

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

AUDIT REPORT
OF
LAKE RIDGE SCHOOLS
LAKE COUNTY, INDIANA
July 1, 2007 to June 30, 2009



FILED
03/05/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Proprietary Fund:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Fund	11-12
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	13-14
Notes to Financial Statements	15-25
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds	26-44
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Fund	45-46
Schedule of Capital Assets	47
Schedule of Long-Term Debt	48
Other Report	49
Audit Results and Comments:	
Overdrawn Cash Balances	50
Average Daily Membership (ADM) – Lack of Original Certified Records	50
Academic Honors Diplomas – Incorrect Reporting to the State	51
Approved Administrator Salary Freeze	51
Administrator Health Insurance Benefits	51-52
Employee Service and Time Records	52
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	54-55
Schedule of Expenditures of Federal Awards	56-57
Notes to Schedule of Expenditures of Federal Awards	58
Schedule of Findings and Questioned Costs	59
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	60-62
Exit Conference	63
Official Response	64-65

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kimberly A. Pusateri	07-01-07 to 06-30-10
Superintendent of Schools	Dr. Sharon Johnson-Shirley	07-01-07 to 06-30-10
President of the School Board	G. Annette Wells Richard A. Lowe	07-01-07 to 06-30-08 07-01-08 to 06-30-10



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

TO: THE OFFICIALS OF THE LAKE RIDGE SCHOOLS, LAKE 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 Lake Ridge Schools (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 1, 2010, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

The School Corporation has not presented Schedules of Funding Progress, Management's Discussion and Analysis, or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined are 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

February 1, 2010



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

TO: THE OFFICIALS OF THE LAKE RIDGE SCHOOLS, LAKE 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 Lake Ridge Schools (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

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

February 1, 2010

LAKE RIDGE 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>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 11,356,596	\$ -	\$ 277,988	\$ (11,078,608)
Support services	7,443,065	248,515	1,228,688	(5,965,862)
Noninstructional services	1,610,174	-	-	(1,610,174)
Facilities acquisition and construction	1,662,213	-	-	(1,662,213)
Debt service	1,815,658	-	-	(1,815,658)
Temporary loans	5,405,000	-	-	(5,405,000)
Nonprogrammed charges	<u>1,933,431</u>	<u>-</u>	<u>-</u>	<u>(1,933,431)</u>
Total governmental activities	<u>\$ 31,226,137</u>	<u>\$ 248,515</u>	<u>\$ 1,506,676</u>	<u>(29,470,946)</u>
General receipts:				
Property taxes				6,074,203
Other local sources				2,041,536
State aid				13,786,253
Bonds and loans				1,307,613
Temporary loans				5,007,000
Grants and contributions not restricted to specific programs				1,538,077
Sale of property				6,000
Investment earnings				231,419
Other				<u>28,432</u>
Total general receipts				<u>30,020,533</u>
Change in net assets				549,587
Net assets - beginning				<u>5,958,751</u>
Net assets - ending				<u>\$ 6,508,338</u>
<u>Assets</u>				
Cash and investments				\$ 4,652,399
Restricted assets:				
Cash and investments				<u>1,855,939</u>
Total assets				<u>\$ 6,508,338</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 590,282
Other purposes				1,265,657
Unrestricted				<u>4,652,399</u>
Total net assets				<u>\$ 6,508,338</u>

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

LAKE RIDGE SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<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	\$ 10,955,802	\$ -	\$ 313,485	\$ (10,642,317)
Support services	7,826,798	259,624	985,975	(6,581,199)
Noninstructional services	1,745,423	-	-	(1,745,423)
Facilities acquisition and construction	1,021,824	-	-	(1,021,824)
Debt service	3,708,799	-	-	(3,708,799)
Temporary loans	2,567,000	-	-	(2,567,000)
Nonprogrammed charges	1,351,820	-	-	(1,351,820)
	<u>\$ 29,177,466</u>	<u>\$ 259,624</u>	<u>\$ 1,299,460</u>	<u>(27,618,382)</u>
General receipts:				
Property taxes				7,634,527
Other local sources				2,338,045
State aid				14,255,480
Bonds and loans				649,917
Temporary loans				1,103,843
Grants and contributions not restricted to specific programs				3,737,981
Sale of property				6,411
Investment earnings				69,111
Other				39,913
				<u>29,835,228</u>
Change in net assets				2,216,846
Net assets - beginning				<u>6,508,338</u>
Net assets - ending				<u>\$ 8,725,184</u>
<u>Assets</u>				
Cash and investments				\$ 6,207,403
Restricted assets:				
Cash and investments				<u>2,517,781</u>
Total assets				<u>\$ 8,725,184</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 535,078
Other purposes				1,982,703
Unrestricted				<u>6,207,403</u>
Total net assets				<u>\$ 8,725,184</u>

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

LAKE RIDGE 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	Other	Totals
Receipts:						
Local sources	\$ 3,170,869	\$ 1,310,607	\$ -	\$ 1,691,046	\$ 1,578,481	\$ 7,751,003
Intermediate sources	297,845	-	-	-	3,563	301,408
State sources	14,014,432	-	-	-	374,946	14,389,378
Federal sources	6,729	-	-	-	2,434,899	2,441,628
Temporary loans	4,280,000	-	-	727,000	-	5,007,000
Other	16,741	-	-	-	11,691	28,432
Total receipts	21,786,616	1,310,607	-	2,418,046	4,403,580	29,918,849
Disbursements:						
Current:						
Instruction	10,219,268	-	-	-	1,137,328	11,356,596
Support services	4,698,695	1,045,079	300,000	-	1,399,291	7,443,065
Noninstructional services	441,295	-	-	-	1,168,879	1,610,174
Facilities acquisition and construction	2,443	-	-	-	1,659,770	1,662,213
Debt services	-	-	-	1,683,315	132,343	1,815,658
Temporary loans	4,880,000	-	-	-	525,000	5,405,000
Nonprogrammed charges	1,251,275	-	-	-	52,860	1,304,135
Total disbursements	21,492,976	1,045,079	300,000	1,683,315	6,075,471	30,596,841
Excess (deficiency) of receipts over disbursements	293,640	265,528	(300,000)	734,731	(1,671,891)	(677,992)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	1,307,613	1,307,613
Sale of capital assets	3,383	-	-	-	2,617	6,000
Transfers in	-	-	300,000	-	188,379	488,379
Transfers out	-	-	-	(61,816)	(426,563)	(488,379)
Total other financing sources (uses)	3,383	-	300,000	(61,816)	1,072,046	1,313,613
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	297,023	265,528	-	672,915	(599,845)	635,621
Cash and investments - beginning	1,776,231	482,760	1,075,000	(82,633)	1,355,702	4,607,060
Cash and investments - ending	<u>\$ 2,073,254</u>	<u>\$ 748,288</u>	<u>\$ 1,075,000</u>	<u>\$ 590,282</u>	<u>\$ 755,857</u>	5,242,681
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 assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						<u>1,265,657</u>
Net assets of governmental activities						<u>\$ 6,508,338</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,073,254	\$ 748,288	\$ 1,075,000	\$ -	\$ 755,857	\$ 4,652,399
Restricted assets:						
Cash and investments	-	-	-	590,282	-	590,282
Total cash and investment assets - ending	<u>\$ 2,073,254</u>	<u>\$ 748,288</u>	<u>\$ 1,075,000</u>	<u>\$ 590,282</u>	<u>\$ 755,857</u>	<u>\$ 5,242,681</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 590,282	\$ -	\$ 590,282
Unrestricted	2,073,254	748,288	1,075,000	-	755,857	4,652,399
Total cash and investment fund balance - ending	<u>\$ 2,073,254</u>	<u>\$ 748,288</u>	<u>\$ 1,075,000</u>	<u>\$ 590,282</u>	<u>\$ 755,857</u>	<u>\$ 5,242,681</u>

