

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

AUDIT REPORT
OF
RENSELAER CENTRAL SCHOOL CORPORATION
JASPER COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
01/03/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investments 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
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investments Balances – Fiduciary Funds.....	11-12
Notes to Financial Statements	13-22
Required Supplementary Information:	
Schedule of Funding Progress	23
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	24-34
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	35-36
Schedule of Capital Assets.....	37
Schedule of Long-Term Debt	38
Audit Results and Comments:	
Overdrawn Fund Balances	39
Internal Controls	39
Payments to Employees from Extra-Curricular Activity Funds.....	39
Old Outstanding Checks (Warrants).....	40
Use of Form SA-7, Claim for Payments	40
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.....	42-43
Schedule of Expenditures of Federal Awards	44
Notes to Schedule of Expenditures of Federal Awards.....	45
Schedule of Findings and Questioned Costs	46
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	47
Exit Conference.....	48

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dawn D. Claussen	07-01-05 to 06-30-08
Superintendent of Schools	Dr. Steven York	07-01-05 to 06-30-08
President of the School Board	Brian Papak Kristina Phillips	07-01-05 to 06-30-07 07-01-07 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE RENSSELAER CENTRAL
SCHOOL CORPORATION, JASPER COUNTY, INDIANA

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated November 8, 2007, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

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

November 8, 2007



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 RENSSELAER CENTRAL
SCHOOL CORPORATION, JASPER COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rensselaer Central School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated November 8, 2007. 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

November 8, 2007

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

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 5,649,398	\$ -	\$ 85,873	\$ (5,563,525)
Support services	7,482,850	504,355	301,435	(6,677,060)
Community services	204,044	-	-	(204,044)
Nonprogrammed charges	165,080	-	-	(165,080)
Debt service	2,989,857	-	-	(2,989,857)
Total governmental activities	\$ 16,491,229	\$ 504,355	\$ 387,308	(15,599,566)
General receipts:				
Property taxes				6,374,829
Other local sources				1,257,076
State aid				6,326,838
Bonds and loans				1,653,002
Grants and contributions not restricted to specific programs				378,260
Sale of property, adjustments, and refunds				21,402
Investment earnings				149,576
Total general receipts				16,160,983
Change in net assets				561,417
Net assets - beginning				4,514,419
Net assets - ending				\$ 5,075,836
<u>Assets</u>				
Cash and investments				\$ 4,991,112
Restricted assets:				
Cash and investments				84,724
Total assets				\$ 5,075,836
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 84,724
Unrestricted				4,991,112
Total net assets				\$ 5,075,836

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

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

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 5,748,792	\$ -	\$ 68,824	\$ (5,679,968)
Support services	7,619,755	522,851	338,154	(6,758,750)
Community services	202,047	-	-	(202,047)
Nonprogrammed charges	136,451	-	-	(136,451)
Debt service	3,316,196	-	-	(3,316,196)
Total governmental activities	\$ 17,023,241	\$ 522,851	\$ 406,978	(16,093,412)
General receipts:				
Property taxes				4,529,841
Other local sources				1,100,016
State aid				6,643,790
Bonds and loans				3,197,809
Grants and contributions not restricted to specific programs				402,008
Sale of property, adjustments, and refunds				31,122
Investment earnings				240,491
Total general receipts				16,145,077
Change in net assets				51,665
Net assets - beginning				5,075,836
Net assets - ending				\$ 5,127,501
<u>Assets</u>				
Cash and investments				\$ 5,417,530
Restricted assets:				
Cash and investments				(290,029)
Total assets				\$ 5,127,501
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (290,029)
Unrestricted				5,417,530
Total net assets				\$ 5,127,501

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

RENSSELAER CENTRAL SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 4,347,648	\$ 552,590	\$ 1,053,723	\$ 1,381,285	\$ 136,086	\$ 812,787	\$ 8,284,119
Intermediate sources	1,717	-	-	-	-	-	1,717
State sources	6,398,278	-	-	-	-	140,729	6,539,007
Federal sources	-	-	-	-	-	553,399	553,399
Bonds and loans	1,556,554	96,448	-	-	-	-	1,653,002
Sale of property, adjustments and refunds	8,821	1,856	-	2,297	-	8,428	21,402
Total receipts	12,313,018	650,894	1,053,723	1,383,582	136,086	1,515,343	17,052,646
Disbursements:							
Current:							
Instruction	5,352,101	-	-	-	-	297,297	5,649,398
Support services	5,086,890	565,777	-	673,826	132,486	1,023,871	7,482,850
Community services	203,097	-	-	-	-	947	204,044
Nonprogrammed charges	80,077	-	-	-	-	85,003	165,080
Debt services	1,593,105	59,421	1,084,000	-	-	253,331	2,989,857
Total disbursements	12,315,270	625,198	1,084,000	673,826	132,486	1,660,449	16,491,229
Excess (deficiency) of receipts over disbursements	(2,252)	25,696	(30,277)	709,756	3,600	(145,106)	561,417
Other financing sources (uses):							
Transfers in	-	-	-	-	-	62,804	62,804
Transfers out	(24,595)	(2,832)	(5,422)	(5,480)	(722)	(23,753)	(62,804)
Total other financing sources (uses)	(24,595)	(2,832)	(5,422)	(5,480)	(722)	39,051	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26,847)	22,864	(35,699)	704,276	2,878	(106,055)	561,417
Cash and investments - beginning	1,394,276	189,836	122,188	1,935,405	(44,788)	917,502	4,514,419
Cash and investments - ending	\$ 1,367,429	\$ 212,700	\$ 86,489	\$ 2,639,681	\$ (41,910)	\$ 811,447	\$ 5,075,836
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,367,429	\$ 212,700	\$ -	\$ 2,639,681	\$ (41,910)	\$ 813,212	\$ 4,991,112
Restricted assets:							
Cash and investments	-	-	86,489	-	-	(1,765)	84,724
Total cash and investment assets - ending	\$ 1,367,429	\$ 212,700	\$ 86,489	\$ 2,639,681	\$ (41,910)	\$ 811,447	\$ 5,075,836
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ 86,489	\$ -	\$ -	\$ (1,765)	\$ 84,724
Unrestricted	1,367,429	212,700	-	2,639,681	(41,910)	813,212	4,991,112
Total cash and investment fund balance - ending	\$ 1,367,429	\$ 212,700	\$ 86,489	\$ 2,639,681	\$ (41,910)	\$ 811,447	\$ 5,075,836

