

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

AUDIT REPORT

OF

EDINBURGH COMMUNITY SCHOOL CORPORATION

JOHNSON COUNTY, INDIANA

July 1, 2005 to June 30, 2007



**FILED**

03/31/2008



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tamara Lewis	07-01-05 to 06-30-08
Superintendent of Schools	Rebecca Sager Richard Arkanoff	07-01-05 to 06-30-07 07-01-07 to 06-30-10
President of the School Board	Janet Hansen Barbara Pierse Cathy Hamm	01-01-05 to 12-31-05 01-01-06 to 12-31-06 01-01-07 to 12-31-08



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

TO: THE OFFICIALS OF THE EDINBURGH COMMUNITY SCHOOL  
CORPORATION, JOHNSON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Edinburgh Community School Corporation (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 March 12, 2008, 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.

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.

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

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

March 12, 2008



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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 EDINBURGH COMMUNITY SCHOOL  
CORPORATION, JOHNSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Edinburgh Community School Corporation (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 March 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School 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, the School Board of Trustees, 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

March 12, 2008

EDINBURGH COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 3,658,158	\$ -	\$ 114,761	\$ (3,543,397)
Support services	4,635,662	266,584	213,023	(4,156,055)
Community services	20,007	-	1,049	(18,958)
Nonprogrammed charges	192,983	-	-	(192,983)
Debt service	<u>619,762</u>	<u>-</u>	<u>-</u>	<u>(619,762)</u>
Total governmental activities	<u>\$ 9,126,572</u>	<u>\$ 266,584</u>	<u>\$ 328,833</u>	<u>(8,531,155)</u>
General receipts:				
Property taxes				2,610,004
Other local sources				437,468
State aid				4,690,948
Bonds and loans				826,637
Grants and contributions not restricted to specific programs				366,820
Sale of property, adjustments, and refunds				38,843
Investment earnings				<u>98,778</u>
Total general receipts				<u>9,069,498</u>
Change in net assets				538,343
Net assets - beginning				<u>1,102,570</u>
Net assets - ending				<u>\$ 1,640,913</u>
<u>Assets</u>				
Cash and investments				\$ 1,307,083
Restricted assets:				
Cash and investments				<u>333,830</u>
Total assets				<u>\$ 1,640,913</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 333,830
Unrestricted				<u>1,307,083</u>
Total net assets				<u>\$ 1,640,913</u>

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 3,784,620	\$ -	\$ 79,764	\$ (3,704,856)
Support services	4,054,609	272,708	206,092	(3,575,809)
Community services	15,764	-	110	(15,654)
Nonprogrammed charges	170,868	-	-	(170,868)
Debt service	<u>828,511</u>	<u>-</u>	<u>-</u>	<u>(828,511)</u>
Total governmental activities	<u>\$ 8,854,372</u>	<u>\$ 272,708</u>	<u>\$ 285,966</u>	<u>(8,295,698)</u>
General receipts:				
Property taxes				1,584,269
Other local sources				445,128
State aid				4,569,823
Grants and contributions not restricted to specific programs				456,541
Sale of property, adjustments, and refunds				74,911
Investment earnings				124,574
Transfers				<u>100,808</u>
Total general receipts and transfers				<u>7,356,054</u>
Change in net assets				(939,644)
Net assets - beginning				<u>1,640,913</u>
Net assets - ending				<u>\$ 701,269</u>
<u>Assets</u>				
Cash and investments				\$ 647,316
Restricted assets:				
Cash and investments				<u>53,953</u>
Total assets				<u>\$ 701,269</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 53,953
Unrestricted				<u>647,316</u>
Total net assets				<u>\$ 701,269</u>

