

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

AUDIT REPORT  
OF

RICHLAND-BEAN BLOSSOM COMMUNITY  
SCHOOL CORPORATION  
MONROE COUNTY, INDIANA

July 1, 2005 to June 30, 2007



**FILED**  
03/31/2008



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
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 .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Cash and Investment Balances – Governmental Funds .....	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	11-12
Notes to Financial Statements .....	13-22
Required Supplementary Information:	
Schedule of Funding Progress .....	23
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds .....	24-35
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds .....	36-37
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Private-Purpose Trust Funds .....	38-43
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds .....	44-45
Schedule of Capital Assets .....	46
Schedule of Long-Term Debt .....	47
Audit Results and Comments:	
Deposits .....	48
Average Daily Membership (ADM) – Amount Owed From the State of Indiana Due to Corrected Enrollment Figures .....	48
Personal Expenses .....	48
Capital Projects Expenditures .....	48
Supplemental Audit of Federal Awards:	
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 .....	50-51
Schedule of Expenditures of Federal Awards .....	52
Notes to Schedule of Expenditures of Federal Awards .....	53
Schedule of Findings and Questioned Costs .....	54-55
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings .....	56
Corrective Action Plan .....	57
Exit Conference .....	58

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary Beth Axsom	07-01-05 to 12-31-07
Superintendent of Schools	Thomas Edington	07-01-05 to 12-31-07
President of the School Board	Edwin E. Macatangay Randy Wright	01-01-05 to 12-31-06 01-01-07 to 12-31-07



**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 RICHLAND-BEAN BLOSSOM COMMUNITY  
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

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

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

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 2008, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

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

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

STATE BOARD OF ACCOUNTS

January 24, 2008



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

TO: THE OFFICIALS OF THE RICHLAND-BEAN BLOSSOM COMMUNITY  
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Richland-Bean Blossom Community School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the School Corporation's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, 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 24, 2008

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 9,282,342	\$ -	\$ 84,412	\$ (9,197,930)
Support services	12,287,404	587,896	374,306	(11,325,202)
Community services	380,238	-	-	(380,238)
Nonprogrammed charges	415,721	-	-	(415,721)
Debt service	6,693,826	-	-	(6,693,826)
Total governmental activities	\$ 29,059,531	\$ 587,896	\$ 458,718	(28,012,917)
General receipts:				
Property taxes				9,847,166
Other local sources				2,127,021
State aid				10,272,452
Bonds and loans				3,750,000
Grants and contributions not restricted to specific programs				1,928,790
Sale of property, adjustments, and refunds				104,813
Investment earnings				278,604
Total general receipts				28,308,846
Change in net assets				295,929
Net assets - beginning				7,621,306
Net assets - ending				\$ 7,917,235
 <u>Assets</u>				
Cash and investments				\$ 5,991,849
Restricted assets:				
Cash and investments				1,925,386
Total assets				\$ 7,917,235
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,925,386
Unrestricted				5,991,849
Total net assets				\$ 7,917,235

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 9,456,721	\$ -	\$ 111,272	\$ (9,345,449)
Support services	11,930,812	581,809	392,400	(10,956,603)
Community services	432,295	-	-	(432,295)
Nonprogrammed charges	477,237	-	-	(477,237)
Debt service	<u>6,825,571</u>	<u>-</u>	<u>-</u>	<u>(6,825,571)</u>
Total governmental activities	<u>\$ 29,122,636</u>	<u>\$ 581,809</u>	<u>\$ 503,672</u>	<u>(28,037,155)</u>
General receipts:				
Property taxes				7,073,577
Other local sources				1,806,743
State aid				10,452,476
Bonds and loans				5,750,000
Grants and contributions not restricted to specific programs				1,181,711
Sale of property, adjustments, and refunds				143,968
Investment earnings				<u>364,115</u>
Total general receipts				<u>26,772,590</u>
Change in net assets				(1,264,565)
Net assets - beginning				<u>7,917,235</u>
Net assets - ending				<u>\$ 6,652,670</u>
<u>Assets</u>				
Cash and investments				\$ 5,962,219
Restricted assets:				
Cash and investments				<u>690,451</u>
Total assets				<u>\$ 6,652,670</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 690,451
Unrestricted				<u>5,962,219</u>
Total net assets				<u>\$ 6,652,670</u>

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 5,626,902	\$ 1,004,827	\$ 2,538,528	\$ 1,987,194	\$ 95,731	\$ 1,587,111	\$ 12,840,293
Intermediate sources	-	-	-	-	-	394	394
State sources	10,341,493	-	-	-	-	229,311	10,570,804
Federal sources	-	-	-	-	-	2,089,156	2,089,156
Bonds and loans	2,500,000	300,000	600,000	350,000	-	-	3,750,000
Sale of property, adjustments and refunds	84,177	6,856	-	12,838	-	942	104,813
<b>Total receipts</b>	<u>18,552,572</u>	<u>1,311,683</u>	<u>3,138,528</u>	<u>2,350,032</u>	<u>95,731</u>	<u>3,906,914</u>	<u>29,355,460</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	8,030,543	-	-	-	-	1,251,799	9,282,342
Support services	6,725,192	1,123,976	39,204	2,150,848	134,096	2,114,088	12,287,404
Community services	378,851	-	-	-	-	1,387	380,238
Nonprogrammed charges	351,905	-	-	-	-	63,816	415,721
Debt services	2,500,000	300,000	3,304,371	350,000	-	239,455	6,693,826
<b>Total disbursements</b>	<u>17,986,491</u>	<u>1,423,976</u>	<u>3,343,575</u>	<u>2,500,848</u>	<u>134,096</u>	<u>3,670,545</u>	<u>29,059,531</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>566,081</u>	<u>(112,293)</u>	<u>(205,047)</u>	<u>(150,816)</u>	<u>(38,365)</u>	<u>236,369</u>	<u>295,929</u>
<b>Other financing sources (uses):</b>							
Transfers in	35,928	-	-	-	-	72,396	108,324
Transfers out	(22,398)	(2,442)	(7,337)	(3,462)	(245)	(72,440)	(108,324)
<b>Total other financing sources (uses)</b>	<u>13,530</u>	<u>(2,442)</u>	<u>(7,337)</u>	<u>(3,462)</u>	<u>(245)</u>	<u>(44)</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>579,611</u>	<u>(114,735)</u>	<u>(212,384)</u>	<u>(154,278)</u>	<u>(38,610)</u>	<u>236,325</u>	<u>295,929</u>
<b>Cash and investments - beginning</b>	<u>2,967,833</u>	<u>365,240</u>	<u>1,996,249</u>	<u>1,239,304</u>	<u>82,525</u>	<u>970,155</u>	<u>7,621,306</u>
<b>Cash and investments - ending</b>	<u>\$ 3,547,444</u>	<u>\$ 250,505</u>	<u>\$ 1,783,865</u>	<u>\$ 1,085,026</u>	<u>\$ 43,915</u>	<u>\$ 1,206,480</u>	<u>\$ 7,917,235</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 3,547,444	\$ 250,505	\$ -	\$ 1,085,026	\$ 43,915	\$ 1,064,959	\$ 5,991,849
Restricted assets:							
Cash and investments	-	-	1,783,865	-	-	141,521	1,925,386
<b>Total cash and investment assets - ending</b>	<u>\$ 3,547,444</u>	<u>\$ 250,505</u>	<u>\$ 1,783,865</u>	<u>\$ 1,085,026</u>	<u>\$ 43,915</u>	<u>\$ 1,206,480</u>	<u>\$ 7,917,235</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 1,783,865	\$ -	\$ -	\$ 141,521	\$ 1,925,386
Unrestricted	<u>3,547,444</u>	<u>250,505</u>	<u>-</u>	<u>1,085,026</u>	<u>43,915</u>	<u>1,064,959</u>	<u>5,991,849</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 3,547,444</u>	<u>\$ 250,505</u>	<u>\$ 1,783,865</u>	<u>\$ 1,085,026</u>	<u>\$ 43,915</u>	<u>\$ 1,206,480</u>	<u>\$ 7,917,235</u>

