

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, 2007 to June 30, 2009



FILED
03/08/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen Rudolph	07-01-07 to 06-30-10
Superintendent of Schools	Dr. Kevin Caress Tony Rose (Interim) Dr. Les Bivens	01-01-07 to 06-30-09 07-01-09 to 12-31-09 01-01-10 to 12-31-13
President of the School Board	Dean Hudleston Sandra Stevenson	07-01-07 to 06-30-09 07-01-09 to 06-30-10



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 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, 2008 and 2009, 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, 2008 and 2009, 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 January 28, 2010, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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 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.

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 Schedule, as listed in the Table of Contents, Schedule of Long-Term Debt is presented for additional analysis and is not a required part 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 Long-Term Debt has 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 it.

STATE BOARD OF ACCOUNTS

January 28, 2010



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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, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 28, 2010. 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

January 28, 2010

COMMUNITY SCHOOLS OF FRANKFORT
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 16,196,305	\$ -	\$ 475,802	\$ (15,720,503)
Support services	11,258,525	543,681	1,042,214	(9,672,630)
Noninstructional services	1,620,727	-	-	(1,620,727)
Facilities acquisition and construction	2,793,853	-	-	(2,793,853)
Debt service	3,525,402	-	-	(3,525,402)
Nonprogrammed charges	448,487	-	-	(448,487)
Total governmental activities	<u>\$ 35,843,299</u>	<u>\$ 543,681</u>	<u>\$ 1,518,016</u>	<u>(33,781,602)</u>
General receipts:				
Property taxes				9,858,794
Other local sources				2,282,511
State aid				14,949,471
Grants and contributions not restricted to specific programs				4,582,037
Sale of property				35,389
Investment earnings				265,986
Other				43,142
Total general receipts				<u>32,017,330</u>
Change in net assets				(1,764,272)
Net assets - beginning				<u>8,115,742</u>
Net assets - ending				<u>\$ 6,351,470</u>
<u>Assets</u>				
Cash and investments				\$ 6,344,225
Restricted assets:				
Cash and investments				<u>7,245</u>
Total assets				<u>\$ 6,351,470</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 7,245
Unrestricted				<u>6,344,225</u>
Total net assets				<u>\$ 6,351,470</u>

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, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 15,698,118	\$ -	\$ 471,443	\$ (15,226,675)
Support services	13,388,889	511,795	968,828	(11,908,266)
Noninstructional services	1,652,917	-	-	(1,652,917)
Facilities acquisition and construction	1,847,315	-	-	(1,847,315)
Debt service	4,186,178	-	-	(4,186,178)
Nonprogrammed charges	445,900	-	-	(445,900)
<u>Total governmental activities</u>	<u>\$ 37,219,317</u>	<u>\$ 511,795</u>	<u>\$ 1,440,271</u>	<u>(35,267,251)</u>
General receipts:				
Property taxes				8,686,814
Other local sources				2,127,878
State aid				15,903,956
Grants and contributions not restricted to specific programs				6,573,706
Sale of property				127,794
Investment earnings				96,860
Other				<u>110,128</u>
Total general receipts				<u>33,627,136</u>
Change in net assets				(1,640,115)
Net assets - beginning				<u>6,351,470</u>
Net assets - ending				<u>\$ 4,711,355</u>
<u>Assets</u>				
Cash and investments				\$ 4,702,827
Restricted assets:				
Cash and investments				<u>8,528</u>
Total assets				<u>\$ 4,711,355</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 8,528
Unrestricted				<u>4,702,827</u>
Total net assets				<u>\$ 4,711,355</u>

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, 2008

	General	Rainy Day Fund	School Lunch Fund	Debt Service	Capital Projects	Other	Totals
Receipts:							
Local sources	\$ 4,456,503	\$ 21,314	\$ 477,628	\$ 3,630,017	\$ 1,956,261	\$ 2,409,104	\$ 12,950,827
Intermediate sources	152	-	-	-	-	-	152
State sources	15,119,498	-	10,647	-	-	454,327	15,584,472
Federal sources	-	-	903,563	-	-	4,540,591	5,444,154
Other	43,136	-	-	-	-	-	43,136
Total receipts	<u>19,619,289</u>	<u>21,314</u>	<u>1,391,838</u>	<u>3,630,017</u>	<u>1,956,261</u>	<u>7,404,022</u>	<u>34,022,741</u>
Disbursements:							
Current:							
Instruction	13,667,682	2,165	-	-	-	2,525,042	16,194,889
Support services	6,080,214	-	-	-	651,685	4,507,145	11,239,044
Noninstructional services	322,732	-	1,286,832	-	-	11,163	1,620,727
Facilities acquisition and construction	-	274,505	-	-	1,155,644	1,363,704	2,793,853
Debt services	-	-	-	3,131,283	-	394,119	3,525,402
Nonprogrammed charges	325,676	50,000	30,000	-	-	42,811	448,487
Total disbursements	<u>20,396,304</u>	<u>326,670</u>	<u>1,316,832</u>	<u>3,131,283</u>	<u>1,807,329</u>	<u>8,843,984</u>	<u>35,822,402</u>
Excess (deficiency) of receipts over disbursements	<u>(777,015)</u>	<u>(305,356)</u>	<u>75,006</u>	<u>498,734</u>	<u>148,932</u>	<u>(1,439,962)</u>	<u>(1,799,661)</u>
Other financing sources (uses):							
Sale of capital assets	22,677	-	10,597	-	991	1,124	35,389
Transfers in	22,232	1,343,655	62	256,000	-	903,425	2,525,374
Transfers out	(192,812)	(839,967)	-	(749,109)	(5,983)	(737,503)	(2,525,374)
Total other financing sources (uses)	<u>(147,903)</u>	<u>503,688</u>	<u>10,659</u>	<u>(493,109)</u>	<u>(4,992)</u>	<u>167,046</u>	<u>35,389</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(924,918)</u>	<u>198,332</u>	<u>85,665</u>	<u>5,625</u>	<u>143,940</u>	<u>(1,272,916)</u>	<u>(1,764,272)</u>
Cash and investments - beginning	<u>2,284,487</u>	<u>867,918</u>	<u>954,070</u>	<u>106</u>	<u>981,981</u>	<u>3,027,180</u>	<u>8,115,742</u>
Cash and investments - ending	<u>\$ 1,359,569</u>	<u>\$ 1,066,250</u>	<u>\$ 1,039,735</u>	<u>\$ 5,731</u>	<u>\$ 1,125,921</u>	<u>\$ 1,754,264</u>	<u>\$ 6,351,470</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,359,569	\$ 1,066,250	\$ 1,039,735	\$ -	\$ 1,125,921	\$ 1,752,750	\$ 6,344,225
Restricted assets:							
Cash and investments	-	-	-	5,731	-	1,514	7,245
Total cash and investment assets - ending	<u>\$ 1,359,569</u>	<u>\$ 1,066,250</u>	<u>\$ 1,039,735</u>	<u>\$ 5,731</u>	<u>\$ 1,125,921</u>	<u>\$ 1,754,264</u>	<u>\$ 6,351,470</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 5,731	\$ -	\$ 1,514	\$ 7,245
Unrestricted	1,359,569	1,066,250	1,039,735	-	1,125,921	1,752,750	6,344,225
Total cash and investment fund balance - ending	<u>\$ 1,359,569</u>	<u>\$ 1,066,250</u>	<u>\$ 1,039,735</u>	<u>\$ 5,731</u>	<u>\$ 1,125,921</u>	<u>\$ 1,754,264</u>	<u>\$ 6,351,470</u>