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 1,678,672	\$ 127,955	\$ 534,035	\$ 586,300	\$ 10,227	\$ 475,306	\$ 3,412,495
Intermediate sources	94	-	-	-	-	244	338
State sources	4,713,577	-	-	-	-	90,668	4,804,245
Federal sources	-	-	-	-	-	582,357	582,357
Bonds and loans	-	-	-	-	-	826,637	826,637
Sale of property, adjustments and refunds	35,867	491	-	50	-	2,435	38,843
<b>Total receipts</b>	<u>6,428,210</u>	<u>128,446</u>	<u>534,035</u>	<u>586,350</u>	<u>10,227</u>	<u>1,977,647</u>	<u>9,664,915</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	3,328,651	-	-	-	-	329,507	3,658,158
Support services	2,737,798	110,375	-	460,890	2,666	1,323,933	4,635,662
Community services	-	-	-	-	-	20,007	20,007
Nonprogrammed charges	176,483	-	-	-	-	16,500	192,983
Debt services	-	-	455,346	-	-	164,416	619,762
<b>Total disbursements</b>	<u>6,242,932</u>	<u>110,375</u>	<u>455,346</u>	<u>460,890</u>	<u>2,666</u>	<u>1,854,363</u>	<u>9,126,572</u>
Excess of receipts over disbursements	<u>185,278</u>	<u>18,071</u>	<u>78,689</u>	<u>125,460</u>	<u>7,561</u>	<u>123,284</u>	<u>538,343</u>
<b>Other financing sources (uses):</b>							
Transfers in	25,044	-	-	-	-	-	25,044
Transfers out	-	-	-	-	-	(25,044)	(25,044)
<b>Total other financing sources (uses)</b>	<u>25,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,044)</u>	<u>-</u>
Excess of receipts and other financing sources over disbursements and other financing uses	210,322	18,071	78,689	125,460	7,561	98,240	538,343
Cash and investments - beginning	<u>481,930</u>	<u>17,354</u>	<u>220,412</u>	<u>168,820</u>	<u>65,370</u>	<u>148,684</u>	<u>1,102,570</u>
Cash and investments - ending	<u>\$ 692,252</u>	<u>\$ 35,425</u>	<u>\$ 299,101</u>	<u>\$ 294,280</u>	<u>\$ 72,931</u>	<u>\$ 246,924</u>	<u>\$ 1,640,913</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 692,252	\$ 35,425	\$ -	\$ 294,280	\$ 72,931	\$ 212,195	\$ 1,307,083
Restricted assets:							
Cash and investments	-	-	299,101	-	-	34,729	333,830
<b>Total cash and investment assets - ending</b>	<u>\$ 692,252</u>	<u>\$ 35,425</u>	<u>\$ 299,101</u>	<u>\$ 294,280</u>	<u>\$ 72,931</u>	<u>\$ 246,924</u>	<u>\$ 1,640,913</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 299,101	\$ -	\$ -	\$ 34,729	\$ 333,830
Unrestricted	<u>692,252</u>	<u>35,425</u>	<u>-</u>	<u>294,280</u>	<u>72,931</u>	<u>212,195</u>	<u>1,307,083</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 692,252</u>	<u>\$ 35,425</u>	<u>\$ 299,101</u>	<u>\$ 294,280</u>	<u>\$ 72,931</u>	<u>\$ 246,924</u>	<u>\$ 1,640,913</u>

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 1,136,783	\$ 83,958	\$ 384,362	\$ 425,515	\$ 18,205	\$ 377,273	\$ 2,426,096
Intermediate sources	94	-	-	-	-	487	581
State sources	4,559,292	-	-	-	-	167,545	4,726,837
Federal sources	-	-	-	-	-	585,495	585,495
Sale of property, adjustments and refunds	70,454	540	-	2,850	-	1,067	74,911
Interfund loans	-	70,000	-	-	-	-	70,000
<b>Total receipts</b>	<u>5,766,623</u>	<u>154,498</u>	<u>384,362</u>	<u>428,365</u>	<u>18,205</u>	<u>1,131,867</u>	<u>7,883,920</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	3,446,863	-	-	-	-	337,757	3,784,620
Support services	2,570,229	150,859	-	643,118	-	690,403	4,054,609
Community services	-	-	-	-	-	15,764	15,764
Nonprogrammed charges	148,868	-	-	-	-	22,000	170,868
Debt services	2,868	-	626,175	-	-	199,468	828,511
Interfund loans	-	-	-	-	70,000	-	70,000
<b>Total disbursements</b>	<u>6,168,828</u>	<u>150,859</u>	<u>626,175</u>	<u>643,118</u>	<u>70,000</u>	<u>1,265,392</u>	<u>8,924,372</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>(402,205)</u>	<u>3,639</u>	<u>(241,813)</u>	<u>(214,753)</u>	<u>(51,795)</u>	<u>(133,525)</u>	<u>(1,040,452)</u>
<b>Other financing sources (uses):</b>							
Transfers in	15,403	-	-	-	-	112,323	127,726
Transfers out	-	-	(11,515)	-	-	(15,403)	(26,918)
<b>Total other financing sources (uses)</b>	<u>15,403</u>	<u>-</u>	<u>(11,515)</u>	<u>-</u>	<u>-</u>	<u>96,920</u>	<u>100,808</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(386,802)</u>	<u>3,639</u>	<u>(253,328)</u>	<u>(214,753)</u>	<u>(51,795)</u>	<u>(36,605)</u>	<u>(939,644)</u>
<b>Cash and investments - beginning</b>	<u>692,252</u>	<u>35,425</u>	<u>299,101</u>	<u>294,280</u>	<u>72,931</u>	<u>246,924</u>	<u>1,640,913</u>
<b>Cash and investments - ending</b>	<u>\$ 305,450</u>	<u>\$ 39,064</u>	<u>\$ 45,773</u>	<u>\$ 79,527</u>	<u>\$ 21,136</u>	<u>\$ 210,319</u>	<u>\$ 701,269</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 305,450	\$ 39,064	\$ -	\$ 79,527	\$ 21,136	\$ 202,139	\$ 647,316
Restricted assets:							
Cash and investments	-	-	45,773	-	-	8,180	53,953
<b>Total cash and investment assets - ending</b>	<u>\$ 305,450</u>	<u>\$ 39,064</u>	<u>\$ 45,773</u>	<u>\$ 79,527</u>	<u>\$ 21,136</u>	<u>\$ 210,319</u>	<u>\$ 701,269</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 45,773	\$ -	\$ -	\$ 8,180	\$ 53,953
Unrestricted	305,450	39,064	-	79,527	21,136	202,139	647,316
<b>Total cash and investment fund balance - ending</b>	<u>\$ 305,450</u>	<u>\$ 39,064</u>	<u>\$ 45,773</u>	<u>\$ 79,527</u>	<u>\$ 21,136</u>	<u>\$ 210,319</u>	<u>\$ 701,269</u>