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 4,282,410	\$ 742,461	\$ 1,759,311	\$ 1,447,462	\$ 56,175	\$ 1,538,125	\$ 9,825,944
Intermediate sources	-	-	-	-	-	300	300
State sources	10,548,383	-	-	-	-	178,612	10,726,995
Federal sources	-	-	-	-	-	1,410,864	1,410,864
Bonds and loans	4,500,000	300,000	600,000	350,000	-	-	5,750,000
Sale of property, adjustments and refunds	137,991	319	-	2,587	-	3,071	143,968
<b>Total receipts</b>	<u>19,468,784</u>	<u>1,042,780</u>	<u>2,359,311</u>	<u>1,800,049</u>	<u>56,175</u>	<u>3,130,972</u>	<u>27,858,071</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	8,362,780	-	-	-	-	1,093,941	9,456,721
Support services	6,979,149	1,171,276	-	1,770,229	-	2,010,158	11,930,812
Community services	432,007	-	-	-	-	288	432,295
Nonprogrammed charges	422,780	-	-	-	-	54,457	477,237
Debt services	2,517,062	300,000	3,412,285	350,000	-	246,224	6,825,571
<b>Total disbursements</b>	<u>18,713,778</u>	<u>1,471,276</u>	<u>3,412,285</u>	<u>2,120,229</u>	<u>-</u>	<u>3,405,068</u>	<u>29,122,636</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>755,006</u>	<u>(428,496)</u>	<u>(1,052,974)</u>	<u>(320,180)</u>	<u>56,175</u>	<u>(274,096)</u>	<u>(1,264,565)</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	39,023	-	-	-	321,314	360,337
Transfers out	(172,126)	(26,994)	(64,815)	(52,250)	(1,445)	(42,707)	(360,337)
<b>Total other financing sources (uses)</b>	<u>(172,126)</u>	<u>12,029</u>	<u>(64,815)</u>	<u>(52,250)</u>	<u>(1,445)</u>	<u>278,607</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>582,880</u>	<u>(416,467)</u>	<u>(1,117,789)</u>	<u>(372,430)</u>	<u>54,730</u>	<u>4,511</u>	<u>(1,264,565)</u>
<b>Cash and investments - beginning</b>	<u>3,547,444</u>	<u>250,505</u>	<u>1,783,865</u>	<u>1,085,026</u>	<u>43,915</u>	<u>1,206,480</u>	<u>7,917,235</u>
<b>Cash and investments - ending</b>	<u>\$ 4,130,324</u>	<u>\$ (165,962)</u>	<u>\$ 666,076</u>	<u>\$ 712,596</u>	<u>\$ 98,645</u>	<u>\$ 1,210,991</u>	<u>\$ 6,652,670</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 4,130,324	\$ (165,962)	\$ -	\$ 712,596	\$ 98,645	\$ 1,186,616	\$ 5,962,219
Restricted assets:							
Cash and investments	-	-	666,076	-	-	24,375	690,451
<b>Total cash and investment assets - ending</b>	<u>\$ 4,130,324</u>	<u>\$ (165,962)</u>	<u>\$ 666,076</u>	<u>\$ 712,596</u>	<u>\$ 98,645</u>	<u>\$ 1,210,991</u>	<u>\$ 6,652,670</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ 666,076	\$ -	\$ -	\$ 24,375	\$ 690,451
Unrestricted	<u>4,130,324</u>	<u>(165,962)</u>	<u>-</u>	<u>712,596</u>	<u>98,645</u>	<u>1,186,616</u>	<u>5,962,219</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 4,130,324</u>	<u>\$ (165,962)</u>	<u>\$ 666,076</u>	<u>\$ 712,596</u>	<u>\$ 98,645</u>	<u>\$ 1,210,991</u>	<u>\$ 6,652,670</u>

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 324,115	
Deductions:			
Benefits	155,046	-	
Administrative and general	-	106,076	
Total deductions	155,046	106,076	
Excess (deficiency) of total additions over total deductions	(155,046)	218,039	
Cash and investment fund balance - beginning	1,167,266	52,964	
Cash and investment fund balance - ending	\$ 1,012,220	\$ 271,003	
Net assets:			
Cash and investments	\$ 1,012,220	\$ 271,003	\$ 20,121
Total net assets - cash and investment basis held in trust	\$ 1,012,220	\$ 271,003	\$ 20,121

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions: Contributions: Other	\$ -	\$ 38,105	
Deductions: Benefits Administrative and general	191,379 -	- 92,043	
Total deductions	191,379	92,043	
Deficiency of total additions over total deductions	(191,379)	(53,938)	
Cash and investment fund balance - beginning	1,012,220	271,003	
Cash and investment fund balance - ending	\$ 820,841	\$ 217,065	
Net assets: Cash and investments	\$ 820,841	\$ 217,065	\$ 24,321
Total net assets - cash and investment basis held in trust	\$ 820,841	\$ 217,065	\$ 24,321

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Richland-Bean Blossom Community School Corporation

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 Owen Valley Community Schools in a joint venture to operate Forest Hills Special Education Cooperative (Co-op) which was created to provide instruction for handicapped children. The School Corporation maintains the treasury function for the Co-op and has responsibility for the accountability of all fiscal matters.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Cash Activities displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

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

Additionally, the School Corporation reports the following fund types:

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

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the students of the corporation for scholarships.

Agency funds account for assets held by the School Corporation as an agent for employees and serve as a control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

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

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Property Taxes

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

3. Compensated Absences

a. Paid Days Off

Certified personnel (teachers) are authorized 13 days per school year. Noncertified personnel (other covered employees) are authorized 1 day per 20 days employed. In addition, they received 3 more days if they are full-time and 2 more days if they are part-time. These days are accumulated without limit for certified personnel and are cumulative to 180 days for noncertified personnel. A maximum of 185 days accumulated leave is paid to certified personnel upon retirement, while leave is paid to noncertified personnel after a minimum of 15 years of service.

b. Vacation Leave

Full-time noncertified personnel (other covered employees) are authorized 10 to 20 days per school year based upon years of service. These days are cumulative.