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, 2009

	General	Rainy Day Fund	School Lunch Fund	Stimulus 2009	Debt Service	Capital Projects	Other	Totals
Receipts:								
Local sources	\$ 3,812,699	\$ -	\$ 439,626	\$ -	\$ 2,986,314	\$ 1,699,135	\$ 2,506,654	\$ 11,444,428
Intermediate sources	152	-	-	-	-	-	-	152
State sources	16,080,614	-	10,199	-	-	-	507,276	16,598,089
Federal sources	-	-	838,024	1,680,616	-	-	4,599,001	7,117,641
Other	31,129	64,000	-	-	-	-	-	95,129
Total receipts	19,924,594	64,000	1,287,849	1,680,616	2,986,314	1,699,135	7,612,931	35,255,439
Disbursements:								
Current:								
Instruction	12,728,918	-	-	697,505	-	-	2,271,695	15,698,118
Support services	6,422,522	-	-	85,636	-	824,440	5,854,087	13,186,685
Noninstructional services	339,844	-	1,303,894	-	-	-	9,180	1,652,918
Facilities acquisition and construction	-	60,825	-	-	-	1,684,742	101,748	1,847,315
Debt services	-	-	-	-	3,788,612	-	397,566	4,186,178
Nonprogrammed charges	368,378	46,734	30,000	-	-	-	7,022	452,134
Total disbursements	19,859,662	107,559	1,333,894	783,141	3,788,612	2,509,182	8,641,298	37,023,348
Excess (deficiency) of receipts over disbursements	64,932	(43,559)	(46,045)	897,475	(802,298)	(810,047)	(1,028,367)	(1,767,909)
Other financing sources (uses):								
Sale of capital assets	30,091	-	10,796	-	-	18,596	68,311	127,794
Transfers in	28,061	1,127,222	-	-	1,000,000	-	1,028,475	3,183,758
Transfers out	(300,000)	(1,912,500)	-	-	(195,000)	-	(776,258)	(3,183,758)
Total other financing sources (uses)	(241,848)	(785,278)	10,796	-	805,000	18,596	320,528	127,794
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(176,916)	(828,837)	(35,249)	897,475	2,702	(791,451)	(707,839)	(1,640,115)
Cash and investments - beginning	1,359,569	1,066,250	1,039,735	-	5,731	1,125,921	1,754,264	6,351,470
Cash and investments - ending	<u>\$ 1,182,653</u>	<u>\$ 237,413</u>	<u>\$ 1,004,486</u>	<u>\$ 897,475</u>	<u>\$ 8,433</u>	<u>\$ 334,470</u>	<u>\$ 1,046,425</u>	<u>\$ 4,711,355</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 1,182,653	\$ 237,413	\$ 1,004,486	\$ 897,475	\$ -	\$ 334,470	\$ 1,046,330	\$ 4,702,827
Restricted assets:								
Cash and investments	-	-	-	-	8,433	-	95	8,528
Total cash and investment assets - ending	<u>\$ 1,182,653</u>	<u>\$ 237,413</u>	<u>\$ 1,004,486</u>	<u>\$ 897,475</u>	<u>\$ 8,433</u>	<u>\$ 334,470</u>	<u>\$ 1,046,425</u>	<u>\$ 4,711,355</u>
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 8,433	\$ -	\$ 95	\$ 8,528
Unrestricted	1,182,653	237,413	1,004,486	897,475	-	334,470	1,046,330	4,702,827
Total cash and investment fund balance - ending	<u>\$ 1,182,653</u>	<u>\$ 237,413</u>	<u>\$ 1,004,486</u>	<u>\$ 897,475</u>	<u>\$ 8,433</u>	<u>\$ 334,470</u>	<u>\$ 1,046,425</u>	<u>\$ 4,711,355</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, 2008

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>147,783</u>
Total contributions	<u>147,783</u>
Investment earnings:	
Interest	<u>25,445</u>
Total investment earnings	<u>25,445</u>
Total additions	<u>173,228</u>
Deductions:	
Administrative and general	<u>147,518</u>
Total deductions	<u>147,518</u>
Excess of total additions over total deductions	25,710
Cash and investment fund balance - beginning	<u>709,033</u>
Cash and investment fund balance - ending	<u>\$ 734,743</u>
Net assets:	
Cash and investments	<u>\$ 734,743</u>
Total net assets - cash and investment basis held in trust	<u>\$ 734,743</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, 2009

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>210,853</u>
Total contributions	<u>210,853</u>
Investment earnings:	
Interest	<u>10,114</u>
Total investment earnings	<u>10,114</u>
Total additions	<u>220,967</u>
Deductions:	
Administrative and general	<u>248,863</u>
Total deductions	<u>248,863</u>
Deficiency of total additions over total deductions	(27,896)
Cash and investment fund balance - beginning	<u>734,743</u>
Cash and investment fund balance - ending	<u>\$ 706,847</u>
Net assets:	
Cash and investments	<u>\$ 706,847</u>
Total net assets - cash and investment basis held in trust	<u>\$ 706,847</u>

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 Community Schools of Frankfort maintains the treasury function of the Cooperative.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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, 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 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 stimulus 2009 (fiscal stabilization-education) fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

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.

Additionally, the School Corporation reports the following fund type:

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, proprietary 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.

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.

COMMUNITY SCHOOLS OF FRANKFORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 should be distributed to the School Corporation on or prior to June 30 of the year collected but delays occurred in 2007 and 2008.

3. 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.

4. 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.

5. 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.

COMMUNITY SCHOOLS OF FRANKFORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, (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.

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 not reported as reimbursements but as adjustments to disbursements in the respective funds.
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 government-wide Statement of Activities and Net Assets.

II. Stewardship, Compliance and Accountability

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.

COMMUNITY SCHOOLS OF FRANKFORT
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.

III. Detailed Notes on All Funds

A. Deposits and Investments

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, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
General Fund	Rainy Day Fund	\$ 180,000	\$ 300,000
	Other governmental funds	12,812	-
Debt Service Fund	Rainy Day Fund	691,000	195,000
	Other governmental funds	58,109	-
Capital Projects Fund	Other governmental funds	5,983	-
Rainy Day Fund	Debt Service Fund	256,000	1,000,000
	Other governmental funds	583,967	912,500
School Lunch Fund	Other governmental funds	62	-
Other governmental funds	General Fund	22,232	28,061
	Rainy Day Fund	472,655	632,222
	Other governmental funds	242,554	115,975
Totals		<u>\$ 2,525,374</u>	<u>\$ 3,183,758</u>

COMMUNITY SCHOOLS OF FRANKFORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 not-for-profit corporations 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 2007-2008 school year totaled \$2,505,730 and during the 2008-2009 school year totaled \$3,225,645.

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 retired from the School Corporation before June 1, 2004, and had attained age 55 with at least 30 years of service. Currently, 16 retirees meet these eligibility requirements. The School Corporation and retirees provide 83% and 17%, respectively, of those postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2009, disbursements of \$88,120 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

COMMUNITY SCHOOLS OF FRANKFORT
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

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	\$ 162,442
Interest on net pension obligation	(16,061)
Adjustment to annual required contribution	18,303
Annual pension cost	164,684
Contributions made	168,780
Increase (decrease) in net pension obligation	(4,096)
Net pension obligation, beginning of year	(221,536)
Net pension obligation, end of year	\$ (225,632)

COMMUNITY SCHOOLS OF FRANKFORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	5.75%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

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	06-30-06	\$ 138,395	106%	\$ (228,932)
	06-30-07	164,307	95%	(221,536)
	06-30-08	164,684	102%	(225,632)

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.