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2006

	Pension Trust Fund	Agency Funds
Additions	\$ <u>          -</u>	
Deductions:		
Benefits	<u>          35,003</u>	
Deficiency of total additions over total deductions	(35,003)	
Cash and investment fund balance - beginning	<u>          588,324</u>	
Cash and investment fund balance - ending	<u>          \$ 553,321</u>	
Net assets:		
Cash and investments	<u>          \$ 553,321</u>	<u>          \$ 4,696</u>
Total net assets - cash and investment basis held in trust	<u>          \$ 553,321</u>	<u>          \$ 4,696</u>

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2007

	Pension Trust Fund	Agency Funds
Additions	\$ <u>          -</u>	
Deductions:		
Benefits	118,467	
Transfers	<u>100,808</u>	
Deficiency of total additions over total deductions	(219,275)	
Cash and investment fund balance - beginning	<u>553,321</u>	
Cash and investment fund balance - ending	<u><u>\$ 334,046</u></u>	
Net assets:		
Cash and investments	<u>\$ 334,046</u>	<u>\$ 5,094</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 334,046</u></u>	<u><u>\$ 5,094</u></u>

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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 Primary Government.

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

Joint Ventures

The School Corporation is a participant with Beech Grove City Schools, Greenwood Community School Corporation, Clark-Pleasant Community School Corporation, Center Grove Community School Corporation, Metropolitan School District of Franklin Township, Franklin Community School Corporation, Metropolitan School District of Perry Township, and Nineveh-Hensley-Jackson United School Corporation in a joint venture to operate Central Nine Career Center which was created to provide vocational educational services. Central Nine Career Center's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Central Nine Career Center can be obtained from the joint venture's administrative office at P.O. Box 710, Greenwood, Indiana, 46142.

The School Corporation is a participant with Greenwood Community School Corporation, Clark-Pleasant Community School Corporation, Center Grove Community School Corporation, Franklin Community School Corporation, and Nineveh-Hensley-Jackson United School Corporation in a joint venture to operate Special Services – Johnson County Schools which was created to provide a comprehensive program of special education for handicapped children in Johnson County. Special Services – Johnson County School's continued existence depends on continued funding by the School Corporation. Complete financial statements for Special Services – Johnson County Schools can be obtained from the joint venture's administrative office at 500 Earlywood Drive, Franklin, Indiana, 46131.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis 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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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.

Additionally, the School Corporation reports the following fund type:

Pension trust funds account for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trustee capacity.

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. Receipts are recorded when received and disbursements are recorded when paid.

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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

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

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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Compensated Absences

a. Compensatory Leave

School Corporation certified employees earn compensatory leave at the rate of 13 days per year. Unused compensatory leave may be accumulated to a maximum of 176 days. If the school year is completed with over 176 days of accumulated compensatory leave, the employee will receive \$25 per day for the compensatory days earned but unused for the school year.

School Corporation noncertified employees earn compensatory leave at the rate of 9 to 12 days per year depending on the classification of the employee. Unused compensatory leave may be accumulated to a maximum of 85 days. Employees with at least 15 years of continuous service and at least 55 years of age will receive 30% of the daily rate of pay at the time of retirement for each accumulated compensatory day.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 10 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year. Remaining vacation days will be compensated at 50% of the regular daily rate for unused vacation on August 31 of each year.

4. Capital Assets

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

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary 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

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, 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.
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:

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis 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 – Cash and Investment Basis.
2. Primary government and component unit activity and balances – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 and state statute:

Fund	2006	2007
Adult Education State Fund	\$ (20,988)	\$ (20,189)
Early Childhood School-to-Work 05-06	(154)	-
Early Childhood School-to-Work 06-07	-	(5,116)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. 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; balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. The School Corporation did not have any investment activity for the years ending June 30, 2006 and 2007.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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>
Debt Service Fund	Other governmental funds	\$ -	\$ 11,515
Other governmental funds	General Fund	25,044	15,403
Pension Trust Fund	Other governmental funds	-	100,808
Totals		<u>\$ 25,044</u>	<u>\$ 127,726</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2006, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit. Prior period adjustments represent the correction of prior fund type classifications.

<u>Opinion Unit</u>	<u>Balance as Reported June 30, 2005</u>	<u>Fund Reclassification</u>	<u>New Funds</u>	<u>Prior Period Adjustments</u>	<u>Balance as Restated July 1, 2007</u>
Other Governmental	\$ 165,131	\$ (16,447)	\$ -	\$ -	\$ 148,684
Private-Purpose Trust	(16,447)	16,447	-	-	-

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; 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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Medical Benefits to Employees

During 1989, the School Corporation joined with other governmental entities to form the South Central Indiana School Trust, a public entity risk pool currently operating as a common risk management and insurance program for 12 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$2,000,000 per lifetime per insured event. The risk pool obtains independent coverage for insured events in excess of the \$200,000 per person limit.

B. Holding Corporation

The School Corporation has entered into a capital leases with Edinburgh Community School Building Corporation (the lessor). The lessor was 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 lessor has been determined to be a related party of the School Corporation. Lease payments during the two year period totaled \$558,209 and \$454,176, respectively.

