

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

EXAMINATION REPORT
OF
RURAL COMMUNITY ACADEMY
SULLIVAN COUNTY, INDIANA
July 1, 2005 to June 30, 2007



FILED
04/28/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sharon Goss (Vacant) Susie Pierce	07-01-05 to 02-10-06 02-11-06 to 02-13-06 02-14-06 to 06-30-08
School Leader	Sharon Goss (Vacant) Susie Pierce	07-01-05 to 02-10-06 02-11-06 to 06-30-08 02-14-06 to 06-30-08
President of the School Board	Susie Pierce Amanda Wampler	07-01-05 to 02-13-06 02-13-06 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF RURAL COMMUNITY ACADEMY, SULLIVAN COUNTY, INDIANA

We have examined the financial information presented herein of Rural Community Academy (School Corporation), for the period of July 1, 2005 to June 30, 2007. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above present fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Combining Schedule of Assets and Fund Balances and Receipts, Disbursements and Changes in Fund Balances - Cash and Investment Balances - Other Governmental Funds, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 31, 2008

RURAL COMMUNITY ACADEMY
SCHEDULE 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>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 458,730	\$ -	\$ 17,769	\$ (440,961)
Support services	439,726	14,327	440	(424,959)
Debt service	63,972	-	-	(63,972)
Total governmental activities	\$ 962,428	\$ 14,327	\$ 18,209	(929,892)
General receipts:				
Property taxes				265,357
Other local sources				7,895
State aid				359,030
Bonds and loans				120,000
Grants and contributions not restricted to specific programs				148,740
Sale of property, adjustments, and refunds				11,964
Total general receipts				912,986
Change in net assets				(16,906)
Net assets - beginning				90,458
Net assets - ending				\$ 73,552
<u>Assets</u>				
Cash and investments				\$ 73,552
<u>Net Assets</u>				
Unrestricted				\$ 73,552

The accompanying notes are an integral part of the financial information.

RURAL COMMUNITY ACADEMY
SCHEDULE OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 335,218	\$ -	\$ 7,821	\$ (327,397)
Support services	495,690	29,799	1,993	(463,898)
Community services	30,938	-	-	(30,938)
Debt service	126,567	-	-	(126,567)
Total governmental activities	<u>\$ 988,413</u>	<u>\$ 29,799</u>	<u>\$ 9,814</u>	<u>(948,800)</u>
General receipts:				
Property taxes				155,192
Other local sources				4,945
State aid				432,174
Bonds and loans				241,992
Grants and contributions not restricted to specific programs				43,653
Sale of property, adjustments, and refunds				76,633
Total general receipts				954,589
Change in net assets				5,789
Net assets - beginning				73,552
Net assets - ending				\$ 79,341
<u>Assets</u>				
Cash and investments				\$ 79,341
<u>Net Assets</u>				
Unrestricted				\$ 79,341

The accompanying notes are an integral part of the financial information.

RURAL COMMUNITY ACADEMY
SCHEDULE 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	Textbook Rental	Title I	Implementation Grant	Other	Totals
Receipts:						
Local sources	\$ 272,691	\$ 7,520	\$ -	\$ -	\$ 8,803	\$ 289,014
State sources	380,312	426	-	-	-	380,738
Federal sources	1,344	-	25,685	115,000	1,777	143,806
Bonds and loans	120,000	-	-	-	-	120,000
Sale of property, adjustments and refunds	11,964	-	-	-	-	11,964
Total receipts	786,311	7,946	25,685	115,000	10,580	945,522
Disbursements:						
Current:						
Instruction	427,236	996	12,270	14,975	3,253	458,730
Support services	403,886	115	1,336	23,852	10,537	439,726
Debt services	8,505	-	-	55,467	-	63,972
Total disbursements	839,627	1,111	13,606	94,294	13,790	962,428
Excess (deficiency) of receipts over disbursements	(53,316)	6,835	12,079	20,706	(3,210)	(16,906)
Other financing sources (uses):						
Transfers in	2,575	-	-	-	534	3,109
Transfers out	(534)	-	(2,575)	-	-	(3,109)
Total other financing sources (uses)	2,041	-	(2,575)	-	534	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(51,275)	6,835	9,504	20,706	(2,676)	(16,906)
Cash and investments - beginning	84,487	222	1,211	-	4,538	90,458
Cash and investments - ending	<u>\$ 33,212</u>	<u>\$ 7,057</u>	<u>\$ 10,715</u>	<u>\$ 20,706</u>	<u>\$ 1,862</u>	<u>\$ 73,552</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 33,212</u>	<u>\$ 7,057</u>	<u>\$ 10,715</u>	<u>\$ 20,706</u>	<u>\$ 1,862</u>	<u>\$ 73,552</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 33,212</u>	<u>\$ 7,057</u>	<u>\$ 10,715</u>	<u>\$ 20,706</u>	<u>\$ 1,862</u>	<u>\$ 73,552</u>

The accompanying notes are an integral part of the financial information.

