

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

AUDIT REPORT
OF
RICHMOND COMMUNITY SCHOOLS
WAYNE COUNTY, INDIANA
July 1, 2006 to June 30, 2008



FILED
06/09/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robert K. Coddington	07-01-06 to 06-30-09
Superintendent of Schools	Dr. Allen Bourff	07-01-06 to 06-30-09
President of the School Board	Patricia Heiny Suzanne Derengowski	07-01-06 to 06-30-08 07-01-08 to 06-30-09



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

TO: THE OFFICIALS OF THE RICHMOND COMMUNITY SCHOOLS, WAYNE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Richmond Community Schools (School Corporation), as of and for the years ended June 30, 2007 and 2008, 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 pre-scribed 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, the business-type activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2007 and 2008, 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 April 20, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

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

U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining 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

April 20, 2009



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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 RICHMOND COMMUNITY SCHOOLS, WAYNE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Richmond Community Schools (School Corporation), as of and for the years ended June 30, 2007 and 2008, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated April 20, 2009. 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.

We noted certain matters that we reported to management in a separate letter dated April 20, 2009.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and 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, the school board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 20, 2009

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 31,803,805	\$ -	\$ 519,575	\$ (31,284,230)
Support services	21,892,480	657,699	1,759,058	(19,475,723)
Community services	444,866	-	-	(444,866)
Nonprogrammed charges	1,227,384	1,397,643	-	170,259
Debt service	3,277,492	-	-	(3,277,492)
Total government	<u>\$ 58,646,027</u>	<u>\$ 2,055,342</u>	<u>\$ 2,278,633</u>	<u>(54,312,052)</u>
General receipts:				
Property taxes				12,753,599
Other local sources				3,184,183
State aid				24,885,492
Bonds and loans				5,000,000
Grants and contributions not restricted to specific programs				4,914,896
Sale of property, adjustments, and refunds				206,504
Investment earnings				<u>1,207,725</u>
Total general receipts				<u>52,152,399</u>
Change in net assets				(2,159,653)
Net assets - beginning				<u>20,980,563</u>
Net assets - ending				<u>\$ 18,820,910</u>
<u>Assets</u>				
Cash and investments				\$ 13,634,047
Restricted assets:				
Cash and investments				1,258,923
Cash with fiscal agent				<u>3,927,940</u>
Total assets				<u>\$ 18,820,910</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 1,042,137
Other purposes				4,144,726
Unrestricted				<u>13,634,047</u>
Total net assets				<u>\$ 18,820,910</u>

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 32,186,835	\$ -	\$ 594,697	\$ (31,592,138)
Support services	22,827,414	578,970	2,038,610	(20,209,834)
Community services	450,355	-	-	(450,355)
Nonprogrammed charges	2,037,488	1,783,179	-	(254,309)
Debt service	8,396,465	-	-	(8,396,465)
Total government	<u>\$ 65,898,557</u>	<u>\$ 2,362,149</u>	<u>\$ 2,633,307</u>	<u>(60,903,101)</u>
General receipts:				
Property taxes				23,154,381
Other local sources				3,194,192
State aid				23,643,388
Bonds and loans				7,000,000
Grants and contributions not restricted to specific programs				5,270,278
Sale of property, adjustments, and refunds				36,105
Investment earnings				<u>817,337</u>
Total general receipts				<u>63,115,681</u>
Change in net assets				2,212,580
Net assets - beginning				<u>18,820,910</u>
Net assets - ending				<u>\$ 21,033,490</u>
<u>Assets</u>				
Cash and investments				\$ 16,119,207
Restricted assets:				
Cash and investments				924,938
Cash with fiscal agent				<u>3,989,345</u>
Total assets				<u>\$ 21,033,490</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 784,571
Other purposes				4,129,712
Unrestricted				<u>16,119,207</u>
Total net assets				<u>\$ 21,033,490</u>

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

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

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 9,920,546	\$ 1,367,060	\$ 1,123,346	\$ 2,534,859	\$ 121,750	\$ 2,539,334	\$ 17,606,895
Intermediate sources	9,285	-	-	-	-	2,738	12,023
State sources	25,381,343	-	-	-	-	846,381	26,227,724
Federal sources	32,233	-	-	-	-	5,819,064	5,851,297
Bonds and loans	5,000,000	-	-	-	-	-	5,000,000
Sale of property, adjustments and refunds	19,777	2,831	-	160,210	-	23,686	206,504
Interfund loans	98,000	-	-	-	-	156,000	254,000
Total receipts	40,461,184	1,369,891	1,123,346	2,695,069	121,750	9,387,203	55,158,443
Disbursements:							
Current:							
Instruction	27,572,193	-	-	-	-	4,231,612	31,803,805
Support services	11,480,251	1,935,363	66,969	4,339,337	10,421	4,060,139	21,892,480
Community services	376,361	-	-	-	-	68,505	444,866
Nonprogrammed charges	27,470	-	-	-	-	42,141	69,611
Debt services	-	-	1,430,366	-	-	1,847,126	3,277,492
Interfund loans	156,000	-	-	-	-	98,000	254,000
Total disbursements	39,612,275	1,935,363	1,497,335	4,339,337	10,421	10,347,523	57,742,254
Excess (deficiency) of receipts over disbursements	848,909	(565,472)	(373,989)	(1,644,268)	111,329	(960,320)	(2,583,811)
Other financing sources (uses):							
Transfers in	6,376	-	-	-	-	461,211	467,587
Transfers out	-	-	-	-	-	(467,587)	(467,587)
Total other financing sources (uses)	6,376	-	-	-	-	(6,376)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	855,285	(565,472)	(373,989)	(1,644,268)	111,329	(966,696)	(2,583,811)
Cash and investments - beginning	5,068,879	1,522,177	1,264,828	4,055,883	517,613	4,830,615	17,259,995
Cash and investments - ending	<u>\$ 5,924,164</u>	<u>\$ 956,705</u>	<u>\$ 890,839</u>	<u>\$ 2,411,615</u>	<u>\$ 628,942</u>	<u>\$ 3,863,919</u>	<u>14,676,184</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:							
Internal service funds are used by management to charge the costs of certain services to individual funds. The financial transactions and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							4,144,726
Net assets of governmental activities							<u>\$ 18,820,910</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 5,924,164	\$ 956,705	\$ -	\$ 2,411,615	\$ 628,942	\$ 3,712,621	\$ 13,634,047
Restricted assets:							
Cash and investments	-	-	890,839	-	-	151,298	1,042,137
Total cash and investment assets - ending	<u>\$ 5,924,164</u>	<u>\$ 956,705</u>	<u>\$ 890,839</u>	<u>\$ 2,411,615</u>	<u>\$ 628,942</u>	<u>\$ 3,863,919</u>	<u>\$ 14,676,184</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 890,839	\$ -	\$ -	\$ 151,298	\$ 1,042,137
Unrestricted	5,924,164	956,705	-	2,411,615	628,942	3,712,621	13,634,047
Total cash and investment fund balance - ending	<u>\$ 5,924,164</u>	<u>\$ 956,705</u>	<u>\$ 890,839</u>	<u>\$ 2,411,615</u>	<u>\$ 628,942</u>	<u>\$ 3,863,919</u>	<u>\$ 14,676,184</u>