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 15 years of service. Currently, 8 retirees meet these eligibility requirements. The School Corporation and retirees provide the school board determined amount and the remaining premium balance, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the audit period, disbursements of \$45,984 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in 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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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

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	\$ 72,383
Interest on net pension obligation	(4,938)
Adjustment to annual required contribution	5,628
Annual pension cost	73,073
Contributions made	56,653
Increase in net pension obligation	16,420
Net pension obligation, beginning of year	(68,115)
Net pension obligation, end of year	\$ (51,695)
Contribution rates:	
School Corporation	6%
Plan members	3%
Actuarial valuation date	07-01-05
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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions	PERF
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%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 46,449	99%	\$ (59,312)
	06-30-05	50,853	117%	(68,115)
	06-30-06	73,073	78%	(51,695)

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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 \$93,272, \$99,920, and \$101,288, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 752,184	\$ 843,617	\$ (91,433)	89%	\$ 873,386	(10%)
07-01-05	799,462	1,109,468	(310,006)	72%	922,020	(34%)
07-01-06	1,001,147	1,039,426	(38,279)	96%	909,897	(4%)

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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 Ed Preschool	School Lunch	Textbook Rental	Latch Key Child Care Programs	Plate Fee Distribution	Safe Haven	ES SS Borders Book Donations
<b>Receipts:</b>							
Local sources	\$ 4,598	\$ 192,622	\$ 73,962	\$ 11,228	\$ -	\$ -	\$ 350
Intermediate sources	-	-	-	-	244	-	-
State sources	15,018	5,256	15,730	-	-	777	-
Federal sources	-	190,613	-	1,049	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	959	726	-	-	-	-
<b>Total receipts</b>	<b>19,616</b>	<b>389,450</b>	<b>90,418</b>	<b>12,277</b>	<b>244</b>	<b>777</b>	<b>350</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	777	-
Support services	-	354,192	95,525	688	-	-	-
Community services	-	-	-	8,276	-	-	-
Nonprogrammed charges	16,500	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>16,500</b>	<b>354,192</b>	<b>95,525</b>	<b>8,964</b>	<b>-</b>	<b>777</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	3,116	35,258	(5,107)	3,313	244	-	350
<b>Other financing uses:</b>							
Transfers out	-	-	(23,836)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,116	35,258	(28,943)	3,313	244	-	350
Cash and investments - beginning	9,289	4,012	47,744	-	375	-	-
Cash and investments - ending	\$ 12,405	\$ 39,270	\$ 18,801	\$ 3,313	\$ 619	\$ -	\$ 350
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 12,405	\$ 39,270	\$ 18,801	\$ 3,313	\$ 619	\$ -	\$ 350
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 12,405</b>	<b>\$ 39,270</b>	<b>\$ 18,801</b>	<b>\$ 3,313</b>	<b>\$ 619</b>	<b>\$ -</b>	<b>\$ 350</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,405	39,270	18,801	3,313	619	-	350
<b>Total cash and investment fund balance - ending</b>	<b>\$ 12,405</b>	<b>\$ 39,270</b>	<b>\$ 18,801</b>	<b>\$ 3,313</b>	<b>\$ 619</b>	<b>\$ -</b>	<b>\$ 350</b>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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)

	Vectren HS Taylor Grant	Johnson Co. Found ES Camp	ES Clothe a Child Donation	HS Johnson Co. Foundation	United Way ABE Donations	ES Donations Playground	ES Johnson Co. Foundation
<b>Receipts:</b>							
Local sources	\$ 151	\$ 1,550	\$ 3,554	\$ 500	\$ 6,967	\$ -	\$ 1,600
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Bonds and loans	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	29	-	-
<b>Total receipts</b>	<b>151</b>	<b>1,550</b>	<b>3,554</b>	<b>500</b>	<b>6,996</b>	<b>-</b>	<b>1,600</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	151	-	-	500	5,807	6,000	719
Support services	-	328	-	-	588	-	-
Community services	-	50	4,140	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>151</b>	<b>378</b>	<b>4,140</b>	<b>500</b>	<b>6,395</b>	<b>6,000</b>	<b>719</b>
Excess (deficiency) of receipts over disbursements	-	1,172	(586)	-	601	(6,000)	881
<b>Other financing uses:</b>							
Transfers out	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,172	(586)	-	601	(6,000)	881
Cash and investments - beginning	-	328	38,943	-	1,784	6,000	-
Cash and investments - ending	\$ -	\$ 1,500	\$ 38,357	\$ -	\$ 2,385	\$ -	\$ 881
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ 1,500	\$ 38,357	\$ -	\$ 2,385	\$ -	\$ 881
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 1,500	\$ 38,357	\$ -	\$ 2,385	\$ -	\$ 881
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,500	38,357	-	2,385	-	881
Total cash and investment fund balance - ending	\$ -	\$ 1,500	\$ 38,357	\$ -	\$ 2,385	\$ -	\$ 881

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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)