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

LAKE RIDGE 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, 2009

	General	Transportation Operating	Rainy Day	Fiscal Stabilization	Debt Service	Other	Totals
Receipts:							
Local sources	\$ 2,761,609	\$ 1,324,829	\$ -	\$ -	\$ 3,106,456	\$ 1,842,392	\$ 9,035,286
Intermediate sources	401,367	-	-	-	-	4,713	406,080
State sources	14,520,646	-	-	-	-	228,360	14,749,006
Federal sources	-	-	-	1,360,351	-	3,183,564	4,543,915
Temporary loans	-	-	-	-	1,103,843	-	1,103,843
Other	39,913	-	-	-	-	-	39,913
Total receipts	17,723,535	1,324,829	-	1,360,351	4,210,299	5,259,029	29,878,043
Disbursements:							
Current:							
Instruction	9,458,207	-	-	-	-	1,497,595	10,955,802
Support services	5,206,480	1,001,217	-	-	-	1,619,101	7,826,798
Noninstructional services	476,290	-	-	-	-	1,269,133	1,745,423
Facilities acquisition and construction	5,048	-	-	-	-	1,016,776	1,021,824
Debt services	-	-	-	-	3,538,503	170,296	3,708,799
Temporary loans	1,840,000	-	-	-	727,000	-	2,567,000
Nonprogrammed charges	1,206,664	-	-	-	-	2,261	1,208,925
Total disbursements	18,192,689	1,001,217	-	-	4,265,503	5,575,162	29,034,571
Excess (deficiency) of receipts over disbursements	(469,154)	323,612	-	1,360,351	(55,204)	(316,133)	843,472
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	649,917	649,917
Sale of capital assets	6,411	-	-	-	-	-	6,411
Transfers in	-	-	-	-	-	124,653	124,653
Transfers out	-	-	-	-	-	(124,653)	(124,653)
Total other financing sources (uses)	6,411	-	-	-	-	649,917	656,328
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(462,743)	323,612	-	1,360,351	(55,204)	333,784	1,499,800
Cash and investments - beginning	2,073,254	748,288	1,075,000	-	590,282	755,857	5,242,681
Cash and investments - ending	\$ 1,610,511	\$ 1,071,900	\$ 1,075,000	\$ 1,360,351	\$ 535,078	\$ 1,089,641	6,742,481
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 assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.							
							<u>1,982,703</u>
Net assets of governmental activities							<u>\$ 8,725,184</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,610,511	\$ 1,071,900	\$ 1,075,000	\$ 1,360,351	\$ -	\$ 1,089,641	\$ 6,207,403
Restricted assets:							
Cash and investments	-	-	-	-	535,078	-	535,078
Total cash and investment assets - ending	\$ 1,610,511	\$ 1,071,900	\$ 1,075,000	\$ 1,360,351	\$ 535,078	\$ 1,089,641	\$ 6,742,481
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 535,078	\$ -	\$ 535,078
Unrestricted	1,610,511	1,071,900	1,075,000	1,360,351	-	1,089,641	6,207,403
Total cash and investment fund balance - ending	\$ 1,610,511	\$ 1,071,900	\$ 1,075,000	\$ 1,360,351	\$ 535,078	\$ 1,089,641	\$ 6,742,481

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

LAKE RIDGE 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

	<u>Internal Service Fund</u>
Operating receipts:	
Employee contributions	\$ 242,956
Employer contributions	1,988,954
Miscellaneous	<u>300,306</u>
Total operating receipts	<u>2,532,216</u>
Operating disbursements:	
Insurance claims and expense	<u>2,618,250</u>
Change in net assets	(86,034)
Cash and investment fund balance - beginning	<u>1,351,691</u>
Cash and investment fund balance - ending	<u>\$ 1,265,657</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 1,265,657</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 1,265,657</u>

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

LAKE RIDGE 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, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Employee contributions	\$ 203,846
Employer contributions	2,347,198
Miscellaneous	<u>656,095</u>
Total operating receipts	<u>3,207,139</u>
Operating disbursements:	
Insurance claims and expense	<u>2,490,093</u>
Change in net assets	717,046
Cash and investment fund balance - beginning	<u>1,265,657</u>
Cash and investment fund balance - ending	<u>\$ 1,982,703</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 1,982,703</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 1,982,703</u>

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

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

	Pension Trust Fund	Agency Fund
Additions:		
Contributions:		
Employer	\$ 300,000	
Deductions:		
Benefits	<u>1,858</u>	
Excess of total additions over total deductions	298,142	
Cash and investment fund balance - beginning	<u>1,858</u>	
Cash and investment fund balance - ending	<u>\$ 300,000</u>	<u>\$ 265,006</u>
Net assets:		
Cash and investments	<u>\$ 300,000</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 300,000</u>	

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

LAKE RIDGE SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Pension Trust Fund	Agency Fund
Additions	\$ -	
Deductions:		
Benefits	33,503	
Deficiency of total additions over total deductions	(33,503)	
Cash and investment fund balance - beginning	300,000	
Cash and investment fund balance - ending	\$ 266,497	\$ 334,882
Net assets:		
Cash and investments	\$ 266,497	
Total net assets - cash and investment basis held in trust	\$ 266,497	

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

LAKE RIDGE 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 primary government.

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

Joint Ventures

The School Corporation is a participant with seven other School Corporations in a joint venture to operate the Northwest Indiana Special Education Cooperative (NISEC) which was created to provide instruction for disabled children. The School Corporation is obligated by contract to make annual remittances to supplement the NISEC. Complete financial statements for the NISEC can be obtained from NISEC's administrative offices, 2150 W. 97th Avenue, Crown Point, Indiana, 46307.

The School Corporation is a participant in the Northwest Indiana Public School Study Council (Study Council), a joint service program established December 10, 1969, for the improvement of education and the study of problems and issues involved in public education. The Study Council is governed by a board composed of a member from each participating School Corporation. There is a \$1,000 annual fee to belong to the Study Council. Complete financial statements of the Study Council can be obtained through the Merrillville Community School Corporation, 6701 Delaware Street, Merrillville, Indiana, 46410.

The School Corporation is a participant in the Northwest Indiana Educational Services Center (NWIESC), a joint services program established May 30, 1985, for the participating School Corporations to cooperate and share programs such as curriculum development, instruction materials, needs assessment, computer utilization, and in-service education. The NWIESC operates under the authority of the Northwest Indiana Public School Study Council. The School Corporation provides funding based on the Average Daily Membership, determined annually. Complete financial statements can be obtained from the NWIESC's administrative offices, 2939 41st Avenue, Highland, Indiana, 46322.

The School Corporation is a participant with other participating School Corporations in a joint venture to operate the Northwest Indiana Natural Gas Cooperative (Gas Cooperative), which was created to procure natural gas in a more economical and efficient manner. The Gas Cooperative operates under the authority of the Northwest Indiana Educational Service Center (Service Center). The School Corporation provides funding for administrative costs based upon a percentage basis of the Average Daily Membership, not to exceed \$10,000. Complete financial statements for the Gas Cooperative can be obtained from the Service Center administrative offices, 2939 41st Avenue, Highland, Indiana, 43622.

LAKE RIDGE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

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 accounts for funds in accordance with Indiana Code 36-1-8-5 and a locally adopted resolution.

The fiscal stabilization fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

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

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for group health insurance benefits provided to School Corporation employees.

The pension trust fund accounts for the disbursements of the general obligation pension bond which was issued to accumulate resources for pension benefit payments.

The agency fund accounts for assets held by the School Corporation as an agent for payroll withholdings and serves as a control account for certain cash transactions during the time they are a liability to the School Corporation.

LAKE RIDGE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

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.

LAKE RIDGE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

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.

LAKE RIDGE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated.