COMMUNITY SCHOOLS OF FRANKFORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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.

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 7.5% of covered wages. The School Corporation also pays the 3% of salary contribution required of plan members. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2008, and 2009, were \$871,232, \$815,871, and \$694,765, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

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 (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 2,668,750	\$ 2,544,418	\$ 124,332	105%	\$ 2,708,248	5%
07-01-07	3,032,186	2,681,892	350,294	113%	2,904,673	12%
07-01-08	3,315,770	2,949,849	365,921	112%	2,899,802	13%

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, 2008

	Transportation	Pre-School Handicapped	Textbook Rental	Levy Excess	Joint Service	Special Ed Coop - Occupational Therapy	Special Ed Services Transfer
Receipts:							
Local sources	\$ 684,736	\$ 75,967	\$ 101,164	\$ -	\$ 704,954	\$ 137,649	\$ -
State sources	-	100,979	128,003	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	684,736	176,946	229,167	-	704,954	137,649	-
Disbursements:							
Current:							
Instruction	-	204,410	-	-	146,693	49,177	4,916
Support services	732,809	10,000	63,370	-	629,161	94,481	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	732,809	214,410	63,370	-	775,854	143,658	4,916
Excess (deficiency) of receipts over disbursements	(48,073)	(37,464)	165,797	-	(70,900)	(6,009)	(4,916)
Other financing sources (uses):							
Sale of capital assets	114	-	1,010	-	-	-	-
Transfers in	375,000	-	52,640	28,061	-	-	-
Transfers out	(302,069)	(44)	(62)	-	-	-	-
Total other financing sources (uses)	73,045	(44)	53,588	28,061	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	24,972	(37,508)	219,385	28,061	(70,900)	(6,009)	(4,916)
Cash and investments - beginning	36,164	103,030	140,894	-	310,927	13,469	10,003
Cash and investments - ending	\$ 61,136	\$ 65,522	\$ 360,279	\$ 28,061	\$ 240,027	\$ 7,460	\$ 5,087
Cash and Investment Assets - Ending							
Cash and investments	\$ 61,136	\$ 65,522	\$ 360,279	\$ 28,061	\$ 240,027	\$ 7,460	\$ 5,087
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 61,136	\$ 65,522	\$ 360,279	\$ 28,061	\$ 240,027	\$ 7,460	\$ 5,087
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	61,136	65,522	360,279	28,061	240,027	7,460	5,087
Total cash and investment fund balance - ending	\$ 61,136	\$ 65,522	\$ 360,279	\$ 28,061	\$ 240,027	\$ 7,460	\$ 5,087

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, 2008
 (Continued)

	Building Trades	Auto Body Vocational	Alternative Education	Reading Recovery	Safe Haven 2007-08	Gifted/Talented 2006-07	Gifted/Talented 2007-08
Receipts:							
Local sources	\$ 80,408	\$ 52,212	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	40,000	-	6,942	-	39,886
Federal sources	-	-	-	-	-	-	-
Total receipts	80,408	52,212	40,000	-	6,942	-	39,886
Disbursements:							
Current:							
Instruction	76,846	23,682	39,959	-	-	3,918	37,183
Support services	-	-	-	8,727	6,942	2,264	2,703
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	76,846	23,682	39,959	8,727	6,942	6,182	39,886
Excess (deficiency) of receipts over disbursements	3,562	28,530	41	(8,727)	-	(6,182)	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	6,942	-	-
Transfers out	-	-	-	-	(6,942)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,562	28,530	41	(8,727)	-	(6,182)	-
Cash and investments - beginning	6,946	865	23,307	8,727	-	6,182	-
Cash and investments - ending	\$ 10,508	\$ 29,395	\$ 23,348	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 10,508	\$ 29,395	\$ 23,348	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 10,508	\$ 29,395	\$ 23,348	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	10,508	29,395	23,348	-	-	-	-
Total cash and investment fund balance - ending	\$ 10,508	\$ 29,395	\$ 23,348	\$ -	\$ -	\$ -	\$ -

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, 2008
 (Continued)

	Extra-Curricular Activities Fund	Non-English Speaking 2007-08	Non-English 2006-07	Technology Grant	Title I 2007-08	PL 107-110 ECIA Title I
Receipts:						
Local sources	\$ 9,300	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	138,517	-	-	-	-
Federal sources	-	-	-	-	697,460	40,000
Total receipts	9,300	138,517	-	-	697,460	40,000
Disbursements:						
Current:						
Instruction	7,769	98,797	87	104,066	350,665	51,640
Support services	-	8,377	102	-	161,088	12,942
Noninstructional services	-	-	-	-	2,773	436
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	7,769	107,174	189	104,066	514,526	65,018
Excess (deficiency) of receipts over disbursements	1,531	31,343	(189)	(104,066)	182,934	(25,018)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	61,158	-
Transfers out	-	-	-	-	-	(61,158)
Total other financing sources (uses)	-	-	-	-	61,158	(61,158)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,531	31,343	(189)	(104,066)	244,092	(86,176)
Cash and investments - beginning	194	-	15,451	104,633	-	86,176
Cash and investments - ending	\$ 1,725	\$ 31,343	\$ 15,262	\$ 567	\$ 244,092	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,725	\$ 31,343	\$ 15,262	\$ 567	\$ 244,092	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,725	\$ 31,343	\$ 15,262	\$ 567	\$ 244,092	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,725	31,343	15,262	567	244,092	-
Total cash and investment fund balance - ending	\$ 1,725	\$ 31,343	\$ 15,262	\$ 567	\$ 244,092	\$ -

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, 2008
 (Continued)

	School Improvement 2007-08	PL 107-110 ECIA Title I	Title V 2007-08	Title V	Title V 2006-07	PL 107-110 ECIA Title I Migrant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	105,078	-	5,809	-	-	-
Total receipts	105,078	-	5,809	-	-	-
Disbursements:						
Current:						
Instruction	53,804	5,976	-	13,925	19,494	-
Support services	36,903	11,400	227	2,382	2,750	-
Noninstructional services	7,405	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	7,550	-	-	-	7,186
Total disbursements	98,112	24,926	227	16,307	22,244	7,186
Excess (deficiency) of receipts over disbursements	6,966	(24,926)	5,582	(16,307)	(22,244)	(7,186)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	5,962	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	5,962	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,966	(24,926)	5,582	(16,307)	(16,282)	(7,186)
Cash and investments - beginning	-	24,926	-	16,307	27,301	7,186
Cash and investments - ending	\$ 6,966	\$ -	\$ 5,582	\$ -	\$ 11,019	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 6,966	\$ -	\$ 5,582	\$ -	\$ 11,019	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 6,966	\$ -	\$ 5,582	\$ -	\$ 11,019	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,966	-	5,582	-	11,019	-
Total cash and investment fund balance - ending	\$ 6,966	\$ -	\$ 5,582	\$ -	\$ 11,019	\$ -

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, 2008
 (Continued)