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (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

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 – Cash and Investment Basis. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

B. Cash and Investment Balance Deficits

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

Fund	2006	2007
Transportation Operating	\$ -	\$ (165,962)
Title I	(7,705)	(6,895)
Special Education 06/07	-	(35,712)

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

III. Detailed Notes on All Funds

A. Deposits

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

B. Interfund Transfers

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Transfer From	Transfer To	2006	2007
General Fund	Other governmental funds	\$ 22,398	\$ 172,126
Transportation Operating Fund	Other governmental funds	2,442	26,994
Capital Projects Fund	Other governmental funds	3,462	52,250
Debt Service Fund	Other governmental funds	7,337	64,815
School Bus Replacement Fund	Other governmental funds	245	1,445
Other governmental funds	General Fund	35,928	-
	Other governmental funds	36,512	42,707
Totals		<u>\$ 108,324</u>	<u>\$ 360,337</u>

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

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; 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.

Medical and Dental insurance Benefits

During 1996, the School Corporation joined with other governmental entities to form the South Central Indiana School Trust, a public entity risk pool currently operating as a common risk management and insurance program for 12 member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of medical and dental benefits. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$2,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$2,000,000 limit.

B. Holding Corporations

The School Corporation has entered into capital leases with Edgewood High School Building Corporation and the Richland-Bean Blossom 2000 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 year totaled \$4,358,945.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health and dental insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 10 years of service. Currently, 1 retiree meets these eligibility requirements. The School Corporation and retirees provide 99% and 1%, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. Disbursements for postemployment benefits cannot be reasonably estimated.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 139,744
Interest on net pension obligation	(12,601)
Adjustment to annual required contribution	14,359
Annual pension cost	141,502
Contributions made	117,550
Increase in net pension obligation	23,952
Net pension obligation, beginning of year	(173,800)
Net pension obligation, end of year	\$ (149,848)
Contribution rates:	
School Corporation	7.25%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 75,523	179%	\$ (163,272)
	06-30-05	116,701	109%	(173,800)
	06-30-06	141,502	83%	(149,848)

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2005, 2006, and 2007, were \$253,455, \$278,697, and \$299,233, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Annuity Plan

Richland-Bean Blossom Community School Corporation 403(B) Matched Savings Plan

The School Corporation has a 403(B) annuity plan for all certified employees. The plan is administered by the School Corporation. It allows annuity purchases from the Variable Annuity Life Insurance Company. Employees are permitted to make elective deferrals up to the maximum allowed by current law. The contributions made by the certified employees will be matched dollar for dollar by the School Corporation. The maximum contribution the School Corporation will make is 3 % for the 2005-2006 and 2006-2007 school years.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 1,768,673	\$ 1,956,198	\$ (187,525)	90%	\$ 2,022,670	(9%)
07-01-05	1,869,389	2,360,608	(491,219)	79%	1,960,402	(25%)
07-01-06	2,035,172	2,343,946	(308,774)	87%	1,714,599	(18%)

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2006

	Special Education Preschool	Local Rainy Day Fund	School Lunch	Textbook Rental	Excess Levy	Joint Special Education Cooperative
<b>Receipts:</b>						
Local sources	\$ 47,868	\$ -	\$ 413,948	\$ 173,948	\$ -	\$ 716,411
Intermediate sources	-	-	-	-	-	-
State sources	107,718	-	11,885	87,388	-	-
Federal sources	-	-	275,033	-	-	-
Sale of property, adjustments and refunds	-	-	177	-	-	765
<b>Total receipts</b>	<b>155,586</b>	<b>-</b>	<b>701,043</b>	<b>261,336</b>	<b>-</b>	<b>717,176</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	92,276	-	-	-	-	237,349
Support services	25,668	-	564,620	268,299	-	477,792
Community services	-	-	-	-	-	-
Nonprogrammed charges	63,316	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>181,260</b>	<b>-</b>	<b>564,620</b>	<b>268,299</b>	<b>-</b>	<b>715,141</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(25,674)</b>	<b>-</b>	<b>136,423</b>	<b>(6,963)</b>	<b>-</b>	<b>2,035</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	35,928	-
Transfers out	(44)	-	-	-	(35,928)	(533)
<b>Total other financing sources (uses)</b>	<b>(44)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(533)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(25,718)</b>	<b>-</b>	<b>136,423</b>	<b>(6,963)</b>	<b>-</b>	<b>1,502</b>
<b>Cash and investments - beginning</b>	<b>346,562</b>	<b>66,580</b>	<b>55,070</b>	<b>110,749</b>	<b>-</b>	<b>70,324</b>
<b>Cash and investments - ending</b>	<b>\$ 320,844</b>	<b>\$ 66,580</b>	<b>\$ 191,493</b>	<b>\$ 103,786</b>	<b>\$ -</b>	<b>\$ 71,826</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 320,844	\$ 66,580	\$ 191,493	\$ 103,786	\$ -	\$ 71,826
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 320,844</b>	<b>\$ 66,580</b>	<b>\$ 191,493</b>	<b>\$ 103,786</b>	<b>\$ -</b>	<b>\$ 71,826</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	320,844	66,580	191,493	103,786	-	71,826
<b>Total cash and investment fund balance - ending</b>	<b>\$ 320,844</b>	<b>\$ 66,580</b>	<b>\$ 191,493</b>	<b>\$ 103,786</b>	<b>\$ -</b>	<b>\$ 71,826</b>

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

	BMV Educational Fund	School Safe Haven	Early Intervention	Gifted and Talented Grant	ASM Teacher Grant	Non-English Speaking Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	394	-	-	-	-	-
State sources	-	5,649	500	15,306	500	65
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>394</b>	<b>5,649</b>	<b>500</b>	<b>15,306</b>	<b>500</b>	<b>65</b>
Disbursements:						
Current:						
Instruction	-	5,649	-	15,306	-	-
Support services	-	-	500	-	433	-
Community services	278	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>278</b>	<b>5,649</b>	<b>500</b>	<b>15,306</b>	<b>433</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	116	-	-	-	67	65
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	116	-	-	-	67	65
Cash and investments - beginning	319	-	-	-	-	49
Cash and investments - ending	\$ 435	\$ -	\$ -	\$ -	\$ 67	\$ 114
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 435	\$ -	\$ -	\$ -	\$ 67	\$ 114
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 435</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67</b>	<b>\$ 114</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	435	-	-	-	67	114
<b>Total cash and investment fund balance - ending</b>	<b>\$ 435</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67</b>	<b>\$ 114</b>

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

	National Society of Arts 05/06	School Safety Training	Title I	Innovative Education Program	Title V Part A 05/06	Serve America
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	300	-	-	-	-	-
Federal sources	-	-	193,766	-	8,453	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>300</b>	<b>-</b>	<b>193,766</b>	<b>-</b>	<b>8,453</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	165,992	-	-	-
Support services	200	399	42,314	9,858	28,750	207
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>200</b>	<b>399</b>	<b>208,306</b>	<b>9,858</b>	<b>28,750</b>	<b>207</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>100</b>	<b>(399)</b>	<b>(14,540)</b>	<b>(9,858)</b>	<b>(20,297)</b>	<b>(207)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	35,935	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,935</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>100</b>	<b>(399)</b>	<b>(14,540)</b>	<b>(9,858)</b>	<b>15,638</b>	<b>(207)</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>500</b>	<b>21,208</b>	<b>9,858</b>	<b>-</b>	<b>207</b>
<b>Cash and investments - ending</b>	<b>\$ 100</b>	<b>\$ 101</b>	<b>\$ 6,668</b>	<b>\$ -</b>	<b>\$ 15,638</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 100	\$ 101	\$ 6,668	\$ -	\$ 15,638	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 100</b>	<b>\$ 101</b>	<b>\$ 6,668</b>	<b>\$ -</b>	<b>\$ 15,638</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	100	101	6,668	-	15,638	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 100</b>	<b>\$ 101</b>	<b>\$ 6,668</b>	<b>\$ -</b>	<b>\$ 15,638</b>	<b>\$ -</b>

