

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, 2007 to June 30, 2009



FILED

03/19/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen Peters Linda Dodd	07-01-07 to 01-01-08 01-02-08 to 06-30-10
Superintendent of Schools	Philip Wray Dr. Gregory Hinshaw	07-01-07 to 06-30-08 07-01-08 to 06-30-12
President of the School Board	Scott Hawkins Fred Pries	07-01-07 to 06-30-08 07-01-08 to 06-30-10



STATE OF INDIANA
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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, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated February 17, 2010, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

February 17, 2010



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

TO: THE OFFICIALS OF THE 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, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in item Finding 2009-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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.

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)

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. However, we believe that none of the significant deficiencies described above is a material weakness.

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 February 17, 2010.

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

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

STATE BOARD OF ACCOUNTS

February 17, 2010

RANDOLPH CENTRAL SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net</u>
		<u>Charges for</u>	<u>Operating</u>	<u>(Disbursement)</u>
		<u>Services</u>	<u>Grants and</u>	<u>Receipts and</u>
			<u>Contributions</u>	<u>Changes in</u>
				<u>Net Assets</u>
			<u>Totals</u>	
Governmental activities:				
Instruction	\$ 8,196,184	\$ -	\$ 254,652	\$ (7,941,532)
Support services	4,479,934	288,353	400,878	(3,790,703)
Noninstructional services	691,027	-	-	(691,027)
Facilities acquisition and construction	368,091	-	-	(368,091)
Debt service	2,157,771	-	-	(2,157,771)
Nonprogrammed charges	194,521	-	-	(194,521)
Total governmental activities	<u>\$ 16,087,528</u>	<u>\$ 288,353</u>	<u>\$ 655,530</u>	<u>(15,143,645)</u>
General receipts:				
Property taxes				4,366,219
Other local sources				847,912
State aid				7,088,035
Bonds and loans				2,660,000
Grants and contributions not restricted to specific programs				1,132,895
Sale of property				13
Investment earnings				111,133
Other				6,622
Total general receipts				<u>16,212,829</u>
Change in net assets				1,069,184
Net assets - beginning				<u>2,739,061</u>
Net assets - ending				<u>\$ 3,808,245</u>
<u>Assets</u>				
Cash and investments				\$ 3,481,768
Restricted assets:				
Cash and investments				<u>326,477</u>
Total assets				<u>\$ 3,808,245</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 326,477
Unrestricted				<u>3,481,768</u>
Total net assets				<u>\$ 3,808,245</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, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction	\$ 8,021,447	\$ -	\$ 286,625	\$ (7,734,822)
Support services	5,880,236	253,130	455,358	(5,171,748)
Noninstructional services	717,253	-	-	(717,253)
Facilities acquisition and construction	1,531,754	-	-	(1,531,754)
Debt service	3,509,311	-	-	(3,509,311)
Nonprogrammed charges	<u>277,721</u>	<u>-</u>	<u>-</u>	<u>(277,721)</u>
Total governmental activities	<u>\$ 19,937,722</u>	<u>\$ 253,130</u>	<u>\$ 741,983</u>	<u>(18,942,609)</u>
General receipts:				
Property taxes				4,895,969
Other local sources				843,881
State aid				8,245,588
Bonds and loans				1,846,980
Grants and contributions not restricted to specific programs				2,037,171
Sale of property				29,650
Investment earnings				47,833
Other				<u>84,495</u>
Total general receipts				<u>18,031,567</u>
Change in net assets				(911,042)
Net assets - beginning				<u>3,808,245</u>
Net assets - ending				<u>\$ 2,897,203</u>
<u>Assets</u>				
Cash and investments				\$ 2,830,720
Restricted assets:				
Cash and investments				<u>66,483</u>
Total assets				<u>\$ 2,897,203</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 66,483
Unrestricted				<u>2,830,720</u>
Total net assets				<u>\$ 2,897,203</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, 2008

	General	Rainy Day	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ 2,671,204	\$ -	\$ 950,534	\$ 1,990,742	\$ 5,612,480
Intermediate sources	725	-	-	413	1,138
State sources	7,248,636	-	-	220,957	7,469,593
Federal sources	6,682	-	-	1,400,184	1,406,866
Temporary loans	1,327,000	-	607,000	726,000	2,660,000
Other	1,139	-	-	5,483	6,622
Total receipts	11,255,386	-	1,557,534	4,343,779	17,156,699
Disbursements:					
Current:					
Instruction	7,162,647	-	-	1,033,537	8,196,184
Support services	3,032,206	40,250	251,461	1,156,017	4,479,934
Noninstructional services	128,943	-	-	562,084	691,027
Facilities acquisition and construction	-	-	343,418	24,673	368,091
Debt services	456,000	-	314,000	1,387,771	2,157,771
Nonprogrammed charges	194,350	-	-	171	194,521
Total disbursements	10,974,146	40,250	908,879	4,164,253	16,087,528
Excess (deficiency) of receipts over disbursements	281,240	(40,250)	648,655	179,526	1,069,171
Other financing sources (uses):					
Sale of capital assets	-	-	-	13	13
Transfers in	1,000	200,000	-	52,034	253,034
Transfers out	(100,000)	-	-	(153,034)	(253,034)
Total other financing sources (uses)	(99,000)	200,000	-	(100,987)	13
Excess of receipts and other financing sources over disbursements and other financing uses	182,240	159,750	648,655	78,539	1,069,184
Cash and investments - beginning	864,185	375,000	412,361	1,087,515	2,739,061
Cash and investments - ending	<u>\$ 1,046,425</u>	<u>\$ 534,750</u>	<u>\$ 1,061,016</u>	<u>\$ 1,166,054</u>	<u>\$ 3,808,245</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 1,046,425	\$ 534,750	\$ 1,061,016	\$ 839,577	\$ 3,481,768
Restricted assets:					
Cash and investments	-	-	-	326,477	326,477
Total cash and investment assets - ending	<u>\$ 1,046,425</u>	<u>\$ 534,750</u>	<u>\$ 1,061,016</u>	<u>\$ 1,166,054</u>	<u>\$ 3,808,245</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 326,477	\$ 326,477
Unrestricted	1,046,425	534,750	1,061,016	839,577	3,481,768
Total cash and investment fund balance - ending	<u>\$ 1,046,425</u>	<u>\$ 534,750</u>	<u>\$ 1,061,016</u>	<u>\$ 1,166,054</u>	<u>\$ 3,808,245</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, 2009