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

RICHMOND COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:								
Local sources	\$ 16,089,886	\$ 2,438,546	\$ -	\$ 1,299,023	\$ 4,367,294	\$ 354,091	\$ 3,032,334	\$ 27,581,174
Intermediate sources	485	-	-	-	-	-	975	1,460
State sources	24,159,978	-	-	-	-	-	1,144,198	25,304,176
Federal sources	42,131	-	-	-	-	-	6,200,666	6,242,797
Bonds and loans	7,000,000	-	-	-	-	-	-	7,000,000
Sale of property, adjustments and refunds	18,143	4,478	-	-	-	-	13,485	36,106
Interfund loans	2,332,000	-	-	-	1,500,000	-	816,000	4,648,000
Total receipts	49,642,623	2,443,024	-	1,299,023	5,867,294	354,091	11,207,658	70,813,713
Disbursements:								
Current:								
Instruction	28,026,367	-	-	-	-	-	4,160,468	32,186,835
Support services	11,921,868	2,392,824	-	99,092	3,901,294	599,824	3,912,512	22,827,414
Community services	402,019	-	-	-	-	-	48,336	450,355
Nonprogrammed charges	34,919	-	-	-	-	-	42,131	77,050
Debt services	5,000,000	-	-	1,547,176	-	-	1,849,289	8,396,465
Interfund loans	2,274,000	-	-	-	1,542,000	-	832,000	4,648,000
Total disbursements	47,659,173	2,392,824	-	1,646,268	5,443,294	599,824	10,844,736	68,586,119
Excess (deficiency) of receipts over disbursements	1,983,450	50,200	-	(347,245)	424,000	(245,733)	362,922	2,227,594
Other financing sources (uses):								
Transfers in	205	-	2,884,000	-	-	-	312,878	3,197,083
Transfers out	(2,884,000)	-	-	-	-	-	(313,083)	(3,197,083)
Total other financing sources (uses)	(2,883,795)	-	2,884,000	-	-	-	(205)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(900,345)	50,200	2,884,000	(347,245)	424,000	(245,733)	362,717	2,227,594
Cash and investments - beginning	5,924,164	956,705	-	890,839	2,411,615	628,942	3,863,919	14,676,184
Cash and investments - ending	\$ 5,023,819	\$ 1,006,905	\$ 2,884,000	\$ 543,594	\$ 2,835,615	\$ 383,209	\$ 4,226,636	16,903,778
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:								
Internal service funds are used by management to charge the costs of certain services to individual funds. The financial transactions of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								4,129,712
Net assets of governmental activities								\$ 21,033,490
Cash and Investment Assets - Ending								
Cash and investments	\$ 5,023,819	\$ 1,006,905	\$ 2,884,000	\$ -	\$ 2,835,615	\$ 383,209	\$ 3,985,659	\$ 16,119,207
Restricted assets:								
Cash and investments	-	-	-	543,594	-	-	240,977	784,571
Total cash and investment assets - ending	\$ 5,023,819	\$ 1,006,905	\$ 2,884,000	\$ 543,594	\$ 2,835,615	\$ 383,209	\$ 4,226,636	\$ 16,903,778
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ -	\$ 543,594	\$ -	\$ -	\$ 240,977	\$ 784,571
Unrestricted	5,023,819	1,006,905	2,884,000	-	2,835,615	383,209	3,985,659	16,119,207
Total cash and investment fund balance - ending	\$ 5,023,819	\$ 1,006,905	\$ 2,884,000	\$ 543,594	\$ 2,835,615	\$ 383,209	\$ 4,226,636	\$ 16,903,778

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

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

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 1,397,643
Miscellaneous	184,288
Total operating receipts	1,581,931
Operating disbursements:	
Insurance claims and expense	1,090,103
Other	67,670
Total operating disbursements	1,157,773
Change in net assets	424,158
Cash and investment fund balance - beginning	3,720,568
Cash and investment fund balance - ending	\$ 4,144,726
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 216,786
Cash with fiscal agent	3,927,940
Total cash and investment assets - ending	\$ 4,144,726
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 4,144,726
Total cash and investment fund balance - ending	\$ 4,144,726

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

RICHMOND COMMUNITY SCHOOLS
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 PROPRIETARY FUND
 For the Year Ended June 30, 2008

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 1,783,179
Miscellaneous	<u>162,245</u>
Total operating receipts	<u>1,945,424</u>
Operating disbursements:	
Insurance claims and expense	1,884,019
Other	<u>76,419</u>
Total operating disbursements	<u>1,960,438</u>
Change in net assets	(15,014)
Cash and investment fund balance - beginning	<u>4,144,726</u>
Cash and investment fund balance - ending	<u>\$ 4,129,712</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 140,367
Cash with fiscal agent	<u>3,989,345</u>
Total cash and investment assets - ending	<u>\$ 4,129,712</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 4,129,712</u>
Total cash and investment fund balance - ending	<u>\$ 4,129,712</u>

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

RICHMOND COMMUNITY SCHOOLS
 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	\$ -	\$ 48,470	
Total contributions	-	48,470	
Total additions	-	48,470	
Deductions:			
Benefits	1,108,468	-	
Refunds of contributions	-	-	
Administrative and general	-	94,277	
Total deductions	1,108,468	94,277	
Excess (deficiency) of total additions over total deductions	(1,108,468)	(45,807)	
Cash and investment fund balance - beginning	4,416,907	80,028	
Cash and investment fund balance - ending	\$ 3,308,439	\$ 34,221	\$ 196,657
Net assets:			
Cash and investments	\$ 3,308,439	\$ 34,221	
Total net assets - cash and investment basis held in trust	\$ 3,308,439	\$ 34,221	

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

RICHMOND COMMUNITY SCHOOLS
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2008

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 58,504	
Total contributions	-	58,504	
Total additions	-	58,504	
Deductions:			
Benefits	961,503	-	
Refunds of contributions	-	-	
Administrative and general	-	48,647	
Total deductions	961,503	48,647	
Excess (deficiency) of total additions over total deductions	(961,503)	9,857	
Cash and investment fund balance - beginning	3,308,439	34,221	
Cash and investment fund balance - ending	\$ 2,346,936	\$ 44,078	\$ 193,173
Net assets:			
Cash and investments	\$ 2,346,936	\$ 44,078	
Total net assets - cash and investment basis held in trust	\$ 2,346,936	\$ 44,078	

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

RICHMOND COMMUNITY SCHOOLS
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: Richmond Community Schools

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The School Corporation has no such business-type activities.

Fund Financial Statements

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

The School Corporation reports the following major governmental funds:

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

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

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

RICHMOND COMMUNITY SCHOOLS
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 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 internal service fund accounts for receipts and disbursements from sales and purchases of warehouse supplies and receipts and disbursements for employee health insurance benefits provided on a cost-reimbursement basis.

The pension trust fund account for the activities of the retirement/severance bond proceeds, as authorized by statute.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit certain teachers and students.

Agency funds account for assets held by the School Corporation as an agent for withholding authorities and serve as 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, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

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

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

RICHMOND COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

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

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

RICHMOND COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

- 1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
- 2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
- 3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

RICHMOND COMMUNITY SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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 government-wide 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.

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, 2007 and 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	June 30, 2007	June 30, 2008
Textbook Rental	\$ 349,999	\$ -
Perkins 2007	-	23,411

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the timing of collection of textbook rental fees and an unanticipated delay in receiving grant funds; these deficits are to be repaid from future receipts.

RICHMOND COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2008, the School Corporation had deposit balances in the amount of \$23,617,678. None of this amount was exposed to custodial credit risk. 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, 2007 and 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Other governmental funds	General	\$ 6,376	\$ 205
General	Rainy Day	-	2,884,000
Other governmental funds	Other governmental funds	<u>461,211</u>	<u>312,878</u>
Totals		<u>\$ 467,587</u>	<u>\$ 3,197,083</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions. Indiana Code allows school corporations to transfer unused and unencumbered funds to a Rainy Day Fund. During the 2007-2008 year the School Corporation transferred \$2,884,000 from its General Fund to the Rainy Day Fund in accordance with this statutory provision.

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.

RICHMOND COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Employees, Retirees and Dependents (Excluding Postemployment Benefits)

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents (excluding postemployment benefits). The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$125,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Holding Corporation

The School Corporation has entered into a capital lease with Richmond Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the year 2006-2007 were \$874,000 and during year 2007-2008 were \$1,075,000.

C. Pension Plans

1. Agent Multiple-Employer and Single-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

RICHMOND COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 350,653
Interest on net pension obligation	(34,515)
Adjustment to annual required contribution	39,333
Annual pension cost	355,471
Contributions made	235,354
Increase in net pension obligation	120,117
Net pension obligation, beginning of year	(476,073)
Net pension obligation, end of year	\$ (355,956)

	PERF
Contribution rates:	
School Corporation	5%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

	PERF
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%

RICHMOND COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 148,748	154%	\$ (505,941)
	06-30-06	250,165	88%	(476,073)
	06-30-07	355,471	66%	(355,956)

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.