	Adult Education State Fund	Indiana Next- Gates Foundation	Gifted/ Talented 05/06	Non-English Speaking Program	Title I 04-05	Title I 05-06
<b>Receipts:</b>						
Local sources	\$ -	\$ 1,500	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	41,744	-	11,771	372	-	-
Federal sources	-	-	-	-	15,400	182,243
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	717
<b>Total receipts</b>	<b>41,744</b>	<b>1,500</b>	<b>11,771</b>	<b>372</b>	<b>15,400</b>	<b>182,960</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	42,680	-	11,771	299	9,493	136,216
Support services	3,605	1,500	-	-	7,059	33,624
Community services	-	-	-	-	-	7,541
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>46,285</b>	<b>1,500</b>	<b>11,771</b>	<b>299</b>	<b>16,552</b>	<b>177,381</b>
Excess (deficiency) of receipts over disbursements	(4,541)	-	-	73	(1,152)	5,579
<b>Other financing uses:</b>						
Transfers out	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,541)	-	-	73	(1,152)	5,579
Cash and investments - beginning	(16,447)	-	-	-	1,152	-
Cash and investments - ending	<u>\$ (20,988)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ 5,579</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ (20,988)	\$ -	\$ -	\$ 73	\$ -	\$ 5,579
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ (20,988)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ 5,579</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(20,988)	-	-	73	-	5,579
<b>Total cash and investment fund balance - ending</b>	<u>\$ (20,988)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ 5,579</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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 V-A 04/05	Title V-A 05/06	ABE-Impact 04-05	ABE 05/06 C-9	ABE 04/05 C-9	Drug Free 02-04
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	3,031	2,419	56,089	-	-
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	4	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>3,031</b>	<b>2,423</b>	<b>56,089</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	12,130	2,137	-
Support services	601	3,031	-	41,554	3,019	500
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>601</b>	<b>3,031</b>	<b>-</b>	<b>53,684</b>	<b>5,156</b>	<b>500</b>
Excess (deficiency) of receipts over disbursements	(601)	-	2,423	2,405	(5,156)	(500)
<b>Other financing uses:</b>						
Transfers out	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(601)	-	2,423	2,405	(5,156)	(500)
Cash and investments - beginning	1,630	-	(2,423)	-	5,156	500
Cash and investments - ending	<u>\$ 1,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,405</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 1,029	\$ -	\$ -	\$ 2,405	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 1,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,405</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,029	-	-	2,405	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,405</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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)

	Drug Free 05-07	Drug Free 04-05	Medicaid Reimbursement	Team Nutrition High School	School-to-Work Early Childhood	Early Childhood School-to-Work 05/06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	4,700	3,362	1,425	500	11,193	27,052
Bonds and loans	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>4,700</u>	<u>3,362</u>	<u>1,425</u>	<u>500</u>	<u>11,193</u>	<u>27,052</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	1,058	500	10,225	24,346
Support services	3,230	3,900	-	-	721	2,860
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>3,230</u>	<u>3,900</u>	<u>1,058</u>	<u>500</u>	<u>10,946</u>	<u>27,206</u>
Excess (deficiency) of receipts over disbursements	<u>1,470</u>	<u>(538)</u>	<u>367</u>	<u>-</u>	<u>247</u>	<u>(154)</u>
<b>Other financing uses:</b>						
Transfers out	-	-	(1,208)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,470	(538)	(841)	-	247	(154)
Cash and investments - beginning	-	538	8,638	-	(247)	-
Cash and investments - ending	<u>\$ 1,470</u>	<u>\$ -</u>	<u>\$ 7,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (154)</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 1,470	\$ -	\$ 7,797	\$ -	\$ -	\$ (154)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,470</u>	<u>\$ -</u>	<u>\$ 7,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (154)</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>1,470</u>	<u>-</u>	<u>7,797</u>	<u>-</u>	<u>-</u>	<u>(154)</u>
Total cash and investment fund balance - ending	<u>\$ 1,470</u>	<u>\$ -</u>	<u>\$ 7,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (154)</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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)

