

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

AUDIT REPORT

OF

RANDOLPH CENTRAL SCHOOL CORPORATION

RANDOLPH COUNTY, INDIANA

July 1, 2005 to June 30, 2007



**FILED**

03/31/2008



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statements of Activities and Net Assets - Cash and Investment Basis .....	7-8
Fund Financial Statements:	
Governmental Funds:	
Statements of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances - Cash and Investment Basis – Governmental Funds .....	9-10
Fiduciary Funds:	
Statements of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	11-12
Notes to Financial Statements .....	13-22
Required Supplementary Information:	
Schedule of Funding Progress .....	23
Supplementary Information:	
Combining Schedules of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	24-32
Combining Schedules of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds .....	33-34
Combining Schedules of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	35-36
Schedule of Capital Assets.....	37
Schedule of Long-Term Debt .....	38
Audit Results and Comments:	
Overdrawn Fund Balances .....	39
Receipt Issuance .....	39
Deposits.....	39
Prescribed Forms .....	39
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
Official Response .....	49

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen Peters	07-01-05 to 06-30-08
Superintendent of Schools	Philip Wray	07-01-05 to 06-30-08
President of the School Board	Scott Hawkins	07-01-05 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 RANDOLPH CENTRAL SCHOOL  
CORPORATION, RANDOLPH COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Randolph 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 January 30, 2008, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

January 30, 2008



**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](http://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 RANDOLPH CENTRAL SCHOOL  
CORPORATION, RANDOLPH COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Randolph 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 January 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management in a separate letter dated January 30, 2008.

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

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

January 30, 2008

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 5,470,522	\$ -	\$ 88,732	\$ (5,381,790)
Support services	6,963,668	347,259	305,310	(6,311,099)
Community services	133,121	-	-	(133,121)
Nonprogrammed charges	253,686	-	-	(253,686)
Debt service	799,529	-	-	(799,529)
<b>Total governmental activities</b>	<u>\$ 13,620,526</u>	<u>\$ 347,259</u>	<u>\$ 394,042</u>	<u>(12,879,225)</u>
General receipts:				
Property taxes				4,586,891
Other local sources				768,923
State aid				7,225,426
Grants and contributions not restricted to specific programs				776,836
Sale of property, adjustments, and refunds				21,967
Investment earnings				44,455
<b>Total general receipts</b>				<u>13,424,498</u>
Change in net assets				545,273
Net assets - beginning				<u>2,518,626</u>
Net assets - ending				<u>\$ 3,063,899</u>
<u>Assets</u>				
Cash and investments				\$ 2,473,005
Restricted assets:				
Cash and investments				<u>590,894</u>
<b>Total assets</b>				<u>\$ 3,063,899</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 590,894
Unrestricted				<u>2,473,005</u>
<b>Total net assets</b>				<u>\$ 3,063,899</u>

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

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>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	\$ 5,776,948	\$ -	\$ 86,725	\$ (5,690,223)
Support services	7,095,623	344,556	351,066	(6,400,001)
Community services	113,054	-	-	(113,054)
Nonprogrammed charges	187,973	-	-	(187,973)
Debt service	<u>1,080,775</u>	<u>-</u>	<u>-</u>	<u>(1,080,775)</u>
Total governmental activities	<u>\$ 14,254,373</u>	<u>\$ 344,556</u>	<u>\$ 437,791</u>	<u>(13,472,026)</u>
General receipts:				
Property taxes				3,215,869
Other local sources				526,891
State aid				7,205,548
Bonds and loans				1,068,000
Grants and contributions not restricted to specific programs				975,444
Sale of property, adjustments, and refunds				50,915
Investment earnings				<u>104,533</u>
Total general receipts				<u>13,147,200</u>
Change in net assets				(324,826)
Net assets - beginning				<u>3,063,899</u>
Net assets - ending				<u>\$ 2,739,073</u>
<u>Assets</u>				
Cash and investments				\$ 2,212,786
Restricted assets:				
Cash and investments				<u>526,287</u>
Total assets				<u>\$ 2,739,073</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 526,287
Unrestricted				<u>2,212,786</u>
Total net assets				<u>\$ 2,739,073</u>