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

	Special Education Part B 05/06	Special Education Carryover 05/06	Special Education EPICC 05/07	Special Education 05/06	Special Education Part B 04/05	Special Education Preschool Grants
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	339,226	21,154	25,000	1,026,892	56,666	54,775
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>339,226</b>	<b>21,154</b>	<b>25,000</b>	<b>1,026,892</b>	<b>56,666</b>	<b>54,775</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	192,895	18,030	-	383,645	73,741	43,110
Support services	208,712	3,124	24,230	388,157	4,223	11,355
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	500
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>401,607</b>	<b>21,154</b>	<b>24,230</b>	<b>771,802</b>	<b>77,964</b>	<b>54,965</b>
Excess (deficiency) of receipts over disbursements	(62,381)	-	770	255,090	(21,298)	(190)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	533
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>533</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(62,381)	-	770	255,090	(21,298)	343
Cash and investments - beginning	88,899	400	-	-	21,748	5,507
Cash and investments - ending	<u>\$ 26,518</u>	<u>\$ 400</u>	<u>\$ 770</u>	<u>\$ 255,090</u>	<u>\$ 450</u>	<u>\$ 5,850</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 26,518	\$ 400	\$ 770	\$ 255,090	\$ 450	\$ 5,850
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 26,518</u></b>	<b><u>\$ 400</u></b>	<b><u>\$ 770</u></b>	<b><u>\$ 255,090</u></b>	<b><u>\$ 450</u></b>	<b><u>\$ 5,850</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>26,518</u>	<u>400</u>	<u>770</u>	<u>255,090</u>	<u>450</u>	<u>5,850</u>
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 26,518</u></b>	<b><u>\$ 400</u></b>	<b><u>\$ 770</u></b>	<b><u>\$ 255,090</u></b>	<b><u>\$ 450</u></b>	<b><u>\$ 5,850</u></b>

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

	Drug Free Schools 04/06	Drug Free Schools 05/06	Indiana Team Nutrition	Title II Part A 03/05	Education Technology State Grants 03/05	Title II Part A 04/05
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	9,430	-	-	-	8,000
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>9,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	4,000	-	1,112	-	18,694
Support services	4,454	1,273	-	-	2,096	4,349
Community services	-	-	1,109	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>4,454</b>	<b>5,273</b>	<b>1,109</b>	<b>1,112</b>	<b>2,096</b>	<b>23,043</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(4,454)</b>	<b>4,157</b>	<b>(1,109)</b>	<b>(1,112)</b>	<b>(2,096)</b>	<b>(15,043)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(4,454)</b>	<b>4,157</b>	<b>(1,109)</b>	<b>(1,112)</b>	<b>(2,096)</b>	<b>(15,043)</b>
<b>Cash and investments - beginning</b>	<b>4,454</b>	<b>-</b>	<b>1,109</b>	<b>1,112</b>	<b>2,096</b>	<b>15,043</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 4,157</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 4,157	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 4,157</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,157	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 4,157</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

	Title II Part A 05/06	Education Technology State Grants 04/06	Education Technology State Grants 05/07	Retirement Severance Bond Debt	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ 234,936	\$ 1,587,111
Intermediate sources	-	-	-	-	394
State sources	-	-	-	-	229,311
Federal sources	67,192	-	3,569	-	2,089,156
Sale of property, adjustments and refunds	-	-	-	-	942
<b>Total receipts</b>	<b>67,192</b>	<b>-</b>	<b>3,569</b>	<b>234,936</b>	<b>3,906,914</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	-	-	-	-	1,251,799
Support services	40,746	544	1,785	-	2,114,088
Community services	-	-	-	-	1,387
Nonprogrammed charges	-	-	-	-	63,816
Debt services	-	-	-	239,455	239,455
<b>Total disbursements</b>	<b>40,746</b>	<b>544</b>	<b>1,785</b>	<b>239,455</b>	<b>3,670,545</b>
Excess (deficiency) of receipts over disbursements	26,446	(544)	1,784	(4,519)	236,369
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	72,396
Transfers out	(34,151)	-	(1,784)	-	(72,440)
<b>Total other financing sources (uses)</b>	<b>(34,151)</b>	<b>-</b>	<b>(1,784)</b>	<b>-</b>	<b>(44)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,705)	(544)	-	(4,519)	236,325
Cash and investments - beginning	-	2,321	-	146,040	970,155
Cash and investments - ending	<u>\$ (7,705)</u>	<u>\$ 1,777</u>	<u>\$ -</u>	<u>\$ 141,521</u>	<u>\$ 1,206,480</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ (7,705)	\$ 1,777	\$ -	\$ -	\$ 1,064,959
Restricted assets:					
Cash and investments	-	-	-	141,521	141,521
<b>Total cash and investment assets - ending</b>	<u>\$ (7,705)</u>	<u>\$ 1,777</u>	<u>\$ -</u>	<u>\$ 141,521</u>	<u>\$ 1,206,480</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 141,521	\$ 141,521
Unrestricted	(7,705)	1,777	-	-	1,064,959
<b>Total cash and investment fund balance - ending</b>	<u>\$ (7,705)</u>	<u>\$ 1,777</u>	<u>\$ -</u>	<u>\$ 141,521</u>	<u>\$ 1,206,480</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2007

	Special Education Preschool	Local Rainy Day Fund	School Lunch	Textbook Rental	Excess Levy	Joint Special Education Cooperative
<b>Receipts:</b>						
Local sources	\$ 45,765	\$ -	\$ 403,174	\$ 178,634	\$ -	\$ 776,006
Intermediate sources	-	-	-	-	-	-
State sources	91,174	-	11,692	50,381	-	-
Federal sources	-	-	326,734	-	-	-
Sale of property, adjustments and refunds	-	-	75	1,772	-	1,224
<b>Total receipts</b>	<b>136,939</b>	<b>-</b>	<b>741,675</b>	<b>230,787</b>	<b>-</b>	<b>777,230</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	87,627	-	-	-	-	278,635
Support services	26,102	-	695,088	136,424	-	460,099
Community services	-	-	-	-	-	-
Nonprogrammed charges	54,457	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>168,186</b>	<b>-</b>	<b>695,088</b>	<b>136,424</b>	<b>-</b>	<b>738,734</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(31,247)</b>	<b>-</b>	<b>46,587</b>	<b>94,363</b>	<b>-</b>	<b>38,496</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	283,764	-
Transfers out	(439)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(439)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283,764</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(31,686)</b>	<b>-</b>	<b>46,587</b>	<b>94,363</b>	<b>283,764</b>	<b>38,496</b>
<b>Cash and investments - beginning</b>	<b>320,844</b>	<b>66,580</b>	<b>191,493</b>	<b>103,786</b>	<b>-</b>	<b>71,826</b>
<b>Cash and investments - ending</b>	<b>\$ 289,158</b>	<b>\$ 66,580</b>	<b>\$ 238,080</b>	<b>\$ 198,149</b>	<b>\$ 283,764</b>	<b>\$ 110,322</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 289,158	\$ 66,580	\$ 238,080	\$ 198,149	\$ 283,764	\$ 110,322
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 289,158</b>	<b>\$ 66,580</b>	<b>\$ 238,080</b>	<b>\$ 198,149</b>	<b>\$ 283,764</b>	<b>\$ 110,322</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	289,158	66,580	238,080	198,149	283,764	110,322
<b>Total cash and investment fund balance - ending</b>	<b>\$ 289,158</b>	<b>\$ 66,580</b>	<b>\$ 238,080</b>	<b>\$ 198,149</b>	<b>\$ 283,764</b>	<b>\$ 110,322</b>

