

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

AUDIT REPORT

OF

RANDOLPH SOUTHERN SCHOOL CORPORATION

RANDOLPH COUNTY, INDIANA

July 1, 2008 to June 30, 2010



**FILED**  
03/08/2011



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds .....	9-10
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	11-12
Notes to Financial Statements .....	13-20
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	21-28
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds .....	29-30
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds .....	31-32
Schedule of Capital Assets.....	33
Schedule of Long-Term Debt .....	34
Audit Results and Comments:	
Internal Controls Over Financial Transactions and Reporting .....	35
Transportation Fund Salary Disbursements .....	35
Overdrawn Cash Balances.....	36
Condition of Records .....	36
Interest Fund.....	36-37
Amounts Owed .....	37
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	40-41
Schedule of Expenditures of Federal Awards .....	42
Notes to Schedule of Expenditures of Federal Awards.....	43
Schedule of Findings and Questioned Costs .....	44-45
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings .....	46
Corrective Action Plan.....	47
Exit Conference.....	48
Official Response .....	49-51

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pamela D. Welch	07-01-08 to 06-30-11
Superintendent of Schools	Michael J. Necessary	07-01-08 to 06-30-11
President of the School Board	Ronald Stephen Keith Hart Michael D. Miller	07-01-08 to 06-30-09 07-01-09 to 06-30-10 07-01-10 to 06-30-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE RANDOLPH SOUTHERN 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 Southern School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, 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. The basis of accounting noted above is a different basis than that used in the prior year.

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, 2009 and 2010, 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 8, 2011, 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 integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

The School Corporation has not presented Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, 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.

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

STATE BOARD OF ACCOUNTS

February 8, 2011



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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 SOUTHERN 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 Southern School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 8, 2011. 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 2010-1 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.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and 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 8, 2011

RANDOLPH SOUTHERN 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>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 2,846,918	\$ -	\$ 87,789	\$ (2,759,129)
Support services	2,037,524	154,721	136,606	(1,746,197)
Noninstructional services	298,046	-	-	(298,046)
Facilities acquisition and construction	345,771	-	-	(345,771)
Debt service	1,562,245	-	-	(1,562,245)
Nonprogrammed charges	95,206	-	-	(95,206)
	<u>\$ 7,185,710</u>	<u>\$ 154,721</u>	<u>\$ 224,395</u>	<u>(6,806,594)</u>
Total governmental activities				
General receipts:				
Property taxes				2,363,192
Other local sources				353,562
State aid				2,832,425
Bonds and loans				285,408
Grants and contributions not restricted to specific programs				653,218
Investment earnings				19,111
Other				26,405
Total general receipts				6,533,321
Change in net assets				(273,273)
Net assets - beginning				1,252,702
Net assets - ending				\$ 979,429
<u>Assets</u>				
Cash and investments				\$ 985,828
Restricted assets:				
Cash and investments				(6,399)
Total assets				\$ 979,429
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (6,399)
Unrestricted				985,828
Total net assets				\$ 979,429

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

RANDOLPH SOUTHERN SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 2,888,474	\$ -	\$ 81,190	\$ (2,807,284)
Support services	1,858,544	152,559	149,147	(1,556,838)
Noninstructional services	294,137	-	-	(294,137)
Facilities acquisition and construction	335,357	-	-	(335,357)
Debt service	593,796	-	-	(593,796)
Nonprogrammed charges	87,368	-	-	(87,368)
	<u>\$ 6,057,676</u>	<u>\$ 152,559</u>	<u>\$ 230,337</u>	<u>(5,674,780)</u>
General receipts:				
Property taxes				1,868,814
Other local sources				264,714
State aid				3,610,822
Grants and contributions not restricted to specific programs				515,346
Investment earnings				7,638
Other				13,219
				<u>6,280,553</u>
Total general receipts				<u>6,280,553</u>
Change in net assets				605,773
Net assets - beginning				<u>979,429</u>
Net assets - ending				<u>\$ 1,585,202</u>
<u>Assets</u>				
Cash and investments				\$ 1,397,744
Restricted assets:				
Cash and investments				<u>187,458</u>
Total assets				<u>\$ 1,585,202</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 187,458
Unrestricted				<u>1,397,744</u>
Total net assets				<u>\$ 1,585,202</u>