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

RANDOLPH 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	Rainy Day	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 2,701,538	\$ 742,257	\$ -	\$ 840,390	\$ 983,713	\$ 478,788	\$ 5,746,686
Intermediate sources	242	-	-	-	-	600	842
State sources	7,300,475	-	-	-	-	151,629	7,452,104
Federal sources	-	-	-	-	-	944,200	944,200
Sale of property, adjustments and refunds	5,342	444	-	-	148	16,033	21,967
<b>Total receipts</b>	<b>10,007,597</b>	<b>742,701</b>	<b>-</b>	<b>840,390</b>	<b>983,861</b>	<b>1,591,250</b>	<b>14,165,799</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	4,839,526	-	-	-	-	630,996	5,470,522
Support services	4,209,045	703,829	-	-	1,265,002	785,792	6,963,668
Community services	120,143	-	-	-	-	12,978	133,121
Nonprogrammed charges	193,256	-	-	-	-	60,430	253,686
Debt services	-	-	-	799,529	-	-	799,529
<b>Total disbursements</b>	<b>9,361,970</b>	<b>703,829</b>	<b>-</b>	<b>799,529</b>	<b>1,265,002</b>	<b>1,490,196</b>	<b>13,620,526</b>
Excess (deficiency) of receipts over disbursements	645,627	38,872	-	40,861	(281,141)	101,054	545,273
<b>Other financing sources (uses):</b>							
Transfers in	2,882	-	-	-	-	2,521	5,403
Transfers out	-	-	-	-	-	(5,403)	(5,403)
<b>Total other financing sources (uses)</b>	<b>2,882</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,882)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	648,509	38,872	-	40,861	(281,141)	98,172	545,273
Cash and investments - beginning	753,279	242,483	75,000	427,970	684,408	335,486	2,518,626
Cash and investments - ending	\$ 1,401,788	\$ 281,355	\$ 75,000	\$ 468,831	\$ 403,267	\$ 433,658	\$ 3,063,899
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 1,401,788	\$ 281,355	\$ 75,000	\$ -	\$ 403,267	\$ 311,595	\$ 2,473,005
Restricted assets:							
Cash and investments	-	-	-	468,831	-	122,063	590,894
<b>Total cash and investment assets - ending</b>	<b>\$ 1,401,788</b>	<b>\$ 281,355</b>	<b>\$ 75,000</b>	<b>\$ 468,831</b>	<b>\$ 403,267</b>	<b>\$ 433,658</b>	<b>\$ 3,063,899</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 468,831	\$ -	\$ 122,063	\$ 590,894
Unrestricted	1,401,788	281,355	75,000	-	403,267	311,595	2,473,005
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,401,788</b>	<b>\$ 281,355</b>	<b>\$ 75,000</b>	<b>\$ 468,831</b>	<b>\$ 403,267</b>	<b>\$ 433,658</b>	<b>\$ 3,063,899</b>

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

RANDOLPH 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	Rainy Day	Debt Service	Capital Projects	Other	Totals
<b>Receipts:</b>							
Local sources	\$ 1,924,488	\$ 528,568	\$ -	\$ 563,519	\$ 649,058	\$ 525,152	\$ 4,190,785
Intermediate sources	483	-	-	-	-	581	1,064
State sources	7,279,270	-	-	-	-	243,779	7,523,049
Federal sources	-	-	-	-	-	1,095,734	1,095,734
Bonds and loans	456,000	-	-	298,000	314,000	-	1,068,000
Sale of property, adjustments and refunds	47,982	2,086	-	-	-	847	50,915
<b>Total receipts</b>	<b>9,708,223</b>	<b>530,654</b>	<b>-</b>	<b>861,519</b>	<b>963,058</b>	<b>1,866,093</b>	<b>13,929,547</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	5,122,230	-	-	-	-	654,718	5,776,948
Support services	4,570,708	733,724	-	-	943,964	847,227	7,095,623
Community services	111,332	-	-	-	-	1,722	113,054
Nonprogrammed charges	187,561	-	-	-	-	412	187,973
Debt services	-	-	-	814,627	-	266,148	1,080,775
<b>Total disbursements</b>	<b>9,991,831</b>	<b>733,724</b>	<b>-</b>	<b>814,627</b>	<b>943,964</b>	<b>1,770,227</b>	<b>14,254,373</b>
Excess (deficiency) of receipts over disbursements	(283,608)	(203,070)	-	46,892	19,094	95,866	(324,826)
<b>Other financing sources (uses):</b>							
Transfers in	16,005	-	300,000	-	-	48,376	364,381
Transfers out	(270,000)	(15,000)	-	(5,000)	(10,000)	(64,381)	(364,381)
<b>Total other financing sources (uses)</b>	<b>(253,995)</b>	<b>(15,000)</b>	<b>300,000</b>	<b>(5,000)</b>	<b>(10,000)</b>	<b>(16,005)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(537,603)	(218,070)	300,000	41,892	9,094	79,861	(324,826)
Cash and investments - beginning	1,401,788	281,355	75,000	468,831	403,267	433,658	3,063,899
Cash and investments - ending	<u>\$ 864,185</u>	<u>\$ 63,285</u>	<u>\$ 375,000</u>	<u>\$ 510,723</u>	<u>\$ 412,361</u>	<u>\$ 513,519</u>	<u>\$ 2,739,073</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 864,185	\$ 63,285	\$ 375,000	\$ -	\$ 412,361	\$ 497,955	\$ 2,212,786
Restricted assets:							
Cash and investments	-	-	-	510,723	-	15,564	526,287
<b>Total cash and investment assets - ending</b>	<u>\$ 864,185</u>	<u>\$ 63,285</u>	<u>\$ 375,000</u>	<u>\$ 510,723</u>	<u>\$ 412,361</u>	<u>\$ 513,519</u>	<u>\$ 2,739,073</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 510,723	\$ -	\$ 15,564	\$ 526,287
Unrestricted	864,185	63,285	375,000	-	412,361	497,955	2,212,786
<b>Total cash and investment fund balance - ending</b>	<u>\$ 864,185</u>	<u>\$ 63,285</u>	<u>\$ 375,000</u>	<u>\$ 510,723</u>	<u>\$ 412,361</u>	<u>\$ 513,519</u>	<u>\$ 2,739,073</u>