	HIP Purdue University	Title II Part A	Title II Part D	Retirement/ Severance Bond Fund	Construction 2005	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 168,271	\$ 8,453	\$ 475,306
Intermediate sources	-	-	-	-	-	244
State sources	-	-	-	-	-	90,668
Federal sources	15,043	64,623	3,615	-	-	582,357
Bonds and loans	-	-	-	-	826,637	826,637
Sale of property, adjustments and refunds	-	-	-	-	-	2,435
<b>Total receipts</b>	<b>15,043</b>	<b>64,623</b>	<b>3,615</b>	<b>168,271</b>	<b>835,090</b>	<b>1,977,647</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	11,550	53,148	-	-	-	329,507
Support services	1,757	11,820	3,615	-	750,216	1,323,933
Community services	-	-	-	-	-	20,007
Nonprogrammed charges	-	-	-	-	-	16,500
Debt services	-	-	-	164,416	-	164,416
<b>Total disbursements</b>	<b>13,307</b>	<b>64,968</b>	<b>3,615</b>	<b>164,416</b>	<b>750,216</b>	<b>1,854,363</b>
Excess (deficiency) of receipts over disbursements	1,736	(345)	-	3,855	84,874	123,284
<b>Other financing uses:</b>						
Transfers out	-	-	-	-	-	(25,044)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,736	(345)	-	3,855	84,874	98,240
Cash and investments - beginning	1,358	9,480	-	30,874	-	148,684
Cash and investments - ending	<u>\$ 3,094</u>	<u>\$ 9,135</u>	<u>\$ -</u>	<u>\$ 34,729</u>	<u>\$ 84,874</u>	<u>\$ 246,924</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 3,094	\$ 9,135	\$ -	\$ -	\$ 84,874	\$ 212,195
Restricted assets:						
Cash and investments	-	-	-	34,729	-	34,729
<b>Total cash and investment assets - ending</b>	<b><u>\$ 3,094</u></b>	<b><u>\$ 9,135</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 34,729</u></b>	<b><u>\$ 84,874</u></b>	<b><u>\$ 246,924</u></b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 34,729	\$ -	\$ 34,729
Unrestricted	3,094	9,135	-	-	84,874	212,195
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 3,094</u></b>	<b><u>\$ 9,135</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 34,729</u></b>	<b><u>\$ 84,874</u></b>	<b><u>\$ 246,924</u></b>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
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	Special Ed Preschool	School Lunch	Textbook Rental	Latch Key Child Care Programs	Plate Fee Distribution	ES SS Borders Book Donations	ES Capt Grant Kgrtn. Summer School
<b>Receipts:</b>							
Local sources	\$ 2,806	\$ 200,990	\$ 71,718	\$ 120	\$ -	\$ 250	\$ 20,276
Intermediate sources	-	-	-	-	487	-	-
State sources	28,592	5,034	15,099	-	-	-	-
Federal sources	-	184,848	-	110	-	-	-
Sale of property, adjustments and refunds	-	1,067	-	-	-	-	-
<b>Total receipts</b>	<b>31,398</b>	<b>391,939</b>	<b>86,817</b>	<b>230</b>	<b>487</b>	<b>250</b>	<b>20,276</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	731	274	750
Support services	-	374,516	89,914	-	-	-	57
Community services	-	-	-	3,543	-	-	-
Nonprogrammed charges	22,000	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>22,000</b>	<b>374,516</b>	<b>89,914</b>	<b>3,543</b>	<b>731</b>	<b>274</b>	<b>807</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>9,398</b>	<b>17,423</b>	<b>(3,097)</b>	<b>(3,313)</b>	<b>(244)</b>	<b>(24)</b>	<b>19,469</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	11,515	-	-	-	-
Transfers out	-	-	(15,029)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(3,514)</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>9,398</b>	<b>17,423</b>	<b>(6,611)</b>	<b>(3,313)</b>	<b>(244)</b>	<b>(24)</b>	<b>19,469</b>
Cash and investments - beginning	12,405	39,270	18,801	3,313	619	350	-
<b>Cash and investments - ending</b>	<b>\$ 21,803</b>	<b>\$ 56,693</b>	<b>\$ 12,190</b>	<b>\$ -</b>	<b>\$ 375</b>	<b>\$ 326</b>	<b>\$ 19,469</b>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 21,803	\$ 56,693	\$ 12,190	\$ -	\$ 375	\$ 326	\$ 19,469
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 21,803</b>	<b>\$ 56,693</b>	<b>\$ 12,190</b>	<b>\$ -</b>	<b>\$ 375</b>	<b>\$ 326</b>	<b>\$ 19,469</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	21,803	56,693	12,190	-	375	326	19,469
<b>Total cash and investment fund balance - ending</b>	<b>\$ 21,803</b>	<b>\$ 56,693</b>	<b>\$ 12,190</b>	<b>\$ -</b>	<b>\$ 375</b>	<b>\$ 326</b>	<b>\$ 19,469</b>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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, 2007  
 (Continued)

	ES Target 2006 Grant	ES Clothe a Child Donation	United Way ABE Donations	ES Johnson Co. Foundation	Adult Education State Fund	Gifted/ Talented 06-07	Non-English Speaking Program
<b>Receipts:</b>							
Local sources	\$ 1,000	\$ 3,515	\$ 4,487	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	47,460	11,771	332
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>1,000</b>	<b>3,515</b>	<b>4,487</b>	<b>-</b>	<b>47,460</b>	<b>11,771</b>	<b>332</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	2,387	-	6,508	757	42,471	11,771	317
Support services	-	-	327	124	4,190	-	-
Community services	-	4,060	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>2,387</b>	<b>4,060</b>	<b>6,835</b>	<b>881</b>	<b>46,661</b>	<b>11,771</b>	<b>317</b>
Excess (deficiency) of receipts over disbursements	(1,387)	(545)	(2,348)	(881)	799	-	15
<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	(1,387)	(545)	(2,348)	(881)	799	-	15
Cash and investments - beginning	1,500	38,357	2,385	881	(20,988)	-	73
Cash and investments - ending	<u>\$ 113</u>	<u>\$ 37,812</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ (20,189)</u>	<u>\$ -</u>	<u>\$ 88</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 113	\$ 37,812	\$ 37	\$ -	\$ (20,189)	\$ -	\$ 88
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 113</u></b>	<b><u>\$ 37,812</u></b>	<b><u>\$ 37</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (20,189)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 88</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	113	37,812	37	-	(20,189)	-	88
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 113</u></b>	<b><u>\$ 37,812</u></b>	<b><u>\$ 37</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (20,189)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 88</u></b>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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, 2007  
 (Continued)