	Migrant 2007-08	Joint Service Flow Thru 2007-08	CSF Flow Thru 2008-09	CSG Flow Thru 2007-08	Title V	Preschool JS 2006-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	70,000	2,325,118	-	515,877	-	-
Total receipts	70,000	2,325,118	-	515,877	-	-
Disbursements:						
Current:						
Instruction	31,169	63,825	27,681	457,331	74,122	11,214
Support services	34,758	2,241,424	23,451	-	-	5,754
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	65,927	2,305,249	51,132	457,331	74,122	16,968
Excess (deficiency) of receipts over disbursements	4,073	19,869	(51,132)	58,546	(74,122)	(16,968)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,073	19,869	(51,132)	58,546	(74,122)	(16,968)
Cash and investments - beginning	-	-	51,132	-	74,122	17,000
Cash and investments - ending	\$ 4,073	\$ 19,869	\$ -	\$ 58,546	\$ -	\$ 32
Cash and Investment Assets - Ending						
Cash and investments	\$ 4,073	\$ 19,869	\$ -	\$ 58,546	\$ -	\$ 32
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 4,073	\$ 19,869	\$ -	\$ 58,546	\$ -	\$ 32
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	4,073	19,869	-	58,546	-	32
Total cash and investment fund balance - ending	\$ 4,073	\$ 19,869	\$ -	\$ 58,546	\$ -	\$ 32

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, 2008
 (Continued)

	Preschool Handicapped 2007-08	PL 100-297 Adult Basic Education	Adult Ed 2007-08	Title IV Drug Free 2006-07	Drug Free 2007-08	Drug Free Schools Title IV PL 107-113
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	88,336	-	27,946	-	12,023	-
Total receipts	88,336	-	27,946	-	12,023	-
Disbursements:						
Current:						
Instruction	63,563	10	27,808	-	-	-
Support services	12,425	-	-	4,696	-	1,744
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	75,988	10	27,808	4,696	-	1,744
Excess (deficiency) of receipts over disbursements	12,348	(10)	138	(4,696)	12,023	(1,744)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(5,962)	-	-
Total other financing sources (uses)	-	-	-	(5,962)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,348	(10)	138	(10,658)	12,023	(1,744)
Cash and investments - beginning	-	10	-	11,472	-	1,744
Cash and investments - ending	\$ 12,348	\$ -	\$ 138	\$ 814	\$ 12,023	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 12,348	\$ -	\$ 138	\$ 814	\$ 12,023	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 12,348	\$ -	\$ 138	\$ 814	\$ 12,023	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,348	-	138	814	12,023	-
Total cash and investment fund balance - ending	\$ 12,348	\$ -	\$ 138	\$ 814	\$ 12,023	\$ -

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, 2008
 (Continued)

	Perkins 2007-08	Medicaid Reimbursement - Feder	21st Century 2007-09	Class-Size Reduction PL 105-277	Title II 2006-07	Title II 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	40,437	-	178,356	27,371	(18,995)	100,000
Total receipts	40,437	-	178,356	27,371	(18,995)	100,000
Disbursements:						
Current:						
Instruction	27,749	3,915	148,557	39,623	31,318	88,508
Support services	12,195	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	3	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	39,944	3,918	148,557	39,623	31,318	88,508
Excess (deficiency) of receipts over disbursements	493	(3,918)	29,799	(12,252)	(50,313)	11,492
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	15,000	-	2,748
Transfers out	-	-	-	(2,748)	-	-
Total other financing sources (uses)	-	-	-	12,252	-	2,748
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	493	(3,918)	29,799	-	(50,313)	14,240
Cash and investments - beginning	-	14,596	12,752	-	50,313	-
Cash and investments - ending	\$ 493	\$ 10,678	\$ 42,551	\$ -	\$ -	\$ 14,240
Cash and Investment Assets - Ending						
Cash and investments	\$ 493	\$ 10,678	\$ 42,551	\$ -	\$ -	\$ 14,240
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 493	\$ 10,678	\$ 42,551	\$ -	\$ -	\$ 14,240
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	493	10,678	42,551	-	-	14,240
Total cash and investment fund balance - ending	\$ 493	\$ 10,678	\$ 42,551	\$ -	\$ -	\$ 14,240

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, 2008
 (Continued)

	Title II D 2005-06	Title II 2008-09	Title II D 2009-10	Title II	Title II Purdue Grant	Math Science Grant 2007-10
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	11,600	-	133,690	-	154,390
Total receipts	-	11,600	-	133,690	-	154,390
Disbursements:						
Current:						
Instruction	-	7,469	61	75,080	-	-
Support services	-	90,227	4,008	5,278	63,821	111,238
Noninstructional services	-	-	-	549	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	174	3,009	-	24,892	-	-
Total disbursements	174	100,705	4,069	105,799	63,821	111,238
Excess (deficiency) of receipts over disbursements	(174)	(89,105)	(4,069)	27,891	(63,821)	43,152
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	174	-	-	-	63,989	-
Transfers out	-	(63,989)	(174)	(104,726)	-	-
Total other financing sources (uses)	174	(63,989)	(174)	(104,726)	63,989	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(153,094)	(4,243)	(76,835)	168	43,152
Cash and investments - beginning	-	153,094	4,243	76,835	-	105,771
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 168	\$ 148,923
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 168	\$ 148,923
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ 168	\$ 148,923
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	168	148,923
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ 168	\$ 148,923

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, 2008
 (Continued)

	Title III 2007-08	Science and Tech Addition	Pension Bond Debt Service	Purchase of Buses	Athletic Fields Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 397,777	\$ 128,513	\$ 36,424	\$ 2,409,104
State sources	-	-	-	-	-	454,327
Federal sources	-	26,095	-	-	-	4,540,591
Total receipts	-	26,095	397,777	128,513	36,424	7,404,022
Disbursements:						
Current:						
Instruction	53,032	-	-	-	-	2,525,042
Support services	2,539	25,138	-	81,821	-	4,507,145
Noninstructional services	-	-	-	-	-	11,163
Facilities acquisition and construction	-	-	-	-	1,363,701	1,363,704
Debt services	-	-	394,119	-	-	394,119
Nonprogrammed charges	-	-	-	-	-	42,811
Total disbursements	55,571	25,138	394,119	81,821	1,363,701	8,843,984
Excess (deficiency) of receipts over disbursements	(55,571)	957	3,658	46,692	(1,327,277)	(1,439,962)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	1,124
Transfers in	104,726	-	160,812	26,213	-	903,425
Transfers out	-	-	(163,011)	(26,618)	-	(737,503)
Total other financing sources (uses)	104,726	-	(2,199)	(405)	-	167,046
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	49,155	957	1,459	46,287	(1,327,277)	(1,272,916)
Cash and investments - beginning	-	-	55	56,013	1,455,340	3,027,180
Cash and investments - ending	\$ 49,155	\$ 957	\$ 1,514	\$ 102,300	\$ 128,063	\$ 1,754,264
Cash and Investment Assets - Ending						
Cash and investments	\$ 49,155	\$ 957	\$ -	\$ 102,300	\$ 128,063	\$ 1,752,750
Restricted assets:						
Cash and investments	-	-	1,514	-	-	1,514
Total cash and investment assets - ending	\$ 49,155	\$ 957	\$ 1,514	\$ 102,300	\$ 128,063	\$ 1,754,264
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 1,514	\$ -	\$ -	\$ 1,514
Unrestricted	49,155	957	-	102,300	128,063	1,752,750
Total cash and investment fund balance - ending	\$ 49,155	\$ 957	\$ 1,514	\$ 102,300	\$ 128,063	\$ 1,754,264