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

RANDOLPH SOUTHERN 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
<b>Receipts:</b>						
Local sources	\$ 1,332,525	\$ -	\$ -	\$ 539,666	\$ 1,017,917	\$ 2,890,108
Intermediate sources	100	-	-	-	375	475
State sources	2,892,366	-	-	-	148,251	3,040,617
Federal sources	-	-	318,232	-	351,192	669,424
Temporary loans	-	-	-	172,001	113,407	285,408
Other	8,014	-	-	17,463	928	26,405
<b>Total receipts</b>	<b>4,233,005</b>	<b>-</b>	<b>318,232</b>	<b>729,130</b>	<b>1,632,070</b>	<b>6,912,437</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	2,479,277	-	113,254	-	254,387	2,846,918
Support services	1,176,388	-	64,474	177,721	618,941	2,037,524
Noninstructional services	53,463	-	14	-	244,569	298,046
Facilities acquisition and construction	-	-	-	345,771	-	345,771
Debt services	578,296	-	-	376,054	607,895	1,562,245
Nonprogrammed charges	64,641	-	-	-	30,565	95,206
<b>Total disbursements</b>	<b>4,352,065</b>	<b>-</b>	<b>177,742</b>	<b>899,546</b>	<b>1,756,357</b>	<b>7,185,710</b>
Excess (deficiency) of receipts over disbursements	(119,060)	-	140,490	(170,416)	(124,287)	(273,273)
<b>Other financing sources (uses):</b>						
Transfers in	2,135	117,890	-	-	18,685	138,710
Transfers out	-	-	-	-	(138,710)	(138,710)
<b>Total other financing sources (uses)</b>	<b>2,135</b>	<b>117,890</b>	<b>-</b>	<b>-</b>	<b>(120,025)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(116,925)	117,890	140,490	(170,416)	(244,312)	(273,273)
Cash and investments - beginning	385,351	195,500	-	264,025	407,826	1,252,702
Cash and investments - ending	\$ 268,426	\$ 313,390	\$ 140,490	\$ 93,609	\$ 163,514	\$ 979,429
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 268,426	\$ 313,390	\$ 140,490	\$ 93,609	\$ 169,913	\$ 985,828
Restricted assets:						
Cash and investments	-	-	-	-	(6,399)	(6,399)
<b>Total cash and investment assets - ending</b>	<b>\$ 268,426</b>	<b>\$ 313,390</b>	<b>\$ 140,490</b>	<b>\$ 93,609</b>	<b>\$ 163,514</b>	<b>\$ 979,429</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ (6,399)	\$ (6,399)
Unrestricted	268,426	313,390	140,490	93,609	169,913	985,828
<b>Total cash and investment fund balance - ending</b>	<b>\$ 268,426</b>	<b>\$ 313,390</b>	<b>\$ 140,490</b>	<b>\$ 93,609</b>	<b>\$ 163,514</b>	<b>\$ 979,429</b>

