	<b>2,003</b>	<b>214</b>	<b>4,925</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>6,500</b>	<b>(1,597)</b>	<b>6,916</b>	<b>(2,003)</b>	<b>(214)</b>	<b>(4,925)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>6,500</b>	<b>(1,597)</b>	<b>6,916</b>	<b>(2,003)</b>	<b>(214)</b>	<b>(4,925)</b>
<b>Cash and investments - beginning</b>	<b>234</b>	<b>2,537</b>	<b>214</b>	<b>7,195</b>	<b>1,553</b>	<b>-</b>	<b>4,594</b>
<b>Cash and investments - ending</b>	<b>\$ 234</b>	<b>\$ 9,037</b>	<b>\$ (1,383)</b>	<b>\$ 14,111</b>	<b>\$ (450)</b>	<b>\$ (214)</b>	<b>\$ (331)</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 234	\$ 9,037	\$ (1,383)	\$ 14,111	\$ (450)	\$ (214)	\$ (331)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 234</b>	<b>\$ 9,037</b>	<b>\$ (1,383)</b>	<b>\$ 14,111</b>	<b>\$ (450)</b>	<b>\$ (214)</b>	<b>\$ (331)</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	234	9,037	(1,383)	14,111	(450)	(214)	(331)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 234</b>	<b>\$ 9,037</b>	<b>\$ (1,383)</b>	<b>\$ 14,111</b>	<b>\$ (450)</b>	<b>\$ (214)</b>	<b>\$ (331)</b>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	EDS Technology Grant	Gifted 04-05	Gifted 05-06	GT Grant 06-07	Extra- Curricular Activities	Non-English Speaking 05-06	Non-English Speaking 06-07
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 6,179	\$ -	\$ -
State sources	-	-	-	16,311	-	-	15,616
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,311</b>	<b>6,179</b>	<b>-</b>	<b>15,616</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	1,523	-	3,877	9,198	7,465	3,378	-
Support services	-	-	717	930	571	1	164
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,523</b>	<b>-</b>	<b>4,594</b>	<b>10,128</b>	<b>8,036</b>	<b>3,379</b>	<b>164</b>
Excess (deficiency) of receipts over disbursements	(1,523)	-	(4,594)	6,183	(1,857)	(3,379)	15,452
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,523)	-	(4,594)	6,183	(1,857)	(3,379)	15,452
Cash and investments - beginning	2,051	3,379	88,781	-	15,613	14,093	42,167
Cash and investments - ending	<u>\$ 528</u>	<u>\$ 3,379</u>	<u>\$ 84,187</u>	<u>\$ 6,183</u>	<u>\$ 13,756</u>	<u>\$ 10,714</u>	<u>\$ 57,619</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 528	\$ 3,379	\$ 84,187	\$ 6,183	\$ 13,756	\$ 10,714	\$ 57,619
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 528</u>	<u>\$ 3,379</u>	<u>\$ 84,187</u>	<u>\$ 6,183</u>	<u>\$ 13,756</u>	<u>\$ 10,714</u>	<u>\$ 57,619</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	528	3,379	84,187	6,183	13,756	10,714	57,619
<b>Total cash and investment fund balance - ending</b>	<u>\$ 528</u>	<u>\$ 3,379</u>	<u>\$ 84,187</u>	<u>\$ 6,183</u>	<u>\$ 13,756</u>	<u>\$ 10,714</u>	<u>\$ 57,619</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Technology Grant	Title I 05-06	Title I 06-07	Title I 03-04	School Improvement Kyger 05-06	School Improvement Kyger 06-07	Title V 03-04
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	113,563	-	-	-	-	-	-
Federal sources	-	35,000	431,954	-	-	88,906	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>113,563</b>	<b>35,000</b>	<b>431,954</b>	<b>-</b>	<b>-</b>	<b>88,906</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	8,930	52,463	239,811	-	6,862	9,938	-
Support services	-	13,627	151,218	-	851	53,772	-
Community services	-	3,915	8,525	-	1,909	270	-
Nonprogrammed charges	-	-	-	-	5,991	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>8,930</b>	<b>70,005</b>	<b>399,554</b>	<b>-</b>	<b>15,613</b>	<b>63,980</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	104,633	(35,005)	32,400	-	(15,613)	24,926	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	53,776	-	-	-	-
Transfers out	-	(53,776)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(53,776)</b>	<b>53,776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	104,633	(88,781)	86,176	-	(15,613)	24,926	-
Cash and investments - beginning	46	5,730	20,739	45,086	-	7,203	5,497
<b>Cash and investments - ending</b>	<b>\$ 104,679</b>	<b>\$ (83,051)</b>	<b>\$ 106,915</b>	<b>\$ 45,086</b>	<b>\$ (15,613)</b>	<b>\$ 32,129</b>	<b>\$ 5,497</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 104,679	\$ (83,051)	\$ 106,915	\$ 45,086	\$ (15,613)	\$ 32,129	\$ 5,497
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 104,679</b>	<b>\$ (83,051)</b>	<b>\$ 106,915</b>	<b>\$ 45,086</b>	<b>\$ (15,613)</b>	<b>\$ 32,129</b>	<b>\$ 5,497</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	104,679	(83,051)	106,915	45,086	(15,613)	32,129	5,497
<b>Total cash and investment fund balance - ending</b>	<b>\$ 104,679</b>	<b>\$ (83,051)</b>	<b>\$ 106,915</b>	<b>\$ 45,086</b>	<b>\$ (15,613)</b>	<b>\$ 32,129</b>	<b>\$ 5,497</b>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Title V 04-05	Title V 05-06	Title V 06-07	Migrant 05-06	Migrant 03-04	Migrant 06-07	I-Read