	Technology Plan Grant	Title I 06-07	Title I 05-06	Title V-A 04/05	Title V Part A	ABE 05/06 C-9
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	59,257	-	-	-	-	-
Federal sources	-	236,908	3,000	-	1,545	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>59,257</b>	<b>236,908</b>	<b>3,000</b>	<b>-</b>	<b>1,545</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	165,417	8,579	-	-	1,204
Support services	30,872	41,018	-	1,029	1,545	1,201
Community services	-	8,107	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>30,872</b>	<b>214,542</b>	<b>8,579</b>	<b>1,029</b>	<b>1,545</b>	<b>2,405</b>
Excess (deficiency) of receipts over disbursements	<u>28,385</u>	<u>22,366</u>	<u>(5,579)</u>	<u>(1,029)</u>	<u>-</u>	<u>(2,405)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<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>28,385</u>	<u>22,366</u>	<u>(5,579)</u>	<u>(1,029)</u>	<u>-</u>	<u>(2,405)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>5,579</u>	<u>1,029</u>	<u>-</u>	<u>2,405</u>
Cash and investments - ending	<u>\$ 28,385</u>	<u>\$ 22,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 28,385	\$ 22,366	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 28,385</u>	<u>\$ 22,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>28,385</u>	<u>22,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 28,385</u>	<u>\$ 22,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 (Continued)

	ABE 06/07 C-9	Drug Free 05-07	Drug Free 06-07	Medicaid Reimbursement	Team Nutrition High School	Early Childhood School-to-Work 06/07
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	49,254	1,000	3,419	1,112	500	22,784
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>49,254</u>	<u>1,000</u>	<u>3,419</u>	<u>1,112</u>	<u>500</u>	<u>22,784</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	11,436	-	-	5,057	500	25,898
Support services	34,898	2,027	-	-	-	2,002
Community services	-	-	54	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>46,334</u>	<u>2,027</u>	<u>54</u>	<u>5,057</u>	<u>500</u>	<u>27,900</u>
Excess (deficiency) of receipts over disbursements	<u>2,920</u>	<u>(1,027)</u>	<u>3,365</u>	<u>(3,945)</u>	<u>-</u>	<u>(5,116)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(374)	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(374)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,920	(1,027)	3,365	(4,319)	-	(5,116)
Cash and investments - beginning	-	1,470	-	7,797	-	-
Cash and investments - ending	<u>\$ 2,920</u>	<u>\$ 443</u>	<u>\$ 3,365</u>	<u>\$ 3,478</u>	<u>\$ -</u>	<u>\$ (5,116)</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 2,920	\$ 443	\$ 3,365	\$ 3,478	\$ -	\$ (5,116)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 2,920</u>	<u>\$ 443</u>	<u>\$ 3,365</u>	<u>\$ 3,478</u>	<u>\$ -</u>	<u>\$ (5,116)</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>2,920</u>	<u>443</u>	<u>3,365</u>	<u>3,478</u>	<u>-</u>	<u>(5,116)</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 2,920</u>	<u>\$ 443</u>	<u>\$ 3,365</u>	<u>\$ 3,478</u>	<u>\$ -</u>	<u>\$ (5,116)</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 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)

	Early Childhood School-to-Work 05/06	HIP Purdue University	Title II Part A	Retirement/ Severance Bond Fund	Construction 2005	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 72,111	\$ -	\$ 377,273
Intermediate sources	-	-	-	-	-	487
State sources	-	-	-	-	-	167,545
Federal sources	7,948	12,450	60,617	-	-	585,495
Sale of property, adjustments and refunds	-	-	-	-	-	1,067
<b>Total receipts</b>	<b>7,948</b>	<b>12,450</b>	<b>60,617</b>	<b>72,111</b>	<b>-</b>	<b>1,131,867</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	7,754	8,945	37,001	-	-	337,757
Support services	40	1,577	20,192	-	84,874	690,403
Community services	-	-	-	-	-	15,764
Nonprogrammed charges	-	-	-	-	-	22,000
Debt services	-	-	-	199,468	-	199,468
<b>Total disbursements</b>	<b>7,794</b>	<b>10,522</b>	<b>57,193</b>	<b>199,468</b>	<b>84,874</b>	<b>1,265,392</b>
Excess (deficiency) of receipts over disbursements	<u>154</u>	<u>1,928</u>	<u>3,424</u>	<u>(127,357)</u>	<u>(84,874)</u>	<u>(133,525)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	100,808	-	112,323
Transfers out	-	-	-	-	-	(15,403)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,808</b>	<b>-</b>	<b>96,920</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	154	1,928	3,424	(26,549)	(84,874)	(36,605)
Cash and investments - beginning	(154)	3,094	9,135	34,729	84,874	246,924
Cash and investments - ending	<u>\$ -</u>	<u>\$ 5,022</u>	<u>\$ 12,559</u>	<u>\$ 8,180</u>	<u>\$ -</u>	<u>\$ 210,319</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 5,022	\$ 12,559	\$ -	\$ -	\$ 202,139
Restricted assets:						
Cash and investments	-	-	-	8,180	-	8,180
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 5,022</b>	<b>\$ 12,559</b>	<b>\$ 8,180</b>	<b>\$ -</b>	<b>\$ 210,319</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 8,180	\$ -	\$ 8,180
Unrestricted	-	5,022	12,559	-	-	202,139
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 5,022</b>	<b>\$ 12,559</b>	<b>\$ 8,180</b>	<b>\$ -</b>	<b>\$ 210,319</b>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended 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.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 55,000
Buildings	7,682,327
Improvements other than buildings	340,591
Machinery and equipment	<u>1,010,227</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 9,088,145</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
2005 Refinancing of 1995 renovation	\$ 1,570,000	\$ 205,965
2005 Energy renovation	1,200,000	172,000
2005 Energy savings contract	896,879	124,985
2003 Building project	2,750,000	246,869
2005 High school projector/computer equipment	18,978	10,044
Notes and loans payable		
Textbook company notes		
Harcourt #6391	4,087	4,414
Houghton #6353	3,742	3,947
McGraw Hill #6504	5,885	6,356
McGraw Hill #7836	8,982	5,209
McGraw Hill #7812	4,060	2,355
McGraw Hill #7627	9,085	5,270
McGraw Hill #165	43,081	11,823
Bonds payable:		
Pension obligation bonds:		
2003 Pension bonds	<u>2,280,000</u>	<u>204,332</u>
Total governmental activities debt	<u>\$ 8,794,779</u>	<u>\$ 1,003,569</u>