RICHMOND COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2008, 2007, and 2006, were \$880,196, \$789,465, and \$761,961, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

RICHMOND COMMUNITY SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 6,002,714	\$ 5,920,023	\$ 82,691	101%	\$ 4,871,678	2%
07-01-06	5,538,740	6,112,156	(573,416)	91%	5,014,045	(11%)
07-01-07	5,980,691	6,396,118	(415,427)	94%	5,013,410	(8%)

RICHMOND COMMUNITY SCHOOLS
 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	School Lunch	Textbook Rental	Education License Plate	Alternative Education	Early Intervention Grants	Indiana Safe Schools
Receipts:							
Local sources	\$ 24,550	\$ 628,195	\$ 186,243	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	2,738	-	-	-
State sources	478,444	15,699	237,862	-	39,453	13,500	14,000
Federal sources	-	1,542,012	-	-	-	-	-
Sale of property, adjustments and refunds	-	22,577	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	502,994	2,208,483	424,105	2,738	39,453	13,500	14,000
Disbursements:							
Current:							
Instruction	433,965	-	304,131	-	25,461	-	-
Support services	-	2,261,621	84,945	-	-	15,009	-
Community services	-	-	-	-	-	3,200	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	433,965	2,261,621	389,076	-	25,461	18,209	-
Excess (deficiency) of receipts over disbursements	69,029	(53,138)	35,029	2,738	13,992	(4,709)	14,000
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	69,029	(53,138)	35,029	2,738	13,992	(4,709)	14,000
Cash and investments - beginning	427,229	902,658	(385,028)	3,356	69,150	4,709	-
Cash and investments - ending	<u>\$ 496,258</u>	<u>\$ 849,520</u>	<u>\$ (349,999)</u>	<u>\$ 6,094</u>	<u>\$ 83,142</u>	<u>\$ -</u>	<u>\$ 14,000</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 496,258	\$ 849,520	\$ (349,999)	\$ 6,094	\$ 83,142	\$ -	\$ 14,000
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 496,258	\$ 849,520	\$ (349,999)	\$ 6,094	\$ 83,142	\$ -	\$ 14,000
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	496,258	849,520	(349,999)	6,094	83,142	-	14,000
Total cash and investment fund balance - ending	\$ 496,258	\$ 849,520	\$ (349,999)	\$ 6,094	\$ 83,142	\$ -	\$ 14,000

RICHMOND COMMUNITY SCHOOLS
 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)

	Safe Haven	Cape Grant RCS	Cape Grant LEA	Early Learning Center	Bear Process/Frontier	Computer Warranty Program	MAC Grant
Receipts:							
Local sources	\$ -	\$ 218,500	\$ 95,959	\$ 24,599	\$ 155,726	\$ -	\$ 2,405
Intermediate sources	-	-	-	-	-	-	-
State sources	11,754	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	11,754	218,500	95,959	24,599	155,726	-	2,405
Disbursements:							
Current:							
Instruction	-	89,686	333,927	1,716	-	-	2,374
Support services	10,920	-	18,300	-	186,999	1,892	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	8,800	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	10,920	89,686	361,027	1,716	186,999	1,892	2,374
Excess (deficiency) of receipts over disbursements	834	128,814	(265,068)	22,883	(31,273)	(1,892)	31
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	834	128,814	(265,068)	22,883	(31,273)	(1,892)	31
Cash and investments - beginning	6,394	-	1,000,389	61,931	154,779	10,956	21
Cash and investments - ending	7,228	128,814	735,321	84,814	123,506	9,064	52
Cash and Investment Assets - Ending							
Cash and investments	\$ 7,228	\$ 128,814	\$ 735,321	\$ 84,814	\$ 123,506	\$ 9,064	\$ 52
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	7,228	128,814	735,321	84,814	123,506	9,064	52
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	7,228	128,814	735,321	84,814	123,506	9,064	52
Total cash and investment fund balance - ending	7,228	128,814	735,321	84,814	123,506	9,064	52

RICHMOND COMMUNITY SCHOOLS
 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)

	Gifted/ Talented 2005-06	Gifted/ Talented 2006-07	Medicaid Reimbursement State	Vending	Flower	Non-English Speaking Grant 05-06	Technology
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 558	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	21,261	11,945	-	-	2,463	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	21,261	11,945	558	-	2,463	-
Disbursements:							
Current:							
Instruction	10,184	7,721	-	-	-	530	-
Support services	-	-	-	-	-	-	382,734
Community services	-	-	-	904	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	10,184	7,721	-	904	-	530	382,734
Excess (deficiency) of receipts over disbursements	(10,184)	13,540	11,945	(346)	-	1,933	(382,734)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(6,376)	-	-	-	-
Total other financing sources (uses)	-	-	(6,376)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,184)	13,540	5,569	(346)	-	1,933	(382,734)
Cash and investments - beginning	10,184	-	1,479	1,214	465	2,608	716,673
Cash and investments - ending	\$ -	\$ 13,540	\$ 7,048	\$ 868	\$ 465	\$ 4,541	\$ 333,939
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 13,540	\$ 7,048	\$ 868	\$ 465	\$ 4,541	\$ 333,939
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 13,540	\$ 7,048	\$ 868	\$ 465	\$ 4,541	\$ 333,939
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	13,540	7,048	868	465	4,541	333,939
Total cash and investment fund balance - ending	\$ -	\$ 13,540	\$ 7,048	\$ 868	\$ 465	\$ 4,541	\$ 333,939

RICHMOND COMMUNITY SCHOOLS
 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)

	Assembly and Lock	Drivers Ed 2005	National Governors' Association Grant	Title I School Improvement 2006-07	Crestdale CSR Title I	Title I 2005-06	Title I 2006-07
Receipts:							
Local sources	\$ 5,282	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	97,409	162,550	173,429	1,412,862
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	5,282	-	50,000	97,409	162,550	173,429	1,412,862
Disbursements:							
Current:							
Instruction	-	6,540	-	61,501	98,944	278,310	780,153
Support services	-	-	-	14,434	57,662	114,642	300,722
Community services	1,506	-	-	-	25,262	3,630	10,938
Nonprogrammed charges	-	-	-	-	-	23,844	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	1,506	6,540	-	75,935	181,868	420,426	1,091,813
Excess (deficiency) of receipts over disbursements	3,776	(6,540)	50,000	21,474	(19,318)	(246,997)	321,049
Other financing sources (uses):							
Transfers in	-	-	-	-	-	1,109	138,194
Transfers out	-	-	-	-	-	(138,194)	-
Total other financing sources (uses)	-	-	-	-	-	(137,085)	138,194
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,776	(6,540)	50,000	21,474	(19,318)	(384,082)	459,243
Cash and investments - beginning	16,834	12,512	-	-	90,472	384,082	-
Cash and investments - ending	20,610	5,972	50,000	21,474	71,154	-	459,243
Cash and Investment Assets - Ending							
Cash and investments	\$ 20,610	\$ 5,972	\$ 50,000	\$ 21,474	\$ 71,154	\$ -	\$ 459,243
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	20,610	5,972	50,000	21,474	71,154	-	459,243
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	20,610	5,972	50,000	21,474	71,154	-	459,243
Total cash and investment fund balance - ending	20,610	5,972	50,000	21,474	71,154	-	459,243

RICHMOND COMMUNITY SCHOOLS
 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)

	Innovative Education Title V 2005-06	Innovative Education Title V Part A 2007-08	Innovative Education Title V 2004-05	Title I RSH 2005-06	Title I 2004-05	Title I RSH 2006-07	Special Education IDEA 2006-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	20,265	2,175	5,148	-	-	37,373	1,125,049
Sale of property, adjustments and refunds	-	-	-	-	1,109	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	20,265	2,175	5,148	-	1,109	37,373	1,125,049
Disbursements:							
Current:							
Instruction	-	-	-	16,081	-	14,975	959,435
Support services	17,068	-	9,383	-	-	-	82,064
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	345	-	-	760	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	17,413	-	9,383	16,841	-	14,975	1,041,499
Excess (deficiency) of receipts over disbursements	2,852	2,175	(4,235)	(16,841)	1,109	22,398	83,550
Other financing sources (uses):							
Transfers in	-	-	-	-	-	2,371	-
Transfers out	-	-	-	(2,371)	(1,109)	-	-
Total other financing sources (uses)	-	-	-	(2,371)	(1,109)	2,371	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,852	2,175	(4,235)	(19,212)	-	24,769	83,550
Cash and investments - beginning	-	-	4,235	19,212	-	-	-
Cash and investments - ending	\$ 2,852	\$ 2,175	\$ -	\$ -	\$ -	\$ 24,769	\$ 83,550
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,852	\$ 2,175	\$ -	\$ -	\$ -	\$ 24,769	\$ 83,550
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,852	\$ 2,175	\$ -	\$ -	\$ -	\$ 24,769	\$ 83,550
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,852	2,175	-	-	-	24,769	83,550
Total cash and investment fund balance - ending	\$ 2,852	\$ 2,175	\$ -	\$ -	\$ -	\$ 24,769	\$ 83,550