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

RANDOLPH 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 Fund	Private-Purpose Trust Funds	Agency Funds
Additions:			
Miscellaneous contributions	\$ 59,904	\$ 41,452	
Deductions:			
Benefits	96,534	-	
Administrative and general	-	42,763	
Total deductions	96,534	42,763	
Deficiency of total additions over total deductions	(36,630)	(1,311)	
Cash and investment fund balance - beginning	432,477	94,783	
Cash and investment fund balance - ending	\$ 395,847	\$ 93,472	
Net assets:			
Cash and investments	\$ 395,847	\$ 93,472	\$ 3,439
Total net assets - cash and investment basis held in trust	\$ 395,847	\$ 93,472	\$ 3,439

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

RANDOLPH 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 Fund	Private-Purpose Trust Funds	Agency Funds
Additions:			
Miscellaneous contributions	\$ -	\$ 30,353	
Deductions:			
Benefits	80,000	-	
Administrative and general	-	36,592	
Total deductions	80,000	36,592	
Deficiency of total additions over total deductions	(80,000)	(6,239)	
Cash and investment fund balance - beginning	395,847	93,472	
Cash and investment fund balance - ending	\$ 315,847	\$ 87,233	
Net assets:			
Cash and investments	\$ 315,847	\$ 87,233	\$ 4,255
Total net assets - cash and investment basis held in trust	\$ 315,847	\$ 87,233	\$ 4,255

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

RANDOLPH 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 primary government only. 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 one of five school corporations in a joint venture to operate the Greater Randolph Interlocal Cooperative (GRIC), which was created to coordinate special education services for its members. The School Corporation is obligated by contract to remit its proportional share of GRIC's annual budget. Complete financial statements for GRIC can be obtained from its office at 325 S. Oak Street, Suite L103, Winchester IN 47394.

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, 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.

RANDOLPH CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

The rainy day fund accounts for resources to be held for future use. It is funded solely by cash transfers from other governmental funds.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the retirement/severance bonds fund, which accumulates resources for pension benefit payments.

The private-purpose trust funds primarily report trust arrangements under which income provides scholarships to graduates.

Agency funds primarily account for payroll withholdings held by the School Corporation pending payment.

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.

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 proprietary funds.

RANDOLPH CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. Due to delays in tax assessments, the May 10 date was delayed until July 10 for taxes payable in 2007.

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 6 or 8 days per year. Unused sick leave may be accumulated to a maximum of 90 days. Accumulated sick leave is not paid to employees.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 1 to 4 weeks per year based upon the number of years of service. Vacation leave does not accumulate.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 3 days per year. Unused personal leave may be accumulated to a maximum of 5 day, after which it is added to accumulated sick leave.

4. Capital Assets

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

RANDOLPH CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

E. 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.

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.

RANDOLPH CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

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

RANDOLPH CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Investments

The School Corporation has no investments. However, Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>	<u>2007</u>
General Fund	Rainy Day Fund	\$ -	\$ 270,000
Transportation Operating Fund	Rainy Day Fund	-	15,000
Debt Service Fund	Rainy Day Fund	-	5,000
Capital Projects Fund	Rainy Day Fund	-	10,000
Other governmental funds	General Fund	2,882	16,005
Other governmental funds	Other governmental funds	<u>2,521</u>	<u>48,376</u>
Totals		<u>\$ 5,403</u>	<u>\$ 364,381</u>

RANDOLPH CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and job related illnesses or injuries to employees 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.

B. Holding Corporation

The School Corporation has entered into a capital lease with the Randolph Central School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2006, and June 30, 2007, were \$681,000 and \$682,000, respectively.

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 55 with at least 15 years of service. Currently, 13 retirees meet these eligibility requirements. The School Corporation pays \$5,000 annually to each eligible retiree. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$80,000 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State

RANDOLPH CENTRAL SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 66,195
Interest on net pension obligation	(12,515)
Adjustment to annual required contribution	14,262
Annual pension cost	67,942
Contributions made	88,738
Decrease in net pension obligation	(20,796)
Net pension obligation, beginning of year	(172,626)
Net pension obligation, end of year	\$ (193,422)

RANDOLPH CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	PERF
Contribution rates:	
School Corporation	5.5%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 73,634	148%	\$ (151,094)
	06-30-05	76,571	128%	(172,626)
	06-30-06	67,942	131%	(193,422)

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.

RANDOLPH CENTRAL SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7.00% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$168,795, \$154,437, and \$149,408, respectively. The School Corporation contributed all of the required contribution for each fiscal year.

RANDOLPH 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)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,120,293	\$ 2,041,510	\$ 78,783	104%	\$ 1,659,095	5%
07-01-05	2,198,336	2,005,718	192,618	110%	1,604,037	12%
07-01-06	2,041,482	1,978,397	63,085	103%	1,580,663	4%