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, 2009

	Transportation	Pre-School Handicapped	Textbook Rental	Levy Excess	Joint Service	Preschool Conference	Special Ed Coop - Occupational Therapy
Receipts:							
Local sources	\$ 626,140	\$ 106,272	\$ 91,191	\$ -	\$ 889,576	\$ 1,050	\$ 181,520
State sources	-	133,531	120,605	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	626,140	239,803	211,796	-	889,576	1,050	181,520
Disbursements:							
Current:							
Instruction	-	263,756	-	-	-	363	-
Support services	773,107	5,000	554,091	-	890,478	-	185,603
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	7,704	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	773,107	268,756	554,091	-	898,182	363	185,603
Excess (deficiency) of receipts over disbursements	(146,967)	(28,953)	(342,295)	-	(8,606)	687	(4,083)
Other financing sources (uses):							
Sale of capital assets	5,781	-	-	-	75	-	-
Transfers in	500,000	-	-	-	-	-	56,500
Transfers out	(225,000)	-	-	(28,061)	-	-	(56,500)
Total other financing sources (uses)	280,781	-	-	(28,061)	75	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	133,814	(28,953)	(342,295)	(28,061)	(8,531)	687	(4,083)
Cash and investments - beginning	61,136	65,522	360,279	28,061	240,027	-	7,460
Cash and investments - ending	\$ 194,950	\$ 36,569	\$ 17,984	\$ -	\$ 231,496	\$ 687	\$ 3,377
Cash and Investment Assets - Ending							
Cash and investments	\$ 194,950	\$ 36,569	\$ 17,984	\$ -	\$ 231,496	\$ 687	\$ 3,377
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 194,950	\$ 36,569	\$ 17,984	\$ -	\$ 231,496	\$ 687	\$ 3,377
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	194,950	36,569	17,984	-	231,496	687	3,377
Total cash and investment fund balance - ending	\$ 194,950	\$ 36,569	\$ 17,984	\$ -	\$ 231,496	\$ 687	\$ 3,377

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, 2009
 (Continued)

	Special Ed Services Transfer	Building Trades	Auto Body Vocational	Alternative Education	IN Criminal Justice	Early Intervention Grant 8-9
Receipts:						
Local sources	\$ -	\$ 88,393	\$ 30,436	\$ -	\$ -	\$ -
State sources	-	-	-	40,000	2,191	43,193
Federal sources	-	-	-	-	-	-
Total receipts	-	88,393	30,436	40,000	2,191	43,193
Disbursements:						
Current:						
Instruction	5,087	77,496	23,566	51,103	-	40,314
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	611
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	3,134	-	-	-
Total disbursements	5,087	77,496	26,700	51,103	-	40,925
Excess (deficiency) of receipts over disbursements	(5,087)	10,897	3,736	(11,103)	2,191	2,268
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	1,000
Transfers out	-	-	-	-	-	(1,000)
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,087)	10,897	3,736	(11,103)	2,191	2,268
Cash and investments - beginning	5,087	10,508	29,395	23,348	-	-
Cash and investments - ending	\$ -	\$ 21,405	\$ 33,131	\$ 12,245	\$ 2,191	\$ 2,268
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 21,405	\$ 33,131	\$ 12,245	\$ 2,191	\$ 2,268
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 21,405	\$ 33,131	\$ 12,245	\$ 2,191	\$ 2,268
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	21,405	33,131	12,245	2,191	2,268
Total cash and investment fund balance - ending	\$ -	\$ 21,405	\$ 33,131	\$ 12,245	\$ 2,191	\$ 2,268

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, 2009
 (Continued)

	High Ability 2008-09	Extra-Curricular Activities Fund	Non-English Speaking 2007-08	Non-English 2008-09	Non-English 2006-07	Technology Grant
Receipts:						
Local sources	\$ -	\$ 6,450	\$ -	\$ -	\$ -	\$ -
State sources	39,886	-	-	127,870	-	-
Federal sources	-	-	-	-	-	-
Total receipts	39,886	6,450	-	127,870	-	-
Disbursements:						
Current:						
Instruction	36,641	7,539	22,379	77,495	5,569	567
Support services	3,245	-	8,964	40,445	265	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	39,886	7,539	31,343	117,940	5,834	567
Excess (deficiency) of receipts over disbursements	-	(1,089)	(31,343)	9,930	(5,834)	(567)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	11,000	-	-	15,000	-	-
Transfers out	(11,000)	-	-	(15,000)	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,089)	(31,343)	9,930	(5,834)	(567)
Cash and investments - beginning	-	1,725	31,343	-	15,262	567
Cash and investments - ending	\$ -	\$ 636	\$ -	\$ 9,930	\$ 9,428	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 636	\$ -	\$ 9,930	\$ 9,428	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 636	\$ -	\$ 9,930	\$ 9,428	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	636	-	9,930	9,428	-
Total cash and investment fund balance - ending	\$ -	\$ 636	\$ -	\$ 9,930	\$ 9,428	\$ -

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, 2009
 (Continued)

	Title I 2007-08	Title I 2008-08	School Improvement 2007-08	Title V 2007-08	Title V 2006-07	Migrant 2008-09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	607,044	4,000	-	-	63,146
Total receipts	-	607,044	4,000	-	-	63,146
Disbursements:						
Current:						
Instruction	130,070	373,427	5,919	3,499	6,858	62,000
Support services	16,775	237,507	5,047	5,688	4,161	-
Noninstructional services	127	8,442	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	146,972	619,376	10,966	9,187	11,019	62,000
Excess (deficiency) of receipts over disbursements	(146,972)	(12,332)	(6,966)	(9,187)	(11,019)	1,146
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	97,120	-	3,606	-	-
Transfers out	(97,120)	-	-	-	-	-
Total other financing sources (uses)	(97,120)	97,120	-	3,606	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(244,092)	84,788	(6,966)	(5,581)	(11,019)	1,146
Cash and investments - beginning	244,092	-	6,966	5,582	11,019	-
Cash and investments - ending	\$ -	\$ 84,788	\$ -	\$ 1	\$ -	\$ 1,146
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 84,788	\$ -	\$ 1	\$ -	\$ 1,146
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 84,788	\$ -	\$ 1	\$ -	\$ 1,146
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	84,788	-	1	-	1,146
Total cash and investment fund balance - ending	\$ -	\$ 84,788	\$ -	\$ 1	\$ -	\$ 1,146

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, 2009
 (Continued)

	Migrant 2007-08	Special Ed Flow Thru 2008-09	Joint Service Flow Thru 2007-08	CSF Flow Thru 2008-09	CSG Flow Thru 2007-08	Preschool Special Ed 2008-09
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	2,385,451	230,000	505,322	51,500	92,927
Total receipts	-	2,385,451	230,000	505,322	51,500	92,927
Disbursements:						
Current:						
Instruction	-	-	-	492,959	94,797	77,056
Support services	4,073	2,348,524	249,869	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	4,073	2,348,524	249,869	492,959	94,797	77,056
Excess (deficiency) of receipts over disbursements	(4,073)	36,927	(19,869)	12,363	(43,297)	15,871
Other financing sources (uses):						
Sale of capital assets	-	189	-	594	-	-
Transfers in	-	43,000	-	62,249	-	15,500
Transfers out	-	(43,000)	-	(47,000)	(15,249)	(15,500)
Total other financing sources (uses)	-	189	-	15,843	(15,249)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,073)	37,116	(19,869)	28,206	(58,546)	15,871
Cash and investments - beginning	4,073	-	19,869	-	58,546	-
Cash and investments - ending	\$ -	\$ 37,116	\$ -	\$ 28,206	\$ -	\$ 15,871
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 37,116	\$ -	\$ 28,206	\$ -	\$ 15,871
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 37,116	\$ -	\$ 28,206	\$ -	\$ 15,871
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	37,116	-	28,206	-	15,871
Total cash and investment fund balance - ending	\$ -	\$ 37,116	\$ -	\$ 28,206	\$ -	\$ 15,871

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, 2009
 (Continued)