RICHMOND COMMUNITY SCHOOLS
 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 CSPD 2003-04	Spec. Ed. Preschool County 2004-05	Spec. Ed. Preschool 2005-06	Spec. Ed. Preschool 2006-07	Adult Basic Education 2005-06	Adult Basic Education 2006-07	Safe/Drug Free Title IV 2004-05
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	364,999	-	-	94,897	-	142,288	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	<u>364,999</u>	<u>-</u>	<u>-</u>	<u>94,897</u>	<u>-</u>	<u>142,288</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	100,265	2,393	4,000	61,227	7,184	64,892	-
Support services	9,887	-	2,976	23,171	3,476	69,670	2,298
Community services	-	-	-	-	-	-	945
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>110,152</u>	<u>2,393</u>	<u>6,976</u>	<u>84,398</u>	<u>10,660</u>	<u>134,562</u>	<u>3,243</u>
Excess (deficiency) of receipts over disbursements	<u>254,847</u>	<u>(2,393)</u>	<u>(6,976)</u>	<u>10,499</u>	<u>(10,660)</u>	<u>7,726</u>	<u>(3,243)</u>
Other financing sources (uses):							
Transfers in	-	2,393	-	-	-	-	-
Transfers out	(317,144)	-	(2,393)	-	-	-	-
Total other financing sources (uses)	<u>(317,144)</u>	<u>2,393</u>	<u>(2,393)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(62,297)</u>	<u>-</u>	<u>(9,369)</u>	<u>10,499</u>	<u>(10,660)</u>	<u>7,726</u>	<u>(3,243)</u>
Cash and investments - beginning	<u>62,297</u>	<u>-</u>	<u>9,369</u>	<u>-</u>	<u>10,660</u>	<u>-</u>	<u>3,243</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,499</u>	<u>\$ -</u>	<u>\$ 7,726</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ 10,499	\$ -	\$ 7,726	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,499</u>	<u>\$ -</u>	<u>\$ 7,726</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	10,499	-	7,726	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,499</u>	<u>\$ -</u>	<u>\$ 7,726</u>	<u>\$ -</u>

RICHMOND COMMUNITY SCHOOLS
 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)

	Safe/Drug Free Title IV 2005-06	Safe/Drug Free Title IV 2007-08	Special Education IDEA Co. 2006-07	Perkins 2006-07	Perkins 2005-06	Medicaid Reimbursement
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	40,308	8,100	-	107,445	38,396	18,509
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	40,308	8,100	-	107,445	38,396	18,509
Disbursements:						
Current:						
Instruction	-	-	200,426	20,578	10,772	1,910
Support services	28,687	-	60,808	75,457	27,624	149,237
Community services	3,524	-	-	11,410	-	-
Nonprogrammed charges	655	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	32,866	-	261,234	107,445	38,396	151,147
Excess (deficiency) of receipts over disbursements	7,442	8,100	(261,234)	-	-	(132,638)
Other financing sources (uses):						
Transfers in	-	-	317,144	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	317,144	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,442	8,100	55,910	-	-	(132,638)
Cash and investments - beginning	8,900	-	-	-	-	169,544
Cash and investments - ending	16,342	8,100	55,910	-	-	36,906
Cash and Investment Assets - Ending						
Cash and investments	\$ 16,342	\$ 8,100	\$ 55,910	\$ -	\$ -	\$ 36,906
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	16,342	8,100	55,910	-	-	36,906
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	16,342	8,100	55,910	-	-	36,906
Total cash and investment fund balance - ending	16,342	8,100	55,910	-	-	36,906

RICHMOND COMMUNITY SCHOOLS
 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 Teacher Quality 2007-08	Title II Part D Tech Grant 2005-06	Title III Limited English Proficiency 2006-07	Retirement/ Severance Bond Fund Debt Service	Construction Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 1,113,574	\$ 33,743	\$ 2,539,334
Intermediate sources	-	-	-	-	-	2,738
State sources	-	-	-	-	-	846,381
Federal sources	368,244	22,501	35,105	-	-	5,819,064
Sale of property, adjustments and refunds	-	-	-	-	-	23,686
Interfund loans	-	-	-	156,000	-	156,000
Total receipts	368,244	22,501	35,105	1,269,574	33,743	9,387,203
Disbursements:						
Current:						
Instruction	311,046	11,285	10,000	-	-	4,231,612
Support services	17,529	8,104	22,820	-	-	4,060,139
Community services	7,067	119	-	-	-	68,505
Nonprogrammed charges	6,954	783	-	-	-	42,141
Debt services	-	-	-	1,847,126	-	1,847,126
Interfund loans	-	-	-	98,000	-	98,000
Total disbursements	342,596	20,291	32,820	1,945,126	-	10,347,523
Excess (deficiency) of receipts over disbursements	25,648	2,210	2,285	(675,552)	33,743	(960,320)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	461,211
Transfers out	-	-	-	-	-	(467,587)
Total other financing sources (uses)	-	-	-	-	-	(6,376)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,648	2,210	2,285	(675,552)	33,743	(966,696)
Cash and investments - beginning	119,409	17,415	20,053	826,850	66,361	4,830,615
Cash and investments - ending	<u>\$ 145,057</u>	<u>\$ 19,625</u>	<u>\$ 22,338</u>	<u>\$ 151,298</u>	<u>\$ 100,104</u>	<u>\$ 3,863,919</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 145,057	\$ 19,625	\$ 22,338	\$ -	\$ 100,104	\$ 3,712,621
Restricted assets:						
Cash and investments	-	-	-	151,298	-	151,298
Total cash and investment assets - ending	\$ 145,057	\$ 19,625	\$ 22,338	\$ 151,298	\$ 100,104	\$ 3,863,919
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 151,298	\$ -	\$ 151,298
Unrestricted	145,057	19,625	22,338	-	100,104	3,712,621
Total cash and investment fund balance - ending	\$ 145,057	\$ 19,625	\$ 22,338	\$ 151,298	\$ 100,104	\$ 3,863,919

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Education Preschool	School Lunch	Textbook Rental	Education License Plate	Alternative Education	Early Intervention Elementary	Early Intervention Grant 07-08
Receipts:							
Local sources	\$ 41,685	\$ 567,433	\$ 159,737	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	975	-	-	-
State sources	483,927	15,126	447,990	-	44,554	3,000	21,225
Federal sources	-	1,648,434	-	-	-	-	-
Sale of property, adjustments and refunds	-	13,485	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	525,612	2,244,478	607,727	975	44,554	3,000	21,225
Disbursements:							
Current:							
Instruction	434,969	-	27,329	-	25,243	3,000	-
Support services	-	2,419,716	64,496	3,713	-	-	20,725
Community services	-	-	-	-	-	-	500
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	434,969	2,419,716	91,825	3,713	25,243	3,000	21,225
Excess (deficiency) of receipts over disbursements	90,643	(175,238)	515,902	(2,738)	19,311	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	90,643	(175,238)	515,902	(2,738)	19,311	-	-
Cash and investments - beginning	496,258	849,520	(349,999)	6,094	83,142	-	-
Cash and investments - ending	586,901	674,282	165,903	3,356	102,453	-	-
Cash and Investment Assets - Ending							
Cash and investments	\$ 586,901	\$ 674,282	\$ 165,903	\$ 3,356	\$ 102,453	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	586,901	674,282	165,903	3,356	102,453	-	-
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	586,901	674,282	165,903	3,356	102,453	-	-
Total cash and investment fund balance - ending	586,901	674,282	165,903	3,356	102,453	-	-

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Indiana Safe Schools	Safe Haven	Cape Grant RCS	Cape Grant LEA	Early Learning Center	Bear Process/ Frontier	Computer Warranty Program
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 108,670	\$ 26,615	\$ 167,328	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	-	-	108,670	26,615	167,328	-
Disbursements:							
Current:							
Instruction	-	-	89,875	164,375	711	-	-
Support services	14,000	2,096	-	18,360	-	152,949	8,886
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	14,000	2,096	89,875	182,735	711	152,949	8,886
Excess (deficiency) of receipts over disbursements	(14,000)	(2,096)	(89,875)	(74,065)	25,904	14,379	(8,886)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(14,000)	(2,096)	(89,875)	(74,065)	25,904	14,379	(8,886)
Cash and investments - beginning	14,000	7,228	128,814	735,321	84,814	123,506	9,064
Cash and investments - ending	\$ -	\$ 5,132	\$ 38,939	\$ 661,256	\$ 110,718	\$ 137,885	\$ 178
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 5,132	\$ 38,939	\$ 661,256	\$ 110,718	\$ 137,885	\$ 178
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 5,132	\$ 38,939	\$ 661,256	\$ 110,718	\$ 137,885	\$ 178
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	5,132	38,939	661,256	110,718	137,885	178
Total cash and investment fund balance - ending	\$ -	\$ 5,132	\$ 38,939	\$ 661,256	\$ 110,718	\$ 137,885	\$ 178