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

RANDOLPH SOUTHERN 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, 2010

	General	Rainy Day	Fiscal Stabilization	Capital Projects	Other	Totals
<b>Receipts:</b>						
Local sources	\$ 57,661	\$ -	\$ -	\$ 835,325	\$ 1,400,511	\$ 2,293,497
Intermediate sources	-	-	-	-	225	225
State sources	3,664,398	-	-	-	64,724	3,729,122
Federal sources	-	-	120,837	-	506,549	627,386
Interfund loans	-	-	-	-	4,092	4,092
Other	7,505	-	-	5,548	166	13,219
<b>Total receipts</b>	<b>3,729,564</b>	<b>-</b>	<b>120,837</b>	<b>840,873</b>	<b>1,976,267</b>	<b>6,667,541</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	2,318,593	-	198,037	-	371,844	2,888,474
Support services	1,158,243	-	60,033	198,650	441,618	1,858,544
Noninstructional services	54,432	-	3,257	-	236,448	294,137
Facilities acquisition and construction	-	-	-	335,357	-	335,357
Debt services	-	-	-	172,001	421,795	593,796
Nonprogrammed charges	71,742	-	-	-	15,626	87,368
Interfund loans	4,092	-	-	-	-	4,092
<b>Total disbursements</b>	<b>3,607,102</b>	<b>-</b>	<b>261,327</b>	<b>706,008</b>	<b>1,487,331</b>	<b>6,061,768</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>122,462</b>	<b>-</b>	<b>(140,490)</b>	<b>134,865</b>	<b>488,936</b>	<b>605,773</b>
<b>Other financing sources (uses):</b>						
Transfers in	8,368	83,990	-	-	5,128	97,486
Transfers out	-	-	-	-	(97,486)	(97,486)
<b>Total other financing sources (uses)</b>	<b>8,368</b>	<b>83,990</b>	<b>-</b>	<b>-</b>	<b>(92,358)</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>130,830</b>	<b>83,990</b>	<b>(140,490)</b>	<b>134,865</b>	<b>396,578</b>	<b>605,773</b>
<b>Cash and investments - beginning</b>	<b>268,426</b>	<b>313,390</b>	<b>140,490</b>	<b>93,609</b>	<b>163,514</b>	<b>979,429</b>
<b>Cash and investments - ending</b>	<b>\$ 399,256</b>	<b>\$ 397,380</b>	<b>\$ -</b>	<b>\$ 228,474</b>	<b>\$ 560,092</b>	<b>\$ 1,585,202</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 399,256	\$ 397,380	\$ -	\$ 228,474	\$ 372,634	\$ 1,397,744
Restricted assets:						
Cash and investments	-	-	-	-	187,458	187,458
<b>Total cash and investment assets - ending</b>	<b>\$ 399,256</b>	<b>\$ 397,380</b>	<b>\$ -</b>	<b>\$ 228,474</b>	<b>\$ 560,092</b>	<b>\$ 1,585,202</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	187,458	187,458
Unrestricted	399,256	397,380	-	228,474	372,634	1,397,744
<b>Total cash and investment fund balance - ending</b>	<b>\$ 399,256</b>	<b>\$ 397,380</b>	<b>\$ -</b>	<b>\$ 228,474</b>	<b>\$ 560,092</b>	<b>\$ 1,585,202</b>

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

RANDOLPH SOUTHERN SCHOOL CORPORATION  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2009

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 19,089
Investment earnings:		
Interest	<u>-</u>	<u>3,189</u>
Total additions	<u>-</u>	<u>22,278</u>
Deductions:		
Benefits	2,761	-
Administrative and general	<u>-</u>	<u>24,234</u>
Total deductions	<u>2,761</u>	<u>24,234</u>
Deficiency of total additions over total deductions	(2,761)	(1,956)
Cash and investment fund balance - beginning	<u>118,208</u>	<u>87,185</u>
Cash and investment fund balance - ending	<u>\$ 115,447</u>	<u>\$ 85,229</u>
Net assets:		
Cash and investments	<u>\$ 115,447</u>	<u>\$ 85,229</u>
Total net assets - cash and investment basis held in trust	<u>\$ 115,447</u>	<u>\$ 85,229</u>

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

RANDOLPH SOUTHERN SCHOOL CORPORATION  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2010

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Contributions:		
Other	\$ -	\$ 41,098
Investment earnings:		
Interest	<u>-</u>	<u>747</u>
Total additions	<u>-</u>	<u>41,845</u>
Deductions:		
Benefits	14,849	-
Administrative and general	<u>-</u>	<u>26,485</u>
Total deductions	<u>14,849</u>	<u>26,485</u>
Excess (deficiency) of total additions over total deductions	(14,849)	15,360
Cash and investment fund balance - beginning	<u>115,447</u>	<u>85,229</u>
Cash and investment fund balance - ending	<u>\$ 100,598</u>	<u>\$ 100,589</u>
Net assets:		
Cash and investments	<u>\$ 100,598</u>	<u>\$ 100,589</u>
Total net assets - cash and investment basis held in trust	<u>\$ 100,598</u>	<u>\$ 100,589</u>

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

RANDOLPH SOUTHERN 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 Southern 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. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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 SOUTHERN 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 IC 36-1-8-5.1 and a locally adopted resolution.