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 January 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, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

LAKE RIDGE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund	2008	2009
Textbook Rental	\$ 67,813	\$ 71,026
Computer Consortium	21,690	-
E-Rate Reimbursement	-	98,927
Title V, Part A 2008-2009	-	9,400
Adult Basic Education 2007-2008	57,078	-
Adult Basic Education 2008-2009	-	26,138
Project Head Start 2003	1,748	1,748
Project Head Start 2008	75,499	3,800
Project Head Start 2009	-	78,249
School To Work	623	623
Title II, Part A 2008-2009	-	4,421
Retiree Severance Bond	4,402	25,887
Capital Projects	10,510	145,604

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements and disbursements of grant funds in anticipation of subsequent reimbursements of costs; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$9,326,563 which were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008	2009
Debt Service Fund	Other governmental funds	\$ 61,816	\$ -
Other governmental funds	Rainy Day Fund	300,000	-
	Other governmental funds	126,563	124,653
Totals		<u>\$ 488,379</u>	<u>\$ 124,653</u>

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

LAKE RIDGE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Tax Anticipation Warrants

Tax anticipation warrants outstanding at June 30, 2008 and 2009, are detailed in the following schedule:

Fund	2008	2009
General	\$ 1,840,000	\$ -
Debt Service	727,000	1,103,843
Totals	\$ 2,567,000	\$ 1,103,843

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees and Dependents

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 \$75,000 per year or an aggregate of \$1,849,882 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid into this fund by all funds with payroll and are available to pay claims, claim reserves, and administrative costs of the program.

B. Holding Corporations

The School Corporation has entered into a capital lease with Lake Ridge Schools Renovation 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 years ending June 30, 2008 and 2009, totaled \$380,000 each year.

LAKE RIDGE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Subsequent Events

Property Tax Distributions

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2009, as required by statute, due to continued delays in the completion of the reassessment of Lake County. The 2008 payable 2009 property tax rates were approved on July 31, 2009. The taxes were billed in October 2009 and were due in two installments on October 28 and November 30, 2009. The School Corporation received partial distributions in November and December 2009; and their final distribution on January 20, 2010.

Common School Fund Advancements

On October 9, 2007, the Indiana State Board of Education approved the School Corporation for a Common School Fund Construction Advancement of \$2,000,000. The final drawdown of funds was completed in December 2009, and repayment must begin within one year from the date of the final draw.

On October 15, 2009, the Indiana State Board of Education approved the School Corporation for a Common School Fund Technology Advancement of \$43,240.

On December 7, 2009, the Indiana State Board of Education approved the School Corporation for a Common School Fund Construction Advancement of \$1,999,900.

Tax Anticipation Warrants

On December 31, 2009, the School Corporation extended the outstanding tax anticipation warrants from January 30, 2009 for the Debt Service Fund for \$1,103,843.

On December 14, 2009, the School Board approved a resolution authorizing the issuance of tax anticipation warrants for the Debt Service and Capital Projects Funds not to exceed \$2,919,142 and \$1,536,280, respectively, for 2010.

General Fund Revenue Reduction

Beginning January 1, 2009, the School Corporation's General Fund will no longer be supported by local property taxes, it will instead, be funded by the State of Indiana. Due to the continued decrease in estimated state revenues, the State of Indiana will reduce funding to K-12 schools by \$297 million in calendar 2010 beginning with their January payment. The reduction will be applied evenly to all school corporations using the current funding formula. It represents 2.7 percent of the total \$11 billion schools receive from all sources or 3.5 percent of current state funding.

D. Termination Benefits

Retirement Incentive Plan

Lake Ridge Schools offered a retirement incentive plan with the intention of reducing staff expenditures by inducing teachers considering retirement, whose salaries were greater than average, to retire by June 30, 2008. In addition to severance benefits included in the collective bargaining agreement, teachers who elected to retire under this plan will be entitled to receive an annual

LAKE RIDGE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

VEBA contribution by the School Corporation. Those who retired by June 30, 2007, will receive 4 annual payments of \$5,000 each beginning in July, 2008. Those who retired after June 30, 2007 but by June 30, 2008, will receive 3 annual payments of \$5,000 each beginning in July, 2009. Six employees retired by June 30, 2007, and 3 more retired by June 30, 2008. The School Corporation's contributions under this plan for the year ended June 30, 2009, totaled \$30,000.

Severance Benefits

Lake Ridge Schools offers severance benefits to all certified staff and to non-certified administrative personnel. Severance pay upon retirement is based upon years of service and shall not exceed \$25,000. Accumulated unused sick leave is also paid upon retirement. It is based upon years of service and the current daily rate of degreed substitute teachers. During the years ended June 30, 2008 and 2009, disbursements of \$209,660 and \$173,618, respectively, were recognized for severance benefits.

E. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health and life insurance benefits, as authorized by Indiana Code 5-10-8, to all teaching, secretarial, clerical, paraprofessional and teaching aide employees who retire from the School Corporation on or after attaining age 55 except for exempt clerical, administrative, and teaching employees. The exempt employees receive such benefits after attaining age 58 with at least 20 years of service. Currently, 17 retirees meet these eligibility requirements. The retirees provide \$200 each year for health insurance. The School Corporation provides to retirees through age 65 a \$45,000 fully paid life insurance policy and after age 65 a \$15,000 fully paid life insurance policy. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the years ended June 30, 2008 and 2009, disbursements of \$253,672 and \$213,428, respectively, were recognized for postemployment benefits.

F. 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.

LAKE RIDGE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the years ended June 30, 2008 and 2009, were \$188,262 and \$199,541, respectively.

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

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

LAKE RIDGE SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

The School Corporation's contributions to the plan during the years ended June 30, 2008 and 2009, were \$254,648 and 276,582, respectively.

LAKE RIDGE 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

	Preschool Special Education	School Lunch	Textbook Rental	Levy Excess	Education License Plates	Alternative Education
Receipts:						
Local sources	\$ 4,551	\$ 258,703	\$ 77,976	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	563	-
State sources	35,977	3,005	133,716	-	-	20,187
Federal sources	-	1,085,238	-	-	-	-
Other	-	11,691	-	-	-	-
Total receipts	40,528	1,358,637	211,692	-	563	20,187
Disbursements:						
Current:						
Instruction	39,767	-	-	-	-	24,920
Support services	13	260	201,103	-	-	-
Noninstructional services	-	1,161,064	-	-	-	-
Facilities acquisition and construction	-	499	-	-	-	-
Debt services	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	263	-
Total disbursements	39,780	1,161,823	201,103	-	263	24,920
Excess (deficiency) of receipts over disbursements	748	196,814	10,589	-	300	(4,733)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	2,617	-	-	-	-
Transfers in	-	-	61,816	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	2,617	61,816	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	748	199,431	72,405	-	300	(4,733)
Cash and investments - beginning	26,370	(189,035)	(140,218)	2	75	13,742
Cash and investments - ending	\$ 27,118	\$ 10,396	\$ (67,813)	\$ 2	\$ 375	\$ 9,009
Cash and Investment Assets - Ending						
Cash and investments	\$ 27,118	\$ 10,396	\$ (67,813)	\$ 2	\$ 375	\$ 9,009
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 27,118	\$ 10,396	\$ (67,813)	\$ 2	\$ 375	\$ 9,009

LAKE RIDGE 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)

	Library Grant Award	Safe Haven 2007-2008	Best Buy Gift	Solid Waste Conservancy District Grant	Gifted and Talented 2007-2008	Gifted and Talented 2006-2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	4,660	-	-	35,373	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	4,660	-	-	35,373	-
Disbursements:						
Current:						
Instruction	-	4,660	-	-	35,373	2,272
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	4,660	-	-	35,373	2,272
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(2,272)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	(2,272)
Cash and investments - beginning	744	-	1,986	1,035	-	2,272
Cash and investments - ending	\$ 744	\$ -	\$ 1,986	\$ 1,035	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 744	\$ -	\$ 1,986	\$ 1,035	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 744	\$ -	\$ 1,986	\$ 1,035	\$ -	\$ -