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	5,790	-	-	104,792	-
Sale of property, adjustments and refunds	-	1,500	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>1,500</b>	<b>5,790</b>	<b>-</b>	<b>-</b>	<b>104,792</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	6,346	21,236	1,958	-	-	66,988	-
Support services	7,686	6,124	12,689	-	-	30,618	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	61	-	-	46	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>14,093</b>	<b>27,360</b>	<b>14,647</b>	<b>46</b>	<b>-</b>	<b>97,606</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(14,093)	(25,860)	(8,857)	(46)	-	7,186	-
<b>Other financing sources (uses):</b>							
Transfers in	-	-	36,158	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>36,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,093)	(25,860)	27,301	(46)	-	7,186	-
Cash and investments - beginning	-	6,148	-	3,153	(8,755)	13,957	6,308
<b>Cash and investments - ending</b>	<b>\$ (14,093)</b>	<b>\$ (19,712)</b>	<b>\$ 27,301</b>	<b>\$ 3,107</b>	<b>\$ (8,755)</b>	<b>\$ 21,143</b>	<b>\$ 6,308</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ (14,093)	\$ (19,712)	\$ 27,301	\$ 3,107	\$ (8,755)	\$ 21,143	\$ 6,308
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ (14,093)</b>	<b>\$ (19,712)</b>	<b>\$ 27,301</b>	<b>\$ 3,107</b>	<b>\$ (8,755)</b>	<b>\$ 21,143</b>	<b>\$ 6,308</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(14,093)	(19,712)	27,301	3,107	(8,755)	21,143	6,308
<b>Total cash and investment fund balance - ending</b>	<b>\$ (14,093)</b>	<b>\$ (19,712)</b>	<b>\$ 27,301</b>	<b>\$ 3,107</b>	<b>\$ (8,755)</b>	<b>\$ 21,143</b>	<b>\$ 6,308</b>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Sliver 05-06	CSPD 2002-4	Joint Service Flow Thru 06-07	Joint Service Flow Thru 03-04	Joint Service Flow Thru 05-06	Joint Service Flow Thru 06-07	Flow Thru CSF 05-06
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	-	2,529,304	-	210,977	556,851	46,626
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>2,529,304</b>	<b>-</b>	<b>210,977</b>	<b>556,851</b>	<b>46,626</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	114,234	-	22,127	392,287	65,253
Support services	5,730	-	2,363,938	-	209,589	102,614	14,288
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>5,730</b>	<b>-</b>	<b>2,478,172</b>	<b>-</b>	<b>231,716</b>	<b>494,901</b>	<b>79,541</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(5,730)</b>	<b>-</b>	<b>51,132</b>	<b>-</b>	<b>(20,739)</b>	<b>61,950</b>	<b>(32,915)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	12,171	-
Transfers out	-	-	-	-	-	-	(12,171)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,171</b>	<b>(12,171)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(5,730)</b>	<b>-</b>	<b>51,132</b>	<b>-</b>	<b>(20,739)</b>	<b>74,121</b>	<b>(45,086)</b>
<b>Cash and investments - beginning</b>	<b>16,245</b>	<b>122,001</b>	<b>4,298</b>	<b>47,385</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 10,515</b>	<b>\$ 122,001</b>	<b>\$ 55,430</b>	<b>\$ 47,385</b>	<b>\$ (20,739)</b>	<b>\$ 74,121</b>	<b>\$ (45,086)</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 10,515	\$ 122,001	\$ 55,430	\$ 47,385	\$ (20,739)	\$ 74,121	\$ (45,086)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 10,515</b>	<b>\$ 122,001</b>	<b>\$ 55,430</b>	<b>\$ 47,385</b>	<b>\$ (20,739)</b>	<b>\$ 74,121</b>	<b>\$ (45,086)</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,515	122,001	55,430	47,385	(20,739)	74,121	(45,086)
<b>Total cash and investment fund balance - ending</b>	<b>\$ 10,515</b>	<b>\$ 122,001</b>	<b>\$ 55,430</b>	<b>\$ 47,385</b>	<b>\$ (20,739)</b>	<b>\$ 74,121</b>	<b>\$ (45,086)</b>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Preschool Handicap 05-06	Preschool Joint Service 06-07	Adult Basic Ed 05-06	Adult Basic Ed 06-07	Drug Free Schools 04-05	Title IV Drug Free 06-07	Title IV Drug Free 05-06
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	-	95,452	-	30,103	-	11,924	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>95,452</b>	<b>-</b>	<b>30,103</b>	<b>-</b>	<b>11,924</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	6,838	34,031	5,638	27,516	241	-	-
Support services	365	44,421	(141)	2,577	4,327	453	1,409
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,580	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>7,203</b>	<b>78,452</b>	<b>5,497</b>	<b>30,093</b>	<b>6,148</b>	<b>453</b>	<b>1,409</b>
Excess (deficiency) of receipts over disbursements	(7,203)	17,000	(5,497)	10	(6,148)	11,471	(1,409)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,203)	17,000	(5,497)	10	(6,148)	11,471	(1,409)
Cash and investments - beginning	-	-	-	-	-	-	-