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

	BMV Educational Fund	School Safe Haven	Early Intervention	Gifted and Talented Grant	ASM Teacher Grant	Non-English Speaking Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	300	-	-	-	-	-
State sources	-	9,500	500	15,306	-	59
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>300</b>	<b>9,500</b>	<b>500</b>	<b>15,306</b>	<b>-</b>	<b>59</b>
Disbursements:						
Current:						
Instruction	-	9,426	-	15,306	-	-
Support services	-	-	500	-	-	-
Community services	288	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>288</b>	<b>9,426</b>	<b>500</b>	<b>15,306</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	12	74	-	-	-	59
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12	74	-	-	-	59
Cash and investments - beginning	435	-	-	-	67	114
Cash and investments - ending	447	74	-	-	67	173
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 447	\$ 74	\$ -	\$ -	\$ 67	\$ 173
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 447</b>	<b>\$ 74</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67</b>	<b>\$ 173</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	447	74	-	-	67	173
<b>Total cash and investment fund balance - ending</b>	<b>\$ 447</b>	<b>\$ 74</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67</b>	<b>\$ 173</b>

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

	National Society of Arts 05/06	School Safety Training	Indiana Youth Institute Grant	Title I	Innovative Educational Program	Title V Part A 05/06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 750	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	196,401	4,262	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>750</b>	<b>196,401</b>	<b>4,262</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	164,722	-	-
Support services	98	101	750	45,242	28,288	15,638
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<b>98</b>	<b>101</b>	<b>750</b>	<b>209,964</b>	<b>28,288</b>	<b>15,638</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(98)</b>	<b>(101)</b>	<b>-</b>	<b>(13,563)</b>	<b>(24,026)</b>	<b>(15,638)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	37,550	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,550</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(98)</b>	<b>(101)</b>	<b>-</b>	<b>(13,563)</b>	<b>13,524</b>	<b>(15,638)</b>
<b>Cash and investments - beginning</b>	<b>100</b>	<b>101</b>	<b>-</b>	<b>6,668</b>	<b>-</b>	<b>15,638</b>
<b>Cash and investments - ending</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,895)</b>	<b>\$ 13,524</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 2	\$ -	\$ -	\$ (6,895)	\$ 13,524	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,895)</b>	<b>\$ 13,524</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2	-	-	(6,895)	13,524	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (6,895)</b>	<b>\$ 13,524</b>	<b>\$ -</b>

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

	Special Education Part B 05/06	Special Education Carryover 05/06	Special Education EPICC 05/07	Special Education 05/06	Special Education 06/07
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	25,000	205,380	504,081
Sale of property, adjustments and refunds	-	-	-	-	-
<b>Total receipts</b>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>205,380</u>	<u>504,081</u>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	12,567	(860)	-	208,286	258,920
Support services	13,711	1,260	20,434	252,184	280,873
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
<b>Total disbursements</b>	<u>26,278</u>	<u>400</u>	<u>20,434</u>	<u>460,470</u>	<u>539,793</u>
Excess (deficiency) of receipts over disbursements	<u>(26,278)</u>	<u>(400)</u>	<u>4,566</u>	<u>(255,090)</u>	<u>(35,712)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(26,278)</u>	<u>(400)</u>	<u>4,566</u>	<u>(255,090)</u>	<u>(35,712)</u>
Cash and investments - beginning	<u>26,518</u>	<u>400</u>	<u>770</u>	<u>255,090</u>	<u>-</u>
Cash and investments - ending	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ 5,336</u>	<u>\$ -</u>	<u>\$ (35,712)</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 240	\$ -	\$ 5,336	\$ -	\$ (35,712)
Restricted assets:					
Cash and investments	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ 5,336</u>	<u>\$ -</u>	<u>\$ (35,712)</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>240</u>	<u>-</u>	<u>5,336</u>	<u>-</u>	<u>(35,712)</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ 5,336</u>	<u>\$ -</u>	<u>\$ (35,712)</u>

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

	Special Education Part B 04/05	Special Education Preschool Grants	Drug Free Schools 06/07	Drug Free Schools 05/06	Medicaid Reimbursement
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	54,201	7,712	-	3,593
Sale of property, adjustments and refunds	-	-	-	-	-
	<u>-</u>	<u>54,201</u>	<u>7,712</u>	<u>-</u>	<u>3,593</u>
Disbursements:					
Current:					
Instruction	450	43,694	-	-	-
Support services	-	13,683	1,253	4,472	-
Community services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Debt services	-	-	-	-	-
	<u>450</u>	<u>57,377</u>	<u>1,253</u>	<u>4,472</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(450)</u>	<u>(3,176)</u>	<u>6,459</u>	<u>(4,472)</u>	<u>3,593</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(450)</u>	<u>(3,176)</u>	<u>6,459</u>	<u>(4,472)</u>	<u>3,593</u>
Cash and investments - beginning	<u>450</u>	<u>5,850</u>	<u>-</u>	<u>4,157</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,674</u>	<u>\$ 6,459</u>	<u>\$ (315)</u>	<u>\$ 3,593</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ 2,674	\$ 6,459	\$ (315)	\$ 3,593
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 2,674</u>	<u>\$ 6,459</u>	<u>\$ (315)</u>	<u>\$ 3,593</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	2,674	6,459	(315)	3,593
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 2,674</u>	<u>\$ 6,459</u>	<u>\$ (315)</u>	<u>\$ 3,593</u>

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

	Title II Part A 06/07	Title II Part A 05/06	Education Technology State Grants 05/07	Retirement Severance Bond Debt	Totals
<b>Receipts:</b>					
Local sources	\$ -	\$ -	\$ -	\$ 133,796	\$ 1,538,125
Intermediate sources	-	-	-	-	300
State sources	-	-	-	-	178,612
Federal sources	75,099	8,401	-	-	1,410,864
Sale of property, adjustments and refunds	-	-	-	-	3,071
<b>Total receipts</b>	<b>75,099</b>	<b>8,401</b>	<b>-</b>	<b>133,796</b>	<b>3,130,972</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	15,168	-	-	-	1,093,941
Support services	11,485	696	1,777	-	2,010,158
Community services	-	-	-	-	288
Nonprogrammed charges	-	-	-	-	54,457
Debt services	-	-	-	246,224	246,224
<b>Total disbursements</b>	<b>26,653</b>	<b>696</b>	<b>1,777</b>	<b>246,224</b>	<b>3,405,068</b>
Excess (deficiency) of receipts over disbursements	48,446	7,705	(1,777)	(112,428)	(274,096)
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	321,314
Transfers out	(37,550)	-	-	(4,718)	(42,707)
<b>Total other financing sources (uses)</b>	<b>(37,550)</b>	<b>-</b>	<b>-</b>	<b>(4,718)</b>	<b>278,607</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,896	7,705	(1,777)	(117,146)	4,511
Cash and investments - beginning	-	(7,705)	1,777	141,521	1,206,480
Cash and investments - ending	<u>\$ 10,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,375</u>	<u>\$ 1,210,991</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 10,896	\$ -	\$ -	\$ -	\$ 1,186,616
Restricted assets:					
Cash and investments	-	-	-	24,375	24,375
<b>Total cash and investment assets - ending</b>	<u>\$ 10,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,375</u>	<u>\$ 1,210,991</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 24,375	\$ 24,375
Unrestricted	10,896	-	-	-	1,186,616
<b>Total cash and investment fund balance - ending</b>	<u>\$ 10,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,375</u>	<u>\$ 1,210,991</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For the Year Ended June 30, 2006