LAKE RIDGE 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)

	Tech Prep Staff Development	Technical Assistance	Computer Consortium	Drug Free Alliance	Non-English Speaking 2006-2007	Non-English Speaking 2007-2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	3,000	-	-
State sources	-	-	125,092	-	-	14,436
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	125,092	3,000	-	14,436
Disbursements:						
Current:						
Instruction	-	-	-	3,000	1,931	14,436
Support services	-	-	146,782	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	146,782	3,000	1,931	14,436
Excess (deficiency) of receipts over disbursements	-	-	(21,690)	-	(1,931)	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(21,690)	-	(1,931)	-
Cash and investments - beginning	1,764	12,639	-	-	1,931	-
Cash and investments - ending	<u>\$ 1,764</u>	<u>\$ 12,639</u>	<u>\$ (21,690)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 1,764</u>	<u>\$ 12,639</u>	<u>\$ (21,690)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 1,764</u>	<u>\$ 12,639</u>	<u>\$ (21,690)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAKE RIDGE 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)

	Access Indiana	E-Rate Reimbursement	Miscellaneous Programs	Title I 2007-2008 Hosford Park	Title I 2007-2008	Title I 2006-2007
Receipts:						
Local sources	\$ -	\$ 44,863	\$ 15,479	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	2,500	-	-	-	-	-
Federal sources	-	-	-	2,000	645,156	-
Other	-	-	-	-	-	-
Total receipts	2,500	44,863	15,479	2,000	645,156	-
Disbursements:						
Current:	-	-	-	-	-	-
Instruction	-	-	-	-	429,724	11,446
Support services	-	66,632	-	-	108,888	905
Noninstructional services	-	-	-	-	2,753	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Nonprogrammed charges	-	-	30,048	-	14,106	-
Total disbursements	-	66,632	30,048	-	555,471	12,351
Excess (deficiency) of receipts over disbursements	2,500	(21,769)	(14,569)	2,000	89,685	(12,351)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	2,425	-
Transfers out	-	-	-	-	-	(2,425)
Total other financing sources (uses)	-	-	-	-	2,425	(2,425)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,500	(21,769)	(14,569)	2,000	92,110	(14,776)
Cash and investments - beginning	-	31,360	45,399	-	-	14,776
Cash and investments - ending	\$ 2,500	\$ 9,591	\$ 30,830	\$ 2,000	\$ 92,110	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,500	\$ 9,591	\$ 30,830	\$ 2,000	\$ 92,110	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 2,500	\$ 9,591	\$ 30,830	\$ 2,000	\$ 92,110	\$ -

LAKE RIDGE 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 V, Part A 2006-2007	Title V, Part A 2005-2006	Title II, Part B ISLAND	Adult Basic Education 2003	Adult Basic Education 2006	Adult Basic Education 2007-2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	4,534	-	108,258	-	-	25,409
Other	-	-	-	-	-	-
Total receipts	<u>4,534</u>	<u>-</u>	<u>108,258</u>	<u>-</u>	<u>-</u>	<u>25,409</u>
Disbursements:						
Current:						
Instruction	21,087	16,072	-	-	-	52,459
Support services	37,979	1,389	43,282	-	1,428	30,028
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Nonprogrammed charges	1,653	-	-	-	-	-
Total disbursements	<u>60,719</u>	<u>17,461</u>	<u>43,282</u>	<u>-</u>	<u>1,428</u>	<u>82,487</u>
Excess (deficiency) of receipts over disbursements	<u>(56,185)</u>	<u>(17,461)</u>	<u>64,976</u>	<u>-</u>	<u>(1,428)</u>	<u>(57,078)</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	60,038	50,000	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>60,038</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,853</u>	<u>32,539</u>	<u>64,976</u>	<u>-</u>	<u>(1,428)</u>	<u>(57,078)</u>
Cash and investments - beginning	<u>-</u>	<u>(32,539)</u>	<u>-</u>	<u>486</u>	<u>1,428</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,853</u>	<u>\$ -</u>	<u>\$ 64,976</u>	<u>\$ 486</u>	<u>\$ -</u>	<u>\$ (57,078)</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 3,853</u>	<u>\$ -</u>	<u>\$ 64,976</u>	<u>\$ 486</u>	<u>\$ -</u>	<u>\$ (57,078)</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 3,853</u>	<u>\$ -</u>	<u>\$ 64,976</u>	<u>\$ 486</u>	<u>\$ -</u>	<u>\$ (57,078)</u>

LAKE RIDGE 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)

	Drug Free Program 2005-2007	Drug Free Program 2007	Educate Indiana I Step Up	Project Head Start 2003	Project Head Start 2007	Project Head Start 2008
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	11,019	-	-	266,750	102,760
Other	-	-	-	-	-	-
Total receipts	-	11,019	-	-	266,750	102,760
Disbursements:						
Current:						
Instruction	672	15,138	-	-	184,092	171,746
Support services	37	2,659	-	-	6,378	3,619
Noninstructional services	-	-	-	-	2,168	2,894
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Nonprogrammed charges	-	641	-	-	-	-
Total disbursements	709	18,438	-	-	192,638	178,259
Excess (deficiency) of receipts over disbursements	(709)	(7,419)	-	-	74,112	(75,499)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	14,100	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	14,100	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(709)	6,681	-	-	74,112	(75,499)
Cash and investments - beginning	709	-	7	(1,748)	(74,112)	-
Cash and investments - ending	\$ -	\$ 6,681	\$ 7	\$ (1,748)	\$ -	\$ (75,499)
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 6,681	\$ 7	\$ (1,748)	\$ -	\$ (75,499)
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ 6,681	\$ 7	\$ (1,748)	\$ -	\$ (75,499)

LAKE RIDGE 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)

	School To Work	Title II, Part A 2006-2007	Title II, Part A 2005-2006	Title II, Part D 2005-2007	Title II, Part D IN Access 2007	Title III, Part A 2006-2007
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	150,076	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	150,076	-	-	-	-
Disbursements:						
Current:						
Instruction	-	61,379	26,854	5,362	-	2,770
Support services	-	12,606	9,969	-	42,342	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Nonprogrammed charges	-	1,945	-	-	4,204	-
Total disbursements	-	75,930	36,823	5,362	46,546	2,770
Excess (deficiency) of receipts over disbursements	-	74,146	(36,823)	(5,362)	(46,546)	(2,770)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	(74,138)	(50,000)	-	-	-
Total other financing sources (uses)	-	(74,138)	(50,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8	(86,823)	(5,362)	(46,546)	(2,770)
Cash and investments - beginning	(623)	-	86,823	5,362	46,546	2,770
Cash and investments - ending	\$ (623)	\$ 8	\$ -	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ (623)	\$ 8	\$ -	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ (623)	\$ 8	\$ -	\$ -	\$ -	\$ -

LAKE RIDGE 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 IN Access 2008	Title III, Part A 2007-2008	Schools Taking Action	Retiree Severance Bond	Capital Projects
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 84,332	\$ 1,040,635
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	15,000	16,199	2,500	-	-
Other	-	-	-	-	-
Total receipts	<u>15,000</u>	<u>16,199</u>	<u>2,500</u>	<u>84,332</u>	<u>1,040,635</u>
Disbursements:					
Current:					
Instruction	-	12,168	-	-	-
Support services	11,715	3,519	2,500	-	665,258
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	350,265
Debt services	-	-	-	65,540	-
Temporary loans	-	-	-	-	525,000
Nonprogrammed charges	-	-	-	-	-
Total disbursements	<u>11,715</u>	<u>15,687</u>	<u>2,500</u>	<u>65,540</u>	<u>1,540,523</u>
Excess (deficiency) of receipts over disbursements	<u>3,285</u>	<u>512</u>	<u>-</u>	<u>18,792</u>	<u>(499,888)</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,285</u>	<u>512</u>	<u>-</u>	<u>18,792</u>	<u>(499,888)</u>
Cash and investments - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,194)</u>	<u>489,378</u>
Cash and investments - ending	<u>\$ 3,285</u>	<u>\$ 512</u>	<u>\$ -</u>	<u>\$ (4,402)</u>	<u>\$ (10,510)</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ 3,285</u>	<u>\$ 512</u>	<u>\$ -</u>	<u>\$ (4,402)</u>	<u>\$ (10,510)</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ 3,285</u>	<u>\$ 512</u>	<u>\$ -</u>	<u>\$ (4,402)</u>	<u>\$ (10,510)</u>