<b>Cash and investments - ending</b>	<b>\$ (7,203)</b>	<b>\$ 17,000</b>	<b>\$ (5,497)</b>	<b>\$ 10</b>	<b>\$ (6,148)</b>	<b>\$ 11,471</b>	<b>\$ (1,409)</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ (7,203)	\$ 17,000	\$ (5,497)	\$ 10	\$ (6,148)	\$ 11,471	\$ (1,409)
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ (7,203)</b>	<b>\$ 17,000</b>	<b>\$ (5,497)</b>	<b>\$ 10</b>	<b>\$ (6,148)</b>	<b>\$ 11,471</b>	<b>\$ (1,409)</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(7,203)	17,000	(5,497)	10	(6,148)	11,471	(1,409)
<b>Total cash and investment fund balance - ending</b>	<b>\$ (7,203)</b>	<b>\$ 17,000</b>	<b>\$ (5,497)</b>	<b>\$ 10</b>	<b>\$ (6,148)</b>	<b>\$ 11,471</b>	<b>\$ (1,409)</b>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Perkins 05-06	Perkins 06-07	Medicaid Reimbursement Federal	21st Century	21st Century 07	Title II 04-05	Title II 06-07
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-
Federal sources	15,876	41,689	12,861	45,000	13,333	20,000	158,579
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>15,876</b>	<b>41,689</b>	<b>12,861</b>	<b>45,000</b>	<b>13,333</b>	<b>20,000</b>	<b>158,579</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	6,442	44,564	540	30,550	60,740
Support services	7,070	41,689	794	6,744	41	5,695	11,368
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>7,070</b>	<b>41,689</b>	<b>7,236</b>	<b>51,308</b>	<b>581</b>	<b>36,245</b>	<b>72,108</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>8,806</b>	<b>-</b>	<b>5,625</b>	<b>(6,308)</b>	<b>12,752</b>	<b>(16,245)</b>	<b>86,471</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(51)	-	(4,986)	-	-	-	(36,158)
<b>Total other financing sources (uses)</b>	<b>(51)</b>	<b>-</b>	<b>(4,986)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,158)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>8,755</b>	<b>-</b>	<b>639</b>	<b>(6,308)</b>	<b>12,752</b>	<b>(16,245)</b>	<b>50,313</b>
Cash and investments - beginning	-	-	-	-	-	-	-
<b>Cash and investments - ending</b>	<b>\$ 8,755</b>	<b>\$ -</b>	<b>\$ 639</b>	<b>\$ (6,308)</b>	<b>\$ 12,752</b>	<b>\$ (16,245)</b>	<b>\$ 50,313</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 8,755	\$ -	\$ 639	\$ (6,308)	\$ 12,752	\$ (16,245)	\$ 50,313
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 8,755</b>	<b>\$ -</b>	<b>\$ 639</b>	<b>\$ (6,308)</b>	<b>\$ 12,752</b>	<b>\$ (16,245)</b>	<b>\$ 50,313</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,755	-	639	(6,308)	12,752	(16,245)	50,313
<b>Total cash and investment fund balance - ending</b>	<b>\$ 8,755</b>	<b>\$ -</b>	<b>\$ 639</b>	<b>\$ (6,308)</b>	<b>\$ 12,752</b>	<b>\$ (16,245)</b>	<b>\$ 50,313</b>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	Title II Purdue Grant	Title IID 05/06	Title III 05/06	Math Science Grant	Pension Bond Debt Service	Construction	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 251,336	\$ -	\$ 1,517,315
State sources	-	-	-	-	-	-	394,963
Federal sources	92,085	-	189,390	105,771	-	-	4,842,263
Sale of property, adjustments and refunds	-	-	-	-	-	69,248	71,604
<b>Total receipts</b>	<b>92,085</b>	<b>-</b>	<b>189,390</b>	<b>105,771</b>	<b>251,336</b>	<b>69,248</b>	<b>6,826,145</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	102,108	-	-	-	1,900,477
Support services	60,868	55	57,168	-	-	110,913	4,171,077
Community services	-	-	663	-	-	-	15,282
Nonprogrammed charges	124	-	-	-	-	-	7,802
Debt services	-	-	-	-	394,994	-	394,994
<b>Total disbursements</b>	<b>60,992</b>	<b>55</b>	<b>159,939</b>	<b>-</b>	<b>394,994</b>	<b>110,913</b>	<b>6,489,632</b>
Excess (deficiency) of receipts over disbursements	31,093	(55)	29,451	105,771	(143,658)	(41,665)	336,513
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	144,449	45,095	339,464
Transfers out	-	-	-	-	(737)	(3,430)	(266,772)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,712</b>	<b>41,665</b>	<b>72,692</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	31,093	(55)	29,451	105,771	54	-	409,205
Cash and investments - beginning	-	-	-	-	-	-	1,089,117
<b>Cash and investments - ending</b>	<b>\$ 31,093</b>	<b>\$ (55)</b>	<b>\$ 29,451</b>	<b>\$ 105,771</b>	<b>\$ 54</b>	<b>\$ -</b>	<b>\$ 1,498,322</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 31,093	\$ (55)	\$ 29,451	\$ 105,771	\$ -	\$ -	\$ 1,498,268
Restricted assets:							
Cash and investments	-	-	-	-	54	-	54
<b>Total cash and investment assets - ending</b>	<b>\$ 31,093</b>	<b>\$ (55)</b>	<b>\$ 29,451</b>	<b>\$ 105,771</b>	<b>\$ 54</b>	<b>\$ -</b>	<b>\$ 1,498,322</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 54	\$ -	\$ 54
Unrestricted	31,093	(55)	29,451	105,771	-	-	1,498,268
<b>Total cash and investment fund balance - ending</b>	<b>\$ 31,093</b>	<b>\$ (55)</b>	<b>\$ 29,451</b>	<b>\$ 105,771</b>	<b>\$ 54</b>	<b>\$ -</b>	<b>\$ 1,498,322</b>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2006