	General	Rainy Day	Fiscal Stabilization	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 2,844,426	\$ -	\$ -	\$ 914,244	\$ 2,281,547	\$ 6,040,217
Intermediate sources	242	-	-	-	354	596
State sources	8,435,659	-	-	-	247,733	8,683,392
Federal sources	-	-	917,506	-	1,423,844	2,341,350
Temporary loans	-	-	-	-	170,102	170,102
Other	12,594	-	-	67,167	4,734	84,495
Total receipts	<u>11,292,921</u>	<u>-</u>	<u>917,506</u>	<u>981,411</u>	<u>4,128,314</u>	<u>17,320,152</u>
Disbursements:						
Current:						
Instruction	6,684,875	-	331,472	-	1,005,100	8,021,447
Support services	3,941,263	-	164,506	466,620	1,307,847	5,880,236
Noninstructional services	136,592	-	-	-	580,661	717,253
Facilities acquisition and construction	-	29,620	-	564,129	938,005	1,531,754
Debt services	1,327,000	-	-	607,000	1,575,311	3,509,311
Nonprogrammed charges	276,173	-	-	-	1,548	277,721
Total disbursements	<u>12,365,903</u>	<u>29,620</u>	<u>495,978</u>	<u>1,637,749</u>	<u>5,408,472</u>	<u>19,937,722</u>
Excess (deficiency) of receipts over disbursements	<u>(1,072,982)</u>	<u>(29,620)</u>	<u>421,528</u>	<u>(656,338)</u>	<u>(1,280,158)</u>	<u>(2,617,570)</u>
Other financing sources (uses):						
Proceeds of long-term debt	760,186	-	-	-	916,692	1,676,878
Sale of capital assets	150	-	-	29,500	-	29,650
Transfers in	1,000	34,755	-	-	50,662	86,417
Transfers out	-	-	-	(34,755)	(51,662)	(86,417)
Total other financing sources (uses)	<u>761,336</u>	<u>34,755</u>	<u>-</u>	<u>(5,255)</u>	<u>915,692</u>	<u>1,706,528</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(311,646)</u>	<u>5,135</u>	<u>421,528</u>	<u>(661,593)</u>	<u>(364,466)</u>	<u>(911,042)</u>
Cash and investments - beginning	<u>1,046,425</u>	<u>534,750</u>	<u>-</u>	<u>1,061,016</u>	<u>1,166,054</u>	<u>3,808,245</u>
Cash and investments - ending	<u>\$ 734,779</u>	<u>\$ 539,885</u>	<u>\$ 421,528</u>	<u>\$ 399,423</u>	<u>\$ 801,588</u>	<u>\$ 2,897,203</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 734,779	\$ 539,885	\$ 421,528	\$ 399,423	\$ 735,105	\$ 2,830,720
Restricted assets:						
Cash and investments	-	-	-	-	66,483	66,483
Total cash and investment assets - ending	<u>\$ 734,779</u>	<u>\$ 539,885</u>	<u>\$ 421,528</u>	<u>\$ 399,423</u>	<u>\$ 801,588</u>	<u>\$ 2,897,203</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 66,483	\$ 66,483
Unrestricted	<u>734,779</u>	<u>539,885</u>	<u>421,528</u>	<u>399,423</u>	<u>735,105</u>	<u>2,830,720</u>
Total cash and investment fund balance - ending	<u>\$ 734,779</u>	<u>\$ 539,885</u>	<u>\$ 421,528</u>	<u>\$ 399,423</u>	<u>\$ 801,588</u>	<u>\$ 2,897,203</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, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 55,938	
Deductions:			
Benefits	<u>65,000</u>	<u>30,924</u>	
Excess (deficiency) of total additions over total deductions	(65,000)	25,014	
Cash and investment fund balance - beginning	<u>315,847</u>	<u>87,245</u>	
Cash and investment fund balance - ending	<u>\$ 250,847</u>	<u>\$ 112,259</u>	<u>\$ 6,513</u>
Net assets:			
Cash and investments	<u>\$ 250,847</u>	<u>\$ 112,259</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 250,847</u>	<u>\$ 112,259</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, 2009

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 39,024	
Deductions:			
Benefits	<u>50,000</u>	<u>33,782</u>	
Excess (deficiency) of total additions over total deductions	(50,000)	5,242	
Cash and investment fund balance - beginning	<u>250,847</u>	<u>112,259</u>	
Cash and investment fund balance - ending	<u>\$ 200,847</u>	<u>\$ 117,501</u>	<u>\$ 16,866</u>
Net assets:			
Cash and investments	<u>\$ 200,847</u>	<u>\$ 117,501</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 200,847</u>	<u>\$ 117,501</u>	

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 following:

Primary Government: Randolph Central School Corporation

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

Joint Venture

The School Corporation is a participant with four other school corporations in a joint venture to operate the Greater Randolph Interlocal Cooperative which was created to provide programs and services to exceptional children. The School Corporation is obligated by contract to remit annually an equal share of the cost of administration and to pay only that portion of the cost for programs as that cost relates to the School Corporation's students. The Cooperative's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Greater Randolph Interlocal Cooperative can be obtained from 325 South Oak Street, Suite L103, Winchester, IN 47394.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

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

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

Additionally, the School Corporation reports the following fund types:

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

The private-purpose trust funds report a trust arrangement under which principal and income benefit the students.

Agency funds account for assets held by the School Corporation as an agent for payroll withholding accounts.

C. Measurement Focus and Basis of Accounting

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

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

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

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

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. Due to property tax reassessment, property tax distributions originally due by June 30, 2007, 2008 and 2009 were not distributed until August 2007, September 2008, and September 2009, respectively.

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

- 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. Receipts and Disbursements

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 not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

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 government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

RANDOLPH CENTRAL SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Disbursements in Excess of Appropriations

For the year ended December 30, 2008, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

<u>Fund</u>	<u>2008</u>
General	<u>\$ 496,589</u>

These disbursements were funded by greater than anticipated receipts.

C. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

<u>Fund</u>	<u>2008</u>	<u>2009</u>
Special Education 07-08	\$ 9,097	\$ -
Special Education 08-09	-	27,449

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

RANDOLPH CENTRAL SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$3,339,342. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

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

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
Other governmental funds	General Fund	\$ 1,000	\$ 1,000
General Fund	Rainy Day	100,000	-
Other governmental funds	Rainy Day	100,000	-
Capital Projects	Rainy Day	-	34,755
Other governmental funds	Other governmental funds	<u>52,034</u>	<u>50,662</u>
Totals		<u>\$ 253,034</u>	<u>\$ 86,417</u>

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

IV. Other Information

A. Risk Management

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

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 ending June 30, 2008, and June 30, 2009, totaled \$680,500 and \$679,500.