The fiscal stabilization fund is used to account for financial resources that the federal government granted to local schools.

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

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for resources for postretirement benefits in accordance with IC 20-42-4.

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

RANDOLPH SOUTHERN SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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. 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 may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

4. 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.

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

RANDOLPH SOUTHERN SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

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 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 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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is 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 loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

RANDOLPH SOUTHERN 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 January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, 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 are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

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

B. Cash Balance Deficits

At June 30, 2009 and 2010, the following funds reported deficits in cash, which are violations of the Uniform Compliance Guidelines as authorized by State statute:

Fund	2008-2009	2009-2010
Transportation Operating	\$ 10,528	\$ -
Special Education 2008-2009	1,403	-
Debt Service	6,127	-
Retirement Severance Bond	272	-
Special Education 2009-2010	-	704

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

III. Detailed Notes on All Funds

A. Deposits 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. IC 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

RANDOLPH SOUTHERN SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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, 2010, the School Corporation had deposit balances in the amount of \$1,965,727.

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, 2009 and 2010, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008-2009</u>	<u>2009-2010</u>
Other Governmental Funds	General Fund	\$ 2,135	\$ 8,368
	Rainy Day Fund	117,890	83,990
	Other Governmental Funds	<u>18,685</u>	<u>5,128</u>
Totals		<u>\$ 138,710</u>	<u>\$ 97,486</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 risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The School Corporation has entered into a capital lease with Randolph Southern 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 2009 and 2010 totaled \$190,429, and \$190,429, respectively.

RANDOLPH SOUTHERN SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Termination Benefits

During 2009-2010 school year, the School Corporation offered to employed certified teachers or counselors, who desire to retire at the end of the 2009-2010 school year, up to \$5,000 for three consecutive years of their medical insurance premiums or supplemental insurance (if they are on Medicare). During 2009-2010, the School Corporation disbursed \$2,353 for one individual.

D. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$196,541.

RANDOLPH SOUTHERN SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy

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's contributions to the plan during the period were \$136,108.

RANDOLPH SOUTHERN 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 Preschool	School Lunch	Textbook Rental	Educational License Plates	Education Technology	Technology Grant 2009-2011
<b>Receipts:</b>							
Local sources	\$ 330,112	\$ 3,021	\$ 130,850	\$ 33,601	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	375	-	-
State sources	-	27,563	3,997	22,627	-	-	52,813
Federal sources	-	-	109,982	-	-	-	-
Temporary loans	96,632	-	-	-	-	-	-
Other	928	-	-	-	-	-	-
<b>Total receipts</b>	<b>427,672</b>	<b>30,584</b>	<b>244,829</b>	<b>56,228</b>	<b>375</b>	<b>-</b>	<b>52,813</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	13,295
Support services	306,559	-	-	59,899	500	-	-
Noninstructional services	-	-	244,569	-	-	-	-
Debt services	223,924	-	-	-	-	-	-
Nonprogrammed charges	-	30,315	-	-	250	-	-
<b>Total disbursements</b>	<b>530,483</b>	<b>30,315</b>	<b>244,569</b>	<b>59,899</b>	<b>750</b>	<b>-</b>	<b>13,295</b>
Excess (deficiency) of receipts over disbursements	(102,811)	269	260	(3,671)	(375)	-	39,518
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	(35,000)	-	-	-	-	(135)	-
<b>Total other financing sources (uses)</b>	<b>(35,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(135)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(137,811)	269	260	(3,671)	(375)	(135)	39,518
Cash and investments - beginning	127,283	8,100	18,270	39,351	1,913	135	-
Cash and investments - ending	\$ (10,528)	\$ 8,369	\$ 18,530	\$ 35,680	\$ 1,538	\$ -	\$ 39,518
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ (10,528)	\$ 8,369	\$ 18,530	\$ 35,680	\$ 1,538	\$ -	\$ 39,518
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ (10,528)</b>	<b>\$ 8,369</b>	<b>\$ 18,530</b>	<b>\$ 35,680</b>	<b>\$ 1,538</b>	<b>\$ -</b>	<b>\$ 39,518</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(10,528)	8,369	18,530	35,680	1,538	-	39,518
<b>Total cash and investment fund balance - ending</b>	<b>\$ (10,528)</b>	<b>\$ 8,369</b>	<b>\$ 18,530</b>	<b>\$ 35,680</b>	<b>\$ 1,538</b>	<b>\$ -</b>	<b>\$ 39,518</b>