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

RENSSELAER CENTRAL SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 3,139,728	\$ 410,996	\$ 782,461	\$ 1,250,369	\$ 98,736	\$ 709,765	\$ 6,392,055
Intermediate sources	1,145	-	-	-	-	-	1,145
State sources	6,698,631	-	-	-	-	189,895	6,888,526
Federal sources	-	-	-	-	-	564,249	564,249
Bonds and loans	2,999,908	197,901	-	-	-	-	3,197,809
Sale of property, adjustments and refunds	11,126	446	5,590	775	-	13,185	31,122
Total receipts	12,850,538	609,343	788,051	1,251,144	98,736	1,477,094	17,074,906
Disbursements:							
Current:							
Instruction	5,391,188	-	-	-	-	357,604	5,748,792
Support services	4,943,233	564,470	-	1,127,041	132,880	852,131	7,619,755
Community services	199,207	-	-	-	-	2,840	202,047
Nonprogrammed charges	65,641	-	-	-	-	70,810	136,451
Debt services	1,877,200	99,462	1,087,000	-	-	252,534	3,316,196
Total disbursements	12,476,469	663,932	1,087,000	1,127,041	132,880	1,535,919	17,023,241
Excess (deficiency) of receipts over disbursements	374,069	(54,589)	(298,949)	124,103	(34,144)	(58,825)	51,665
Other financing sources (uses):							
Transfers in	-	-	-	-	-	173,191	173,191
Transfers out	-	-	-	(150,000)	-	(23,191)	(173,191)
Total other financing sources (uses)	-	-	-	(150,000)	-	150,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	374,069	(54,589)	(298,949)	(25,897)	(34,144)	91,175	51,665
Cash and investments - beginning	1,367,429	212,700	86,489	2,639,681	(41,910)	811,447	5,075,836
Cash and investments - ending	\$ 1,741,498	\$ 158,111	\$ (212,460)	\$ 2,613,784	\$ (76,054)	\$ 902,622	\$ 5,127,501
Cash and Investment Assets - Ending							
Cash and investments	\$ 1,741,498	\$ 158,111	\$ -	\$ 2,613,784	\$ (76,054)	\$ 980,191	\$ 5,417,530
Restricted assets:							
Cash and investments	-	-	(212,460)	-	-	(77,569)	(290,029)
Total cash and investment assets - ending	\$ 1,741,498	\$ 158,111	\$ (212,460)	\$ 2,613,784	\$ (76,054)	\$ 902,622	\$ 5,127,501
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ (212,460)	\$ -	\$ -	\$ (77,569)	\$ (290,029)
Unrestricted	1,741,498	158,111	-	2,613,784	(76,054)	980,191	5,417,530
Total cash and investment fund balance - ending	\$ 1,741,498	\$ 158,111	\$ (212,460)	\$ 2,613,784	\$ (76,054)	\$ 902,622	\$ 5,127,501

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

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

	Pension Trust Funds	Private Purpose Trust Funds
Additions:		
Contributions:		
Other	\$ -	\$ 38,844
Deductions:		
Administrative and general	-	40,313
Deficiency of total additions over total deductions	-	(1,469)
Cash and investment fund balance - beginning	469,639	3,747
Cash and investment fund balance - ending	\$ 469,639	\$ 2,278
Net Assets:		
Cash and investments	\$ 469,639	\$ 2,278
Total net assets - cash and investment basis held in trust	\$ 469,639	\$ 2,278

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

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

	Pension Trust Funds	Private Purpose Trust Funds
Additions:		
Contributions:		
Other	\$ -	\$ 50,127
Deductions:		
Benefits	9,634	-
Administrative and general	-	50,385
Total deductions	9,634	50,385
Deficiency of total additions over total deductions	(9,634)	(258)
Cash and investment fund balance - beginning	469,639	2,278
Cash and investment fund balance - ending	\$ 460,005	\$ 2,020
Net Assets:		
Cash and investments	\$ 460,005	\$ 2,020
Total net assets - cash and investment basis held in trust	\$ 460,005	\$ 2,020

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Primary Government: Rensselaer Central School Corporation

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

Joint Venture

The School Corporation is a participant with several other school corporations in a joint venture to operate the Indian Trails Career Cooperative which was created to engage in the joint employment of personnel and joint purchases of supplies, equipment, and facilities to provide programs and services for vocational education. The Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Cooperative can be obtained from the local educational agency (Twin Lakes School Corporation) at 565 South Main Street, Monticello, Indiana, 47960.