	<u>Retirement/ Severance Bond</u>	<u>Postretirement/ Severance Future Benefit</u>	<u>Totals</u>
Deductions:			
Benefits	\$ 43,114	\$ 111,932	\$ 155,046
Cash and investment fund balance - beginning	<u>985,696</u>	<u>181,570</u>	<u>1,167,266</u>
Cash and investment fund balance - ending	<u>\$ 942,582</u>	<u>\$ 69,638</u>	<u>\$ 1,012,220</u>
Net assets:			
Cash and investments	<u>\$ 942,582</u>	<u>\$ 69,638</u>	<u>\$ 1,012,220</u>
Total net assets - cash and investment basis held in trust	<u>\$ 942,582</u>	<u>\$ 69,638</u>	<u>\$ 1,012,220</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For the Year Ended June 30, 2007

	<u>Retirement/ Severance Bond</u>	<u>Postretirement/ Severance Future Benefit</u>	<u>Totals</u>
Deductions:			
Benefits	\$ 130,732	\$ 60,647	\$ 191,379
Cash and investment fund balance - beginning	<u>942,582</u>	<u>69,638</u>	<u>1,012,220</u>
Cash and investment fund balance - ending	<u>\$ 811,850</u>	<u>\$ 8,991</u>	<u>\$ 820,841</u>
Net assets:			
Cash and investments	<u>\$ 811,850</u>	<u>\$ 8,991</u>	<u>\$ 820,841</u>
Total net assets - cash and investment basis held in trust	<u>\$ 811,850</u>	<u>\$ 8,991</u>	<u>\$ 820,841</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 As Of And For The Year Ended June 30, 2006

	<u>Instruction Support</u>	<u>Cape II Sub Grant from MCCSC</u>	<u>Adult and Continuing Education</u>	<u>Oliver/ Deckard Scholarship</u>	<u>Ellett Scholarship</u>
Cash and investments - July 1	\$ 1,867	\$ 3,955	\$ -	\$ 6,274	\$ 11,996
Receipts:					
Receipts from local sources	250,000	49,534	-	207	308
Receipts from federal sources	-	-	6,981	-	-
Transfer accounts	-	<u>1,050</u>	-	-	-
Total receipts	<u>250,000</u>	<u>50,584</u>	<u>6,981</u>	<u>207</u>	<u>308</u>
Disbursements:					
Instruction	-	-	6,981	-	-
Support services	28,692	54,387	-	-	-
Transfer accounts	1,050	-	-	-	-
Nonprogrammed charges	-	-	-	<u>500</u>	<u>500</u>
Total disbursements	<u>29,742</u>	<u>54,387</u>	<u>6,981</u>	<u>500</u>	<u>500</u>
Excess (deficiency) of total receipts over total disbursements	<u>220,258</u>	<u>(3,803)</u>	-	<u>(293)</u>	<u>(192)</u>
Cash and investments - June 30	<u>\$ 222,125</u>	<u>\$ 152</u>	<u>\$ -</u>	<u>\$ 5,981</u>	<u>\$ 11,804</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 As Of And For The Year Ended June 30, 2006  
 (Continued)

	<u>Lisa Lagneaux Scholarship</u>	<u>Lundy Scholarship</u>	<u>VFW Post 10526 Scholarship</u>	<u>Joyce Gates Scholarship</u>	<u>Dairy and Nutrition Council</u>
Cash and investments - July 1	\$ 7,412	\$ 1,000	\$ 9,785	\$ -	\$ -
Receipts:					
Receipts from local sources	187	4,000	279	3,619	2,000
Receipts from federal sources	-	-	-	-	-
Transfer accounts	-	-	-	-	-
Total receipts	<u>187</u>	<u>4,000</u>	<u>279</u>	<u>3,619</u>	<u>2,000</u>
Disbursements:					
Instruction	-	-	-	-	-
Support services	-	-	-	-	-
Transfer accounts	-	-	-	-	-
Nonprogrammed charges	<u>500</u>	<u>4,000</u>	<u>500</u>	<u>1,000</u>	<u>-</u>
Total disbursements	<u>500</u>	<u>4,000</u>	<u>500</u>	<u>1,000</u>	<u>-</u>
Excess (deficiency) of total receipts over total disbursements	<u>(313)</u>	<u>-</u>	<u>(221)</u>	<u>2,619</u>	<u>2,000</u>
Cash and investments - June 30	<u>\$ 7,099</u>	<u>\$ 1,000</u>	<u>\$ 9,564</u>	<u>\$ 2,619</u>	<u>\$ 2,000</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 As Of And For The Year Ended June 30, 2006  
 (Continued)

	<u>Donations</u>	<u>EIS Donation</u>	<u>Cinergy Grant</u>	<u>American Water Works Grant</u>	<u>Totals</u>
Cash and investments - July 1	\$ 5,000	\$ 2,500	\$ 2,500	\$ 675	\$ 52,964
Receipts:					
Receipts from local sources	7,000	-	-	-	317,134
Receipts from federal sources	-	-	-	-	6,981
Transfer accounts	-	-	-	-	1,050
Total receipts	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,165</u>
Disbursements:					
Instruction	-	-	-	-	6,981
Support services	5,000	2,500	1,516	-	92,095
Transfer accounts	-	-	-	-	1,050
Nonprogrammed charges	-	-	-	-	7,000
Total disbursements	<u>5,000</u>	<u>2,500</u>	<u>1,516</u>	<u>-</u>	<u>107,126</u>
Excess (deficiency) of total receipts over total disbursements	<u>2,000</u>	<u>(2,500)</u>	<u>(1,516)</u>	<u>-</u>	<u>218,039</u>
Cash and investments - June 30	<u>\$ 7,000</u>	<u>\$ -</u>	<u>\$ 984</u>	<u>\$ 675</u>	<u>\$ 271,003</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 As Of And For The Year Ended June 30, 2007