C. Subsequent Events

The School Corporation was awarded an ARRA State Fiscal Stabilization grant award in the amount of \$563,947. As of February 3, 2010, the School Corporation has received \$119,808.

D. Termination Benefits

During the current year, the School Corporation offered to teachers who retired between July 1, 1994, and June 30, 2006, and on or after attaining age 55 with at least 15 years of service, a retirement bridge stipend at the rate of five thousand dollars per year for each subsequent year following the year of retirement. Benefits are paid up to and including the year the teacher first becomes of eligible age to start receiving full social security benefits. In no case may any teacher qualify for payment under this program exceeding seven years. During the year ended June 30, 2009, 10 retirees met these eligibility requirements and disbursements totaling \$50,000 were recognized for the termination benefits.

E. 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 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:

RANDOLPH CENTRAL SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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	\$ 104,499
Interest on net pension obligation	(13,901)
Adjustment to annual required contribution	15,842
Annual pension cost	106,440
Contributions made	99,060
Increase in net pension obligation	7,380
Net pension obligation, beginning of year	(191,742)
Net pension obligation, end of year	\$ (184,362)

	PERF
Contribution rates:	
School Corporation	5.5%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

RANDOLPH CENTRAL SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Actuarial Assumptions	PERF
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	06-30-06	\$ 67,942	131%	\$ (193,422)
	06-30-07	93,310	98%	(191,742)
	06-30-08	106,440	93%	(184,362)

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

Teachers' Retirement Fund

Plan Description

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

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

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

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$222,713, \$195,568, and \$168,795, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

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 (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 2,041,482	\$ 1,978,397	\$ 63,085	103%	\$ 1,580,663	4%
07-01-07	2,268,414	2,206,421	61,993	103%	1,742,429	4%
07-01-08	2,338,278	2,370,645	(32,367)	99%	1,933,610	(2%)

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, 2008

	Transportation Operating	Special Education Pre-School	School Lunch	Textbook Rental	Educational Plate Fees	Early Intervention 07-08	Gifted and Talented 07-08
Receipts:							
Local sources	\$ 764,251	\$ 8,225	\$ 246,863	\$ 94,725	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	413	-	-
State sources	-	118,520	8,324	55,732	-	1,500	32,760
Federal sources	-	-	329,073	-	-	-	-
Temporary loans	256,000	-	-	-	-	-	-
Other	3,277	-	-	550	-	-	-
Total receipts	1,023,528	126,745	584,260	151,007	413	1,500	32,760
Disbursements:							
Current:							
Instruction	-	126,552	-	-	-	-	28,609
Support services	879,148	-	7,979	90,529	-	1,500	-
Noninstructional services	-	-	561,751	-	-	-	-
Facilities acquisition and construction	-	-	24,673	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	879,148	126,552	594,403	90,529	-	1,500	28,609
Excess (deficiency) of receipts over disbursements	144,380	193	(10,143)	60,478	413	-	4,151
Other financing sources (uses):							
Sale of capital assets	13	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(74,000)	-	-	-	-	-	-
Total other financing sources (uses)	(73,987)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	70,393	193	(10,143)	60,478	413	-	4,151
Cash and investments - beginning	63,285	6,549	107,984	84,937	769	-	-
Cash and investments - ending	\$ 133,678	\$ 6,742	\$ 97,841	\$ 145,415	\$ 1,182	\$ -	\$ 4,151
Cash and Investment Assets - Ending							
Cash and investments	\$ 133,678	\$ 6,742	\$ 97,841	\$ 145,415	\$ 1,182	\$ -	\$ 4,151
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 133,678	\$ 6,742	\$ 97,841	\$ 145,415	\$ 1,182	\$ -	\$ 4,151
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	133,678	6,742	97,841	145,415	1,182	-	4,151
Total cash and investment fund balance - ending	\$ 133,678	\$ 6,742	\$ 97,841	\$ 145,415	\$ 1,182	\$ -	\$ 4,151

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, 2008
 (Continued)

	Gifted and Talented 06-07	Non-English Speaking Region 8	Non-English Speaking 06-07	Tech Plan 06-07	Camp Moodle Mini Grant	Non-English Speaking 07-08	Title I 06-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	1,850	2,271	-
Federal sources	-	-	-	-	-	-	21,846
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	-	-	1,850	2,271	21,846
Disbursements:							
Current:							
Instruction	13,237	57	215	-	-	2,271	51,187
Support services	-	-	-	75,755	1,850	-	-
Noninstructional services	-	-	-	-	-	-	118
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	13,237	57	215	75,755	1,850	2,271	51,305
Excess (deficiency) of receipts over disbursements	(13,237)	(57)	(215)	(75,755)	-	-	(29,459)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(33,335)
Total other financing sources (uses)	-	-	-	-	-	-	(33,335)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(13,237)	(57)	(215)	(75,755)	-	-	(62,794)
Cash and investments - beginning	13,237	68	215	77,942	-	-	62,794
Cash and investments - ending	\$ -	\$ 11	\$ -	\$ 2,187	\$ -	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 11	\$ -	\$ 2,187	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 11	\$ -	\$ 2,187	\$ -	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	11	-	2,187	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 11	\$ -	\$ 2,187	\$ -	\$ -	\$ -

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, 2008
 (Continued)

	Title I 07-08	Title I Des Academic	Title V Library 06-07	Special Education 07-08	Special Education 06-07	Drug Free Schools 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	341,551	12,000	2,738	271,740	67,258	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	341,551	12,000	2,738	271,740	67,258	-
Disbursements:						
Current:						
Instruction	258,774	6,805	3,410	280,837	61,632	7,348
Support services	6,499	1,646	5	-	-	-
Noninstructional services	215	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	265,488	8,451	3,415	280,837	61,632	7,348
Excess (deficiency) of receipts over disbursements	76,063	3,549	(677)	(9,097)	5,626	(7,348)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	33,335	-	13,000	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	33,335	-	13,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	109,398	3,549	12,323	(9,097)	5,626	(7,348)
Cash and investments - beginning	-	-	1,660	-	(5,626)	7,348
Cash and investments - ending	\$ 109,398	\$ 3,549	\$ 13,983	\$ (9,097)	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 109,398	\$ 3,549	\$ 13,983	\$ (9,097)	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 109,398	\$ 3,549	\$ 13,983	\$ (9,097)	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	109,398	3,549	13,983	(9,097)	-	-
Total cash and investment fund balance - ending	\$ 109,398	\$ 3,549	\$ 13,983	\$ (9,097)	\$ -	\$ -