The School Corporation is a participant with several other schools in a joint venture to operate the Cooperative School Services for Special Education which was created to provide special education services to handicapped children. The School Corporation is obligated by contract to remit annually the actual direct cost necessary to operate this program. The Cooperative School Service for Special Education pays its surplus to the participants. The Cooperative School Service for Special Education continued existence depends on continued funding by the School Corporation. The School Corporations are obligated for the debts of the Cooperative School Service for Special Education. Complete financial statements for the Cooperative School Service for Special Education can be obtained from the local education agency (West Central School Corporation) at 117 East Montgomery Street, Box 578, Francesville, Indiana, 47946.

The School Corporation is a participant with several other schools in a joint venture to operate the Northwest Indiana Educational Service Center and was created to engage in joint programs for purchases. The School Corporation is obligated by contract to remit an amount (rate determined annually) per student to supplement the Northwest Indiana Educational Service Center. The Northwest Indiana Educational Service Center pays its surplus to the participants. The Northwest Indiana Educational Service Center's continued existence depends on continued funding by the School Corporation. The participating School Corporations are obligated for the debts of the Northwest Indiana Educational Service Center. Complete financial statements for the Northwest Indiana Educational Service Center can be obtained from the administrative office at 2939 41st Street, Highland, Indiana, 46322.

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets - Cash and Investments 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, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

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

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

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

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

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

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the retirement/severance bond fund, which accumulate resources for pension benefit payments.

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

C. Measurement Focus and Basis of Accounting

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. 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. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

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.

3. Compensated Absences

a. Sick Leave

Certified employees earn sick leave at the rate of 10 days per year for the first 2 years of service and 7 days for each year thereafter. Unused sick leave may be accumulated to a maximum of 135 days. Accumulated sick leave is not paid to employees upon termination.

Noncertified employees earn sick leave at the rates of 5 to 10 days per year, based upon classification. Unused sick leave may be accumulated to a maximum of 70 to 135 days, depending upon classification. Accumulated sick leave is paid to employees through cash payments upon termination, after meeting age 62 and length of service requirement of 20 years.

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 10 days to 20 days per year, based upon classification and the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

Certified School Corporation employees earn personal leave at the rate of 3 days per year. Personal leave accumulates to a maximum of 6 days; any days over 6 go into sick leave.

Noncertified School Corporation employees earn personal leave at the rate of 1 or 2 days per year, depending upon classification. Personal leave accumulates to a maximum of 4 days; any days over 4 go into sick leave.

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

Governmental fund equity is classified as fund balance.

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions. 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 and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

RENSELAER CENTRAL SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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

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

B. Cash and Investment Balance Deficits

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

Fund	2005-2006	2006-2007
Debt Service	\$ -	\$ 212,460
School Bus Replacement	41,910	76,054
Retirement/Severance Bond	1,765	77,569
Textbook Rental	88,749	118,856
Workforce Development	2,197	-

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

III. Detailed Notes on All Funds

A. Deposits

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

B. Interfund Transfers

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

RENSELAEER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005-2006</u>	<u>2006-2007</u>
General Fund	Other governmental	\$ 24,595	\$ -
Transportation Operating	Other governmental	2,832	-
Debt Service	Other governmental	5,422	-
Capital Projects	Other governmental	5,480	150,000
School Bus Replacement	Other governmental	722	-
Other governmental	Other governmental	<u>23,753</u>	<u>23,191</u>
Totals		<u>\$ 62,804</u>	<u>\$ 173,191</u>

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

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Job Related Illness or Injuries to Employees

During 2002, the School Corporation joined together with other governmental entities to form the Indiana Public Employers' Plan (IPEP), a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of workman's compensation benefits. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Holding Corporations

The School Corporation has entered into capital leases with Van Rensselaer Elementary School Building Corporation and the Rensselaer Central High School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related party of the School Corporation. Lease payments during the years 2005-2006 and 2006-2007 totaled \$1,084,000 and \$1,087,000, respectively.