	Preschool JS 2006-07	Preschool Handicapped 2007-08	Adult Education 2008-09	Adult Ed 2007-08	Drug Free Schools 2008-09	Title IV Drug Free 2006-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	7,400	36,411	-	7,166	-
Total receipts	-	7,400	36,411	-	7,166	-
Disbursements:						
Current:						
Instruction	32	19,748	35,880	138	-	-
Support services	-	-	-	-	2,896	814
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	32	19,748	35,880	138	2,896	814
Excess (deficiency) of receipts over disbursements	(32)	(12,348)	531	(138)	4,270	(814)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	5,000	-	-	-
Transfers out	-	-	(5,000)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(32)	(12,348)	531	(138)	4,270	(814)
Cash and investments - beginning	32	12,348	-	138	-	814
Cash and investments - ending	\$ -	\$ -	\$ 531	\$ -	\$ 4,270	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 531	\$ -	\$ 4,270	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 531	\$ -	\$ 4,270	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	531	-	4,270	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 531	\$ -	\$ 4,270	\$ -

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, 2009
 (Continued)

	Drug Free 2007-08	Perkins 2008-09	Perkins 2007-08	Medicaid Reimbursement - Feder	21st Century 2007-09	21st Century Year 3
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	50,116	13,479	-	114,064	2,000
Total receipts	-	50,116	13,479	-	114,064	2,000
Disbursements:						
Current:						
Instruction	-	44,304	13,972	2,812	156,615	1,410
Support services	7,461	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	7,461	44,304	13,972	2,812	156,615	1,410
Excess (deficiency) of receipts over disbursements	(7,461)	5,812	(493)	(2,812)	(42,551)	590
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	10,000	-	2,000	-
Transfers out	(3,606)	-	(10,000)	-	(2,000)	-
Total other financing sources (uses)	(3,606)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,067)	5,812	(493)	(2,812)	(42,551)	590
Cash and investments - beginning	12,023	-	493	10,678	42,551	-
Cash and investments - ending	\$ 956	\$ 5,812	\$ -	\$ 7,866	\$ -	\$ 590
Cash and Investment Assets - Ending						
Cash and investments	\$ 956	\$ 5,812	\$ -	\$ 7,866	\$ -	\$ 590
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 956	\$ 5,812	\$ -	\$ 7,866	\$ -	\$ 590
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	956	5,812	-	7,866	-	590
Total cash and investment fund balance - ending	\$ 956	\$ 5,812	\$ -	\$ 7,866	\$ -	\$ 590

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, 2009
 (Continued)

	Science and Tech Addition	Title II 2008-09	Title II	Title II Purdue Grant	Math Science Grant 2007-10	Title III 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	17,000	110,028	128,100	-	173,847	-
Total receipts	17,000	110,028	128,100	-	173,847	-
Disbursements:						
Current:						
Instruction	16,240	13,972	86,862	-	-	20,060
Support services	-	81,375	13,888	168	115,081	29,095
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,888	-
Total disbursements	16,240	95,347	100,750	168	118,969	49,155
Excess (deficiency) of receipts over disbursements	760	14,681	27,350	(168)	54,878	(49,155)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	7,000	-	-	-	-
Transfers out	(15,000)	(7,000)	-	-	-	-
Total other financing sources (uses)	(15,000)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,240)	14,681	27,350	(168)	54,878	(49,155)
Cash and investments - beginning	14,240	-	-	168	148,923	49,155
Cash and investments - ending	\$ -	\$ 14,681	\$ 27,350	\$ -	\$ 203,801	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 14,681	\$ 27,350	\$ -	\$ 203,801	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 14,681	\$ 27,350	\$ -	\$ 203,801	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	14,681	27,350	-	203,801	-
Total cash and investment fund balance - ending	\$ -	\$ 14,681	\$ 27,350	\$ -	\$ 203,801	\$ -

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, 2009
 (Continued)

	Title III 2007-08	Title I Stimulus 2009-11	Pension Bond Debt Service	Purchase of Buses	Athletic Fields Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 324,566	\$ 160,145	\$ 915	\$ 2,506,654
State sources	-	-	-	-	-	507,276
Federal sources	-	-	-	-	-	4,599,001
Total receipts	-	-	324,566	160,145	915	7,612,931
Disbursements:						
Current:						
Instruction	-	1,190	-	-	-	2,271,695
Support services	-	-	-	270,467	-	5,854,087
Noninstructional services	-	-	-	-	-	9,180
Facilities acquisition and construction	-	-	-	-	94,044	101,748
Debt services	-	-	397,566	-	-	397,566
Nonprogrammed charges	-	-	-	-	-	7,022
Total disbursements	-	1,190	397,566	270,467	94,044	8,641,298
Excess (deficiency) of receipts over disbursements	-	(1,190)	(73,000)	(110,322)	(93,129)	(1,028,367)
Other financing sources (uses):						
Sale of capital assets	-	-	44,863	15,962	847	68,311
Transfers in	-	1,500	198,000	-	-	1,028,475
Transfers out	-	-	(171,282)	(7,940)	-	(776,258)
Total other financing sources (uses)	-	1,500	71,581	8,022	847	320,528
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	310	(1,419)	(102,300)	(92,282)	(707,839)
Cash and investments - beginning	957	-	1,514	102,300	128,063	1,754,264
Cash and investments - ending	\$ 957	\$ 310	\$ 95	\$ -	\$ 35,781	\$ 1,046,425
Cash and Investment Assets - Ending						
Cash and investments	\$ 957	\$ 310	\$ -	\$ -	\$ 35,781	\$ 1,046,330
Restricted assets:						
Cash and investments	-	-	95	-	-	95
Total cash and investment assets - ending	\$ 957	\$ 310	\$ 95	\$ -	\$ 35,781	\$ 1,046,425
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 95	\$ -	\$ -	\$ 95
Unrestricted	957	310	-	-	35,781	1,046,330
Total cash and investment fund balance - ending	\$ 957	\$ 310	\$ 95	\$ -	\$ 35,781	\$ 1,046,425

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, 2008

	Donation, Gifts and Trusts	Donations - Kyger	Kyger - Clinic	SIA HS	Donations	FALC
Additions:						
Contributions:						
Other	\$ -	\$ 532	\$ -	\$ -	\$ -	\$ 150
Investment earnings:						
Interest	-	-	-	-	-	-
Total investment earnings	-	-	-	-	-	-
Total additions	-	532	-	-	-	150
Deductions:						
Administrative and general	15	287	202	6,488	9	6,292
Excess (deficiency) of total additions over total deductions	(15)	245	(202)	(6,488)	(9)	(6,142)
Cash and investment fund balance - beginning	15	944	1,207	6,500	9	7,150
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 1,189</u>	<u>\$ 1,005</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 1,008</u>
Net assets:						
Cash and investments	\$ -	\$ 1,189	\$ 1,005	\$ 12	\$ -	\$ 1,008
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,189</u>	<u>\$ 1,005</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 1,008</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, 2008
 (Continued)

	ENL Services To Other Schools	Donations	EDS Technology Grant	Mattix Trust Fund	Defibrillator Fund
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ 4,411	\$ -
Investment earnings:					
Interest	-	-	-	-	-
Total investment earnings	-	-	-	-	-
Total additions	-	-	-	4,411	-
Deductions:					
Administrative and general	-	2,270	-	3,678	1,530
Excess (deficiency) of total additions over total deductions	-	(2,270)	-	733	(1,530)
Cash and investment fund balance - beginning	534	2,270	30	1,466	2,115
Cash and investments - June 30	<u>\$ 534</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 2,199</u>	<u>\$ 585</u>
Net assets:					
Cash and investments	\$ 534	\$ -	\$ 30	\$ 2,199	\$ 585
Total net assets - cash and investment basis held in trust	<u>\$ 534</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 2,199</u>	<u>\$ 585</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, 2008
 (Continued)