	Mattix Trust	Defibrillator Fund	Vectren Grant FMS	FEF 04/05	Mental Health Grant	GT Inco Grant
Additions:						
Contributions:						
Other	\$ 4,129	\$ 2,000	\$ 300	\$ 5,989	\$ -	\$ 480
Deductions:						
Administrative and general	2,812	1,770	300	6,250	436	480
Excess (deficiency) of total additions over total deductions	1,317	230	-	(261)	(436)	-
Cash and investment fund balance - beginning	96	2,060	-	1,136	1,000	-
Cash and Investments - June 30	<u>\$ 1,413</u>	<u>\$ 2,290</u>	<u>\$ -</u>	<u>\$ 875</u>	<u>\$ 564</u>	<u>\$ -</u>
Net Assets:						
Cash and investments	<u>\$ 1,413</u>	<u>\$ 2,290</u>	<u>\$ -</u>	<u>\$ 875</u>	<u>\$ 564</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 1,413</u>	<u>\$ 2,290</u>	<u>\$ -</u>	<u>\$ 875</u>	<u>\$ 564</u>	<u>\$ -</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2006  
 (Continued)

	Parent Outreach	Awards Fund	Professional Development	E-Rate Grant	Totals
Additions:					
Contributions:					
Other	\$ -	\$ 50,939	\$ -	\$ 28,256	\$ 92,093
Deductions:					
Administrative and general	50	16,361	1,110	37,072	66,641
Excess (deficiency) of total additions over total deductions	(50)	34,578	(1,110)	(8,816)	25,452
Cash and investment fund balance - beginning	50	569,855	1,110	31,357	606,664
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ 604,433</u>	<u>\$ -</u>	<u>\$ 22,541</u>	<u>\$ 632,116</u>
Net Assets:					
Cash and investments	\$ -	\$ 604,433	\$ -	\$ 22,541	\$ 632,116
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 604,433</u>	<u>\$ -</u>	<u>\$ 22,541</u>	<u>\$ 632,116</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2007