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 56 with at least 15 years of service. Currently, 14 retirees meet these eligibility requirements. The School Corporation and retirees provides 52% and 48%, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$26,236 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 44,629
Interest on net pension obligation	(5,702)
Adjustment to annual required contribution	6,498
Annual pension cost	45,425
Contributions made	50,051
Decrease in net pension obligation	(4,626)
Net pension obligation, beginning of year	(78,649)
Net pension obligation, end of year	\$ (83,275)
Contribution rates:	
School Corporation	7%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

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

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 49,572	123%	\$ (66,347)
	06-30-05	43,774	128%	(78,649)
	06-30-06	45,425	114%	(83,275)

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

Plan members are required to contribute 3% of their salary and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$241,428, \$207,956, and \$196,696, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

RENSELAER CENTRAL SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 746,872	\$ 838,411	\$ (91,539)	89%	\$ 748,196	(12%)
07-01-05	792,129	869,877	(77,748)	91%	765,603	(10%)
07-01-06	666,472	850,774	(184,302)	78%	697,757	(26%)

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

	Pre-School Special Education	Rainy Day	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education
Receipts:							
Local sources	\$ 52,654	\$ -	\$ 402,454	\$ 101,900	\$ -	\$ 713	\$ -
State sources	69,787	-	10,834	24,210	-	-	5,622
Federal sources	-	-	261,388	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	430	-	-	-
Total receipts	122,441	-	674,676	126,540	-	713	5,622
Disbursements:							
Current:							
Instruction	37,225	-	-	-	-	-	1,994
Support services	10,562	-	653,349	209,825	72,684	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	85,003	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	132,790	-	653,349	209,825	72,684	-	1,994
Excess (deficiency) of receipts over disbursements	(10,349)	-	21,327	(83,285)	(72,684)	713	3,628
Other financing sources (uses):							
Transfers in	-	-	-	-	40,590	-	-
Transfers out	(76)	-	-	-	-	-	-
Total other financing sources (uses)	(76)	-	-	-	40,590	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,425)	-	21,327	(83,285)	(32,094)	713	3,628
Cash and investments - beginning	156,853	186,750	375,926	(5,464)	72,684	613	2,151
Cash and investments - ending	<u>\$ 146,428</u>	<u>\$ 186,750</u>	<u>\$ 397,253</u>	<u>\$ (88,749)</u>	<u>\$ 40,590</u>	<u>\$ 1,326</u>	<u>\$ 5,779</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 146,428	\$ 186,750	\$ 397,253	\$ (88,749)	\$ 40,590	\$ 1,326	\$ 5,779
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 146,428	\$ 186,750	\$ 397,253	\$ (88,749)	\$ 40,590	\$ 1,326	\$ 5,779
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	146,428	186,750	397,253	(88,749)	40,590	1,326	5,779
Total cash and investment fund balance - ending	\$ 146,428	\$ 186,750	\$ 397,253	\$ (88,749)	\$ 40,590	\$ 1,326	\$ 5,779

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

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

	School Safe Haven	Early Intervention	Conservation Program	Gifted/Talented 04/05	Gifted/Talented 05/06	Drug Free Communities	Medicaid Reimbursement
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	3,603	2,500	-	-	13,435	-	1,740
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	950	-
Total receipts	3,603	2,500	-	-	13,435	950	1,740
Disbursements:							
Current:							
Instruction	-	2,500	-	894	7,298	400	-
Support services	993	-	-	-	3,000	-	5,628
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	993	2,500	-	894	10,298	400	5,628
Excess (deficiency) of receipts over disbursements	2,610	-	-	(894)	3,137	550	(3,888)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,610	-	-	(894)	3,137	550	(3,888)
Cash and investments - beginning	764	-	313	894	-	400	4,306
Cash and investments - ending	\$ 3,374	\$ -	\$ 313	\$ -	\$ 3,137	\$ 950	\$ 418
Cash and Investment Assets - Ending							
Cash and investments	\$ 3,374	\$ -	\$ 313	\$ -	\$ 3,137	\$ 950	\$ 418
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,374	\$ -	\$ 313	\$ -	\$ 3,137	\$ 950	\$ 418
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,374	-	313	-	3,137	950	418
Total cash and investment fund balance - ending	\$ 3,374	\$ -	\$ 313	\$ -	\$ 3,137	\$ 950	\$ 418

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

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

	Non-English Speaking Program	Tech Grants	Tobacco Cessation Grant	Donaldson Foundation	Cultural Competency Grant	Title I 04/05	Title I 05/06
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	998	-	-	-	2,000	-	-
Federal sources	-	-	-	-	-	-	178,378
Sale of property, adjustments and refunds	-	36	-	7,012	-	-	-
Total receipts	998	36	-	7,012	2,000	-	178,378
Disbursements:							
Current:							
Instruction	-	-	-	4,407	2,000	9,237	131,584
Support services	-	4,710	-	-	-	5,389	28,307
Community services	-	-	-	-	-	275	672
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	-	4,710	-	4,407	2,000	14,901	160,563
Excess (deficiency) of receipts over disbursements	998	(4,674)	-	2,605	-	(14,901)	17,815
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	22,214
Transfers out	-	-	-	-	-	(22,214)	-
Total other financing sources (uses)	-	-	-	-	-	(22,214)	22,214
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	998	(4,674)	-	2,605	-	(37,115)	40,029
Cash and investments - beginning	1,166	10,333	81	3,297	-	37,115	-
Cash and investments - ending	\$ 2,164	\$ 5,659	\$ 81	\$ 5,902	\$ -	\$ -	\$ 40,029
Cash and Investment Assets - Ending							
Cash and investments	\$ 2,164	\$ 5,659	\$ 81	\$ 5,902	\$ -	\$ -	\$ 40,029
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,164	\$ 5,659	\$ 81	\$ 5,902	\$ -	\$ -	\$ 40,029
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,164	5,659	81	5,902	-	-	40,029
Total cash and investment fund balance - ending	\$ 2,164	\$ 5,659	\$ 81	\$ 5,902	\$ -	\$ -	\$ 40,029