	Instruction Support	Cape II Sub Grant from MCCSC	Adult and Continuing Education	Oliver/ Deckard Scholarship	Ellett Scholarship	Lisa Lagneaux Scholarship
Cash and investments - July 1	\$ 222,125	\$ 152	\$ -	\$ 5,981	\$ 11,804	\$ 7,099
Receipts:						
Receipts from local sources	-	-	-	-	472	288
Receipts from intermediate sources	-	-	-	-	-	-
Receipts from federal sources	-	-	12,598	199	-	-
Total receipts	-	-	12,598	199	472	288
Disbursements:						
Instruction	-	-	5,888	-	-	-
Support services	68,305	152	-	-	-	-
Nonprogrammed charges	-	-	-	500	1,000	500
Total disbursements	68,305	152	5,888	500	1,000	500
Excess (deficiency) of total receipts over total disbursements	(68,305)	(152)	6,710	(301)	(528)	(212)
Cash and investments - June 30	<u>\$ 153,820</u>	<u>\$ -</u>	<u>\$ 6,710</u>	<u>\$ 5,680</u>	<u>\$ 11,276</u>	<u>\$ 6,887</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 As Of And For The Year Ended June 30, 2007  
 (Continued)

	<u>Lundy Scholarship</u>	<u>VFW Post 10526 Scholarship</u>	<u>Joyce Gates Scholarship</u>	<u>Dairy and Nutrition Council</u>	<u>Donations</u>	<u>EIS Donations</u>
Cash and investments - July 1	\$ 1,000	\$ 9,564	\$ 2,619	\$ 2,000	\$ 7,000	\$ -
Receipts:						
Receipts from local sources	4,000	352	3,646	-	9,000	2,500
Receipts from intermediate sources	-	-	-	-	-	-
Receipts from federal sources	-	-	-	-	-	-
Total receipts	<u>4,000</u>	<u>352</u>	<u>3,646</u>	<u>-</u>	<u>9,000</u>	<u>2,500</u>
Disbursements:						
Instruction	-	-	-	-	-	-
Support services	-	-	-	2,000	3,009	-
Nonprogrammed charges	<u>5,000</u>	<u>500</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>5,000</u>	<u>500</u>	<u>1,000</u>	<u>2,000</u>	<u>3,009</u>	<u>-</u>
Excess (deficiency) of total receipts over total disbursements	<u>(1,000)</u>	<u>(148)</u>	<u>2,646</u>	<u>(2,000)</u>	<u>5,991</u>	<u>2,500</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 9,416</u>	<u>\$ 5,265</u>	<u>\$ -</u>	<u>\$ 12,991</u>	<u>\$ 2,500</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 As Of And For The Year Ended June 30, 2007  
 (Continued)

	Cinergy Grant	Bloomington Hospital Donations	GE Donations	American Water Works Grant	Totals
Cash and investments - July 1	\$ 984	\$ -	\$ -	\$ 675	\$ 271,003
Receipts:					
Receipts from local sources	-	1,000	-	50	21,308
Receipts from intermediate sources	-	-	4,000	-	4,000
Receipts from federal sources	-	-	-	-	12,797
Total receipts	<u>-</u>	<u>1,000</u>	<u>4,000</u>	<u>50</u>	<u>38,105</u>
Disbursements:					
Instruction	-	-	-	310	6,198
Support services	323	351	3,205	-	77,345
Nonprogrammed charges	-	-	-	-	8,500
Total disbursements	<u>323</u>	<u>351</u>	<u>3,205</u>	<u>310</u>	<u>92,043</u>
Excess (deficiency) of total receipts over total disbursements	<u>(323)</u>	<u>649</u>	<u>795</u>	<u>(260)</u>	<u>(53,938)</u>
Cash and investments - June 30	<u>\$ 661</u>	<u>\$ 649</u>	<u>\$ 795</u>	<u>\$ 415</u>	<u>\$ 217,065</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2006

	<u>Petty Cash</u>	<u>Bulk Mailing</u>	<u>Teacher Retirement Deductions</u>	<u>PERF</u>	<u>Group Insurance</u>	<u>ISTA</u>	<u>Totals</u>
Net assets:							
Cash and investments	\$ 46	\$ 64	\$ 1,994	\$ 12,396	\$ 4,939	\$ 682	\$ 20,121
Total net assets - cash and investment basis held in trust	<u>\$ 46</u>	<u>\$ 64</u>	<u>\$ 1,994</u>	<u>\$ 12,396</u>	<u>\$ 4,939</u>	<u>\$ 682</u>	<u>\$ 20,121</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2007

	<u>Bulk Mailing</u>	<u>Prepaid Meals</u>	<u>Teacher Retirement Deductions</u>	<u>PERF</u>	<u>Group Insurance</u>	<u>ISTA</u>	<u>Cancer Insurance</u>	<u>Totals</u>
Net assets:								
Cash and investments	\$ 64	\$ 9,414	\$ 946	\$ 12,896	\$ 663	\$ 258	\$ 80	\$ 24,321
Total net assets - cash and investment basis held in trust	<u>\$ 64</u>	<u>\$ 9,414</u>	<u>\$ 946</u>	<u>\$ 12,896</u>	<u>\$ 663</u>	<u>\$ 258</u>	<u>\$ 80</u>	<u>\$ 24,321</u>

RICHLAND-BEAN BLOSSOM SCHOOL CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,022,639
Buildings	49,446,102
Improvements other than buildings	3,239,066
Machinery and equipment	<u>7,441,072</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 61,148,879</u>

**Richland- Bean Blossom Community School Corporation**  
**Supplementary Information**  
**Schedule of Long-Term Debt**  
**As June 30, 2007**

The School Corporation has entered into the following Debt:

<u>Description of Debt</u>	<u>Ending Principal Bal</u>	<u>Principal &amp; Interest Due within One year</u>
Notes & Loans (tax warrants)	\$5,750,000.00	\$5,925,387.83
General Obligation Bonds		
High school /New Elementaries	\$27,705,000.00	\$2,776,000.00
Retirement/Severance Bond	\$2,275,000.00	\$244,449.25
 Total government activities debt	 \$35,730,000.00	 \$8,945,837.08

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

DEPOSITS (Applies to Richland-Bean Blossom Intermediate and Stinesville Elementary Schools)

We noted during the audit of textbook rental receipts that some receipts from Richland-Bean Blossom Intermediate School and Stinesville Elementary School were not deposited timely.

Indiana Code 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

AVERAGE DAILY MEMBERSHIP (ADM) - AMOUNT OWED FROM THE STATE OF INDIANA DUE TO CORRECTED ENROLLMENT FIGURES

The prior report noted a difference between the student count reported for Average Daily Membership and the verified figures of Richland-Bean Blossom School Corporation for 2003-2004 school year and the 2004-2005 school year. The report concluded that School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any underpayments to the School Corporation.

The Department of Education notified the School Corporation by letter dated September 15, 2006, of the recalculation of the Basic Grant based upon the State Board of Accounts Audit and subsequently corrected counts for average daily membership which resulted in the School Corporation being refunded a total of \$256.48. The corrected counts caused a recalculation and increase of the 2006 Basic Grant that was paid to the School Corporation in the amount of \$14,069.70.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PERSONAL EXPENSES

The School Corporation General Fund paid \$146 to Select Embroidery on December 19, 2006, for School Board member shirts.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CAPITAL PROJECTS EXPENDITURES

We noted during the review of payroll that the School Corporation hired teachers to do mowing of the School Corporation grounds during the summer months. The teachers were paid from the Capital Project Fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (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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Fax: (317) 232-4711  
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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 RICHLAND-BEAN BLOSSOM COMMUNITY  
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

Compliance

We have audited the compliance of the Richland-Bean Blossom Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2007-1.

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)

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.