RANDOLPH 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

	Special Education Pre-School	School Lunch	Textbook Rental	Levy Excess	Educational Plate Fees	Holloway Band Trust	Indiana Next Leadership Training Grant
<b>Receipts:</b>							
Local sources	\$ 9,082	\$ 246,962	\$ 100,681	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	600	-	-
State sources	97,762	8,705	31,405	-	-	-	-
Federal sources	-	265,126	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	16,005	-	-	-
<b>Total receipts</b>	<b>106,844</b>	<b>520,793</b>	<b>132,086</b>	<b>16,005</b>	<b>600</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	106,028	-	-	-	-	-	128
Support services	-	506,577	144,396	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	59,904	-	-	-	394	-	-
<b>Total disbursements</b>	<b>165,932</b>	<b>506,577</b>	<b>144,396</b>	<b>-</b>	<b>394</b>	<b>-</b>	<b>128</b>
Excess (deficiency) of receipts over disbursements	(59,088)	14,216	(12,310)	16,005	206	-	(128)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(59,088)	14,216	(12,310)	16,005	206	-	(128)
Cash and investments - beginning	68,107	103,527	49,960	-	394	12	128
Cash and investments - ending	<u>\$ 9,019</u>	<u>\$ 117,743</u>	<u>\$ 37,650</u>	<u>\$ 16,005</u>	<u>\$ 600</u>	<u>\$ 12</u>	<u>\$ -</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 9,019	\$ 117,743	\$ 37,650	\$ 16,005	\$ 600	\$ 12	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 9,019</b>	<b>\$ 117,743</b>	<b>\$ 37,650</b>	<b>\$ 16,005</b>	<b>\$ 600</b>	<b>\$ 12</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	9,019	117,743	37,650	16,005	600	12	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 9,019</b>	<b>\$ 117,743</b>	<b>\$ 37,650</b>	<b>\$ 16,005</b>	<b>\$ 600</b>	<b>\$ 12</b>	<b>\$ -</b>

RANDOLPH 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)

	Gifted and Talented Grant 05-06	Medicaid Reimbursement	Non-English Speaking Grant 05-06	Non-English Speaking Region 8 Grant	Non-English Speaking Grant 04-05	Professional Development Grant 04-05	Title I Grant 05-06
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	13,237	74	131	315	-	-	-
Federal sources	-	-	-	-	-	-	289,643
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>13,237</b>	<b>74</b>	<b>131</b>	<b>315</b>	<b>-</b>	<b>-</b>	<b>289,643</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	210,203
Support services	-	-	-	-	-	10,085	54,445
Community services	-	-	-	-	-	-	12,978
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,085</b>	<b>277,626</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>13,237</b>	<b>74</b>	<b>131</b>	<b>315</b>	<b>-</b>	<b>(10,085)</b>	<b>12,017</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(5,403)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(5,403)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>13,237</b>	<b>(5,329)</b>	<b>131</b>	<b>315</b>	<b>-</b>	<b>(10,085)</b>	<b>12,017</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>5,329</b>	<b>-</b>	<b>-</b>	<b>244</b>	<b>10,085</b>	<b>39,363</b>
<b>Cash and investments - ending</b>	<b>\$ 13,237</b>	<b>\$ -</b>	<b>\$ 131</b>	<b>\$ 315</b>	<b>\$ 244</b>	<b>\$ -</b>	<b>\$ 51,380</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 13,237	\$ -	\$ 131	\$ 315	\$ 244	\$ -	\$ 51,380
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 13,237</b>	<b>\$ -</b>	<b>\$ 131</b>	<b>\$ 315</b>	<b>\$ 244</b>	<b>\$ -</b>	<b>\$ 51,380</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	13,237	-	131	315	244	-	51,380
<b>Total cash and investment fund balance - ending</b>	<b>\$ 13,237</b>	<b>\$ -</b>	<b>\$ 131</b>	<b>\$ 315</b>	<b>\$ 244</b>	<b>\$ -</b>	<b>\$ 51,380</b>

RANDOLPH 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)

	2005 Title V Library Grant	Title V School Improvement Grant 04-05	Special Education Grant 05-06	Drug Free Schools Grant 03-04	Drug Free Schools Grant 04-05	Federal Medicaid Reimbursement	Class Size Reduction Grant 04-05
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	5,623	-	271,466	-	-	-	85,536
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>5,623</b>	<b>-</b>	<b>271,466</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,536</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	3,252	6,411	235,413	5,481	3,813	-	60,267
Support services	-	-	37,708	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	27	-	-	66	-	39	-
<b>Total disbursements</b>	<b>3,279</b>	<b>6,411</b>	<b>273,121</b>	<b>5,547</b>	<b>3,813</b>	<b>39</b>	<b>60,267</b>
Excess (deficiency) of receipts over disbursements	2,344	(6,411)	(1,655)	(5,547)	(3,813)	(39)	25,269
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	2,521	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,521</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,344	(6,411)	(1,655)	(5,547)	(3,813)	2,482	25,269
Cash and investments - beginning	278	6,495	-	5,547	10,230	9,715	(21,038)
Cash and investments - ending	<u>\$ 2,622</u>	<u>\$ 84</u>	<u>\$ (1,655)</u>	<u>\$ -</u>	<u>\$ 6,417</u>	<u>\$ 12,197</u>	<u>\$ 4,231</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 2,622	\$ 84	\$ (1,655)	\$ -	\$ 6,417	\$ 12,197	\$ 4,231
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ 2,622</u></b>	<b><u>\$ 84</u></b>	<b><u>\$ (1,655)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,417</u></b>	<b><u>\$ 12,197</u></b>	<b><u>\$ 4,231</u></b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	2,622	84	(1,655)	-	6,417	12,197	4,231
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 2,622</u></b>	<b><u>\$ 84</u></b>	<b><u>\$ (1,655)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,417</u></b>	<b><u>\$ 12,197</u></b>	<b><u>\$ 4,231</u></b>