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

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

	Chapter II Perkins Vocational	Title V Innovative Programs 04/05	Title V Innovative Programs 05/06	Drug Free School 03/04	Drug Free School 04/05	County Drug Free Grant	High School to Work
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	4,000	2,000
Federal sources	14,000	-	5,985	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	14,000	-	5,985	-	-	4,000	2,000
Disbursements:							
Current:							
Instruction	11,121	-	-	1,818	5,112	-	2,378
Support services	851	5,650	2,073	-	-	2,375	159
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	11,972	5,650	2,073	1,818	5,112	2,375	2,537
Excess (deficiency) of receipts over disbursements	2,028	(5,650)	3,912	(1,818)	(5,112)	1,625	(537)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,028	(5,650)	3,912	(1,818)	(5,112)	1,625	(537)
Cash and investments - beginning	18,290	6,449	-	1,818	6,867	215	538
Cash and investments - ending	\$ 20,318	\$ 799	\$ 3,912	\$ -	\$ 1,755	\$ 1,840	\$ 1
Cash and Investment Assets - Ending							
Cash and investments	\$ 20,318	\$ 799	\$ 3,912	\$ -	\$ 1,755	\$ 1,840	\$ 1
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 20,318	\$ 799	\$ 3,912	\$ -	\$ 1,755	\$ 1,840	\$ 1
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	20,318	799	3,912	-	1,755	1,840	1
Total cash and investment fund balance - ending	\$ 20,318	\$ 799	\$ 3,912	\$ -	\$ 1,755	\$ 1,840	\$ 1

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

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

	Medicaid Reimbursement Federal	Title II Part A	Title II Part D	Title III Consortium	Retirement/ Severance Bond Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 255,066	\$ 812,787
State sources	-	-	-	-	-	140,729
Federal sources	3,263	81,337	3,654	5,394	-	553,399
Sale of property, adjustments and refunds	-	-	-	-	-	8,428
Total receipts	3,263	81,337	3,654	5,394	255,066	1,515,343
Disbursements:						
Current:						
Instruction	-	65,244	9,496	4,589	-	297,297
Support services	10,709	7,607	-	-	-	1,023,871
Community services	-	-	-	-	-	947
Nonprogrammed charges	-	-	-	-	-	85,003
Debt services	-	-	-	-	253,331	253,331
Total disbursements	10,709	72,851	9,496	4,589	253,331	1,660,449
Excess (deficiency) of receipts over disbursements	(7,446)	8,486	(5,842)	805	1,735	(145,106)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	62,804
Transfers out	-	-	-	-	(1,463)	(23,753)
Total other financing sources (uses)	-	-	-	-	(1,463)	39,051
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,446)	8,486	(5,842)	805	272	(106,055)
Cash and investments - beginning	7,779	22,516	6,603	282	(2,037)	917,502
Cash and investments - ending	<u>\$ 333</u>	<u>\$ 31,002</u>	<u>\$ 761</u>	<u>\$ 1,087</u>	<u>\$ (1,765)</u>	<u>\$ 811,447</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 333	\$ 31,002	\$ 761	\$ 1,087	\$ -	\$ 813,212
Restricted assets:						
Cash and investments	-	-	-	-	(1,765)	(1,765)
Total cash and investment assets - ending	\$ 333	\$ 31,002	\$ 761	\$ 1,087	\$ (1,765)	\$ 811,447
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	(1,765)	(1,765)
Unrestricted	333	31,002	761	1,087	-	813,212
Total cash and investment fund balance - ending	\$ 333	\$ 31,002	\$ 761	\$ 1,087	\$ (1,765)	\$ 811,447

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

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

	Pre-School Special Education	Rainy Day	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education
Receipts:							
Local sources	\$ 9,172	\$ -	\$ 409,222	\$ 113,628	\$ -	\$ 1,013	\$ -
State sources	58,430	-	10,929	24,819	-	-	4,966
Federal sources	-	-	301,328	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	67,602	-	721,479	138,447	-	1,013	4,966
Disbursements:							
Current:							
Instruction	42,626	-	-	-	-	-	6,059
Support services	6,110	-	626,690	168,560	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	70,810	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Total disbursements	119,546	-	626,690	168,560	-	-	6,059
Excess (deficiency) of receipts over disbursements	(51,944)	-	94,789	(30,113)	-	1,013	(1,093)
Other financing sources (uses):							
Transfers in	-	150,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	150,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(51,944)	150,000	94,789	(30,113)	-	1,013	(1,093)
Cash and investments - beginning	146,427	186,750	397,253	(88,743)	40,590	1,326	5,779
Cash and investments - ending	\$ 94,483	\$ 336,750	\$ 492,042	\$ (118,856)	\$ 40,590	\$ 2,339	\$ 4,686
Cash and Investment Assets - Ending							
Cash and investments	\$ 94,483	\$ 336,750	\$ 492,042	\$ (118,856)	\$ 40,590	\$ 2,339	\$ 4,686
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 94,483	\$ 336,750	\$ 492,042	\$ (118,856)	\$ 40,590	\$ 2,339	\$ 4,686
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	94,483	336,750	492,042	(118,856)	40,590	2,339	4,686
Total cash and investment fund balance - ending	\$ 94,483	\$ 336,750	\$ 492,042	\$ (118,856)	\$ 40,590	\$ 2,339	\$ 4,686