LAKE RIDGE 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)

	School Bus Replacement	Common School	Construction	Indiana School Academic Improvement	Totals
Receipts:					
Local sources	\$ 51,942	\$ -	\$ -	\$ -	\$ 1,578,481
Intermediate sources	-	-	-	-	3,563
State sources	-	-	-	-	374,946
Federal sources	-	-	-	-	2,434,899
Other	-	-	-	-	11,691
Total receipts	51,942	-	-	-	4,403,580
Disbursements:					
Current:					
Instruction	-	-	-	-	1,137,328
Support services	-	-	-	-	1,399,291
Noninstructional services	-	-	-	-	1,168,879
Facilities acquisition and construction	-	1,309,006	-	-	1,659,770
Debt services	66,803	-	-	-	132,343
Temporary loans	-	-	-	-	525,000
Nonprogrammed charges	-	-	-	-	52,860
Total disbursements	66,803	1,309,006	-	-	6,075,471
Excess (deficiency) of receipts over disbursements	(14,861)	(1,309,006)	-	-	(1,671,891)
Other financing sources (uses):					
Proceeds of long-term debt	-	1,307,613	-	-	1,307,613
Sale of capital assets	-	-	-	-	2,617
Transfers in	-	-	-	-	188,379
Transfers out	(300,000)	-	-	-	(426,563)
Total other financing sources (uses)	(300,000)	1,307,613	-	-	1,072,046
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(314,861)	(1,393)	-	-	(599,845)
Cash and investments - beginning	568,888	11,080	439,020	10,579	1,355,702
Cash and investments - ending	<u>\$ 254,027</u>	<u>\$ 9,687</u>	<u>\$ 439,020</u>	<u>\$ 10,579</u>	<u>\$ 755,857</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ 254,027</u>	<u>\$ 9,687</u>	<u>\$ 439,020</u>	<u>\$ 10,579</u>	<u>\$ 755,857</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ 254,027</u>	<u>\$ 9,687</u>	<u>\$ 439,020</u>	<u>\$ 10,579</u>	<u>\$ 755,857</u>

LAKE RIDGE 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, 2009

	Preschool Special Education	School Lunch	Textbook Rental	Levy Excess	Education License Plates	Alternative Education
Receipts:						
Local sources	\$ 5,126	\$ 259,556	\$ 216,194	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	713	-
State sources	44,328	3,227	-	-	-	23,328
Federal sources	-	982,747	-	-	-	-
Total receipts	<u>49,454</u>	<u>1,245,530</u>	<u>216,194</u>	<u>-</u>	<u>713</u>	<u>23,328</u>
Disbursements:						
Current:						
Instruction	76,572	-	-	-	-	24,973
Support services	-	-	219,407	-	-	-
Noninstructional services	-	1,250,935	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	863	-
Total disbursements	<u>76,572</u>	<u>1,250,935</u>	<u>219,407</u>	<u>-</u>	<u>863</u>	<u>24,973</u>
Excess (deficiency) of receipts over disbursements	<u>(27,118)</u>	<u>(5,405)</u>	<u>(3,213)</u>	<u>-</u>	<u>(150)</u>	<u>(1,645)</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(27,118)</u>	<u>(5,405)</u>	<u>(3,213)</u>	<u>-</u>	<u>(150)</u>	<u>(1,645)</u>
Cash and investments - beginning	<u>27,118</u>	<u>10,396</u>	<u>(67,813)</u>	<u>2</u>	<u>375</u>	<u>9,009</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,991</u>	<u>\$ (71,026)</u>	<u>\$ 2</u>	<u>\$ 225</u>	<u>\$ 7,364</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ -</u>	<u>\$ 4,991</u>	<u>\$ (71,026)</u>	<u>\$ 2</u>	<u>\$ 225</u>	<u>\$ 7,364</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ -</u>	<u>\$ 4,991</u>	<u>\$ (71,026)</u>	<u>\$ 2</u>	<u>\$ 225</u>	<u>\$ 7,364</u>

LAKE RIDGE 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, 2009
 (Continued)

	Library Grant Award	Safe Haven 2008-2009	Best Buy Gift	Solid Waste Conservancy District Grant	Gifted and Talented 2008-2009
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	13,035	-	-	35,373
Federal sources	-	-	-	-	-
Total receipts	-	13,035	-	-	35,373
Disbursements:					
Current:					
Instruction	-	-	-	-	20,143
Support services	-	13,035	-	-	12,162
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	13,035	-	-	32,305
Excess (deficiency) of receipts over disbursements	-	-	-	-	3,068
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	3,068
Cash and investments - beginning	744	-	1,986	1,035	-
Cash and investments - ending	<u>744</u>	<u>-</u>	<u>1,986</u>	<u>1,035</u>	<u>3,068</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>744</u>	<u>-</u>	<u>1,986</u>	<u>1,035</u>	<u>3,068</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>744</u>	<u>-</u>	<u>1,986</u>	<u>1,035</u>	<u>3,068</u>

LAKE RIDGE 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, 2009
 (Continued)

	Tech Prep Staff Development	Technical Assistance	Computer Consortium	Drug Free Alliance	Non-English Speaking 2008-2009
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	4,000	-
State sources	-	-	72,297	-	13,342
Federal sources	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>72,297</u>	<u>4,000</u>	<u>13,342</u>
Total receipts	<u>-</u>	<u>-</u>	<u>72,297</u>	<u>4,000</u>	<u>13,342</u>
Disbursements:					
Current:					
Instruction	-	-	-	-	13,342
Support services	-	-	50,607	506	-
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>50,607</u>	<u>506</u>	<u>13,342</u>
Total disbursements	<u>-</u>	<u>-</u>	<u>50,607</u>	<u>506</u>	<u>13,342</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>21,690</u>	<u>3,494</u>	<u>-</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	21,690	3,494	-
Cash and investments - beginning	<u>1,764</u>	<u>12,639</u>	<u>(21,690)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,764</u>	<u>\$ 12,639</u>	<u>\$ -</u>	<u>\$ 3,494</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 1,764</u>	<u>\$ 12,639</u>	<u>\$ -</u>	<u>\$ 3,494</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 1,764</u>	<u>\$ 12,639</u>	<u>\$ -</u>	<u>\$ 3,494</u>	<u>\$ -</u>

LAKE RIDGE 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, 2009
 (Continued)