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	MAC Grant	Gifted/ Talented 2007-08	Gifted/ Talented 2006-07	Medicaid Reimbursement State	Vending	Flower	Non-English Speaking Grant 05-06
Receipts:							
Local sources	\$ 1,365	\$ -	\$ -	\$ -	\$ 528	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	50,695	-	10,270	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	1,365	50,695	-	10,270	528	-	-
Disbursements:							
Current:							
Instruction	872	12,746	13,540	-	-	-	4,541
Support services	-	-	-	-	-	-	-
Community services	-	-	-	-	728	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	872	12,746	13,540	-	728	-	4,541
Excess (deficiency) of receipts over disbursements	493	37,949	(13,540)	10,270	(200)	-	(4,541)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(205)	-	-	-
Total other financing sources (uses)	-	-	-	(205)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	493	37,949	(13,540)	10,065	(200)	-	(4,541)
Cash and investments - beginning	52	-	13,540	7,048	868	465	4,541
Cash and investments - ending	545	37,949	-	17,113	668	465	-
Cash and Investment Assets - Ending							
Cash and investments	\$ 545	\$ 37,949	\$ -	\$ 17,113	\$ 668	\$ 465	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	545	37,949	-	17,113	668	465	-
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	545	37,949	-	17,113	668	465	-
Total cash and investment fund balance - ending	545	37,949	-	17,113	668	465	-

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Technology	Non-English Speaking 2007-08	Assembly and Lock	Drivers Ed 2004	Drivers Ed 2005	National Governors' Association Grant	Title I School Improvement 2006-07
Receipts:							
Local sources	\$ -	\$ -	\$ 4,005	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	27,411	-	40,000	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	-	27,411	4,005	40,000	-	-	-
Disbursements:							
Current:							
Instruction	-	53	-	40,000	3,500	-	14,158
Support services	146,329	16,008	-	-	-	-	7,316
Community services	-	-	3,992	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	146,329	16,061	3,992	40,000	3,500	-	21,474
Excess (deficiency) of receipts over disbursements	(146,329)	11,350	13	-	(3,500)	-	(21,474)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(146,329)	11,350	13	-	(3,500)	-	(21,474)
Cash and investments - beginning	333,939	-	20,610	-	5,972	50,000	21,474
Cash and investments - ending	<u>\$ 187,610</u>	<u>\$ 11,350</u>	<u>\$ 20,623</u>	<u>\$ -</u>	<u>\$ 2,472</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 187,610	\$ 11,350	\$ 20,623	\$ -	\$ 2,472	\$ 50,000	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 187,610</u>	<u>\$ 11,350</u>	<u>\$ 20,623</u>	<u>\$ -</u>	<u>\$ 2,472</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	187,610	11,350	20,623	-	2,472	50,000	-
Total cash and investment fund balance - ending	<u>\$ 187,610</u>	<u>\$ 11,350</u>	<u>\$ 20,623</u>	<u>\$ -</u>	<u>\$ 2,472</u>	<u>\$ 50,000</u>	<u>\$ -</u>

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Crestdale CSR Title I	Title I 2006-07	Title I 2007-08	Innovative Education Title V 2005-06	Innovative Education Title V Part A 2007-08	Title I RSH 2006-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	88,881	316,000	1,724,473	-	8,704	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	88,881	316,000	1,724,473	-	8,704	-
Disbursements:						
Current:						
Instruction	106,818	339,411	1,000,833	-	-	18,112
Support services	50,384	110,609	290,701	2,852	10,669	626
Community services	-	6,819	14,937	-	-	631
Nonprogrammed charges	-	31,764	-	-	210	58
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	157,202	488,603	1,306,471	2,852	10,879	19,427
Excess (deficiency) of receipts over disbursements	(68,321)	(172,603)	418,002	(2,852)	(2,175)	(19,427)
Other financing sources (uses):						
Transfers in	-	-	286,640	-	-	-
Transfers out	-	(286,640)	-	-	-	(5,342)
Total other financing sources (uses)	-	(286,640)	286,640	-	-	(5,342)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(68,321)	(459,243)	704,642	(2,852)	(2,175)	(24,769)
Cash and investments - beginning	71,154	459,243	-	2,852	2,175	24,769
Cash and investments - ending	\$ 2,833	\$ -	\$ 704,642	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,833	\$ -	\$ 704,642	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,833	\$ -	\$ 704,642	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,833	-	704,642	-	-	-
Total cash and investment fund balance - ending	\$ 2,833	\$ -	\$ 704,642	\$ -	\$ -	\$ -

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title I RSH 2007-08	Title I School Improvement 2007-08	Special Education IDEA 2006-07	Special Education IDEA 2007-08	Spec. Ed. Preschool 2006-07	Adult Basic Education 2006-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	34,330	96,956	41,000	1,093,081	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	34,330	96,956	41,000	1,093,081	-	-
Disbursements:						
Current:						
Instruction	9,094	16,341	101,703	997,027	6,209	7,283
Support services	-	-	3,184	80,287	3,057	443
Community services	143	1,819	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	9,237	18,160	104,887	1,077,314	9,266	7,726
Excess (deficiency) of receipts over disbursements	25,093	78,796	(63,887)	15,767	(9,266)	(7,726)
Other financing sources (uses):						
Transfers in	5,342	-	-	-	-	-
Transfers out	-	-	(19,663)	-	(1,233)	-
Total other financing sources (uses)	5,342	-	(19,663)	-	(1,233)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30,435	78,796	(83,550)	15,767	(10,499)	(7,726)
Cash and investments - beginning	-	-	83,550	-	10,499	7,726
Cash and investments - ending	<u>\$ 30,435</u>	<u>\$ 78,796</u>	<u>\$ -</u>	<u>\$ 15,767</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 30,435	\$ 78,796	\$ -	\$ 15,767	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 30,435</u>	<u>\$ 78,796</u>	<u>\$ -</u>	<u>\$ 15,767</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	30,435	78,796	-	15,767	-	-
Total cash and investment fund balance - ending	<u>\$ 30,435</u>	<u>\$ 78,796</u>	<u>\$ -</u>	<u>\$ 15,767</u>	<u>\$ -</u>	<u>\$ -</u>

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Adult Basic Education 2007-08	Safe/Drug Free Title IV 2005-06	Safe/Drug Free Title IV 2007-08	Safe/Drug Free Title IV 2007-09	Spec. Ed. Preschool 2007-08	Special Education IDEA Co. 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	104,149	-	28,579	10,285	96,725	332,700
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	104,149	-	28,579	10,285	96,725	332,700
Disbursements:						
Current:						
Instruction	29,316	-	-	-	30,104	179,701
Support services	48,856	16,175	25,681	739	32,533	81,535
Community services	-	167	5,038	-	-	-
Nonprogrammed charges	-	-	708	713	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	78,172	16,342	31,427	1,452	62,637	261,236
Excess (deficiency) of receipts over disbursements	25,977	(16,342)	(2,848)	8,833	34,088	71,464
Other financing sources (uses):						
Transfers in	-	-	-	-	-	19,663
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	19,663
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,977	(16,342)	(2,848)	8,833	34,088	91,127
Cash and investments - beginning	-	16,342	8,100	-	-	-
Cash and investments - ending	\$ 25,977	\$ -	\$ 5,252	\$ 8,833	\$ 34,088	\$ 91,127
Cash and Investment Assets - Ending						
Cash and investments	\$ 25,977	\$ -	\$ 5,252	\$ 8,833	\$ 34,088	\$ 91,127
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 25,977	\$ -	\$ 5,252	\$ 8,833	\$ 34,088	\$ 91,127
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	25,977	-	5,252	8,833	34,088	91,127
Total cash and investment fund balance - ending	\$ 25,977	\$ -	\$ 5,252	\$ 8,833	\$ 34,088	\$ 91,127

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Spec. Ed. Preschool Co. 2007-08	Special Education IDEA Co. 2006-07	Perkins 2006-07	Perkins 2007-08	Medicaid Reimbursement	Title II Teacher Quality 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	41,192	98,801	15,883	348,106
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	-	-	41,192	98,801	15,883	348,106
Disbursements:						
Current:						
Instruction	-	53,029	5,914	6,178	1,640	407,994
Support services	-	2,881	35,278	104,766	49,877	27,967
Community services	-	-	-	11,268	-	2,294
Nonprogrammed charges	-	-	-	-	-	8,678
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	55,910	41,192	122,212	51,517	446,933
Excess (deficiency) of receipts over disbursements	-	(55,910)	-	(23,411)	(35,634)	(98,827)
Other financing sources (uses):						
Transfers in	1,233	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	1,233	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,233	(55,910)	-	(23,411)	(35,634)	(98,827)
Cash and investments - beginning	-	55,910	-	-	36,906	145,057
Cash and investments - ending	\$ 1,233	\$ -	\$ -	\$ (23,411)	\$ 1,272	\$ 46,230
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,233	\$ -	\$ -	\$ (23,411)	\$ 1,272	\$ 46,230
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,233	\$ -	\$ -	\$ (23,411)	\$ 1,272	\$ 46,230
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,233	-	-	(23,411)	1,272	46,230
Total cash and investment fund balance - ending	\$ 1,233	\$ -	\$ -	\$ (23,411)	\$ 1,272	\$ 46,230