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

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

	School Safe Haven	Early Intervention	Conservation Program	Gifted/Talented 05/06	Gifted/Talented 06/07	Economic Education Mini-Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	8,744	60,000	-	-	13,435	750
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	8,744	60,000	-	-	13,435	750
Disbursements:						
Current:						
Instruction	352	60,000	313	3,137	5,761	741
Support services	2,610	-	-	-	3,000	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	2,962	60,000	313	3,137	8,761	741
Excess (deficiency) of receipts over disbursements	5,782	-	(313)	(3,137)	4,674	9
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,782	-	(313)	(3,137)	4,674	9
Cash and investments - beginning	3,373	-	313	3,137	-	-
Cash and investments - ending	9,155	-	-	-	4,674	9
Cash and Investment Assets - Ending						
Cash and investments	\$ 9,155	\$ -	\$ -	\$ -	\$ 4,674	\$ 9
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	9,155	-	-	-	4,674	9
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	9,155	-	-	-	4,674	9
Total cash and investment fund balance - ending	9,155	-	-	-	4,674	9

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

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

	Drug Free Communities	Medicaid Reimbursement	Non-English Speaking Program	Tech Grants	Tobacco Cessation Grant	Donaldson Foundation
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	1,400	375	547	-	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	10,050	-	19
Total receipts	<u>1,400</u>	<u>375</u>	<u>547</u>	<u>10,050</u>	<u>-</u>	<u>19</u>
Disbursements:						
Current:						
Instruction	222	-	-	-	81	2,485
Support services	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	<u>222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>2,485</u>
Excess (deficiency) of receipts over disbursements	<u>1,178</u>	<u>375</u>	<u>547</u>	<u>10,050</u>	<u>(81)</u>	<u>(2,466)</u>
Other financing sources (uses):						
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>1,178</u>	<u>375</u>	<u>547</u>	<u>10,050</u>	<u>(81)</u>	<u>(2,466)</u>
Cash and investments - beginning	950	418	2,163	5,658	81	5,902
Cash and investments - ending	<u>\$ 2,128</u>	<u>\$ 793</u>	<u>\$ 2,710</u>	<u>\$ 15,708</u>	<u>\$ -</u>	<u>\$ 3,436</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,128	\$ 793	\$ 2,710	\$ 15,708	\$ -	\$ 3,436
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,128</u>	<u>\$ 793</u>	<u>\$ 2,710</u>	<u>\$ 15,708</u>	<u>\$ -</u>	<u>\$ 3,436</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,128	793	2,710	15,708	-	3,436
Total cash and investment fund balance - ending	<u>\$ 2,128</u>	<u>\$ 793</u>	<u>\$ 2,710</u>	<u>\$ 15,708</u>	<u>\$ -</u>	<u>\$ 3,436</u>

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

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

	Cultural Competency Grant	ISTA Medical Reimbursement	Title I 05/06	Title I 06/07	Chapter II Perkins Vocational	Title V Innovative Programs 04/05
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-
Federal sources	-	-	-	202,498	14,000	-
Sale of property, adjustments and refunds	-	3,116	-	-	-	-
Total receipts	-	3,116	-	202,498	14,000	-
Disbursements:						
Current:						
Instruction	-	-	14,228	146,994	11,230	-
Support services	-	-	2,610	28,778	859	799
Community services	-	-	-	2,840	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	-	-	16,838	178,612	12,089	799
Excess (deficiency) of receipts over disbursements	-	3,116	(16,838)	23,886	1,911	(799)
Other financing sources (uses):						
Transfers in	-	-	-	23,191	-	-
Transfers out	-	-	(23,191)	-	-	-
Total other financing sources (uses)	-	-	(23,191)	23,191	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,116	(40,029)	47,077	1,911	(799)
Cash and investments - beginning	-	-	40,029	-	20,318	799
Cash and investments - ending	\$ -	\$ 3,116	\$ -	\$ 47,077	\$ 22,229	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 3,116	\$ -	\$ 47,077	\$ 22,229	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 3,116	\$ -	\$ 47,077	\$ 22,229	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,116	-	47,077	22,229	-
Total cash and investment fund balance - ending	\$ -	\$ 3,116	\$ -	\$ 47,077	\$ 22,229	\$ -