	<u>FEF 2006</u>	<u>Project Lead The Way</u>	<u>PLTW Biomed</u>	<u>Mental Health Grant 2005</u>	<u>Book Fund</u>
Additions:					
Contributions:					
Other	\$ -	\$ 54,753	\$ 25,000	\$ -	\$ -
Investment earnings:					
Interest	-	-	-	-	-
Total investment earnings	-	-	-	-	-
Total additions	-	54,753	25,000	-	-
Deductions:					
Administrative and general	239	39,851	2,880	270	1,214
Excess (deficiency) of total additions over total deductions	(239)	14,902	22,120	(270)	(1,214)
Cash and investment fund balance - beginning	1,400	-	-	564	3,518
Cash and investments - June 30	<u>\$ 1,161</u>	<u>\$ 14,902</u>	<u>\$ 22,120</u>	<u>\$ 294</u>	<u>\$ 2,304</u>
Net assets:					
Cash and investments	\$ 1,161	\$ 14,902	\$ 22,120	\$ 294	\$ 2,304
Total net assets - cash and investment basis held in trust	<u>\$ 1,161</u>	<u>\$ 14,902</u>	<u>\$ 22,120</u>	<u>\$ 294</u>	<u>\$ 2,304</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, 2008
 (Continued)

	<u>PLTW MS</u>	<u>FEF 2007-08</u>	<u>HS Grant</u>	<u>Awards Fund</u>	<u>HS Star Grant 2007-08</u>
Additions:					
Contributions:					
Other	\$ 6,800	\$ 6,000	\$ 5,500	\$ 13,701	\$ 2,500
Investment earnings:					
Interest	-	-	-	25,445	-
Total investment earnings	-	-	-	25,445	-
Total additions	<u>6,800</u>	<u>6,000</u>	<u>5,500</u>	<u>39,146</u>	<u>2,500</u>
Deductions:					
Administrative and general	-	4,888	5,500	35,975	2,500
Excess (deficiency) of total additions over total deductions	6,800	1,112	-	3,171	-
Cash and investment fund balance - beginning	-	-	-	654,490	-
Cash and investments - June 30	<u>\$ 6,800</u>	<u>\$ 1,112</u>	<u>\$ -</u>	<u>\$ 657,661</u>	<u>\$ -</u>
Net assets:					
Cash and investments	<u>\$ 6,800</u>	<u>\$ 1,112</u>	<u>\$ -</u>	<u>\$ 657,661</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 6,800</u>	<u>\$ 1,112</u>	<u>\$ -</u>	<u>\$ 657,661</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, 2008
 (Continued)

	Walmart Grant	HS Walmart Grant	INACCESS Linux HS 2008	E-Rate Grant	Totals
Additions:					
Contributions:					
Other	\$ 500	\$ 750	\$ 2,500	\$ 24,686	\$ 147,783
Investment earnings:					
Interest	-	-	-	-	25,445
Total investment earnings	-	-	-	-	25,445
Total additions	500	750	2,500	24,686	173,228
Deductions:					
Administrative and general	-	-	-	33,430	147,518
Excess (deficiency) of total additions over total deductions	500	750	2,500	(8,744)	25,710
Cash and investment fund balance - beginning	-	-	-	26,821	709,033
Cash and investments - June 30	<u>\$ 500</u>	<u>\$ 750</u>	<u>\$ 2,500</u>	<u>\$ 18,077</u>	<u>\$ 734,743</u>
Net assets:					
Cash and investments	\$ 500	\$ 750	\$ 2,500	\$ 18,077	\$ 734,743
Total net assets - cash and investment basis held in trust	<u>\$ 500</u>	<u>\$ 750</u>	<u>\$ 2,500</u>	<u>\$ 18,077</u>	<u>\$ 734,743</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, 2009

	Donations - Kyger	Kyger - Clinic	SIA HS	Real Parenting MS 2008	FALC	ENL Services To Other Schools
Additions:						
Contributions:						
Other	\$ 452	\$ -	\$ -	\$ 5,357	\$ 7,000	\$ -
Investment earnings:						
Interest	-	-	-	-	-	-
Total investment earnings	-	-	-	-	-	-
Total additions	<u>452</u>	<u>-</u>	<u>-</u>	<u>5,357</u>	<u>7,000</u>	<u>-</u>
Deductions:						
Administrative and general	<u>977</u>	<u>274</u>	<u>12</u>	<u>5,357</u>	<u>801</u>	<u>534</u>
Excess (deficiency) of total additions over total deductions	(525)	(274)	(12)	-	6,199	(534)
Cash and investment fund balance - beginning	<u>1,189</u>	<u>1,005</u>	<u>12</u>	<u>-</u>	<u>1,008</u>	<u>534</u>
Cash and investments - June 30	<u>\$ 664</u>	<u>\$ 731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,207</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ 664</u>	<u>\$ 731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,207</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 664</u>	<u>\$ 731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,207</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, 2009
 (Continued)

	EDS Technology Grant	Mattix Trust Fund	Defibrillator Fund	FEF 2008-09	FEF 2006
Additions:					
Contributions:					
Other	\$ -	\$ 3,323	\$ -	\$ 8,305	\$ -
Investment earnings:					
Interest	-	-	-	-	-
Total investment earnings	-	-	-	-	-
Total additions	-	3,323	-	8,305	-
Deductions:					
Administrative and general	30	4,345	-	6,577	1,161
Excess (deficiency) of total additions over total deductions	(30)	(1,022)	-	1,728	(1,161)
Cash and investment fund balance - beginning	30	2,199	585	-	1,161
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 1,177</u>	<u>\$ 585</u>	<u>\$ 1,728</u>	<u>\$ -</u>
Net assets:					
Cash and investments	\$ -	\$ 1,177	\$ 585	\$ 1,728	\$ -
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,177</u>	<u>\$ 585</u>	<u>\$ 1,728</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, 2009
 (Continued)

	Project Lead The Way	PLTW Biomed	PLTW Biomed Year 2	Mental Health Grant 2005	Tobacco Prevention HS
Additions:					
Contributions:					
Other	\$ 30,187	\$ 25,500	\$ 5,000	\$ -	\$ 500
Investment earnings:					
Interest	-	-	-	-	-
Total investment earnings	-	-	-	-	-
Total additions	<u>30,187</u>	<u>25,500</u>	<u>5,000</u>	<u>-</u>	<u>500</u>
Deductions:					
Administrative and general	<u>45,089</u>	<u>47,620</u>	<u>2,880</u>	<u>294</u>	<u>500</u>
Excess (deficiency) of total additions over total deductions	(14,902)	(22,120)	2,120	(294)	-
Cash and investment fund balance - beginning	<u>14,902</u>	<u>22,120</u>	<u>-</u>	<u>294</u>	<u>-</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,120</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:					
Cash and investments	\$ -	\$ -	\$ 2,120	\$ -	\$ -
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,120</u>	<u>\$ -</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, 2009
 (Continued)