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

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, 2008
 (Continued)

	Drug Free Schools 07-08	Drug Free Schools 06-07	Federal Medicaid Reimbursement	Class Size Reduction 06-07	Class Size Reduction 07-08	Title II Improving Teacher Quality 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	7,330	-	-	6,235	60,536	10,000
Temporary loans	-	-	-	-	-	-
Other	-	-	1,656	-	-	-
Total receipts	<u>7,330</u>	<u>-</u>	<u>1,656</u>	<u>6,235</u>	<u>60,536</u>	<u>10,000</u>
Disbursements:						
Current:						
Instruction	198	595	-	4,685	53,075	-
Support services	-	-	-	-	-	16,249
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	171	-	-	-
Total disbursements	<u>198</u>	<u>595</u>	<u>171</u>	<u>4,685</u>	<u>53,075</u>	<u>16,249</u>
Excess (deficiency) of receipts over disbursements	<u>7,132</u>	<u>(595)</u>	<u>1,485</u>	<u>1,550</u>	<u>7,461</u>	<u>(6,249)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	5,699
Transfers out	-	-	-	(5,699)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,699)</u>	<u>-</u>	<u>5,699</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>7,132</u>	<u>(595)</u>	<u>1,485</u>	<u>(4,149)</u>	<u>7,461</u>	<u>(550)</u>
Cash and investments - beginning	<u>-</u>	<u>7,383</u>	<u>11,779</u>	<u>4,149</u>	<u>-</u>	<u>6,415</u>
Cash and investments - ending	<u>\$ 7,132</u>	<u>\$ 6,788</u>	<u>\$ 13,264</u>	<u>\$ -</u>	<u>\$ 7,461</u>	<u>\$ 5,865</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 7,132	\$ 6,788	\$ 13,264	\$ -	\$ 7,461	\$ 5,865
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 7,132</u>	<u>\$ 6,788</u>	<u>\$ 13,264</u>	<u>\$ -</u>	<u>\$ 7,461</u>	<u>\$ 5,865</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	7,132	6,788	13,264	-	7,461	5,865
Total cash and investment fund balance - ending	<u>\$ 7,132</u>	<u>\$ 6,788</u>	<u>\$ 13,264</u>	<u>\$ -</u>	<u>\$ 7,461</u>	<u>\$ 5,865</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, 2008
 (Continued)

	Title II Improving Teacher Quality 05-06	Title II Enhancing Education 05-07	Title II Math and Science Partner	Debt Service	Severance Bond Debt Service	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 726,335	\$ 150,343	\$ 1,990,742
Intermediate sources	-	-	-	-	-	413
State sources	-	-	-	-	-	220,957
Federal sources	27,998	-	241,879	-	-	1,400,184
Temporary loans	-	-	-	231,000	239,000	726,000
Other	-	-	-	-	-	5,483
Total receipts	27,998	-	241,879	957,335	389,343	4,343,779
Disbursements:						
Current:						
Instruction	-	-	1,333	-	132,717	1,033,537
Support services	11,206	4,399	59,252	-	-	1,156,017
Noninstructional services	-	-	-	-	-	562,084
Facilities acquisition and construction	-	-	-	-	-	24,673
Debt services	-	-	-	1,116,508	271,263	1,387,771
Nonprogrammed charges	-	-	-	-	-	171
Total disbursements	11,206	4,399	60,585	1,116,508	403,980	4,164,253
Excess (deficiency) of receipts over disbursements	16,792	(4,399)	181,294	(159,173)	(14,637)	179,526
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	13
Transfers in	-	-	-	-	-	52,034
Transfers out	(13,000)	-	(1,000)	(26,000)	-	(153,034)
Total other financing sources (uses)	(13,000)	-	(1,000)	(26,000)	-	(100,987)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,792	(4,399)	180,294	(185,173)	(14,637)	78,539
Cash and investments - beginning	11,206	4,399	94,735	510,723	15,564	1,087,515
Cash and investments - ending	<u>\$ 14,998</u>	<u>\$ -</u>	<u>\$ 275,029</u>	<u>\$ 325,550</u>	<u>\$ 927</u>	<u>\$ 1,166,054</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 14,998	\$ -	\$ 275,029	\$ -	\$ -	\$ 839,577
Restricted assets:						
Cash and investments	-	-	-	325,550	927	326,477
Total cash and investment assets - ending	<u>\$ 14,998</u>	<u>\$ -</u>	<u>\$ 275,029</u>	<u>\$ 325,550</u>	<u>\$ 927</u>	<u>\$ 1,166,054</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 325,550	\$ 927	\$ 326,477
Unrestricted	14,998	-	275,029	-	-	839,577
Total cash and investment fund balance - ending	<u>\$ 14,998</u>	<u>\$ -</u>	<u>\$ 275,029</u>	<u>\$ 325,550</u>	<u>\$ 927</u>	<u>\$ 1,166,054</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, 2009

	Transportation Operating	Special Education Pre-School	School Lunch	Textbook Rental	Educational Plate Fees	Early Intervention 07-08
Receipts:						
Local sources	\$ 880,118	\$ 9,004	\$ 235,916	\$ 83,994	\$ -	\$ -
Intermediate sources	-	-	-	-	354	-
State sources	-	138,871	8,500	62,394	-	1,500
Federal sources	-	-	384,464	-	-	-
Temporary loans	166,000	-	-	-	-	-
Other	4,059	-	295	280	-	-
Total receipts	1,050,177	147,875	629,175	146,668	354	1,500
Disbursements:						
Current:						
Instruction	-	147,109	-	-	-	-
Support services	876,385	-	10,872	167,111	-	1,500
Noninstructional services	-	-	575,256	-	-	-
Facilities acquisition and construction	14,516	-	6,797	-	-	-
Debt services	256,000	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,536	-
Total disbursements	1,146,901	147,109	592,925	167,111	1,536	1,500
Excess (deficiency) of receipts over disbursements	(96,724)	766	36,250	(20,443)	(1,182)	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(96,724)	766	36,250	(20,443)	(1,182)	-
Cash and investments - beginning	133,678	6,742	97,841	145,415	1,182	-
Cash and investments - ending	<u>\$ 36,954</u>	<u>\$ 7,508</u>	<u>\$ 134,091</u>	<u>\$ 124,972</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 36,954	\$ 7,508	\$ 134,091	\$ 124,972	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 36,954</u>	<u>\$ 7,508</u>	<u>\$ 134,091</u>	<u>\$ 124,972</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	36,954	7,508	134,091	124,972	-	-
Total cash and investment fund balance - ending	<u>\$ 36,954</u>	<u>\$ 7,508</u>	<u>\$ 134,091</u>	<u>\$ 124,972</u>	<u>\$ -</u>	<u>\$ -</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, 2009
 (Continued)