RANDOLPH 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)

	Title II Improving Teacher Quality Grant 03-04	Title II Improving Teacher Quality Grant 04-05	Title II Improving Teacher Quality Grant 05-06	2004 Title II Technology Grant	2005 Title II Technology Grant	Severance Bond Debt Service	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,063	\$ 478,788
Intermediate sources	-	-	-	-	-	-	600
State sources	-	-	-	-	-	-	151,629
Federal sources	-	-	26,806	-	-	-	944,200
Sale of property, adjustments and refunds	28	-	-	-	-	-	16,033
<b>Total receipts</b>	<b>28</b>	<b>-</b>	<b>26,806</b>	<b>-</b>	<b>-</b>	<b>122,063</b>	<b>1,591,250</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	630,996
Support services	5,268	22,818	-	3,828	667	-	785,792
Community services	-	-	-	-	-	-	12,978
Nonprogrammed charges	-	-	-	-	-	-	60,430
<b>Total disbursements</b>	<b>5,268</b>	<b>22,818</b>	<b>-</b>	<b>3,828</b>	<b>667</b>	<b>-</b>	<b>1,490,196</b>
Excess (deficiency) of receipts over disbursements	(5,240)	(22,818)	26,806	(3,828)	(667)	122,063	101,054
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	2,521
Transfers out	-	-	-	-	-	-	(5,403)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,882)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,240)	(22,818)	26,806	(3,828)	(667)	122,063	98,172
Cash and investments - beginning	5,240	30,200	-	3,828	7,842	-	335,486
Cash and investments - ending	\$ -	\$ 7,382	\$ 26,806	\$ -	\$ 7,175	\$ 122,063	\$ 433,658
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ 7,382	\$ 26,806	\$ -	\$ 7,175	\$ -	\$ 311,595
Restricted assets:							
Cash and investments	-	-	-	-	-	122,063	122,063
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 7,382</b>	<b>\$ 26,806</b>	<b>\$ -</b>	<b>\$ 7,175</b>	<b>\$ 122,063</b>	<b>\$ 433,658</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,063	\$ 122,063
Unrestricted	-	7,382	26,806	-	7,175	-	311,595
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 7,382</b>	<b>\$ 26,806</b>	<b>\$ -</b>	<b>\$ 7,175</b>	<b>\$ 122,063</b>	<b>\$ 433,658</b>

RANDOLPH 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

	Special Education Pre-School	School Lunch	Textbook Rental	Levy Excess	Educational Plate Fees	Early Intervention Grant	Holloway Band Trust
<b>Receipts:</b>							
Local sources	\$ 5,850	\$ 248,923	\$ 110,730	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	581	-	-
State sources	104,430	8,094	31,186	-	-	8,500	-
Federal sources	-	311,787	-	-	-	-	-
Sale of property, adjustments and refunds	-	347	500	-	-	-	-
<b>Total receipts</b>	<b>110,280</b>	<b>569,151</b>	<b>142,416</b>	<b>-</b>	<b>581</b>	<b>8,500</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	112,750	-	-	-	-	-	-
Support services	-	578,910	95,129	-	-	-	-
Community services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	412	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>112,750</b>	<b>578,910</b>	<b>95,129</b>	<b>-</b>	<b>412</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(2,470)</b>	<b>(9,759)</b>	<b>47,287</b>	<b>-</b>	<b>169</b>	<b>8,500</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(16,005)	-	(8,500)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,005)</b>	<b>-</b>	<b>(8,500)</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(2,470)</b>	<b>(9,759)</b>	<b>47,287</b>	<b>(16,005)</b>	<b>169</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - beginning</b>	<b>9,019</b>	<b>117,743</b>	<b>37,650</b>	<b>16,005</b>	<b>600</b>	<b>-</b>	<b>12</b>
<b>Cash and investments - ending</b>	<b>\$ 6,549</b>	<b>\$ 107,984</b>	<b>\$ 84,937</b>	<b>\$ -</b>	<b>\$ 769</b>	<b>\$ -</b>	<b>\$ 12</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 6,549	\$ 107,984	\$ 84,937	\$ -	\$ 769	\$ -	\$ 12
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 6,549</b>	<b>\$ 107,984</b>	<b>\$ 84,937</b>	<b>\$ -</b>	<b>\$ 769</b>	<b>\$ -</b>	<b>\$ 12</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	6,549	107,984	84,937	-	769	-	12
<b>Total cash and investment fund balance - ending</b>	<b>\$ 6,549</b>	<b>\$ 107,984</b>	<b>\$ 84,937</b>	<b>\$ -</b>	<b>\$ 769</b>	<b>\$ -</b>	<b>\$ 12</b>

RANDOLPH 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)