	<u>EPICS</u>	<u>Book Fund</u>	<u>PLTW MS</u>	<u>FEF 2007-08</u>	<u>Awards Fund</u>
Additions:					
Contributions:					
Other	\$ 54,795	\$ 70	\$ 15,000	\$ -	\$ 26,453
Investment earnings:					
Interest	-	-	-	-	10,114
Total investment earnings	-	-	-	-	10,114
Total additions	<u>54,795</u>	<u>70</u>	<u>15,000</u>	<u>-</u>	<u>36,567</u>
Deductions:					
Administrative and general	<u>44,561</u>	<u>2,304</u>	<u>20,944</u>	<u>1,112</u>	<u>34,075</u>
Excess (deficiency) of total additions over total deductions	10,234	(2,234)	(5,944)	(1,112)	2,492
Cash and investment fund balance - beginning	<u>-</u>	<u>2,304</u>	<u>6,800</u>	<u>1,112</u>	<u>657,661</u>
Cash and investments - June 30	<u>\$ 10,234</u>	<u>\$ 70</u>	<u>\$ 856</u>	<u>\$ -</u>	<u>\$ 660,153</u>
Net assets:					
Cash and investments	<u>\$ 10,234</u>	<u>\$ 70</u>	<u>\$ 856</u>	<u>\$ -</u>	<u>\$ 660,153</u>
Total net assets - cash and investment basis held in trust	<u>\$ 10,234</u>	<u>\$ 70</u>	<u>\$ 856</u>	<u>\$ -</u>	<u>\$ 660,153</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, 2009
 (Continued)

	<u>Walmart Grant</u>	<u>HS Walmart Grant</u>	<u>INACCESS Linux HS 2008</u>	<u>E-Rate Grant</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ -	\$ -	\$ -	\$ 28,911	\$ 210,853
Investment earnings:					
Interest	-	-	-	-	10,114
Total investment earnings	-	-	-	-	10,114
Total additions	-	-	-	28,911	220,967
Deductions:					
Administrative and general	500	86	1,900	26,930	248,863
Excess (deficiency) of total additions over total deductions	(500)	(86)	(1,900)	1,981	(27,896)
Cash and investment fund balance - beginning	500	750	2,500	18,077	734,743
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 664</u>	<u>\$ 600</u>	<u>\$ 20,058</u>	<u>\$ 706,847</u>
Net assets:					
Cash and investments	\$ -	\$ 664	\$ 600	\$ 20,058	\$ 706,847
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 664</u>	<u>\$ 600</u>	<u>\$ 20,058</u>	<u>\$ 706,847</u>

COMMUNITY SCHOOLS OF FRANKFORT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

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:		
HS Elementary Holding	\$ 36,635,000	\$ 2,439,000
MS Holding	1,825,000	790,888
Notes and loans payable (CSL & energy)	4,964,689	777,464
Bonds payable:		
General obligation bonds:		
Retirement VEBA	<u>4,145,000</u>	<u>395,366</u>
Total governmental activities debt	<u>\$ 47,569,689</u>	<u>\$ 4,402,718</u>

COMMUNITY SCHOOLS OF FRANKFORT
AUDIT RESULT AND COMMENT

CAPITAL ASSET RECORDS

Information presented for audit did not properly reflect capital asset activity and/or balances.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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

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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, 2008 and 2009. 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, 2008 and 2009.

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

January 28, 2010

COMMUNITY SCHOOLS OF FRANKFORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program				
	10.553			
		FY 2007/2008	\$ 197,810	\$ -
		FY 2008/2009	-	189,784
National School Lunch Program				
	10.555			
		FY 2007/2008	757,129	-
		FY 2008/2009	-	728,909
Total for cluster			<u>954,939</u>	<u>918,693</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Special Education Cluster				
Special Education - Grants to States				
	84.027			
		14028-006-PN01	2,305,249	249,869
		14209-006-PN01	-	2,348,524
Total for program			<u>2,305,249</u>	<u>2,598,393</u>
Special Education - Preschool Grants				
	84.173			
		45707-006PN01	16,968	32
		45708-006-PN01	75,988	19,748
		45709-006-PN01	-	77,056
Total for program			<u>92,956</u>	<u>96,836</u>
Total for cluster			<u>2,398,205</u>	<u>2,695,229</u>
Pass-Through Lafayette School Corporation				
Adult Education - Basic Grants to States				
	84.002			
		2007-8019	10	-
		2008-8019	27,808	138
		2009-8019	-	35,880
Total for program			<u>27,818</u>	<u>36,018</u>
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies				
	84.010			
		07-1170	65,018	-
		08-1170	514,526	146,972
		09-1170	-	619,376
School Improvement				
		07-1170	24,926	-
		08-1170	98,112	10,966
Total for program			<u>702,582</u>	<u>777,314</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act				
	84.389		-	1,190
Total for cluster			<u>702,582</u>	<u>778,504</u>
Migrant Education - State Grant Program				
	84.011			
		FY06-07/RM	7,186	-
		FY07-08/RM	65,927	-
		FY08-09/RM	-	62,000
Total for program			<u>73,113</u>	<u>62,000</u>
Pass-Through Tippecanoe School Corporation				
Vocational Education - Basic Grants to States				
	84.048			
			7,000	-
Workforce Development - Moving Forward				
		C1-8-CPS-7a-40	25,000	-
Perkins				
		2006-07	20,896	-
		2007-08	39,944	13,972
		2008-09	-	44,304
Total for program			<u>92,840</u>	<u>58,276</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, 2008 and 2009
(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 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186			
		2005-06	1,744	-
		2006-07	4,695	814
		2007-08	-	7,461
		2008-09	-	2,896
Total for program			<u>6,439</u>	<u>11,171</u>
Tech-Prep Education	84.243			
Project Lead the Way		2007-08	19,940	-
Workforce Development		C1-9-PLTW-8-568	-	15,000
Total for program			<u>19,940</u>	<u>15,000</u>
Twenty-First Century Community Learning Centers	84.287			
		2007-09	148,556	156,615
		Year 3	-	1,410
Total for program			<u>148,556</u>	<u>158,025</u>
State Grants for Innovative Programs	84.298			
		05-095	16,307	-
		06-1170	22,244	11,019
		07-1170	227	9,187
Total for program			<u>38,778</u>	<u>20,206</u>
English Language Acquisition Grants	84.365			
		2007-08	55,571	49,155
		2008-09	105,799	100,750
Total for program			<u>161,370</u>	<u>149,905</u>
Improving Teacher Quality State Grants	84.367			
Class Size Reduction		04-001	39,623	-
Title II 2006-07		06-1170	31,318	-
Title II 2007-08		07-1170	88,508	16,240
Title II 2008-09		08-1170	100,706	95,347
Title II D		2005-06	174	-
Title II D		2009-10	4,069	-
Title II		Purdue	63,821	168
Purdue Math Science Grant		2007-10	111,238	118,969
Purdue Legos - Science and Tech Addition			25,138	-
Total for program			<u>464,595</u>	<u>230,724</u>
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394		-	783,141
Total for federal grantor agency			<u>4,134,236</u>	<u>4,998,199</u>
Total federal awards expended			<u>\$ 5,089,175</u>	<u>\$ 5,916,892</u>

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, 2008 and 2009:

Program Title	Federal CFDA Number	2008	2009
Special Education – Grants to States	84.027	\$ 2,305,249	\$ 2,598,393

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
School Breakfast Program	10.553	\$ 10,674	\$ 16,741
School Lunch Program	10.555	40,701	63,928

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
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:

CFDA Number	Name of Federal Program or Cluster
84.367	Special Education Cluster
84.394	Improving Teacher Quality State Grants ARRA – State Fiscal Stabilization Fund – Educator State Grants – Recovery Act

Dollar threshold used to distinguish between Type A and Type B programs: \$330,182

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 February 8, 2010, with Karen Rudolph, Treasurer; and Dr. Les Bivens, Superintendent of Schools.