	<u>Mattix Trust</u>	<u>Defibrillator Fund</u>	<u>FEF 2006</u>	<u>FEF 04/05</u>	<u>Mental Health Grant</u>
Additions:					
Contributions:					
Other	\$ 2,705	\$ -	\$ 7,250	\$ -	\$ -
Deductions:					
Administrative and general	2,652	175	5,850	875	-
Excess (deficiency) of total additions over total deductions	53	(175)	1,400	(875)	-
Cash and investment fund balance - beginning	1,413	2,290	-	875	564
Cash and investments - June 30	<u>\$ 1,466</u>	<u>\$ 2,115</u>	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ 564</u>
Net Assets:					
Cash and investments	\$ 1,466	\$ 2,115	\$ 1,400	\$ -	\$ 564
Total net assets - cash and investment basis held in trust	<u>\$ 1,466</u>	<u>\$ 2,115</u>	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ 564</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2007  
 (Continued)

	<u>Book Fund</u>	<u>Awards Fund</u>	<u>E-Rate Grant</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	<u>\$ 5,050</u>	<u>\$ 76,732</u>	<u>\$ 23,310</u>	<u>\$ 115,047</u>
Deductions:				
Administrative and general	<u>1,532</u>	<u>26,675</u>	<u>19,030</u>	<u>56,789</u>
Excess (deficiency) of total additions over total deductions	3,518	50,057	4,280	58,258
Cash and investment fund balance - beginning	<u>-</u>	<u>604,433</u>	<u>22,541</u>	<u>632,116</u>
Cash and investments - June 30	<u>\$ 3,518</u>	<u>\$ 654,490</u>	<u>\$ 26,821</u>	<u>\$ 690,374</u>
Net Assets:				
Cash and investments	<u>\$ 3,518</u>	<u>\$ 654,490</u>	<u>\$ 26,821</u>	<u>\$ 690,374</u>
Total net assets - cash and investment basis held in trust	<u>\$ 3,518</u>	<u>\$ 654,490</u>	<u>\$ 26,821</u>	<u>\$ 690,374</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2007

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	\$ 752,656
Infrastructure	26,940,859
Buildings	471,991
Improvements other than buildings	32,386,038
Machinery and equipment	<u>31,470,950</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 92,022,494</u>

COMMUNITY SCHOOLS OF FRANKFORT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2007

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Middle School Building	\$ 3,125,000	\$ 791,730
High School - Elementary Buildings	37,355,000	1,708,220
Notes and loans payable	6,093,314	869,596
Bonds payable:		
General obligation bonds:		
Pension Bonds	<u>4,495,000</u>	<u>394,119</u>
Total governmental activities debt	<u>\$ 51,068,314</u>	<u>\$ 3,763,665</u>

COMMUNITY SCHOOLS OF FRANKFORT  
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Perkins Fund was overdrawn in the 2005-2006 and 2006-2007 school years.