	Gifted and Talented Grant 06-07	Non-English Speaking Grant 05-06	Non-English Speaking Region 8 Grant	Non-English Speaking Grant 06-07	Non-English Speaking Grant 04-05	Tech Plan Grant 06-07	Title I Grant 06-07
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	13,237	-	-	215	-	78,117	-
Federal sources	-	-	-	-	-	-	256,309
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>13,237</b>	<b>-</b>	<b>-</b>	<b>215</b>	<b>-</b>	<b>78,117</b>	<b>256,309</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	13,237	131	247	-	244	-	181,563
Support services	-	-	-	-	-	175	59,181
Community services	-	-	-	-	-	-	1,147
Nonprogrammed charges	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>13,237</b>	<b>131</b>	<b>247</b>	<b>-</b>	<b>244</b>	<b>175</b>	<b>241,891</b>
Excess (deficiency) of receipts over disbursements	-	(131)	(247)	215	(244)	77,942	14,418
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	48,376
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,376</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(131)	(247)	215	(244)	77,942	62,794
Cash and investments - beginning	13,237	131	315	-	244	-	-
Cash and investments - ending	<u>\$ 13,237</u>	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 215</u>	<u>\$ -</u>	<u>\$ 77,942</u>	<u>\$ 62,794</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 13,237	\$ -	\$ 68	\$ 215	\$ -	\$ 77,942	\$ 62,794
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 13,237</u>	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 215</u>	<u>\$ -</u>	<u>\$ 77,942</u>	<u>\$ 62,794</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	13,237	-	68	215	-	77,942	62,794
<b>Total cash and investment fund balance - ending</b>	<u>\$ 13,237</u>	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 215</u>	<u>\$ -</u>	<u>\$ 77,942</u>	<u>\$ 62,794</u>

RANDOLPH 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 I Grant 05-06	Title V Library Grant 06-07	Title V School Improvement Grant 04-05	Special Education Grant 05-06	Special Education Grant 06-07	Drug Free Schools Grant 05-06
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	2,778	-	67,866	269,032	9,872
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>-</u>	<u>2,778</u>	<u>-</u>	<u>67,866</u>	<u>269,032</u>	<u>9,872</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	5,140	3,726	15	49,167	219,498	2,524
Support services	5,789	14	69	17,044	55,160	-
Community services	575	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>11,504</u>	<u>3,740</u>	<u>84</u>	<u>66,211</u>	<u>274,658</u>	<u>2,524</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>(11,504)</u>	<u>(962)</u>	<u>(84)</u>	<u>1,655</u>	<u>(5,626)</u>	<u>7,348</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(39,876)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(39,876)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(51,380)</u>	<u>(962)</u>	<u>(84)</u>	<u>1,655</u>	<u>(5,626)</u>	<u>7,348</u>
<b>Cash and investments - beginning</b>	<u>51,380</u>	<u>2,622</u>	<u>84</u>	<u>(1,655)</u>	<u>-</u>	<u>-</u>
<b>Cash and investments - ending</b>	<u>\$ -</u>	<u>\$ 1,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,626)</u>	<u>\$ 7,348</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 1,660	\$ -	\$ -	\$ (5,626)	\$ 7,348
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 1,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,626)</u>	<u>\$ 7,348</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,660	-	-	(5,626)	7,348
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 1,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,626)</u>	<u>\$ 7,348</u>

RANDOLPH 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 Schools Grant 04-05	Drug Free Schools Grant 06-07	Federal Medicaid Reimbursement	Class Size Reduction Grant 06-07	Class Size Reduction Grant 04-05	Title II Improving Teacher Quality Grant 06-07
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	7,383	-	60,000	-	10,000
Sale of property, adjustments and refunds	-	-	-	-	-	-
<b>Total receipts</b>	<u>-</u>	<u>7,383</u>	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>10,000</u>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	6,394	-	-	55,851	4,231	-
Support services	23	-	418	-	-	10,967
Community services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
<b>Total disbursements</b>	<u>6,417</u>	<u>-</u>	<u>418</u>	<u>55,851</u>	<u>4,231</u>	<u>10,967</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>(6,417)</u>	<u>7,383</u>	<u>(418)</u>	<u>4,149</u>	<u>(4,231)</u>	<u>(967)</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>(6,417)</u>	<u>7,383</u>	<u>(418)</u>	<u>4,149</u>	<u>(4,231)</u>	<u>(967)</u>
<b>Cash and investments - beginning</b>	<u>6,417</u>	<u>-</u>	<u>12,197</u>	<u>-</u>	<u>4,231</u>	<u>7,382</u>
<b>Cash and investments - ending</b>	<u>\$ -</u>	<u>\$ 7,383</u>	<u>\$ 11,779</u>	<u>\$ 4,149</u>	<u>\$ -</u>	<u>\$ 6,415</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 7,383	\$ 11,779	\$ 4,149	\$ -	\$ 6,415
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 7,383</u>	<u>\$ 11,779</u>	<u>\$ 4,149</u>	<u>\$ -</u>	<u>\$ 6,415</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	7,383	11,779	4,149	-	6,415
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 7,383</u>	<u>\$ 11,779</u>	<u>\$ 4,149</u>	<u>\$ -</u>	<u>\$ 6,415</u>