EDINBURGH COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Adult Education State Fund was overdrawn in 2006 and 2007. The Early Childhood School-to-Work 05-06 Fund was overdrawn in 2006 and the Early Childhood School-to-Work and 06-07 Fund was overdrawn in 2007.

The 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)

ERRORS ON CLAIMS

The following deficiency was noted on some claims examined during the audit period:

Claims or invoices did not have evidence to support receipt of goods or services.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

RECEIPT CLASSIFICATION (Applies to Edinburgh Middle/High School)

We noted instances in which the classifications on the receipt series did not agree with the corresponding deposit ticket.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

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)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT 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 EDINBURGH COMMUNITY SCHOOL  
CORPORATION, JOHNSON COUNTY, INDIANA

Compliance

We have audited the compliance of the Edinburgh Community School Corporation (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, the School Board of Trustees, 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

March 12, 2008

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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		\$ 47,429	\$ -
School Year 2005-2006			-	-
School Year 2006-2007			-	40,563
Total for program			<u>47,429</u>	<u>40,563</u>
National School Lunch Program				
School Year 2005-2006	10.555		155,561	-
School Year 2006-2007			-	146,341
Total for program			<u>155,561</u>	<u>146,341</u>
Total for federal grantor agency			<u>202,990</u>	<u>186,904</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Central Nine Career Center				
Adult Education-State Grant Program				
Fiscal Year 2004	84.002		5,156	-
Fiscal Year 2005			53,684	2,405
Fiscal Year 2006			-	46,334
Total for program			<u>58,840</u>	<u>48,739</u>
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
Title I FY2005	84.010		16,552	-
Title I FY2006			177,381	8,579
Title I FY2007			-	214,542
Total for program			<u>193,933</u>	<u>223,121</u>
Safe and Drug Free Schools and Communities - State Grants				
Title IV, Part A, Safe and Drug Free Schools FY04	84.186		500	-
Title IV, Part A, Safe and Drug Free Schools FY05			3,900	-
Title IV, Part A, Safe and Drug Free Schools FY06			3,230	2,027
Title IV, Part A, Safe and Drug Free Schools FY07			-	54
Total for program			<u>7,630</u>	<u>2,081</u>
Pass-Through Indiana Department of Workforce Development				
Tech Prep Education				
TP-04-107	84.243		10,946	-
TP-05-107			27,206	7,794
TP-06-107			-	27,900
Total for program			<u>38,152</u>	<u>35,694</u>

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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 Indiana Department of Education				
State Grants for Innovative Programs				
Title V, Part A, Innovative Programs FY04	84.298		601	1,029
Title V, Part A, Innovative Programs FY05			-	3,031
Title V, Part A, Innovative Programs FY06			-	1,545
Total for program			<u>601</u>	<u>5,605</u>
Education Technology State Grants				
Title II, Part D, Enhancing Education Through Technology FY06	84.318		3,615	-
Improving Teacher Quality State Grants				
Title II, Part A, Teacher Quality LEA FY04	84.367		1,985	-
Title II, Part A, Teacher Quality LEA FY05			13,495	-
Title II, Part A, Teacher Quality LEA FY06			49,488	9,136
Title II, Part A, Teacher Quality LEA FY07			-	48,058
Total for program			<u>64,968</u>	<u>57,194</u>
Total for federal grantor agency			<u>367,739</u>	<u>372,434</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Purdue University				
Block Grants for Prevention and Treatment of Substance Abuse				
Fiscal Year 2006	93.959		13,307	-
Fiscal Year 2007			-	10,522
Total for federal grantor agency			<u>13,307</u>	<u>10,522</u>
Total federal awards expended			<u>\$ 584,036</u>	<u>\$ 569,860</u>

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

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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 Edinburgh Community School Corporation (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. 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
Child Nutrition Cluster: Food Commodities: National School Lunch Program	10.555	\$ 1,347	\$ 1,341

EDINBURGH COMMUNITY SCHOOL CORPORATION  
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  
Significant deficiencies 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  
Significant deficiencies identified that are not considered to be material weaknesses? none reported

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

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:

Name of Federal Program or Cluster

Child Nutrition Cluster

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.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

EDINBURGH COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 12, 2008, with Tamara Lewis, Treasurer; and Richard Arkanoff, Superintendent of Schools.