	Gifted and Talented 07-08	Gifted and Talented 08-09	Non-English Speaking Region 8	Non-English Speaking 06-07	Tech Plan 06-07	Camp Moodle Mini Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	32,760	-	2,998	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	100	-	-
Total receipts	-	32,760	-	3,098	-	-
Disbursements:						
Current:						
Instruction	4,151	28,948	11	2,330	-	-
Support services	-	-	-	-	2,187	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	4,151	28,948	11	2,330	2,187	-
Excess (deficiency) of receipts over disbursements	(4,151)	3,812	(11)	768	(2,187)	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,151)	3,812	(11)	768	(2,187)	-
Cash and investments - beginning	4,151	-	11	-	2,187	-
Cash and investments - ending	\$ -	\$ 3,812	\$ -	\$ 768	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 3,812	\$ -	\$ 768	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 3,812	\$ -	\$ 768	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,812	-	768	-	-
Total cash and investment fund balance - ending	\$ -	\$ 3,812	\$ -	\$ 768	\$ -	\$ -

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, 2009
 (Continued)

	Non-English Speaking 07-08	Title II Professional Development Science	Wellness Program	Title I 08-09	Title I 07-08	Title I Des Academic
Receipts:						
Local sources	\$ -	\$ -	\$ 17,300	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	710	-	-	-	-	-
Federal sources	-	80,000	-	387,966	31,000	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	710	80,000	17,300	387,966	31,000	-
Disbursements:						
Current:						
Instruction	710	-	-	313,074	88,021	-
Support services	-	68,197	6,342	2,970	11,310	3,549
Noninstructional services	-	-	-	-	5,405	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	710	68,197	6,342	316,044	104,736	3,549
Excess (deficiency) of receipts over disbursements	-	11,803	10,958	71,922	(73,736)	(3,549)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	-	-	-	35,662	-	-
Transfers out	-	-	-	-	(35,662)	-
Total other financing sources (uses)	-	-	-	35,662	(35,662)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	11,803	10,958	107,584	(109,398)	(3,549)
Cash and investments - beginning	-	-	-	-	109,398	3,549
Cash and investments - ending	\$ -	\$ 11,803	\$ 10,958	\$ 107,584	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 11,803	\$ 10,958	\$ 107,584	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 11,803	\$ 10,958	\$ 107,584	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	11,803	10,958	107,584	-	-
Total cash and investment fund balance - ending	\$ -	\$ 11,803	\$ 10,958	\$ 107,584	\$ -	\$ -

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, 2009
 (Continued)

	Title V 08-09	Special Education 07-08	Special Education 08-09	Drug Free Schools 08-09	Drug Free Schools 07-08	Drug Free Schools 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	67,942	269,760	6,020	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	67,942	269,760	6,020	-	-
Disbursements:						
Current:						
Instruction	983	58,845	297,209	-	3,932	6,774
Support services	13,000	-	-	-	-	14
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	13,983	58,845	297,209	-	3,932	6,788
Excess (deficiency) of receipts over disbursements	(13,983)	9,097	(27,449)	6,020	(3,932)	(6,788)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Transfers in	15,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	15,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,017	9,097	(27,449)	6,020	(3,932)	(6,788)
Cash and investments - beginning	13,983	(9,097)	-	-	7,132	6,788
Cash and investments - ending	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ (27,449)</u>	<u>\$ 6,020</u>	<u>\$ 3,200</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 15,000	\$ -	\$ (27,449)	\$ 6,020	\$ 3,200	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ (27,449)</u>	<u>\$ 6,020</u>	<u>\$ 3,200</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	15,000	-	(27,449)	6,020	3,200	-
Total cash and investment fund balance - ending	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ (27,449)</u>	<u>\$ 6,020</u>	<u>\$ 3,200</u>	<u>\$ -</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, 2009
 (Continued)

	Federal Medicaid Reimbursement	Class Size Reduction 08-09	Class Size Reduction 07-08	Title II Improving Teacher Quality 06-07	Title II Improving Teacher Quality 05-06
Receipts:					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	60,536	-	30,921	-
Temporary loans	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	<u>-</u>	<u>60,536</u>	<u>-</u>	<u>30,921</u>	<u>-</u>
Disbursements:					
Current:					
Instruction	-	45,542	7,461	-	-
Support services	-	-	-	5,865	7,525
Noninstructional services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	-	-	-	-	-
Nonprogrammed charges	12	-	-	-	-
Total disbursements	<u>12</u>	<u>45,542</u>	<u>7,461</u>	<u>5,865</u>	<u>7,525</u>
Excess (deficiency) of receipts over disbursements	<u>(12)</u>	<u>14,994</u>	<u>(7,461)</u>	<u>25,056</u>	<u>(7,525)</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(15,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(12)</u>	<u>14,994</u>	<u>(7,461)</u>	<u>10,056</u>	<u>(7,525)</u>
Cash and investments - beginning	<u>13,264</u>	<u>-</u>	<u>7,461</u>	<u>5,865</u>	<u>14,998</u>
Cash and investments - ending	<u>\$ 13,252</u>	<u>\$ 14,994</u>	<u>\$ -</u>	<u>\$ 15,921</u>	<u>\$ 7,473</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 13,252	\$ 14,994	\$ -	\$ 15,921	\$ 7,473
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 13,252</u>	<u>\$ 14,994</u>	<u>\$ -</u>	<u>\$ 15,921</u>	<u>\$ 7,473</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>13,252</u>	<u>14,994</u>	<u>-</u>	<u>15,921</u>	<u>7,473</u>
Total cash and investment fund balance - ending	<u>\$ 13,252</u>	<u>\$ 14,994</u>	<u>\$ -</u>	<u>\$ 15,921</u>	<u>\$ 7,473</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, 2009
 (Continued)