RANDOLPH 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 II Improving Teacher Quality Grant 05-06	Title II Enhancing Education Grant 05-07	2005 Title II Technology Grant	Title II Math and Science Partner Grant	Severance Bond Debt Service	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 159,649	\$ 525,152
Intermediate sources	-	-	-	-	-	581
State sources	-	-	-	-	-	243,779
Federal sources	-	5,972	-	94,735	-	1,095,734
Sale of property, adjustments and refunds	-	-	-	-	-	847
<b>Total receipts</b>	<b>-</b>	<b>5,972</b>	<b>-</b>	<b>94,735</b>	<b>159,649</b>	<b>1,866,093</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	654,718
Support services	15,600	1,573	7,175	-	-	847,227
Community services	-	-	-	-	-	1,722
Nonprogrammed charges	-	-	-	-	-	412
Debt services	-	-	-	-	266,148	266,148
<b>Total disbursements</b>	<b>15,600</b>	<b>1,573</b>	<b>7,175</b>	<b>-</b>	<b>266,148</b>	<b>1,770,227</b>
Excess (deficiency) of receipts over disbursements	(15,600)	4,399	(7,175)	94,735	(106,499)	95,866
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	48,376
Transfers out	-	-	-	-	-	(64,381)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,005)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,600)	4,399	(7,175)	94,735	(106,499)	79,861
Cash and investments - beginning	26,806	-	7,175	-	122,063	433,658
Cash and investments - ending	\$ 11,206	\$ 4,399	\$ -	\$ 94,735	\$ 15,564	\$ 513,519
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 11,206	\$ 4,399	\$ -	\$ 94,735	\$ -	\$ 497,955
Restricted assets:						
Cash and investments	-	-	-	-	15,564	15,564
<b>Total cash and investment assets - ending</b>	<b>\$ 11,206</b>	<b>\$ 4,399</b>	<b>\$ -</b>	<b>\$ 94,735</b>	<b>\$ 15,564</b>	<b>\$ 513,519</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 15,564	\$ 15,564
Unrestricted	11,206	4,399	-	94,735	-	497,955
<b>Total cash and investment fund balance - ending</b>	<b>\$ 11,206</b>	<b>\$ 4,399</b>	<b>\$ -</b>	<b>\$ 94,735</b>	<b>\$ 15,564</b>	<b>\$ 513,519</b>

RANDOLPH 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

	<u>Best Trust</u>	<u>Scholarships</u>	<u>Fields Scholarship</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ 17,175	\$ 24,277	\$ -	\$ 41,452
Deductions:				
Administrative and general	<u>19,135</u>	<u>23,628</u>	<u>-</u>	<u>42,763</u>
Excess (deficiency) of total additions over total deductions	(1,960)	649	-	(1,311)
Cash and investment fund balance - beginning	<u>18,897</u>	<u>25,886</u>	<u>50,000</u>	<u>94,783</u>
Cash and investments - June 30	<u>\$ 16,937</u>	<u>\$ 26,535</u>	<u>\$ 50,000</u>	<u>\$ 93,472</u>
Net assets:				
Cash and investments	<u>\$ 16,937</u>	<u>\$ 26,535</u>	<u>\$ 50,000</u>	<u>\$ 93,472</u>
Total net assets - cash and investment basis held in trust	<u>\$ 16,937</u>	<u>\$ 26,535</u>	<u>\$ 50,000</u>	<u>\$ 93,472</u>

RANDOLPH 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

	Best Trust	Scholarships	Fields Scholarship	Totals
Additions:				
Contributions:				
Other	\$ 9,807	\$ 20,546	\$ -	\$ 30,353
Deductions:				
Administrative and general	<u>17,817</u>	<u>18,775</u>	<u>-</u>	<u>36,592</u>
Excess (deficiency) of total additions over total deductions	(8,010)	1,771	-	(6,239)
Cash and investment fund balance - beginning	<u>16,937</u>	<u>26,535</u>	<u>50,000</u>	<u>93,472</u>
Cash and investments - June 30	<u><u>\$ 8,927</u></u>	<u><u>\$ 28,306</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 87,233</u></u>
Net assets:				
Cash and investments	<u>\$ 8,927</u>	<u>\$ 28,306</u>	<u>\$ 50,000</u>	<u>\$ 87,233</u>
Total net assets - cash and investment basis held in trust	<u><u>\$ 8,927</u></u>	<u><u>\$ 28,306</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 87,233</u></u>

RANDOLPH CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2006

	<u>Payroll Withholdings</u>	<u>COBRA Insurance</u>	<u>Totals</u>
Net assets:			
Cash and investments	\$ 3,120	\$ 319	\$ 3,439
Total net assets - cash and investment basis held in trust	<u>\$ 3,120</u>	<u>\$ 319</u>	<u>\$ 3,439</u>

RANDOLPH CENTRAL SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2007

	Payroll Withholdings	Totals
Net assets:		
Cash and investments	\$ 4,255	\$ 4,255
Total net assets - cash and investment basis held in trust	\$ 4,255	\$ 4,255

RANDOLPH CENTRAL SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended June 30, 2007

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 249,852
Buildings	17,584,953
Improvements other than buildings	597,930
Machinery and equipment	<u>2,495,984</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 20,928,719</u>

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

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Baker Elementary School	\$ 3,458,087	\$ 680,500
Notes and loans payable:		
School bus loan	114,737	117,529
Bonds payable:		
General obligation bonds:		
Retirement/severance bonds	<u>2,500,000</u>	<u>269,096</u>
Total governmental activities long-term debt	6,072,824	1,067,125
Governmental Activities:		
Notes and loans payable:		
Tax anticipation warrants	<u>1,068,000</u>	<u>1,088,542</u>
Total governmental activities debt	<u>\$ 12,145,648</u>	<u>\$ 2,134,250</u>

RANDOLPH CENTRAL SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Special Education Grant Fund balance was overdrawn by \$1,655 at June 30, 2006, and by \$5,626 at June 30, 2007.