	E-Rate Reimbursement	Access Indiana	Miscellaneous Programs	Second Grade Laptops	Title I 2007-2008 Hosford Park
Receipts:					
Local sources	\$ 52,596	\$ -	\$ 14,845	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	23,430	-
Federal sources	-	-	-	-	-
Total receipts	<u>52,596</u>	<u>-</u>	<u>14,845</u>	<u>23,430</u>	<u>-</u>
Disbursements:					
Current:					
Instruction	-	-	-	-	2,000
Support services	161,114	1,250	-	23,075	-
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	1,398	-	-
Total disbursements	<u>161,114</u>	<u>1,250</u>	<u>1,398</u>	<u>23,075</u>	<u>2,000</u>
Excess (deficiency) of receipts over disbursements	<u>(108,518)</u>	<u>(1,250)</u>	<u>13,447</u>	<u>355</u>	<u>(2,000)</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(108,518)</u>	<u>(1,250)</u>	<u>13,447</u>	<u>355</u>	<u>(2,000)</u>
Cash and investments - beginning	<u>9,591</u>	<u>2,500</u>	<u>30,830</u>	<u>-</u>	<u>2,000</u>
Cash and investments - ending	<u>\$ (98,927)</u>	<u>\$ 1,250</u>	<u>\$ 44,277</u>	<u>\$ 355</u>	<u>\$ -</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ (98,927)</u>	<u>\$ 1,250</u>	<u>\$ 44,277</u>	<u>\$ 355</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ (98,927)</u>	<u>\$ 1,250</u>	<u>\$ 44,277</u>	<u>\$ 355</u>	<u>\$ -</u>

LAKE RIDGE 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, 2009
 (Continued)

	<u>Title I</u> <u>2007-2008</u>	<u>Title I</u> <u>2008-2009</u>	<u>Title V, Part A</u> <u>2006-2007</u>	<u>Title V, Part A</u> <u>2007-2008</u>	<u>Title V, Part A</u> <u>2008-2009</u>
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	1,316,728	-	4,564	-
	<u>-</u>	<u>1,316,728</u>	<u>-</u>	<u>4,564</u>	<u>-</u>
Total receipts	-	1,316,728	-	4,564	-
Disbursements:					
Current:					
Instruction	9,090	816,703	2,570	16,260	9,400
Support services	25,025	59,421	183	25,414	-
Noninstructional services	-	15,043	1,100	1,100	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>34,115</u>	<u>891,167</u>	<u>3,853</u>	<u>42,774</u>	<u>9,400</u>
Excess (deficiency) of receipts over disbursements	<u>(34,115)</u>	<u>425,561</u>	<u>(3,853)</u>	<u>(38,210)</u>	<u>(9,400)</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Transfers in	-	57,995	-	40,000	-
Transfers out	(57,995)	-	-	-	-
	<u>(57,995)</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(57,995)</u>	<u>57,995</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(92,110)</u>	<u>483,556</u>	<u>(3,853)</u>	<u>1,790</u>	<u>(9,400)</u>
Cash and investments - beginning	<u>92,110</u>	<u>-</u>	<u>3,853</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 483,556</u>	<u>\$ -</u>	<u>\$ 1,790</u>	<u>\$ (9,400)</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ -</u>	<u>\$ 483,556</u>	<u>\$ -</u>	<u>\$ 1,790</u>	<u>\$ (9,400)</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ -</u>	<u>\$ 483,556</u>	<u>\$ -</u>	<u>\$ 1,790</u>	<u>\$ (9,400)</u>

LAKE RIDGE 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, 2009
 (Continued)

	Title II, Part B ISLAND	Adult Basic Education 2003	Adult Basic Education 2007-2008	Adult Basic Education 2008-2009	Drug Free Program 2007
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	155,117	-	57,078	52,867	-
Total receipts	155,117	-	57,078	52,867	-
Disbursements:					
Current:					
Instruction	-	-	-	47,969	544
Support services	87,410	-	-	31,036	100
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	87,410	-	-	79,005	644
Excess (deficiency) of receipts over disbursements	67,707	-	57,078	(26,138)	(644)
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Transfers in	-	-	-	-	582
Transfers out	-	-	-	-	(6,619)
Total other financing sources (uses)	-	-	-	-	(6,037)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	67,707	-	57,078	(26,138)	(6,681)
Cash and investments - beginning	64,976	486	(57,078)	-	6,681
Cash and investments - ending	<u>\$ 132,683</u>	<u>\$ 486</u>	<u>\$ -</u>	<u>\$ (26,138)</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 132,683</u>	<u>\$ 486</u>	<u>\$ -</u>	<u>\$ (26,138)</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 132,683</u>	<u>\$ 486</u>	<u>\$ -</u>	<u>\$ (26,138)</u>	<u>\$ -</u>

LAKE RIDGE 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, 2009
 (Continued)

	Drug Free Program 2008	Educate Indiana I Step Up	Project Head Start 2003	Project Head Start 2008	Project Head Start 2009
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	11,033	-	-	256,905	88,781
Total receipts	<u>11,033</u>	<u>-</u>	<u>-</u>	<u>256,905</u>	<u>88,781</u>
Disbursements:					
Current:					
Instruction	9,093	-	-	179,123	165,419
Support services	5,763	7	-	5,732	1,007
Noninstructional services	-	-	-	351	604
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	<u>14,856</u>	<u>7</u>	<u>-</u>	<u>185,206</u>	<u>167,030</u>
Excess (deficiency) of receipts over disbursements	<u>(3,823)</u>	<u>(7)</u>	<u>-</u>	<u>71,699</u>	<u>(78,249)</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Transfers in	13,967	-	-	-	-
Transfers out	(582)	-	-	-	-
Total other financing sources (uses)	<u>13,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,562	(7)	-	71,699	(78,249)
Cash and investments - beginning	-	7	(1,748)	(75,499)	-
Cash and investments - ending	<u>\$ 9,562</u>	<u>\$ -</u>	<u>\$ (1,748)</u>	<u>\$ (3,800)</u>	<u>\$ (78,249)</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 9,562</u>	<u>\$ -</u>	<u>\$ (1,748)</u>	<u>\$ (3,800)</u>	<u>\$ (78,249)</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 9,562</u>	<u>\$ -</u>	<u>\$ (1,748)</u>	<u>\$ (3,800)</u>	<u>\$ (78,249)</u>

LAKE RIDGE 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, 2009
 (Continued)

	School To Work	Title II, Part A 2006-2007	Title II, Part A 2007-2008	Title II, Part A 2008-2009	Title II, Part D IN Access 2008
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	155,177	-	-
Total receipts	-	-	155,177	-	-
Disbursements:					
Current:					
Instruction	-	9,452	79,346	3,499	-
Support services	-	2,665	11,472	922	3,285
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	-	12,117	90,818	4,421	3,285
Excess (deficiency) of receipts over disbursements	-	(12,117)	64,359	(4,421)	(3,285)
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Transfers in	-	12,109	-	-	-
Transfers out	-	-	(59,457)	-	-
Total other financing sources (uses)	-	12,109	(59,457)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(8)	4,902	(4,421)	(3,285)
Cash and investments - beginning	(623)	8	-	-	3,285
Cash and investments - ending	<u>\$ (623)</u>	<u>\$ -</u>	<u>\$ 4,902</u>	<u>\$ (4,421)</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ (623)</u>	<u>\$ -</u>	<u>\$ 4,902</u>	<u>\$ (4,421)</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ (623)</u>	<u>\$ -</u>	<u>\$ 4,902</u>	<u>\$ (4,421)</u>	<u>\$ -</u>

LAKE RIDGE 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, 2009
 (Continued)

	Title III, Part A 2007-2008	Title III, Part A 2008-2009	LEA's Stimulus	Retiree Severance Bond	Capital Projects
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ 82,008	\$ 1,104,754
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	13,350	89,217	-	-
Total receipts	-	13,350	89,217	82,008	1,104,754
Disbursements:					
Current:					
Instruction	512	11,585	-	-	-
Support services	-	1,765	-	-	876,738
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	363,110
Debt services	-	-	-	103,493	-
Nonprogrammed charges	-	-	-	-	-
Total disbursements	512	13,350	-	103,493	1,239,848
Excess (deficiency) of receipts over disbursements	(512)	-	89,217	(21,485)	(135,094)
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(512)	-	89,217	(21,485)	(135,094)
Cash and investments - beginning	512	-	-	(4,402)	(10,510)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,217</u>	<u>\$ (25,887)</u>	<u>\$ (145,604)</u>
Cash and Investment Assets - Ending					
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,217</u>	<u>\$ (25,887)</u>	<u>\$ (145,604)</u>
Cash and Investment Fund Balance - Ending					
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,217</u>	<u>\$ (25,887)</u>	<u>\$ (145,604)</u>