RURAL COMMUNITY ACADEMY
SCHEDULE 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	Textbook Rental	Title I	Implementation Grant	Other	Totals
Receipts:						
Local sources	\$ 159,641	\$ 6,766	\$ -	\$ -	\$ 23,578	\$ 189,985
State sources	439,995	1,993	-	-	-	441,988
Federal sources	1,776	-	11,463	20,000	10,366	43,605
Bonds and loans	241,992	-	-	-	-	241,992
Sale of property, adjustments and refunds	<u>76,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,632</u>
Total receipts	<u>920,036</u>	<u>8,759</u>	<u>11,463</u>	<u>20,000</u>	<u>33,944</u>	<u>994,202</u>
Disbursements:						
Current:						
Instruction	305,197	-	19,230	8,749	2,042	335,218
Support services	434,012	1,296	2,391	31,957	26,034	495,690
Community services	30,938	-	-	-	-	30,938
Debt services	<u>126,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,567</u>
Total disbursements	<u>896,714</u>	<u>1,296</u>	<u>21,621</u>	<u>40,706</u>	<u>28,076</u>	<u>988,413</u>
Excess (deficiency) of receipts over disbursements	<u>23,322</u>	<u>7,463</u>	<u>(10,158)</u>	<u>(20,706)</u>	<u>5,868</u>	<u>5,789</u>
Other financing sources (uses):						
Transfers in	-	-	2,552	-	-	2,552
Transfers out	<u>(2,552)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,552)</u>
Total other financing sources (uses)	<u>(2,552)</u>	<u>-</u>	<u>2,552</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,770	7,463	(7,606)	(20,706)	5,868	5,789
Cash and investments - beginning	<u>33,212</u>	<u>7,057</u>	<u>10,715</u>	<u>20,706</u>	<u>1,862</u>	<u>73,552</u>
Cash and investments - ending	<u>\$ 53,982</u>	<u>\$ 14,520</u>	<u>\$ 3,109</u>	<u>\$ -</u>	<u>\$ 7,730</u>	<u>\$ 79,341</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 53,982</u>	<u>\$ 14,520</u>	<u>\$ 3,109</u>	<u>\$ -</u>	<u>\$ 7,730</u>	<u>\$ 79,341</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 53,982</u>	<u>\$ 14,520</u>	<u>\$ 3,109</u>	<u>\$ -</u>	<u>\$ 7,730</u>	<u>\$ 79,341</u>

The accompanying notes are an integral part of the financial information.

RURAL COMMUNITY ACADEMY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Schedules

Government-Wide Financial Schedules

The Schedules 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 Schedules

Fund financial schedules 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 schedules are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial schedules. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial schedules.

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 textbook rental fund accounts for all receipts of fees collected for rent of textbooks and workbooks furnished to students; also, to record all disbursements for purchase of textbooks, for repair of textbooks, and for workbooks to be used with rented textbooks furnished to students for a designated fee.

The title I fund accounts for federal monies used to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families.

The implementation grant fund accounts for financial resources used for establishment of the charter school.

RURAL COMMUNITY ACADEMY
NOTES TO FINANCIAL INFORMATION
(Continued)

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund and fiduciary fund financial schedules 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 schedules.

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

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

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

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

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

Note 3. Budgets

The operating budget is prepared and approved at the local level.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and 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

RURAL COMMUNITY ACADEMY
NOTES TO FINANCIAL INFORMATION
(Continued)

adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. 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	Other governmental funds	\$ 534	\$ -
	Title I Fund	-	2,552
Title I Fund	General Fund	<u>2,575</u>	<u>-</u>
Totals		<u>\$ 3,109</u>	<u>\$ 2,552</u>

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

Note 7. Pension Plan

A. 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the

RURAL COMMUNITY ACADEMY
NOTES TO FINANCIAL INFORMATION
(Continued)

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 members' 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. That 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 the plan members for PERF are established by the Board of Trustees of PERF.

B. 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 members' 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

RURAL COMMUNITY ACADEMY
NOTES TO FINANCIAL INFORMATION
(Continued)

Funding Policy and Annual Pension Cost

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.