	Title II Math and Science Partner	Debt Service	Severance Bond Debt Service	Construction	Totals
Receipts:					
Local sources	\$ -	\$ 687,897	\$ 367,318	\$ -	\$ 2,281,547
Intermediate sources	-	-	-	-	354
State sources	-	-	-	-	247,733
Federal sources	105,235	-	-	-	1,423,844
Temporary loans	-	-	4,102	-	170,102
Other	-	-	-	-	4,734
Total receipts	<u>105,235</u>	<u>687,897</u>	<u>371,420</u>	<u>-</u>	<u>4,128,314</u>
Disbursements:					
Current:					
Instruction	-	-	-	-	1,005,100
Support services	131,020	-	-	-	1,307,847
Noninstructional services	-	-	-	-	580,661
Facilities acquisition and construction	-	-	-	916,692	938,005
Debt services	-	946,965	372,346	-	1,575,311
Nonprogrammed charges	-	-	-	-	1,548
Total disbursements	<u>131,020</u>	<u>946,965</u>	<u>372,346</u>	<u>916,692</u>	<u>5,408,472</u>
Excess (deficiency) of receipts over disbursements	<u>(25,785)</u>	<u>(259,068)</u>	<u>(926)</u>	<u>(916,692)</u>	<u>(1,280,158)</u>
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	916,692	916,692
Transfers in	-	-	-	-	50,662
Transfers out	(1,000)	-	-	-	(51,662)
Total other financing sources (uses)	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>916,692</u>	<u>915,692</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(26,785)</u>	<u>(259,068)</u>	<u>(926)</u>	<u>-</u>	<u>(364,466)</u>
Cash and investments - beginning	<u>275,029</u>	<u>325,550</u>	<u>927</u>	<u>-</u>	<u>1,166,054</u>
Cash and investments - ending	<u>\$ 248,244</u>	<u>\$ 66,482</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 801,588</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 248,244	\$ -	\$ -	\$ -	\$ 735,105
Restricted assets:					
Cash and investments	-	66,482	1	-	66,483
Total cash and investment assets - ending	<u>\$ 248,244</u>	<u>\$ 66,482</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 801,588</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ 66,482	\$ 1	\$ -	\$ 66,483
Unrestricted	248,244	-	-	-	735,105
Total cash and investment fund balance - ending	<u>\$ 248,244</u>	<u>\$ 66,482</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 801,588</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, 2008

	Halloway Band Trust	Best Trust	Scholarships	Fields Scholarship	Totals
Additions:					
Contributions:					
Other	\$ -	\$ 25,212	\$ 30,726	\$ -	\$ 55,938
Deductions:					
Benefits	-	8,718	22,206	-	30,924
Excess of total additions over total deductions	-	16,494	8,520	-	25,014
Cash and investment fund balance - beginning	12	8,927	28,306	50,000	87,245
Cash and investments - June 30	<u>\$ 12</u>	<u>\$ 25,421</u>	<u>\$ 36,826</u>	<u>\$ 50,000</u>	<u>\$ 112,259</u>
Net assets:					
Cash and investments	\$ 12	\$ 25,421	\$ 36,826	\$ 50,000	\$ 112,259
Total net assets - cash and investment basis held in trust	<u>\$ 12</u>	<u>\$ 25,421</u>	<u>\$ 36,826</u>	<u>\$ 50,000</u>	<u>\$ 112,259</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, 2009

	Halloway Band Trust	Best Trust	Scholarships	Fields Scholarship	Totals
Additions:					
Contributions:					
Other	\$ -	\$ 15,866	\$ 23,158	\$ -	\$ 39,024
Deductions:					
Benefits	-	-	33,782	-	33,782
Excess (deficiency) of total additions over total deductions	-	15,866	(10,624)	-	5,242
Cash and investment fund balance - beginning	12	25,421	36,826	50,000	112,259
Cash and investments - June 30	<u>\$ 12</u>	<u>\$ 41,287</u>	<u>\$ 26,202</u>	<u>\$ 50,000</u>	<u>\$ 117,501</u>
Net assets:					
Cash and investments	\$ 12	\$ 41,287	\$ 26,202	\$ 50,000	\$ 117,501
Total net assets - cash and investment basis held in trust	<u>\$ 12</u>	<u>\$ 41,287</u>	<u>\$ 26,202</u>	<u>\$ 50,000</u>	<u>\$ 117,501</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, 2008

	<u>Cobra Insurance</u>	<u>Medicaid Reimbursement</u>	<u>Cafeteria Reimbursement Clearing</u>	<u>Textbook Reimbursement Clearing</u>	<u>Miscellaneous Clearing Account</u>	<u>Pepsi Clearing Account</u>	<u>Earned Income Credit</u>
Additions:							
Agency fund additions	\$ 71,774	\$ 2,723	\$ 249,040	\$ 58,358	\$ 500	\$ 10,781	\$ 619
Deductions:							
Agency fund deductions	<u>71,364</u>	<u>2,723</u>	<u>246,863</u>	<u>58,358</u>	<u>500</u>	<u>10,781</u>	<u>619</u>
Excess (deficiency) of total additions over total deductions	410	-	2,177	-	-	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>1,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 410</u>	<u>\$ -</u>	<u>\$ 3,753</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2008
 (Continued)

	Federal Withholding Tax	Teaching Social Security	State Gross Income Tax	County Tax	Teacher's Retirement	Non-Teacher's Retirement	AFLAC/S
Additions: Agency fund additions	\$ 812,763	\$ 713,156	\$ 281,515	\$ 117,119	\$ 524	\$ 6,906	\$ 4,845
Deductions: Agency fund deductions	812,763	713,156	281,515	117,119	524	6,906	4,821
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	-	24
Cash and investment fund balance - beginning	-	-	-	-	-	-	(28)
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4)

RANDOLPH CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	<u>Non-Teaching Social Security</u>	<u>Garnishment Fee</u>	<u>Madison National Life/LTD</u>	<u>Horace Mann Insurance</u>	<u>Hospital Insurance 125</u>	<u>Madison National Life Insurance</u>
Additions:						
Agency fund additions	\$ 262,827	\$ 48	\$ 1,130	\$ 513	\$ 236,188	\$ 164
Deductions:						
Agency fund deductions	<u>262,827</u>	<u>48</u>	<u>1,130</u>	<u>513</u>	<u>236,188</u>	<u>164</u>
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2008
 (Continued)