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title II Part D Tech Grant 2005-06	Title III Limited English Proficiency 2006-07	Title III Limited English Proficiency 2007-08	Retirement/ Severance Bond Fund Debt Service	Construction Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 1,954,968	\$ -	\$ 3,032,334
Intermediate sources	-	-	-	-	-	975
State sources	-	-	-	-	-	1,144,198
Federal sources	4,447	46,898	21,042	-	-	6,200,666
Sale of property, adjustments and refunds	-	-	-	-	-	13,485
Interfund loans	-	-	-	816,000	-	816,000
Total receipts	4,447	46,898	21,042	2,770,968	-	11,207,658
Disbursements:						
Current:						
Instruction	8,199	650	-	-	-	4,160,468
Support services	15,873	21,688	17,819	-	3,438	3,912,512
Community services	-	-	-	-	-	48,336
Nonprogrammed charges	-	-	-	-	-	42,131
Debt services	-	-	-	1,849,289	-	1,849,289
Interfund loans	-	-	-	832,000	-	832,000
Total disbursements	24,072	22,338	17,819	2,681,289	3,438	10,844,736
Excess (deficiency) of receipts over disbursements	(19,625)	24,560	3,223	89,679	(3,438)	362,922
Other financing sources (uses):						
Transfers in	-	-	-	-	-	312,878
Transfers out	-	-	-	-	-	(313,083)
Total other financing sources (uses)	-	-	-	-	-	(205)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,625)	24,560	3,223	89,679	(3,438)	362,717
Cash and investments - beginning	19,625	22,338	-	151,298	100,104	3,863,919
Cash and investments - ending	\$ -	\$ 46,898	\$ 3,223	\$ 240,977	\$ 96,666	\$ 4,226,636
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 46,898	\$ 3,223	\$ -	\$ 96,666	\$ 3,985,659
Restricted assets:						
Cash and investments	-	-	-	240,977	-	240,977
Total cash and investment assets - ending	\$ -	\$ 46,898	\$ 3,223	\$ 240,977	\$ 96,666	\$ 4,226,636
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 240,977	\$ -	\$ 240,977
Unrestricted	-	46,898	3,223	-	96,666	3,985,659
Total cash and investment fund balance - ending	\$ -	\$ 46,898	\$ 3,223	\$ 240,977	\$ 96,666	\$ 4,226,636

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2007

	Warehouse Fund	RCS Employee Benefit Trust	Totals
Operating receipts:			
Charges for services	\$ -	\$ 1,397,643	\$ 1,397,643
Miscellaneous	-	184,288	184,288
	<u>-</u>	<u>1,581,931</u>	<u>1,581,931</u>
Total operating receipts			
Operating disbursements:			
Insurance claims and expense	-	1,090,103	1,090,103
Other	67,670	-	67,670
	<u>67,670</u>	<u>1,090,103</u>	<u>1,157,773</u>
Total operating disbursements			
Excess (deficiency) of operating receipts over operating disbursements	<u>(67,670)</u>	<u>491,828</u>	<u>424,158</u>
Change in net assets	(67,670)	491,828	424,158
Cash and investment fund balance - beginning	<u>284,456</u>	<u>3,436,112</u>	<u>3,720,568</u>
Cash and investment fund balance - ending	<u>\$ 216,786</u>	<u>\$ 3,927,940</u>	<u>\$ 4,144,726</u>
<u>Cash and Investment Assets - Ending</u>			
Restricted assets:			
Cash and investments	\$ 216,786	\$ -	\$ 216,786
Cash with fiscal agent	-	3,927,940	3,927,940
	<u>-</u>	<u>3,927,940</u>	<u>3,927,940</u>
Total cash and investment assets - ending	<u>\$ 216,786</u>	<u>\$ 3,927,940</u>	<u>\$ 4,144,726</u>
<u>Cash and Investment Fund Balance - Ending</u>			
Restricted for:			
Other purposes	\$ 216,786	\$ 3,927,940	\$ 4,144,726
	<u>216,786</u>	<u>3,927,940</u>	<u>4,144,726</u>
Total cash and investment fund balance - ending	<u>\$ 216,786</u>	<u>\$ 3,927,940</u>	<u>\$ 4,144,726</u>

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
 AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2008

	Warehouse Fund	RCS Employee Benefit Trust	Totals
Operating receipts:			
Charges for services	\$ -	\$ 1,783,179	\$ 1,783,179
Miscellaneous	-	162,245	162,245
	<u>-</u>	<u>1,945,424</u>	<u>1,945,424</u>
Total operating receipts			
	<u>-</u>	<u>1,945,424</u>	<u>1,945,424</u>
Operating disbursements:			
Insurance claims and expense	-	1,884,019	1,884,019
Other	76,419	-	76,419
	<u>76,419</u>	<u>-</u>	<u>76,419</u>
Total operating disbursements			
	<u>76,419</u>	<u>1,884,019</u>	<u>1,960,438</u>
Excess (deficiency) of operating receipts over operating disbursements	<u>(76,419)</u>	<u>61,405</u>	<u>(15,014)</u>
Change in net assets	(76,419)	61,405	(15,014)
Cash and investment fund balance - beginning	<u>216,786</u>	<u>3,927,940</u>	<u>4,144,726</u>
Cash and investment fund balance - ending	<u>\$ 140,367</u>	<u>\$ 3,989,345</u>	<u>\$ 4,129,712</u>
<u>Cash and Investment Assets - Ending</u>			
Restricted assets:			
Cash and investments	\$ 140,367	\$ -	\$ 140,367
Cash with fiscal agent	-	3,989,345	3,989,345
	<u>-</u>	<u>3,989,345</u>	<u>3,989,345</u>
Total cash and investment assets - ending	<u>\$ 140,367</u>	<u>\$ 3,989,345</u>	<u>\$ 4,129,712</u>
<u>Cash and Investment Fund Balance - Ending</u>			
Restricted for:			
Other purposes	\$ 140,367	\$ 3,989,345	\$ 4,129,712
	<u>140,367</u>	<u>3,989,345</u>	<u>4,129,712</u>
Total cash and investment fund balance - ending	<u>\$ 140,367</u>	<u>\$ 3,989,345</u>	<u>\$ 4,129,712</u>

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

	Wright Way To Lead - RHS	Literacy Through Photography	Vaile Lowe's Education Grant	Empower Women Through Literacy	Garrison Investment Interest	Logos ICI Ball Grant Earlham
Additions: Contributions: Other	\$ 1,000	\$ 1,000	\$ 7,500	\$ 660	\$ -	\$ 2,200
Deductions: Administrative and general	1,000	735	1,614	-	-	1,615
Excess (deficiency) of total additions over total deductions	-	265	5,886	660	-	585
Cash and investment fund balance - beginning	-	-	-	-	150	-
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 265</u>	<u>\$ 5,886</u>	<u>\$ 660</u>	<u>\$ 150</u>	<u>\$ 585</u>
Net assets: Cash and investments	\$ -	\$ 265	\$ 5,886	\$ 660	\$ 150	\$ 585
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 265</u>	<u>\$ 5,886</u>	<u>\$ 660</u>	<u>\$ 150</u>	<u>\$ 585</u>

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

	<u>Special Education Donation</u>	<u>Cultural Arts Fund</u>	<u>Donations- Community Resources Social</u>	<u>Odyssey Scholarship</u>	<u>Totals</u>
Additions:					
Contributions:					
Other	\$ 93	\$ 30,278	\$ 5,739	\$ -	\$ 48,470
Deductions:					
Administrative and general	<u>1,389</u>	<u>30,278</u>	<u>7,646</u>	<u>50,000</u>	<u>94,277</u>
Excess (deficiency) of total additions over total deductions	(1,296)	-	(1,907)	(50,000)	(45,807)
Cash and investment fund balance - beginning	<u>3,839</u>	<u>-</u>	<u>26,039</u>	<u>50,000</u>	<u>80,028</u>
Cash and investments - June 30	<u>\$ 2,543</u>	<u>\$ -</u>	<u>\$ 24,132</u>	<u>\$ -</u>	<u>\$ 34,221</u>
Net assets:					
Cash and investments	<u>\$ 2,543</u>	<u>\$ -</u>	<u>\$ 24,132</u>	<u>\$ -</u>	<u>\$ 34,221</u>
Total net assets - cash and investment basis held in trust	<u>\$ 2,543</u>	<u>\$ -</u>	<u>\$ 24,132</u>	<u>\$ -</u>	<u>\$ 34,221</u>