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

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

	Title V Innovative Programs 05/06	Title V Innovative Programs 06/07	Drug Free School 04/05	Drug Free School 05/06	County Drug Free Grant	High School to Work
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	3,000	2,500
Federal sources	-	3,027	-	7,717	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	3,027	-	7,717	3,000	2,500
Disbursements:						
Current:						
Instruction	-	-	1,755	4,365	-	-
Support services	2,769	449	-	-	3,000	-
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Total disbursements	2,769	449	1,755	4,365	3,000	-
Excess (deficiency) of receipts over disbursements	(2,769)	2,578	(1,755)	3,352	-	2,500
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,769)	2,578	(1,755)	3,352	-	2,500
Cash and investments - beginning	3,912	-	1,755	-	1,840	-
Cash and investments - ending	\$ 1,143	\$ 2,578	\$ -	\$ 3,352	\$ 1,840	\$ 2,500
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,143	\$ 2,578	\$ -	\$ 3,352	\$ 1,840	\$ 2,500
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,143	\$ 2,578	\$ -	\$ 3,352	\$ 1,840	\$ 2,500
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,143	2,578	-	3,352	1,840	2,500
Total cash and investment fund balance - ending	\$ 1,143	\$ 2,578	\$ -	\$ 3,352	\$ 1,840	\$ 2,500

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

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

	Medicaid Reimbursement Federal	Title II Part A	Title II Part D	Title III Consortium	Retirement/ Severance Bond Fund	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 176,730	\$ 709,765
State sources	-	-	-	-	-	189,895
Federal sources	703	26,923	-	8,053	-	564,249
Sale of property, adjustments and refunds	-	-	-	-	-	13,185
Total receipts	703	26,923	-	8,053	176,730	1,477,094
Disbursements:						
Current:						
Instruction	-	47,354	761	9,140	-	357,604
Support services	10	5,887	-	-	-	852,131
Community services	-	-	-	-	-	2,840
Nonprogrammed charges	-	-	-	-	-	70,810
Debt services	-	-	-	-	252,534	252,534
Total disbursements	10	53,241	761	9,140	252,534	1,535,919
Excess (deficiency) of receipts over disbursements	693	(26,318)	(761)	(1,087)	(75,804)	(58,825)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	173,191
Transfers out	-	-	-	-	-	(23,191)
Total other financing sources (uses)	-	-	-	-	-	150,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	693	(26,318)	(761)	(1,087)	(75,804)	91,175
Cash and investments - beginning	333	31,001	761	1,087	(1,765)	811,447
Cash and investments - ending	<u>\$ 1,026</u>	<u>\$ 4,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (77,569)</u>	<u>\$ 902,622</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,026	\$ 4,683	\$ -	\$ -	\$ -	\$ 980,191
Restricted assets:						
Cash and investments	-	-	-	-	(77,569)	(77,569)
Total cash and investment assets - ending	<u>\$ 1,026</u>	<u>\$ 4,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (77,569)</u>	<u>\$ 902,622</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	(77,569)	(77,569)
Unrestricted	1,026	4,683	-	-	-	980,191
Total cash and investment fund balance - ending	<u>\$ 1,026</u>	<u>\$ 4,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (77,569)</u>	<u>\$ 902,622</u>

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

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006

	Van 4th Grade Book	Jasper Co. REMC	Jasper Foundation	Workforce CM 05/06	Indian Trials	Workforce CM 04/05	Northwest Indiana Solid Waste Grant	Totals
Additions:								
Contributions:								
Other	\$ 395	\$ 1,550	\$ 1,800	\$ 20,226	\$ 763	\$ 14,110	\$ -	\$ 38,844
Deductions:								
Administrative and general	378	1,524	2,088	22,423	763	13,090	47	40,313
Excess (deficiency) of total additions over total deductions	17	26	(288)	(2,197)	-	1,020	(47)	(1,469)
Cash and investment fund balance - beginning	-	1,000	1,500	-	-	1,200	47	3,747
Cash and Investments - June 30	<u>\$ 17</u>	<u>\$ 1,026</u>	<u>\$ 1,212</u>	<u>\$ (2,197)</u>	<u>\$ -</u>	<u>\$ 2,220</u>	<u>\$ -</u>	<u>\$ 2,278</u>
Net Assets:								
Cash and investments	\$ 17	\$ 1,026	\$ 1,212	\$ (2,197)	\$ -	\$ 2,220	\$ -	\$ 2,278
Total net assets - cash and investment basis held in trust	<u>\$ 17</u>	<u>\$ 1,026</u>	<u>\$ 1,212</u>	<u>\$ (2,197)</u>	<u>\$ -</u>	<u>\$ 2,220</u>	<u>\$ -</u>	<u>\$ 2,278</u>

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Van 4th Grade Book	Jasper Co. REMC	Jasper Foundation	Workforce CM 05/06	Workforce CM 04/05	Workforce CM 06/07	Northwest Indiana Solid Waste Grant	Totals
Additions:								
Contributions:								
Other	\$ -	\$ 2,977	\$ 5,795	\$ 19,774	\$ -	\$ 20,763	\$ 818	\$ 50,127
Deductions:								
Administrative and general	17	4,003	4,987	17,577	2,220	20,763	818	50,385
Excess (deficiency) of total additions over total deductions	(17)	(1,026)	808	2,197	(2,220)	-	-	(258)
Cash and investment fund balance - beginning	17	1,026	1,212	(2,197)	2,220	-	-	2,278
Cash and Investments - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,020</u>
Net Assts								
Cash and investments	\$ -	\$ -	\$ 2,020	\$ -	\$ -	\$ -	\$ -	\$ 2,020
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,020</u>