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

USE OF FORM SA-5, FINANCIAL REPORT (High School)

Financial Reports (Form SA-5) presented for audit for the school year 2005-2006 were incomplete. The Form SA5-1 which summarizes the financial activity for each fund for the school year was not made available for review.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CONDITION OF RECORDS (SUNCREST ELEMENTARY)

The following deficiencies relating to the recordkeeping were noted:

- (1) The Extra-Curricular Account Treasurer did not always use Form SA-7, Claim for Payment or Form SA-1, Purchase Order Accounts Payable Voucher to support and document the disbursements made; also, not all disbursements were properly supported by an invoice. Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.
- (2) The December 2006 bank statement was not completely available for review, the portion of the statement where the optical images of the checks were contained was not provided for audit.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE COMMUNITY SCHOOLS OF FRANKFORT,  
CLINTON COUNTY, INDIANA

Compliance

We have audited the compliance of the Community Schools of Frankfort (School Corporation) 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 years ended June 30, 2006 and 2007. The School Corporation's major federal programs are identified in the Summary of Auditor's 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 Corporation's management. Our responsibility is to express an opinion on the School Corporation'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 non-compliance 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 Corporation'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 of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A control deficiency in a School Corporation'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 noncompliance 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 significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 20, 2007

COMMUNITY SCHOOLS OF FRANKFORT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 169,009	\$ 182,613
National School Lunch Program	10.555		<u>667,232</u>	<u>731,179</u>
Total for cluster			<u>836,241</u>	<u>913,792</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States	84.027			
		14205-006-DY01	31,216	5,730
		14207-006-PN01	-	2,478,172
		14206-006-PN01	2,300,014	231,715
		14205-006-PN01	259,634	-
		14205-006-PN01	85,000	-
		14205-006-SN01	<u>7,539</u>	<u>-</u>
Total for program			<u>2,683,403</u>	<u>2,715,617</u>
Special Education - Preschool Grants	84.173			
		45705-006-PN01	3,037	-
		45706-006-PN01	85,913	7,203
		45707-006-PN01	<u>-</u>	<u>78,452</u>
Total for program			<u>88,950</u>	<u>85,655</u>
Total for cluster			<u>2,772,353</u>	<u>2,801,272</u>
Pass-Through Lafayette School Corporation				
Adult Education - State Grant Program	84.002			
		2005-8019	5,021	-
		2006-8019	27,010	5,496
		2007-8019	<u>-</u>	<u>30,093</u>
Total for program			<u>32,031</u>	<u>35,589</u>
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010			
		05-1170	32,659	-
		06-1170	323,690	70,005
		07-1170	-	399,554
School Improvement		05-1170	2,064	-
School Improvement		06-1170	77,765	9,623
School Improvement		07-1170	<u>-</u>	<u>63,980</u>
Total for program			<u>436,178</u>	<u>543,162</u>
Migrant Education - State Grant Program	84.011			
		FY05-06/RM-20	54,954	-
		FY06-07/RM-5	<u>-</u>	<u>97,606</u>
Total for program			<u>54,954</u>	<u>97,606</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

COMMUNITY SCHOOLS OF FRANKFORT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2006 and 2007  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Tippecanoe School Corporation Vocational Education - Basic Grants to States	84.048		58,795	48,810
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186			
		03-098	93	-
		1170-06	-	453
		04-243	9,503	4,570
		03-098	4,872	1,408
Total for program			14,468	6,431
Twenty-First Century Community Learning Centers	84.287		106,436	51,889
State Grants for Innovative Programs	84.298			
		03-152	13,586	-
		04-139	15,797	14,032
		05-095	10,493	27,360
		06-1170	-	14,647
Total for program			39,876	56,039
Education Technology State Grants	84.318		281	55
English Language Acquisition Grants	84.365		122,506	159,939
Improving Teacher Quality State Grants	84.367			
		04-001	73,396	36,245
		06-1170	-	72,108
		Purdue Grant	97,144	60,992
Total for program			170,540	169,345
Total for federal grantor agency			3,808,418	3,970,137
Total federal awards expended			\$ 4,644,659	\$ 4,883,929

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

COMMUNITY SCHOOLS OF FRANKFORT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Community Schools of Frankfort (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2006 and 2007:

Program Title	Federal CFDA Number	2006	2007
Special Education – Grants to States	84.027	\$ 2,683,403	\$ 2,715,617

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2006	2007
School Breakfast Program	10.553	\$ 7,747	\$ 10,824
School Lunch Program	10.555	30,253	42,786

COMMUNITY SCHOOLS OF FRANKFORT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified (Disclaimer)

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Title I Grants to Local Education Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

COMMUNITY SCHOOLS OF FRANKFORT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

COMMUNITY SCHOOLS OF FRANKFORT  
EXIT CONFERENCE

The contents of this report were discussed on December 20, 2007, with Karen Rudolf, Treasurer; Dr. Kevin Caress, Superintendent of Schools, and Dean Huddleston, President of the School Board.