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Literacy Through Photography	Vaile Lowe's Education Grant	Victory At Test Gannett Grant	Empower Women Through Literacy	Target Field Trip Grant- Crestdale	Fairview Lowe's Education Grant	Garrison Investment Interest
Additions: Contributions: Other	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 5,000	\$ -
Deductions: Administrative and general	-	5,000	-	608	1,000	-	-
Excess (deficiency) of total additions over total deductions	-	(5,000)	1,000	(608)	-	5,000	-
Cash and investment fund balance - beginning	265	5,886	-	660	-	-	150
Cash and investments - June 30	<u>\$ 265</u>	<u>\$ 886</u>	<u>\$ 1,000</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 150</u>
Net assets: Cash and investments	<u>\$ 265</u>	<u>\$ 886</u>	<u>\$ 1,000</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 150</u>
Total net assets - cash and investment basis held in trust	<u>\$ 265</u>	<u>\$ 886</u>	<u>\$ 1,000</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 150</u>

RICHMOND COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Logos ICI Ball Grant Earlham	Special Education Donation	Cultural Arts Fund	Donations- Community Resources Social	FOP Scholarship T. Moore	Totals
Additions:						
Contributions:						
Other	\$ -	\$ 154	\$ 30,408	\$ 20,692	\$ 250	\$ 58,504
Deductions:						
Administrative and general	453	670	20,408	20,508	-	48,647
Excess (deficiency) of total additions over total deductions	(453)	(516)	10,000	184	250	9,857
Cash and investment fund balance - beginning	585	2,543	-	24,132	-	34,221
Cash and investments - June 30	<u>\$ 132</u>	<u>\$ 2,027</u>	<u>\$ 10,000</u>	<u>\$ 24,316</u>	<u>\$ 250</u>	<u>\$ 44,078</u>
Net assets:						
Cash and investments	<u>\$ 132</u>	<u>\$ 2,027</u>	<u>\$ 10,000</u>	<u>\$ 24,316</u>	<u>\$ 250</u>	<u>\$ 44,078</u>
Total net assets - cash and investment basis held in trust	<u>\$ 132</u>	<u>\$ 2,027</u>	<u>\$ 10,000</u>	<u>\$ 24,316</u>	<u>\$ 250</u>	<u>\$ 44,078</u>

RICHMOND COMMUNITY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2008

Capital assets are reported at current replacement cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	2,882,800
Buildings	170,584,540
Machinery and equipment	<u>8,930,965</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 182,398,305</u>

RICHMOND COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

June 30, 2008

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Test Middle School	\$ 7,055,000	\$ 1,170,000
Notes and loans payable	360,604	360,604
Tax anticipation warrants	7,000,000	7,000,000
Bonds payable:		
General obligation bonds:		
Pension	<u>\$ 16,285,000</u>	<u>\$ 1,035,000</u>
Total governmental activities long-term debt	<u>\$ 30,700,604</u>	<u>\$ 9,565,604</u>

RICHMOND COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

NONUSE OF TICKET SALES FORM SA-4 (Applies to Test Middle School)

We noted several instances where the Form SA-4 or other School Corporation approved form was not in use. There were several noted instances where sheets were not properly completed, sheets were changed with white out, and sheets contained numbers that were crossed through. There were several instances where cash collected did not agree with ticket sales according to the sheets. No explanations were noted for these differences. As a result, full accountability for all money received from admissions could not be determined.

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

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

PAYROLL DEDUCTIONS

Payments to some employees were made without payroll deductions for taxes.

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)

CONTRACTS

Records presented for audit indicated payments were made for certain services for the 2007-2008 year in excess of what was specified in some contracts. Hours invoiced for payment by those receiving payment were not compared to the hours specified in the contracts. One contract stated that the employee was to provide 6.5 hours of service in a day. These services were at times billed to the School Corporation and paid by the School Corporation for 7 hours of service per day. Another contract stated that the employee was to provide 7 hours of service in a day. These services were at times billed to the School Corporation and paid by the School Corporation for 7.5 hours of service per day.

Payments made for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

The cash balance of the Textbook Rental Fund was overdrawn at June 30, 2007, and the cash balance of the Perkins 2007-08 Fund was overdrawn at June 30, 2008.

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 RICHMOND COMMUNITY SCHOOLS, WAYNE COUNTY, INDIANA

Compliance

We have audited the compliance of the Richmond Community Schools (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, 2007 and 2008. 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 noncompliance 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, 2007 and 2008. 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 items Finding 2008-1 and Finding 2008-2.

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

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)

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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and 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, the school board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 20, 2009

RICHMOND COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008

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 06-30-07	Total Federal Awards Expended 06-30-08
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 354,787	\$ 364,988
National School Lunch Program	10.555		1,279,304	1,337,795
Summer Food Service Program	10.559		13,287	56,349
Total for federal grantor agency			<u>1,647,378</u>	<u>1,759,132</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027			
IDEA Co		2005-06	47,719	-
IDEA Co		2006-07	261,234	55,909
IDEA Co		2007-08	-	261,236
Sliver		2005-06	400	-
IDEA		2005-06	379,177	-
IDEA		2006-07	1,041,500	124,549
IDEA		2007-08	-	1,077,314
Total for program			<u>1,730,030</u>	<u>1,519,008</u>
Special Education - Preschool Grants	84.173			
		2005-06	9,369	-
		Co 2006-07	2,393	-
		2006-07	84,398	10,499
		2007-08	-	62,638
Total for program			<u>96,160</u>	<u>73,137</u>
Total for cluster			<u>1,826,190</u>	<u>1,592,145</u>
Adult Education - State Grant Program	84.002			
		2005-06	10,660	-
		2006-07	134,561	7,727
		2007-08	-	78,172
Total for program			<u>145,221</u>	<u>85,899</u>
Title I Grants to Local Educational Agencies	84.010			
		Indirect Costs	23,495	31,822
		School Improvement 2006-07	75,935	21,474
		Crestdale CSR	181,867	157,203
		FY 2005-06	558,620	-
		FY 2006-07	1,091,813	775,243
		FY 2007-08	-	1,306,470
		FY 2005-06 RSH	19,211	-
		FY 2006-07 RSH	14,975	24,769
		FY 2007-08 RSH	-	9,237
		School Improvement 2007-08	-	18,160
Total for program			<u>1,965,916</u>	<u>2,344,378</u>

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

RICHMOND COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2007 and 2008
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-07	Total Federal Awards Expended 06-30-08
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education (continued)				
Vocational Education-Basic Grants to States	84.048			
		FY 2005-06	38,396	-
		FY 2006-07	107,445	41,192
		FY 2007-08	-	122,211
Total for program			<u>145,841</u>	<u>163,403</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
		FY 2004-05	3,243	-
		FY 2005-06	32,865	16,343
		FY 2007-08	-	31,427
		FY 2007-09	-	1,452
		Indirect Costs	655	1,421
Total for program			<u>36,763</u>	<u>50,643</u>
State Grants For Innovative Programs	84.298			
		FY 2004-05	9,384	-
		FY 2005-06	17,413	2,852
		FY 2007-08	-	10,879
		Indirect Costs	345	414
Total for program			<u>27,142</u>	<u>14,145</u>
Education Technology State Grants	84.318			
		FY 2	20,290	24,073
		Indirect Costs	783	-
Total for program			<u>21,073</u>	<u>24,073</u>
English Language Acquisition Grants	84.365			
		FY 2005-06	32,820	22,337
		FY 2007-08	-	17,819
Total for program			<u>32,820</u>	<u>40,156</u>
Improving Teacher Quality State Grants	84.367			
		04-333	26,038	-
		05-240	312,962	147,039
		06-8385	3,597	299,894
Total for program			<u>342,597</u>	<u>446,933</u>
Total for federal grantor agency			<u>4,543,563</u>	<u>4,761,775</u>
Total federal awards expended			<u>\$ 6,190,941</u>	<u>\$ 6,520,907</u>

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

RICHMOND COMMUNITY SCHOOLS
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 Richmond Community Schools (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 schools shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2007 and 2008:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
Title I Grants to Local Educational Agencies	84.010	<u>\$ 34,604</u>	<u>\$ 55,543</u>

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2007 and 2008. This noncash assistance is also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2007</u>	<u>2008</u>
School Breakfast Program	10.553	\$ 22,042	\$ 13,905
National School Lunch Program	10.555	79,805	49,164

RICHMOND COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster
84.367	Title I Grants To Local Educational Agencies Improving Teacher Quality State Grants

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.