LAKE RIDGE 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, 2009
 (Continued)

	School Bus Replacement	Common School	Construction	Indiana School Academic Improvement	Totals
Receipts:					
Local sources	\$ 107,313	\$ -	\$ -	\$ -	\$ 1,842,392
Intermediate sources	-	-	-	-	4,713
State sources	-	-	-	-	228,360
Federal sources	-	-	-	-	3,183,564
Total receipts	107,313	-	-	-	5,259,029
Disbursements:					
Current:					
Instruction	-	-	-	-	1,497,595
Support services	-	-	-	-	1,619,101
Noninstructional services	-	-	-	-	1,269,133
Facilities acquisition and construction	-	649,955	3,711	-	1,016,776
Debt services	66,803	-	-	-	170,296
Nonprogrammed charges	-	-	-	-	2,261
Total disbursements	66,803	649,955	3,711	-	5,575,162
Excess (deficiency) of receipts over disbursements	40,510	(649,955)	(3,711)	-	(316,133)
Other financing sources (uses):					
Proceeds of long-term debt	-	649,917	-	-	649,917
Transfers in	-	-	-	-	124,653
Transfers out	-	-	-	-	(124,653)
Total other financing sources (uses)	-	649,917	-	-	649,917
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	40,510	(38)	(3,711)	-	333,784
Cash and investments - beginning	254,027	9,687	439,020	10,579	755,857
Cash and investments - ending	<u>\$ 294,537</u>	<u>\$ 9,649</u>	<u>\$ 435,309</u>	<u>\$ 10,579</u>	<u>\$ 1,089,641</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	<u>\$ 294,537</u>	<u>\$ 9,649</u>	<u>\$ 435,309</u>	<u>\$ 10,579</u>	<u>\$ 1,089,641</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Unrestricted	<u>\$ 294,537</u>	<u>\$ 9,649</u>	<u>\$ 435,309</u>	<u>\$ 10,579</u>	<u>\$ 1,089,641</u>

LAKE RIDGE SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES
 IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2008

	<u>Payroll Withholdings</u>
Additions:	
Agency fund additions	\$ <u>9,354,486</u>
Deductions:	
Agency fund deductions	<u>9,366,703</u>
Deficiency of total additions over total deductions	(12,217)
Cash and investment fund balance - beginning	<u>277,223</u>
Cash and investment fund balance - ending	<u><u>\$ 265,006</u></u>

LAKE RIDGE SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES
 IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2009

	<u>Payroll Withholdings</u>
Additions:	
Agency fund additions	\$ <u>9,600,763</u>
Deductions:	
Agency fund deductions	<u>9,530,887</u>
Excess of total additions over total deductions	69,876
Cash and investment fund balance - beginning	<u>265,006</u>
Cash and investment fund balance - ending	<u><u>\$ 334,882</u></u>

LAKE RIDGE SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 93,028
Buildings	32,312,471
Improvements other than buildings	22,910
Machinery and equipment	904,666
Construction in progress	10,768,550
 Total governmental activities, capital assets not being depreciated	 \$ 44,101,625

LAKE RIDGE SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital lease:		
1993 LRMS and CHS renovations	\$ 1,735,000	\$ 380,000
Notes and loans payable	28,946,413	2,107,101
General obligation pension bonds	<u>850,000</u>	<u>86,935</u>
Total governmental activities debt	<u>\$ 31,531,413</u>	<u>\$ 2,574,036</u>

LAKE RIDGE SCHOOLS
OTHER REPORT

The audit report presented herein was prepared in addition to the official report prepared for Longfellow Elementary School.

LAKE RIDGE SCHOOLS
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn as of June 30, 2008 and 2009:

Fund	2008	2009
Textbook Rental	\$ 67,813	\$ 71,026
Computer Consortium	21,690	-
E-Rate Reimbursement	-	98,927
Title V, Part A 2008-2009	-	9,400
Adult Basic Education 2007-2008	57,078	-
Adult Basic Education 2008-2009	-	26,138
Project Head Start 2003	1,748	1,748
Project Head Start 2008	75,499	3,800
Project Head Start 2009	-	78,249
School To Work	623	623
Title II, Part A 2008-2009	-	4,421
Retiree Severance Bond	4,402	25,887
Capital Projects	10,510	145,604

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

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF ORIGINAL CERTIFIED RECORDS

Records presented for audit to support the ADM claimed by the School Corporation were not the original documents, nor were they certified by the Principals or other building level officials. The records presented were reproduced by the Information Technology Department on the date that they were requested.

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (The School Administrator and Uniform Compliance Guidelines, Volume 123, September 1993, and Volume 142, June 1998)

LAKE RIDGE SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

ACADEMIC HONORS DIPLOMAS - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates that the number of Academic Honors Diplomas on Form Number 30A, Report of Average Daily Membership (ADM) for State Support, was incorrect for the school year ending June 30, 2007.

The number of Academic Honors Diplomas reported was 16; however, supporting documentation confirmed only 14 awarded for the Class of 2007.

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

ADMINISTRATOR SALARY FREEZE

The School Board approved a recommendation on October 12, 2009, to freeze salaries for all administrators and non-exempt employees for the 2009-2010 school year. However, the administrators, except for the Superintendent, received "Step Increment" increases effective August 1, 2009, ranging from 5.31% or \$4,248 for 1 year of service to 0.63% or \$523 for 25 years of service.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ADMINISTRATOR HEALTH INSURANCE BENEFITS

The School Board on October 13, 2008, approved an Administrator Salary Schedule which included health insurance benefits. The approval included payment of 100% of the administrator's health insurance premiums from the General Fund effective August 1, 2008. The affected Administrators included the Assistant Superintendent, Business Manager, Principals, Assistant Principals, and Director of Programs. The Superintendent also receives health insurance without cost as approved in her contract.

Pursuant to IC 5-10-8, a school corporation may contract for group insurance in relation to employees (IC 5-10-8-1 provides that an employee is defined as an individual employed by school corporation either full-time or part-time whose services have continued without interruption at least thirty days), pay part of the cost of such insurance, and provide for withholding the remainder of such costs from the salaries or wages of the participating employees. Group insurance may cover both instructional and non-instructional employees or a person who provides personal services to the unit under contract during the contract period. Retirement annuities and pensions are not included within the definition of "insurance" as used in IC 5-10-8-1. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

Official Opinion 21 issued June 17, 1957, by the Attorney General held that according to IC 19-10-4 (now IC 5-10-8), governmental units may participate in paying for group insurance to any extent short of full payment so long as the requirement regarding the appropriation of funds is fulfilled. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

LAKE RIDGE SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

IC 5-10-8-2.6(c) states in part: "A public employer may pay a part of the cost of group insurance
..."

EMPLOYEE SERVICE AND TIME RECORDS

Employee time, attendance, or service records are not maintained for the school nurse positions.

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 Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE LAKE RIDGE SCHOOLS, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Lake Ridge 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, 2008 and 2009. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether 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, 2008 and 2009.