RANDOLPH SOUTHERN 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)

	Improving English/ Core 40	Biology Pilot Program	Wellness Program	Gifted and Talented 2008-2009	Gifted and Talented 2005-2006	Title I 2008-2009	Title I 2007-2008
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ 5,900	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	13,400	-	-	27,851	-	-	-
Federal sources	-	-	-	-	-	80,048	2,000
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>13,400</b>	<b>-</b>	<b>5,900</b>	<b>27,851</b>	<b>-</b>	<b>80,048</b>	<b>2,000</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	20,749	12,575	57,356	8,959
Support services	69,600	3,992	3,345	-	-	10,931	4,188
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>69,600</b>	<b>3,992</b>	<b>3,345</b>	<b>20,749</b>	<b>12,575</b>	<b>68,287</b>	<b>13,147</b>
Excess (deficiency) of receipts over disbursements	(56,200)	(3,992)	2,555	7,102	(12,575)	11,761	(11,147)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	15,685	-
Transfers out	-	-	-	-	-	-	(15,685)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,685</b>	<b>(15,685)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(56,200)	(3,992)	2,555	7,102	(12,575)	27,446	(26,832)
Cash and investments - beginning	56,200	3,992	-	-	12,575	-	26,832
Cash and investments - ending	\$ -	\$ -	\$ 2,555	\$ 7,102	\$ -	\$ 27,446	\$ -
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ -	\$ -	\$ 2,555	\$ 7,102	\$ -	\$ 27,446	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,555</b>	<b>\$ 7,102</b>	<b>\$ -</b>	<b>\$ 27,446</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	2,555	7,102	-	27,446	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,555</b>	<b>\$ 7,102</b>	<b>\$ -</b>	<b>\$ 27,446</b>	<b>\$ -</b>

RANDOLPH SOUTHERN 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 Part A 107-110	Title V Part A 2008-2009	Special Education 2008-2009	Special Education 2007-2008	Title IV Part A 2006-2007	Title IV Part A	Medicaid Reimbursement
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	389	100,620	9,563	1,594	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>389</b>	<b>100,620</b>	<b>9,563</b>	<b>1,594</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	102,023	12,505	-	-	-
Support services	1,697	2,144	-	-	688	2,053	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,697</b>	<b>2,144</b>	<b>102,023</b>	<b>12,505</b>	<b>688</b>	<b>2,053</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(1,697)	(1,755)	(1,403)	(2,942)	906	(2,053)	-
<b>Other financing sources (uses):</b>							
Transfers in	-	3,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,697)	1,245	(1,403)	(2,942)	906	(2,053)	-
Cash and investments - beginning	1,825	-	-	2,942	688	2,781	4,494
Cash and investments - ending	<u>\$ 128</u>	<u>\$ 1,245</u>	<u>\$ (1,403)</u>	<u>\$ -</u>	<u>\$ 1,594</u>	<u>\$ 728</u>	<u>\$ 4,494</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 128	\$ 1,245	\$ (1,403)	\$ -	\$ 1,594	\$ 728	\$ 4,494
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 128</u>	<u>\$ 1,245</u>	<u>\$ (1,403)</u>	<u>\$ -</u>	<u>\$ 1,594</u>	<u>\$ 728</u>	<u>\$ 4,494</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	128	1,245	(1,403)	-	1,594	728	4,494
<b>Total cash and investment fund balance - ending</b>	<u>\$ 128</u>	<u>\$ 1,245</u>	<u>\$ (1,403)</u>	<u>\$ -</u>	<u>\$ 1,594</u>	<u>\$ 728</u>	<u>\$ 4,494</u>

RANDOLPH SOUTHERN 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)