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. We consider the deficiencies in internal control over compliance described in item 2007-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

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.

The School Corporation's response to the finding identified in our audit is described in the accompanying Corrective Action Plan section of the report. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, 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 24, 2008

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 45,979	\$ 58,687
National School Lunch Program	10.555		<u>261,608</u>	<u>314,580</u>
Total for cluster			<u>307,587</u>	<u>373,267</u>
Team Nutrition Grants	10.574	CNTN-04-IN-1	<u>1,109</u>	-
Total for federal grantor agency			<u>308,696</u>	<u>373,267</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027			
FY 03-04			207	-
FY 04-05		14204-043	77,964	450
FY 05-06		14205-065	422,362	26,678
FY 05-06		14206-065	796,032	172,304
FY 06-07		14206-065	-	308,600
FY 06-07		14207-065	<u>-</u>	<u>539,793</u>
Total for program			<u>1,296,565</u>	<u>1,047,825</u>
Special Education - Preschool Grants	84.173			
FY 04-05		45705-065	5,507	-
FY 05-06		45706-065	49,458	-
FY 06-07		45707-065	<u>-</u>	<u>57,377</u>
Total for program			<u>54,965</u>	<u>57,377</u>
Total for cluster			<u>1,351,530</u>	<u>1,105,202</u>
Title I Grants to Local Educational Agencies	84.010			
FY 04-05		05-5705	13,060	-
FY 05-06		06-5705	195,246	25,150
FY 06-07		07-5705	<u>-</u>	<u>184,813</u>
Total for program			<u>208,306</u>	<u>209,963</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
FY 04-06		04-003	4,454	-
FY 05-06		05-002	5,273	4,472
FY 06-07		06-5705	<u>-</u>	<u>1,253</u>
Total for program			<u>9,727</u>	<u>5,725</u>
State Grants for Innovative Programs	84.298			
FY 04-05		04-004	9,858	-
FY 05-06		05-012	28,750	15,638
FY 06-07		06-5705	<u>-</u>	<u>28,288</u>
Total for program			<u>38,608</u>	<u>43,926</u>
Education Technology State Grants	84.318			
FY 03-05		03-5705	2,096	-
FY 04-06		04-5705	544	1,777
FY 05-07		05-5705	<u>3,569</u>	<u>-</u>
Total for program			<u>6,209</u>	<u>1,777</u>
Improving Teacher Quality State Grants	84.367			
FY 03-05		03-076	1,111	-
FY 04-05		04-034	23,043	-
FY 05-06		05-024	40,746	696
FY 06-07		06-5705	<u>-</u>	<u>26,653</u>
Total for program			<u>64,900</u>	<u>27,349</u>
Total for federal grantor agency			<u>1,679,280</u>	<u>1,393,942</u>
Total federal awards expended			<u>\$ 1,987,976</u>	<u>\$ 1,767,209</u>

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2006	2007
Child Nutrition Cluster –			
Food Commodities:			
School Breakfast Program	10.553	\$ 4,866	\$ 7,293
National School Lunch Program	10.555	27,688	39,073

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes
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?	yes

Identification of Major Programs:

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

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2007-1, CASH MANAGEMENT

Federal Agency: U.S. Department of Education  
Federal Program: Special Education Cluster  
CFDA Number: 84.027  
Pass-Through Entity: Indiana Department of Education

The Richland-Bean Blossom Community School Corporation had not implemented internal controls to minimize the time elapsing between the receipts of funds and their disbursements. We noted through discussions held with Richland-Bean Blossom School Corporation staff that efforts were not being made to match budgeted expenditures with drawdown requests included in the Special Education grant application. The School Corporation is to maintain a balance less than 10% of the grant award according to the grant agreement. Grant 14205-065-PY02 had ending balances that exceeded 10% of the grant award in 8 of 15 months. The average monthly balance was \$172,454 with 10% of the grant award being \$155,468. Grant 14206-065-PN01 had ending balances that exceeded 10% of the grant award in 9 of 18 months. The average monthly balance was \$137,758 with 10% of the grant award being \$123,227.

EDGAR 80.20(b)(7) states: "Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. . . . Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Failure to minimize the cash on hand as determined by the grant agreement and EDGAR 80.20(b)(7) may cause further funding to be reduced by the pass-through agency.

We recommend that School Corporation Officials initiate procedures to establish controls over the timing of grant fund requests in comparison to the timing of when grant fund expenditures will be made.



# Richland-Bean Blossom

## Community School Corporation

600 South Edgewood Drive, Ellettsville, Indiana 47429

• Phone: (812) 876-7100 • Fax: (812) 876-7020 • Web: [www.rbbcsk12.in.us](http://www.rbbcsk12.in.us)  
December 4, 2007

### SUPERINTENDENT

Dr. Thomas R. Edington  
[tedington@rbbcsk12.in.us](mailto:tedington@rbbcsk12.in.us)

### ASSISTANT SUPERINTENDENT

Dr. Carol Gardiner  
[cgar6586@rbbcsk12.in.us](mailto:cgar6586@rbbcsk12.in.us)

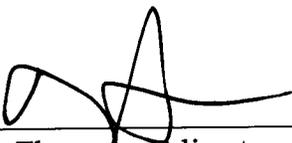
### SCHOOL BOARD

Mr. Randall C. Wright  
Mr. Jimmie D. Durnil  
Mrs. Janice B. Stockton  
Mr. Dana Robert Kerr  
Mr. Edwin E. Macatangay

## **SUMMARY SCHEDULE OF AUDIT FINDINGS FOR RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION**

### **Finding Number 200<sup>5</sup>~~3~~-2**

Original SBA Audit Report Number:	<u>B27136</u>
Fiscal Year	<u>7/1/05 - 6/30/07</u>
Auditee Contact Person	<u>Mary Beth Axsom</u>
Title of Contact Person	<u>Comptroller</u>
Phone Number	<u>(812) 876-7100</u>
Status of Finding	<u>Corporation has not Minimized cash on Hands but working Towards this goal</u>

  
\_\_\_\_\_  
Dr. Thomas Edington  
Superintendent

12/5/07  
\_\_\_\_\_  
Date



# Richland-Bean Blossom

## Community School Corporation

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December 4, 2007

**SUPERINTENDENT**

Dr. Thomas R. Edington  
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**ASSISTANT  
SUPERINTENDENT**

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**SCHOOL BOARD**

Mr. Randall C. Wright  
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Mrs. Janice B. Stockton  
Mr. Dana Robert Kerr  
Mr. Edwin E. Macatangay

State Board of Accounts,

Please find the following regarding the Richland – Bean Blossom  
County School Corporation Federal Audit:

Re: <sup>7-1 mba</sup> **Finding No. 2005-2 Special Education Cluster – Cash  
Management**

School officials in the future will carefully address the cash draw down requests as to minimize the time elapsing between the transfer of the funds and their disbursements by the school corporation. Our goal will be to meet regularly with the Comptroller and the Special Education Director to match the expenditures with the revenue requested each month. They will try to lower the carryover amount at the end of each year.

Professional yours,

Dr. Thomas Edington  
Superintendent

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on January 24, 2008, with Steven M. Kain, current Superintendent of Schools; Mary Beth Axson, Treasurer; and Randy Wright, President of the School Board. The officials concurred with our audit findings.