RURAL COMMUNITY ACADEMY
 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

	School Lunch	School Library Printed Material	Instruction Support	Cultural Arts	Innovative Education Program Strategies	Drug Free Schools	Improving Teacher Quality	Improving Teacher Quality Enhanced	Totals
Receipts:									
Local sources	\$ 6,807	\$ 39	\$ 521	\$ 1,436	\$ -	\$ -	\$ -	\$ -	\$ 8,803
Federal sources	-	-	-	-	493	-	1,000	284	1,777
Total receipts	6,807	39	521	1,436	493	-	1,000	284	10,580
Disbursements:									
Current:									
Instruction	-	85	521	1,584	493	570	-	-	3,253
Support services	7,341	-	-	-	-	-	3,196	-	10,537
Total disbursements	7,341	85	521	1,584	493	570	3,196	-	13,790
Excess (deficiency) of receipts over disbursements	(534)	(46)	-	(148)	-	(570)	(2,196)	284	(3,210)
Other financing sources (uses):									
Transfers in	534	-	-	-	-	-	-	-	534
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(46)	-	(148)	-	(570)	(2,196)	284	(2,676)
Cash and investments - beginning	-	716	184	528	-	570	2,540	-	4,538
Cash and investments - ending	\$ -	\$ 670	\$ 184	\$ 380	\$ -	\$ -	\$ 344	\$ 284	\$ 1,862
Cash and Investment Assets - Ending									
Cash and investments	\$ -	\$ 670	\$ 184	\$ 380	\$ -	\$ -	\$ 344	\$ 284	\$ 1,862
Cash and Investment Fund Balance - Ending									
Restricted for:									
Unrestricted	\$ -	\$ 670	\$ 184	\$ 380	\$ -	\$ -	\$ 344	\$ 284	\$ 1,862

RURAL COMMUNITY ACADEMY
 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

	School Lunch	School Library Printed Material	Instruction Support	Cultural Arts	Innovative Education Program Strategies	Drug Free Schools	Improving Teacher Quality	Improving Teacher Quality Enhanced	Totals
Receipts:									
Local sources	\$ 23,528	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 23,578
Federal sources	-	-	-	-	364	493	9,509	-	10,366
Total receipts	<u>23,528</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>364</u>	<u>493</u>	<u>9,509</u>	<u>-</u>	<u>33,944</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	-	198	1,560	284	2,042
Support services	24,213	-	-	-	-	50	1,771	-	26,034
Total disbursements	<u>24,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248</u>	<u>3,331</u>	<u>284</u>	<u>28,076</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(685)	-	-	50	364	245	6,178	(284)	5,868
Cash and investments - beginning	-	670	184	380	-	-	344	284	1,862
Cash and investments - ending	<u>\$ (685)</u>	<u>\$ 670</u>	<u>\$ 184</u>	<u>\$ 430</u>	<u>\$ 364</u>	<u>\$ 245</u>	<u>\$ 6,522</u>	<u>\$ -</u>	<u>\$ 7,730</u>
<u>Cash and Investment Assets - Ending</u>									
Cash and investments	<u>\$ (685)</u>	<u>\$ 670</u>	<u>\$ 184</u>	<u>\$ 430</u>	<u>\$ 364</u>	<u>\$ 245</u>	<u>\$ 6,522</u>	<u>\$ -</u>	<u>\$ 7,730</u>
<u>Cash and Investment Fund Balance - Ending</u>									
Restricted for:									
Unrestricted	<u>\$ (685)</u>	<u>\$ 670</u>	<u>\$ 184</u>	<u>\$ 430</u>	<u>\$ 364</u>	<u>\$ 245</u>	<u>\$ 6,522</u>	<u>\$ -</u>	<u>\$ 7,730</u>

RURAL COMMUNITY ACADEMY
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:	
Improvements other than buildings	\$ 2,687
Machinery and equipment	193,447
Furniture and fixtures	17,696
Library books	<u>8,448</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 222,278</u>

RURAL COMMUNITY ACADEMY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For The Year Ended June 30, 2007

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable		
Operating loan	\$ 150,000	\$ 150,000
Common school loan	<u>312,290</u>	<u>16,987</u>
Total governmental activities debt	<u>\$ 462,290</u>	<u>\$ 166,987</u>

RURAL COMMUNITY ACADEMY
EXAMINATION RESULT AND COMMENT

APPROVAL OF FORMS

The School Corporation generally used other than prescribed or approved forms during the audit period.

The comment appeared in the prior report.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

RURAL COMMUNITY ACADEMY
EXIT CONFERENCE

The contents of this report were discussed on January 31, 2008, with Susie Pierce, Treasurer. The official concurred with our finding.