RENSSELAER CENTRAL SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2007

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 366,152
Buildings	23,727,412
Machinery and equipment	<u>2,698,436</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 26,792,000</u>

RENNELAER CENTRAL SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2007

Description of Debt	Ending Principal Balance	Principal Due Within One Year
Governmental Activities:		
Capital leases:		
School buildings	\$ 5,875,000	\$ 845,000
Bonds payable:		
General obligation bonds:		
School severance funding	<u>1,580,000</u>	<u>180,000</u>
Total governmental activities debt	<u>\$ 7,455,000</u>	<u>\$ 1,025,000</u>

RENSELAEER CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Retirement/Severance Bond Fund, School Bus Replacement Fund, Textbook Rental Fund and the Workforce CM 05-06 Fund were overdrawn in 2005-2006. The Debt Service Fund, Retirement/Severance Bond Fund, School Bus Replacement Fund and Textbook Rental Fund were overdrawn in 2006-2007.

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

INTERNAL CONTROLS - Applies to Rensselaer Central High School

Controls for receipts generated by the Extra-Curricular activities are insufficient. Money collected by the Athletic Department and class sponsors are placed in individual envelopes and left with the Extra-Curricular Treasurer. Included in each envelope is a signed slip showing the date and total collected. The money is counted by the Extra-Curricular Treasurer up to a week later, then official receipts are written and a deposit is made.

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

PAYMENT TO EMPLOYEES FROM EXTRA-CURRICULAR ACTIVITY FUNDS –
Applies to Rensselaer Central High School

Payments to School Corporation employees working at Extra-Curricular activity events were made by vendor checks rather than through a payroll system.

Pay of teachers and other personnel for service at interscholastic athletic events such as ticket takers, scoreboard personnel, etc., are expenses of the Athletic Fund of the Extra-Curricular Account. Pay of concession stand supervisors and of ticket takers, etc., for fine arts events should be paid from the proceeds of the activity sponsoring these events. Payment to all such personnel must be by way of a payroll. If an extra-curricular payroll is not maintained, the payments may be made a part of the corporation payroll and charged to a school corporation General Fund appropriation; however, the General Fund must be reimbursed for such payment by the activity which the employees served. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

RENSELAER CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

OLD OUTSTANDING CHECKS (WARRANTS) - Applies to Rensselaer Middle School

Our review of the bank reconcilements as of May 31, 2007, revealed checks outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states in part: "Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states: "(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks. (b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

USE OF FORM SA-7, CLAIM FOR PAYMENT - Applies to Rensselaer Central High School

Claim forms do not contain all information necessary to constitute a valid claim. Signatures were not evident on SA-7 claim forms reviewed.

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

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 RENSSELAER CENTRAL
SCHOOL CORPORATION, JASPER COUNTY, INDIANA

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether 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, 2006 and 2007.

Internal Control Over Compliance

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

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

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

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

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

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

November 8, 2007

RENSELAER CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 54,853	\$ 63,488
National School Lunch Program	10.555		<u>220,735</u>	<u>271,217</u>
Total for Cluster			<u>275,588</u>	<u>334,705</u>
Total for federal grantor agency			<u>275,588</u>	<u>334,705</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education Title I Grants to Local Educational Agencies	84.010			
		FY 2004-2005	14,901	-
		FY 2005-2006	160,563	16,838
		FY 2006-2007	<u>-</u>	<u>178,612</u>
Total for program			<u>175,464</u>	<u>195,450</u>
Vocational Education - Basic Grants to States	84.048			
		07-1303-3815	<u>2,538</u>	<u>-</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
		03-158	1,818	-
		04-084	5,112	1,755
		05-192	<u>-</u>	<u>4,365</u>
Total for program			<u>6,930</u>	<u>6,120</u>
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243			
		TP-4-92	13,090	2,220
		TP-5-92	22,423	17,577
		TP-6-92	<u>-</u>	<u>20,763</u>
Total for program			<u>35,513</u>	<u>40,560</u>
Pass-Through Indiana Department of Education State Grants for Innovative Programs	84.298			
		04-060	5,650	798
		05-046	2,073	2,769
		06-3815	<u>-</u>	<u>449</u>
Total for program			<u>7,723</u>	<u>4,016</u>
Education Technology State Grants	84.318			
			<u>9,496</u>	<u>761</u>
Improving Teacher Quality State Grants	84.367			
		06-3815	<u>72,851</u>	<u>53,240</u>
Total for federal grantor agency			<u>184,932</u>	<u>201,570</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			
		3274	<u>-</u>	<u>4,023</u>
Total federal awards expended			<u>\$ 586,103</u>	<u>\$ 638,875</u>

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

RENSSELAER CENTRAL SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2005-2006	2006-2007
National School Lunch Program	10.555	\$ 27,779	\$ 35,286

RENSELAER CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions 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
Reportable conditions identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

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

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

RENSELAER CENTRAL SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

RENSSELAER CENTRAL SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on November 8, 2007, with Dr. Steven York, Superintendent of Schools; Dawn D. Claussen, Treasurer; Kristina Phillips, President of the School Board; and Thomas Lashbrood, School Board member. The officials concurred with our audit findings.