	RCCTA Dues	Colonial Section 125	Hospital Non	Colonial Non	Garnishments	American United Life
Additions: Agency fund additions	\$ 59,854	\$ 46,016	\$ 20,129	\$ 33,579	\$ 7,968	\$ 16,358
Deductions: Agency fund deductions	59,854	47,108	20,129	32,840	7,968	16,358
Excess (deficiency) of total additions over total deductions	-	(1,092)	-	739	-	-
Cash and investment fund balance - beginning	-	1,715	-	992	-	-
Cash and investment fund balance - ending	\$ -	\$ 623	\$ -	\$ 1,731	\$ -	\$ -

RANDOLPH CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Midland Life Insurance	John Hancock Venture	Lincoln National	Metlife Metropolitan Life	Pacific Life	Totals
Additions:						
Agency fund additions	\$ 130,216	\$ 45,040	\$ 1,510	\$ 80,887	\$ 60,960	\$ 3,334,010
Deductions:						
Agency fund deductions	130,216	45,040	1,510	80,887	60,960	3,331,752
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	2,258
Cash and investment fund balance - beginning	-	-	-	-	-	4,255
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,513

RANDOLPH CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	Cobra Insurance	Medicaid Reimbursement	Cafeteria Reimbursement Clearing	Textbook Reimbursement Clearing	Miscellaneous Clearing Account	Pepsi Clearing Account	Earned Income Credit
Additions:							
Agency fund additions	\$ 80,539	\$ 159	\$ 237,874	\$ 60,864	\$ 238	\$ 16,757	\$ 104
Deductions:							
Agency fund deductions	73,098	-	235,525	60,864	238	16,757	104
Excess (deficiency) of total additions over total deductions	7,441	159	2,349	-	-	-	-
Cash and investment fund balance - beginning	410	-	3,753	-	-	-	-
Cash and investment fund balance - ending	<u>\$ 7,851</u>	<u>\$ 159</u>	<u>\$ 6,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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, 2009
 (Continued)

	Federal Withholding Tax	Teaching Social Security	State Gross Income Tax	County Tax	Teacher's Retirement	Non-Teacher's Retirement	AFLAC/S
Additions:							
Agency fund additions	\$ 872,577	\$ 983,568	\$ 292,734	\$ 124,257	\$ 111	\$ 8,414	\$ 7,608
Deductions:							
Agency fund deductions	872,577	983,568	292,734	124,257	111	8,414	7,518
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	-	90
Cash and investment fund balance - beginning	-	-	-	-	-	-	(4)
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86

RANDOLPH CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Non-Teaching Social Security	Garnishment Fee	Madison National Life/LTD	Horace Mann Insurance	Supplemental Life Insurance	Hospital Insurance 125	Madison National Life Insurance
Additions:							
Agency fund additions	\$ 337,515	\$ 102	\$ 1,994	\$ 32	\$ 221	\$ 234,756	\$ 170
Deductions:							
Agency fund deductions	337,515	102	1,993	32	-	234,756	169
Excess (deficiency) of total additions over total deductions	-	-	1	-	221	-	1
Cash and investment fund balance - beginning	-	-	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 221</u>	<u>\$ -</u>	<u>\$ 1</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, 2009
 (Continued)

	RCCTA Dues	Colonial Section 125	Hospital Non	Colonial Non	Garnishments	American United Life
Additions: Agency fund additions	\$ 62,809	\$ 48,650	\$ 26,401	\$ 33,880	\$ 10,261	\$ 20,258
Deductions: Agency fund deductions	62,809	47,280	26,401	35,159	10,261	20,258
Excess (deficiency) of total additions over total deductions	-	1,370	-	(1,279)	-	-
Cash and investment fund balance - beginning	-	623	-	1,731	-	-
Cash and investment fund balance - ending	\$ -	\$ 1,993	\$ -	\$ 452	\$ -	\$ -

RANDOLPH CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Midland Life Insurance	John Hancock Venture	Lincoln National	Metlife Metropolitan Life	Pacific Life	Totals
Additions:						
Agency fund additions	\$ 121,008	\$ 17,860	\$ 330	\$ 122,031	\$ 13,145	\$ 3,737,227
Deductions:						
Agency fund deductions	121,008	17,860	330	122,031	13,145	3,726,874
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	10,353
Cash and investment fund balance - beginning	-	-	-	-	-	6,513
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,866</u>

RANDOLPH CENTRAL SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 202,857
Buildings	17,584,953
Improvements other than buildings	597,930
Machinery and equipment	2,953,718
Construction in progress	<u>995,351</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 22,334,809</u>

RANDOLPH CENTRAL SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Baker Elementary	\$ 2,415,000	\$ 680,000
Notes and loans payable	1,676,878	-
Bonds payable:		
General obligation bonds:		
Retirement/severance bonds	<u>2,205,000</u>	<u>266,945</u>
Total governmental activities debt	<u>\$ 6,296,878</u>	<u>\$ 946,945</u>

RANDOLPH CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following disbursements in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General	2008	<u>\$ 496,589</u>

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN CASH BALANCES

The cash balances of the Special Education 07-08 Fund and the Special Education 08-09 Fund were overdrawn as of June 30, 2008, and June 30, 2009.

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

TRANSFER TUITION

Transfer tuition was charged at estimated rates in fiscal year 2007-2008. Subsequently, actual costs by the School Corporation were computed using total costs for all school buildings rather than by kindergarten, elementary school, etc. A refund of \$89.05 was computed, but no refunds were made. Transfer tuition was charged at estimated rates in fiscal year 2008-2009. Subsequently, actual costs were computed by the School Corporation using total costs for all school buildings rather than by kindergarten, elementary school, etc. A refund of \$133.83 was computed, but no refunds were made.

IC 20-26-11-6 states in part:

"(a) A school corporation may accept a transferring student without approval of the transferor corporation under section 5 of this chapter. (b) A transfer may not be accepted unless the requesting parents or student pays transfer tuition in an amount determined under the formula established in section 13 of this chapter for the payment of transfer tuition by a transferor school corporation . . ."

TRANSPORTATION FUND - RECORD OF HOURS WORKED

The Superintendent's salary was partially paid from the Transportation Fund during the audit period. The previous Superintendent stated he maintained daily logs; however, the records were not available for audit. The current Superintendent maintained monthly logs.

RANDOLPH CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

IC 5-11-9-4 requires in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ."