	School Technology P.L. 106-554	Title II Part A 2008-2009	Grants to LEAs T.I. Stimulus	Debt Service	Retirement/ Severance Bond	School Bus Replacement	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ 228,182	\$ 131,048	\$ 155,203	\$ 1,017,917
Intermediate sources	-	-	-	-	-	-	375
State sources	-	-	-	-	-	-	148,251
Federal sources	-	39,458	7,538	-	-	-	351,192
Temporary loans	-	-	-	16,775	-	-	113,407
Other	-	-	-	-	-	-	928
<b>Total receipts</b>	<b>-</b>	<b>39,458</b>	<b>7,538</b>	<b>244,957</b>	<b>131,048</b>	<b>155,203</b>	<b>1,632,070</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	15,141	11,784	-	-	-	-	254,387
Support services	242	-	-	-	-	153,103	618,941
Noninstructional services	-	-	-	-	-	-	244,569
Debt services	-	-	-	268,085	115,886	-	607,895
Nonprogrammed charges	-	-	-	-	-	-	30,565
<b>Total disbursements</b>	<b>15,383</b>	<b>11,784</b>	<b>-</b>	<b>268,085</b>	<b>115,886</b>	<b>153,103</b>	<b>1,756,357</b>
Excess (deficiency) of receipts over disbursements	(15,383)	27,674	7,538	(23,128)	15,162	2,100	(124,287)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	18,685
Transfers out	(1,000)	(4,000)	-	(23,000)	-	(59,890)	(138,710)
<b>Total other financing sources (uses)</b>	<b>(1,000)</b>	<b>(4,000)</b>	<b>-</b>	<b>(23,000)</b>	<b>-</b>	<b>(59,890)</b>	<b>(120,025)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,383)	23,674	7,538	(46,128)	15,162	(57,790)	(244,312)
Cash and investments - beginning	16,383	-	-	40,001	(15,434)	59,495	407,826
Cash and investments - ending	\$ -	\$ 23,674	\$ 7,538	\$ (6,127)	\$ (272)	\$ 1,705	\$ 163,514
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ 23,674	\$ 7,538	\$ -	\$ -	\$ 1,705	\$ 169,913
Restricted assets:							
Cash and investments	-	-	-	(6,127)	(272)	-	(6,399)
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 23,674</b>	<b>\$ 7,538</b>	<b>\$ (6,127)</b>	<b>\$ (272)</b>	<b>\$ 1,705</b>	<b>\$ 163,514</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ (6,127)	\$ (272)	\$ -	\$ (6,399)
Unrestricted	-	23,674	7,538	-	-	1,705	169,913
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 23,674</b>	<b>\$ 7,538</b>	<b>\$ (6,127)</b>	<b>\$ (272)</b>	<b>\$ 1,705</b>	<b>\$ 163,514</b>

RANDOLPH SOUTHERN 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, 2010

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Educational License Plates	Technology Grant 2009-2011	Wellness Program
<b>Receipts:</b>							
Local sources	\$ 524,690	\$ -	\$ 122,483	\$ 31,183	\$ -	\$ -	\$ 5,800
Intermediate sources	-	-	-	-	225	-	-
State sources	-	15,125	3,480	15,006	-	-	-
Federal sources	-	-	130,661	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	166	-	-	-	-	-	-
<b>Total receipts</b>	<b>524,856</b>	<b>15,125</b>	<b>256,624</b>	<b>46,189</b>	<b>225</b>	<b>-</b>	<b>5,800</b>
<b>Disbursements:</b>							
Current:							
Instruction	-	-	-	-	-	4,237	-
Support services	289,326	-	-	41,680	600	35,279	5,292
Noninstructional services	-	-	236,448	-	-	-	-
Debt services	96,632	-	-	-	-	-	-
Nonprogrammed charges	-	15,126	-	-	500	-	-
<b>Total disbursements</b>	<b>385,958</b>	<b>15,126</b>	<b>236,448</b>	<b>41,680</b>	<b>1,100</b>	<b>39,516</b>	<b>5,292</b>
Excess (deficiency) of receipts over disbursements	138,898	(1)	20,176	4,509	(875)	(39,516)	508
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	215	-	-	-
Transfers out	(35,000)	(8,368)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(35,000)</b>	<b>(8,368)</b>	<b>-</b>	<b>215</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	103,898	(8,369)	20,176	4,724	(875)	(39,516)	508
Cash and investments - beginning	(10,528)	8,369	18,530	35,680	1,538	39,518	2,555
Cash and investments - ending	<u>\$ 93,370</u>	<u>\$ -</u>	<u>\$ 38,706</u>	<u>\$ 40,404</u>	<u>\$ 663</u>	<u>\$ 2</u>	<u>\$ 3,063</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 93,370	\$ -	\$ 38,706	\$ 40,404	\$ 663	\$ 2	\$ 3,063
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 93,370</b>	<b>\$ -</b>	<b>\$ 38,706</b>	<b>\$ 40,404</b>	<b>\$ 663</b>	<b>\$ 2</b>	<b>\$ 3,063</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	93,370	-	38,706	40,404	663	2	3,063
<b>Total cash and investment fund balance - ending</b>	<b>\$ 93,370</b>	<b>\$ -</b>	<b>\$ 38,706</b>	<b>\$ 40,404</b>	<b>\$ 663</b>	<b>\$ 2</b>	<b>\$ 3,063</b>