Internal Control Over Compliance

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

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

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

February 1, 2010

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 270,932	\$ 294,199
National School Lunch Program	10.555		673,293	710,312
Summer Food Service Program for Children	10.559		<u>29,134</u>	<u>11,227</u>
Total for cluster			<u>973,359</u>	<u>1,015,738</u>
Pass-Through Indiana Department of Education Child and Adult Care Food Program After School Snack	10.558		<u>3,609</u>	<u>3,836</u>
Total for federal grantor agency			<u>976,968</u>	<u>1,019,574</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	07-4650	14,776	-
		08-4650	555,472	94,110
		09-4650	<u>-</u>	<u>891,167</u>
Total for cluster			<u>570,248</u>	<u>985,277</u>
Pass-Through Gary Community School Corporation Adult Education - Basic Grants to States	84.002	2007-8013	1,428	-
		2008-8013	82,487	-
		2009-8013	<u>-</u>	<u>79,005</u>
Total for program			<u>83,915</u>	<u>79,005</u>
Pass-Through Indiana Department of Education Safe and Drug Free Schools and Communities - State Grants	84.186	05-280	709	-
		4650-06	18,438	62
		4650-07	<u>-</u>	<u>14,857</u>
Total for program			<u>19,147</u>	<u>14,919</u>
State Grants for Innovative Programs	84.298	05-239	17,461	-
		06-4650	60,719	3,853
		07-4650	-	42,774
		08-4650	<u>-</u>	<u>9,400</u>
Total for program			<u>78,180</u>	<u>56,027</u>
Education Technology State Grants	84.318	2005-2007	5,362	-
		S318X050014	46,546	-
		S318X060014	<u>11,715</u>	<u>3,285</u>
Total for program			<u>63,623</u>	<u>3,285</u>

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

LAKE RIDGE SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education English Language Acquisition Grants	84.365	2006-2007 2007-2008 2008-2009	2,770 15,687 -	- 512 13,350
Total for program			<u>18,457</u>	<u>13,862</u>
Mathematics and Science Partnerships	84.366	08-ISLAND	<u>43,282</u>	<u>87,410</u>
Improving Teacher Quality State Grants	84.367	S367A060013A 05-252 06-4650 07-4650 08-4650	2,500 86,823 75,930 - -	- - 18,736 90,818 4,421
Total for program			<u>165,253</u>	<u>113,975</u>
Total for federal grantor agency			<u>1,042,105</u>	<u>1,353,760</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Geminus Corporation Head Start	93.600	FY 2006 FY 2007 FY 2008 FY 2009	7 192,638 178,259 -	- - 185,206 167,029
Total for federal grantor agency			<u>370,904</u>	<u>352,235</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Disaster #3274-EM	<u>6,729</u>	<u>-</u>
Total federal awards expended			<u>\$ 2,396,706</u>	<u>\$ 2,725,569</u>

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

LAKE RIDGE 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 Lake Ridge 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 School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

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

Program Title or Cluster	2008	2009
Child Nutrition Cluster	\$ 43,163	\$ 50,587

LAKE RIDGE 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
93.600	Child Nutrition Cluster Head Start

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.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

Lake Ridge Head Start

6111 West Ridge Road

Gary, Indiana 46408

219-989-7823

Sandi Sweeney, Director

Finding 2007-2, Allowable costs

Original SBA Audit Report Number B32064

Fiscal Year: 2007

Auditee Contact: Sandi Sweeney, Director of Programs

219-989-7823

STATUS OF FINDING:

Mrs. Sheryl Ginavin Sprague, former director wrote a corrective action plan on March 7, 2008. In the corrective action Mrs. Ginavin said that she would be more careful about expenditures for floral arrangements and be more attentive to assure expenditures were taken from correct line items.

Since I took over in August 2008, floral arrangements for bereavements are done by separate employee collections and any food for staff meetings are taken out of the proper line item. We also have a sign in sheet and minutes to account for the lengthy meetings and a need for a meal .

Signature: _____

Date: _____

Sandi Sweeney
January 7, 2010

Lake Ridge Schools

Office of the Superintendent

Mission Statement: To provide all students opportunities to achieve a quality education.

6111 West Ridge Road, Gary, IN 46408

Phone: 219-838-1819

Fax: 219-989-7802

Web: www.lakeridge.k12.in.us

Finding Number 2007-3

Original SBA Audit Report Number- B32064

Fiscal Year- 2007

Auditee Contact Person- Deborah Over

Title of Contact Person- Food Service Director

Phone Number- 219-989-7812



Status of Finding: Chartwells began managing the Food Service for the Lake Ridge Food Service Division in January of 2008, with Deborah Over as the newly appointed FSD.

The following are the items that were implemented regarding the prior response to the 2006 and 2007 findings. Also, many controls in conjunction with these were implemented to keep Lake Ridge from running in the red.

The Corrective Action Plan that was submitted on 03/10/08, addressed tracking of Pre-Paid Transactions and record keeping. Since the prior audit the District has installed a P.O.S. System, (Nutri-Kids). This system tracks all pre-payments and has the ability to distribute receipting for all prepayments. The P.O.S. System initially was to be installed the week following this audit. We had many network issues to resolve and by the time we worked all of the kinks out, we did two schools each day the first week in April of 2008.

So, as of 04/01/2008 Lake Ridge began utilizing a P.O.S. system which generates all edit check functions, balance of account functions. Also, at the end of each month a revenue report is distributed to the Treasurer and the Business Manager. The revenue report is broken down by building and a total summary of accounts by building.

The revenue is broken down in to different categories for receipting the monthly funds. This has the prepayment information by school. This reports reflects what is collected daily.

SUPERINTENDENT

Sharon Johnson-Shirley, Ed.D.

ASSISTANT SUPERINTENDENT

Janet Flores

ADMINISTRATOR

James Huddleston, Business Manager

BOARD OF SCHOOL TRUSTEES

Ms. Patricia Hernandez
Mrs. Estelle Keck-Becke
Mr. Richard Lowe
Mrs. Beatrice Rice
Mrs. Annette Wells

Lake Ridge Schools

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Missing Paperwork on prior audits was addressed with each Head Cook.
They are held accountable for proper completion of all paperwork and filing
To maintain integrity of documents.

SUPERINTENDENT

Sharon Johnson-Shirley, Ed.D.

ASSISTANT SUPERINTENDENT

Janet Flores

ADMINISTRATOR

James Huddleston, Business Manager

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LAKE RIDGE SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 1, 2010, with Kimberly A. Pusateri, Treasurer; Dr. Sharon Johnson-Shirley, Superintendent of Schools; G. Annette Wells, Vice President of the School Board; and James Huddleston, Business Manager. The official response has been made a part of this report and may be found on pages 64 and 65.

6111 West Ridge Road, Gary, Indiana 46408

Phone: (219) 838-1819

Fax: (219) 989-7802

Web: www.lakeridge.k12.in.us

February 3, 2010

State of Indiana
Indiana State Board of Accounts
Attn: Bruce Hartman
State Examiner
302 West Washington Street
Room E418
Indianapolis, IN 46204-2765

Dear Mr. Hartman:

This letter is in response to the recent audit results concerning our school system.

1. **Average Daily Membership (ADM) Lack of Original Certified Records**

Our school corporation will keep original certified records to support ADM claimed and they will be certified by the building Principals or other building level official.

2. **Academic Honors Diplomas**

Building officials will be contacted and informed that better records should be maintained and submitted to the Central Office for Honors Diploma reporting.

3. **Approved Administrators Salary Freeze**

The intent was to freeze raises and increments as of 10/12/09. It was understood that administrators have already received an increment with the renewal of contracts for the 2009-10 school year. Therefore, the intent was to freeze increments and raises from 10/12/09 and forward.

4. **Administrators Health Insurance Benefits**

The School Board will pass an amended Administrators Salary Schedule to come into compliance with the Indiana Code 5-10-8.

SUPERINTENDENT
Sharon Johnson-Shirley, Ed.D.

ADMINISTRATOR
James Huddleston, Business Manager

BOARD OF SCHOOL TRUSTEES
Ms. Patricia Hernandez
Mrs. Estelle Keck-Becke
Mr. Richard Lowe
Mrs. Beatrice Rice
Mrs. Annette Wells

ASSISTANT SUPERINTENDENT
Janet Flores

5. **Employee Service and Time Records**

Our school nurses will be keeping a daily record of attendance from this point forward.

Sincerely,



Sharon Johnson-Shirley, Ed.D.
Superintendent



Kimberly Pusateri
Treasurer