Some positions have been formally established by boards of school trustees, through job description, duties assigned, title, salary schedules, etc., as transportation related (for example, Assistant Superintendent-Transportation Director). We will not take audit exception, in these situations (other than positions excluded by statute), to direct transportation related employees having direct transportation related expenses being paid from the transportation fund if a cost allocation system based upon auditable statistics is established tracking costs attributable to the transportation program and therefore payable from the transportation fund. The use of time cards, time logs, or other means of accumulating auditable statistics upon which to base costs would have to be maintained. The time spent on such programs by persons serving in more than one program area must be specific if costs are to be separated. These costs cannot be accurately maintained on a percentage basis and requires the use of one of the methods mentioned above to provide auditable statistics and should cover all program areas in which a person serves or for which the service, materials, supplies, etc., are provided. (The School Administrator and Uniform Compliance Guidelines, Volume 157)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS - CHILD NUTRITION CLUSTER

The School Corporation did not comply with directives of the Indiana Department of Education (IDOE), the grantor of the Child Nutrition Cluster for the State of Indiana. IDOE requires a monthly Claim for Reimbursement to be submitted in order to reimburse local schools for free and reduced meals served.

Detailed records of meals served for School Breakfast and Lunch were not easily accessible. Multiple requests were made to the Food Service Director to provide the detailed reporting of the number of meals served. The Director was unable to provide detailed reports for 6 months out of 10 for the School Year 2007/2008. The Technology Coordinator reviewed the files provided and reviewed by the Food Service Director and found 4 of the 6 months in the same files reviewed by the Food Service Director.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ECA DEPOSITS (Applies to Deerfield Elementary School)

Receipts were not always deposited within a reasonable time. One textbook rental receipt was deposited ten days after being collected.

A similar comment appeared in prior Report B31728.

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

RANDOLPH CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

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 SA-3.

A similar comment appeared in prior Report B31728.

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)

TEXTBOOK RENTAL RECEIPT ISSUANCE (Applies to Williard Elementary)

Approved textbook rental receipts were not issued for partial collections until the payor's charges were paid in full.

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)

RECEIPT ISSUANCE (Winchester High School)

Receipts were not always issued or recorded at time collections were made. The Treasurer is using a generic receipt form at the time of collection and issuing the prescribed receipt form SA-3 at a later time. Additionally, the respective amount of cash and checks was not posted properly to the prescribed receipt Form SA-3.

A similar comment appeared in prior Report B31728.

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)

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)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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AN EQUAL OPPORTUNITY EMPLOYER

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

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009.

Internal Control Over Compliance

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

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

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

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

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

STATE BOARD OF ACCOUNTS

February 17, 2010

RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 07-08 FY 08-09	\$ 63,034 -	\$ - 78,795
National School Lunch Program	10.555	FY 07-08 FY 08-09	285,375 -	- 344,216
Total for federal grantor agency			<u>348,409</u>	<u>423,011</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I, Part A Cluster	84.010	07-6825 08-6825 09-6825 Awards Program	51,305 291,447 - 11,867	- 78,777 316,649 23,167
Total for cluster			<u>354,619</u>	<u>418,593</u>
Pass-Through Greater Randolph Interlocal Cooperative Special Education Cluster Special Education - Grants to States	84.027	14207-066-PN01 14208-066-PN01 14209-066-PN01	61,632 297,614 -	- 42,067 316,629
Total for cluster			<u>359,246</u>	<u>358,696</u>
Pass-Through Indiana Department of Education ARRA State Fiscal Stabilization Fund (SFSF) Cluster	84.394	FY 2009	-	495,978
Safe and Drug Free Schools and Communities - State Grants	84.186	05-163 6825-06 6825-07	7,348 595 198	- 6,788 3,932
Total for program			<u>8,141</u>	<u>10,720</u>
State Grants for Innovative Programs	84.298	07-6825	3,918	13,479
Educational Technology State Grants Enhancing Education Through Technology	84.318	SY2005-2006	4,399	-
Mathematics and Science Partnership	84.366	6000/182500	109,137	125,254
Improving Teacher Quality State Grant	84.367	SY 2006-2007 SY 2007-2008 SY 2008-2009 Class Size Reduction Class Size Reduction Class Size Reduction	18,182 11,206 - - 4,685 57,770	- 7,525 5,865 55,075 - 2,766
Total for program			<u>91,843</u>	<u>71,231</u>
Total for federal grantor agency			<u>931,303</u>	<u>1,493,951</u>
Total federal awards expended			<u>\$ 1,279,712</u>	<u>\$ 1,916,962</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 school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2008 and 2009:

Program Title	Federal CFDA Number	2008	2009
Mathematics and Science Partnership	84.366	\$ 9,732	\$ 59,717

III. Noncash Assistance

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

Program Title	Federal CFDA Number	2008	2009
School Breakfast Program	10.553	\$ 3,498	\$ 7,180
National School Lunch Program	10.555	15,836	31,367

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

Significant deficiencies identified that are not considered to be material weaknesses? yes

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified? no

Significant deficiencies identified that are not considered to be material weaknesses? none reported

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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education Cluster
ARRA State Fiscal Stabilization Fund (SFSF)
Cluster

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

Auditee qualified as low-risk auditee? yes

RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Finding

FINDING 2009-1, FINANCIAL STATEMENT FINDING

The School Corporation Office has a lack of segregation of duties. The bank reconciliation, which is not reviewed by management, and other posting and depositing duties are performed by the same individual.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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

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Gregory P. Hinshaw, Ed.D.
Superintendent

Lisa Chalfant
Curriculum Director/Grant Writer

February 5, 2010

Indiana State Board of Accounts
Stephanie Heath
State Examiner
302 West Washington St.
Indianapolis, IN 46204

Re: Corrective Action Plan

Dear Ms. Heath:

We are in receipt of the Schedule of Findings and Questioned Costs for the audit Period of July 1, 2007 through June 30, 2009 and are submitting to you our corrective action plan as follows:

SECTION II – FINANCIAL STATEMENT FINDING 2009-1: The Treasurer will submit monthly reconciled bank statements to the Superintendent for review, and the Deputy Treasurer will begin taking daily deposits to the bank.

Sincerely,

Linda Dodd
Treasurer

RANDOLPH CENTRAL SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 17, 2010, with Linda Dodd, Treasurer; Dr. Gregory Hinshaw, Superintendent of Schools; and Scott Hawkins, member of the School Board.