RICHMOND COMMUNITY SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

Section III – Federal Award Findings and Questioned Costs

Finding 2008-1, IMPROVING TEACHER QUALITY STATE GRANTS – ALLOWABLE COSTS

Federal Agency: U.S. Department of Education
 Federal Program: Improving Teacher Quality State Grants
 CFDA Number: 84.367
 Pass-Through Entity: Indiana Department of Education

Richmond Community Schools in Grant #05-240 agreed in Activity Eight (Reduction of Class Size) to hire and place teachers in the following elementary schools:

<u>School Name</u>	<u>Percent Free/ Reduced Lunch</u>
Starr Elementary	87%
Crestdale Elementary	60%
Fairview Elementary	54%

Although some Title II-A funds were used at Starr Elementary and Fairview Elementary, grant funds were used to pay teachers' salaries and related payroll costs to reduce class sizes in the following schools that were not included in the grant agreements:

<u>School Name</u>	<u>Percent Free/ Reduced Lunch</u>	<u>Grant #05-240</u>
Charles Elementary	34%	\$ 99,524
C.R. Richardson Elementary	81%	<u>4,055</u>
Total		<u>\$ 103,579</u>

The School Corporation provided the following average class sizes and statistics including Title II funds:

<u>School Name</u>	<u>Average Class Size</u>	<u>Received Title II Funds</u>
Garrison Elementary	22.2	No
Vaile Elementary	21.5	No
Crestdale Elementary	20.9	No
Starr Elementary	19.6	Yes
Fairview Elementary	18.2	Yes
Charles Elementary	19.7	Yes
C.R. Richardson Elementary	19.6	Yes

The district must target Title II-A funds to schools that [ESEA Section 2122 (b)(3)]:

"(1) have the lowest proportion of highly qualified teachers,

RICHMOND COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (2) have the largest average class size, or
- (3) are identified for school improvement under Section 1116(b) of Title I-A"

As a result of the above actions, Title II-A funds were not used in a school that has the lowest proportion of highly qualified teachers, or for the largest average class size, or are identified for school improvement under Section 1116(b) of Title I-a [ESEA Section 2122 (b)(3)]. We consider the above \$103,579 to be known questioned costs. The use of these funds at Charles Elementary and C.R. Richardson Elementary do not meet the above requirements. Charles Elementary also had the lowest Free/Reduced Lunch percentage for all elementary schools in the district.

We recommended that Richmond Community Schools review each grant agreement that the School Corporation plans on using to fund teaching positions to determine that such position is eligible for grant funding.

FINDING 2008-2. IMPROVING TEACHER QUALITY STATE GRANTS – ALLOWABLE COSTS

Federal Agency: U.S. Department of Education
Federal Program: Improving Teacher Quality State Grants
CFDA Number: 84.367
Pass-Through Entity: Indiana Department of Education

Richmond Community Schools charged professional development costs to Grant #05-240 and Grant #06-8385. Some of the costs were professional development expenses paid originally from the General Fund and later transferred to grant expenses. \$12,404 of these expenses, was transferred to Grant #05-240 and \$7,784 was transferred to Grant #06-8385 without supporting documentation of the allowability of the expenses as meeting the requirements of Title II professional development expenses. The total for both grants was \$20,188. We consider this amount to be known questioned costs.

Professional development activities for Title II, Improving Teacher Quality Grants include:

"Providing professional development activities that improve the knowledge of teachers and principals and, in appropriate cases, paraprofessionals, in:

- a. Content knowledge. Providing training in one or more of the core academic subjects that the teachers teach; and
- b. Classroom practices. Providing training to improve teaching practices and student academic achievement through (a) effective instructional strategies, methods, and skills, and (b) the use of challenging State academic content standards and student academic achievement standards in preparing students for the State assessments."

Failure to follow the grant guidelines for providing professional development as provided above may have caused teachers and principals to not receive the professional development activities the grant was intended to provide.

We recommended that Richmond Community Schools properly expend all funds as noted in the grant awards.

RICHMOND COMMUNITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2006-1, Title 1- Cash Management

Original SBA Audit Report Number	B29629
Fiscal Years	07-01-04 to 06-30-06
Auditee Contact Person	Robert K. Coddington
Title of Contact Person	Director of Business Affairs
Phone Number	765-973-3333
Status of Finding	Corrective Action Taken



Richmond Community Schools
300 Hub Etchison Parkway
Richmond, IN 47374

April 27, 2009

State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, IN 46204

RE: CORRECTIVE ACTION PLAN

Dear State Board of Accounts:

This letter will serve as an Official Response to the Audit Comments noted in our Exit Conference on April 20, 2009.

(1) Title II-A Grant 05-240 – Allowable Costs

Richmond Community Schools agreed to hire and place teachers for reduction of class size at Starr, Crestdale, and Fairview Elementary Schools. An audit exception of \$103,579 was found as monies were also used for class size reduction at Charles and C.R. Richardson Elementary.

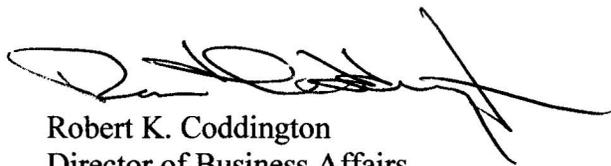
If money for Title II-A funds are used outside of the designated schools an amendment to the grant will be filed with the Grant Administration Office with written prior approval from that agency. Please see the corresponding memo.

(2) Title II-A Grant 05-240 – Allowable Costs

Richmond Community Schools charged professional development costs of \$20, 188 by transferring them from the General Fund to the Teacher Quality Grant without proper documentation.

Beginning immediately professional development cost for the Teacher Quality Grant will be charged as they occur and in a timely manner with proper documentation. The business office will no longer accept transfers of professional development dollars from other accounts or funds.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert K. Coddington", with a long, sweeping flourish extending to the right.

Robert K. Coddington
Director of Business Affairs
Treasurer

Enclosures

Cc: Dr. Allen Bourff

RICHMOND COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on April 20, 2009, with Dr. Allen Bourff, Superintendent of Schools; Robert K. Coddington, Treasurer; Megan Bell, Coordinator of Accounting and Payroll; Suzanne Derengowski, President of the School Board; and David Stidham, Vice President of the School Board. The official response has been made a part of this report and may be found on pages 66 and 67.



Richmond Community Schools
300 Hub Etchison Parkway
Richmond, IN 47374

April 21, 2009

State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, IN 46204

RE: Exit Audit Conference April 20, 2009

Dear State Board of Accounts:

This letter will serve as an Official Response to the Audit Comments noted in our Exit Conference on April 20, 2009.

(1) Non Use of Ticket Sales and Forms SA-4
(Applies to Test Middle School)

The building level Treasurer and Principal have been retrained in the handling of tickets and cash at Test Middle School. The beginning ticket number will be recorded as well as ending ticket number with the corresponding cash receipted. These procedures will ensure two signatures and two individuals counting and verifying the ticket number and cash. Please refer to the corresponding memo to both Middle School Principals that is enclosed.

(2) Payroll Deductions

When a former employee becomes a temporary sub contractor, to meet student needs, the corporation will pay them out of a purchased services account and not through payroll. These individuals will then receive a 1099 as a sub contractor. The Human Resource and Special Education Departments and Grant Administrators have been retrained in this procedure. Please refer to the corresponding memo enclosed.

(3) Contracts

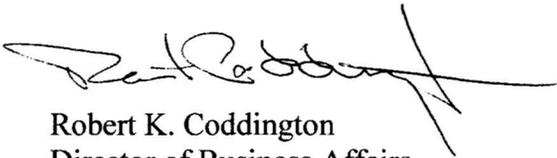
When using sub contractors to meet student needs, the contractor, Special Education Department, Grant Administrators and Accounts Payable will monitor hours worked to be in accordance with the written agreement. Please refer to the corresponding memo enclosed.

(4) Overdrawn Cash Balances

Accurate accounting of textbooks results in negative cash balances.

The Federal Perkins Grant is a reimbursable grant. The money has to be spent before it can be reimbursed. The Treasurer will temporarily transfer monies to the Perkins Grant Fund in order to maintain a positive cash balance.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert K. Coddington", with a long horizontal flourish extending to the right.

Robert K. Coddington
Director of Business Affairs
Treasurer

Enclosures

Cc: Dr. Allen Bourff