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

RECEIPT ISSUANCE (Applies to Deerfield Elementary School,  
Driver Middle School and Winchester Community High School)

Receipts were not always issued or recorded at the time collections were made. Most receipts at Deerfield Elementary School, were issued when bank deposits were prepared. Most receipts at Driver Middle School and at Winchester Community High School, were issued later in the day of collection.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DEPOSITS (Applies to Deerfield Elementary School)

Receipts were not always deposited within a reasonable time. One receipt was not deposited until twenty days after the date of collection.

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

PRESCRIBED FORMS (Applies to Deerfield Elementary School)

The respective amounts of cash and checks collected were not indicated on receipts, which were written on Prescribed Form SA3.

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)

(This page intentionally left blank.)

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](http://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 RANDOLPH CENTRAL SCHOOL  
CORPORATION, RANDOLPH COUNTY, INDIANA

### Compliance

We have audited the compliance of the Randolph 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.

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

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 30, 2008

RANDOLPH 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>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
		FY 05-06	\$ 56,453	\$ -
		FY 06-07	-	65,568
Total for program			<u>56,453</u>	<u>65,568</u>
National School Lunch Program				
	10.555			
		FY 05-06	223,339	-
		FY 06-07	-	285,701
Total for program			<u>223,339</u>	<u>285,701</u>
Total for federal grantor agency			<u>279,792</u>	<u>351,269</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Greater Randolph Interlocal Cooperative				
Special Education Cluster				
Special Education - Grants to States	84.027			
		14206-066-PY02	273,122	66,211
		14207-066-PN01	-	274,658
Total for cluster			<u>273,122</u>	<u>340,869</u>
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies				
	84.010			
		06-6825	277,625	51,380
		07-6825	-	233,392
Total for program			<u>277,625</u>	<u>284,772</u>
Safe and Drug Free Schools and Communities - State Grants				
	84.186			
		6825-SY03-04	5,480	-
		6825-SY04-05	3,790	-
		6825-SY05-06	-	2,524
		6825-SY06-07	-	6,417
Total for program			<u>9,270</u>	<u>8,941</u>
State Grants for Innovative Programs				
	84.298			
		03-266	251	-
		04-150	6,411	15
		05-210	3,001	2,608
		06-6825	-	1,132
Total for program			<u>9,663</u>	<u>3,755</u>
Education Technology State Grants				
	84.318			
		6825-SY03-05	3,828	-
		6825-SY05-07	-	1,573
		6825-SY04-05	667	7,175
Total for program			<u>4,495</u>	<u>8,748</u>
Improving Teacher Quality - State Grants				
	84.367			
		04-253	28,087	10,922
		05-299	60,267	19,831
		06-6825	-	55,851
Total for program			<u>88,354</u>	<u>86,604</u>
Total for federal grantor agency			<u>662,529</u>	<u>733,689</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through State Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
	97.036			
		SE3274	-	6,682
Total federal awards expended			<u>\$ 942,321</u>	<u>\$ 1,091,640</u>

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

RANDOLPH 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 Randolph 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	2006	2007
School Breakfast Program	10.553	\$ 3,168	\$ 7,388
National School Lunch Program	10.555	11,498	32,094

RANDOLPH 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	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? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

RANDOLPH CENTRAL SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

RANDOLPH CENTRAL SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on January 30, 2008, with Philip Wray, Superintendent of Schools; Scott Hawkins, President of the School Board; Fred A. Pries, Vice President of the School Board; Lisa Chalfant, Director of Curriculum; Linda Dodd, Acting Treasurer; and Deborah L. Anderson, Deputy Treasurer. The official response has been made a part of this report and may be found on page 49.

# Randolph Central School Corporation

103 North East Street, Winchester, IN 47394-1604

Telephone 765-584-1401 FAX 765-584-1403



Philip E. Wray, Superintendent

Lisa Chalfant, Director of  
Curriculum/Grant Writer

February 4, 2008

Dear State Board of Accounts:

The recent audit of Randolph Central School Corporation resulted in an audit comment. The PL 105-17 Fund balance was overdrawn by \$1,655 at June 30, 2006, and by \$5,626 at June 30, 2007. According to the Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9, the cash balance of any fund may not be reduced below zero.

I do understand that ruling, especially as it applies to major funds. The Pass Through Grant is federal money that comes from the state to Greater Randolph Interlocal Cooperative and then to Randolph Central School Corporation. In 2006 I was notified part way through the year that the pass through money would be distributed on a 15 month basis instead of a 12 month basis, which has caused deficits. This has continued into 2007. We must pay bills on a twelve month basis but receive money on a fifteen month basis.

We believe state agencies, legislators, and the Department of Local Government Finance need to see the negative balances on the Form 9 so that they understand the effects of these actions, such as delayed payments. To transfer money to PL 105-17 would give an unfair picture of the status of our funds.

Sincerely,

Philip Wray  
Superintendent