RANDOLPH SOUTHERN 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, 2010  
 (Continued)

	Gifted and Talented 2008-2009	Gifted and Talented 2009-2010	Excess PTRC	Title I 2008-2009	Title I 2009-2010	Title V Part A 107-110	Title V Part A 2008-2009
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	27,617	3,496	-	-	-	-
Federal sources	-	-	-	1,166	78,987	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>27,617</b>	<b>3,496</b>	<b>1,166</b>	<b>78,987</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	7,102	18,264	-	19,412	51,085	-	-
Support services	-	-	-	4,287	11,033	128	855
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>7,102</b>	<b>18,264</b>	<b>-</b>	<b>23,699</b>	<b>62,118</b>	<b>128</b>	<b>855</b>
Excess (deficiency) of receipts over disbursements	(7,102)	9,353	3,496	(22,533)	16,869	(128)	(855)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	4,913	-	-
Transfers out	-	-	-	(4,913)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,913)</b>	<b>4,913</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,102)	9,353	3,496	(27,446)	21,782	(128)	(855)
Cash and investments - beginning	7,102	-	-	27,446	-	128	1,245
Cash and investments - ending	\$ -	\$ 9,353	\$ 3,496	\$ -	\$ 21,782	\$ -	\$ 390
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ 9,353	\$ 3,496	\$ -	\$ 21,782	\$ -	\$ 390
<b>Restricted assets:</b>							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 9,353</b>	<b>\$ 3,496</b>	<b>\$ -</b>	<b>\$ 21,782</b>	<b>\$ -</b>	<b>\$ 390</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	9,353	3,496	-	21,782	-	390
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 9,353</b>	<b>\$ 3,496</b>	<b>\$ -</b>	<b>\$ 21,782</b>	<b>\$ -</b>	<b>\$ 390</b>

RANDOLPH SOUTHERN 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, 2010  
 (Continued)

	Special Education 2008-2009	Special Education 2009-2010	Title IV Part A 2008-2009	Title IV Part A	Medicaid Reimbursement	Title II Part A 2009-2010	Title II Part A 2008-2009
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	25,161	110,445	-	2,009	-	39,570	-
Interfund loans	-	4,092	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>25,161</b>	<b>114,537</b>	<b>-</b>	<b>2,009</b>	<b>-</b>	<b>39,570</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	23,758	115,241	-	-	2,261	6,956	23,189
Support services	-	-	1,247	728	-	-	485
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>23,758</b>	<b>115,241</b>	<b>1,247</b>	<b>728</b>	<b>2,261</b>	<b>6,956</b>	<b>23,674</b>
Excess (deficiency) of receipts over disbursements	1,403	(704)	(1,247)	1,281	(2,261)	32,614	(23,674)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,403	(704)	(1,247)	1,281	(2,261)	32,614	(23,674)
Cash and investments - beginning	(1,403)	-	1,594	728	4,494	-	23,674
Cash and investments - ending	\$ -	\$ (704)	\$ 347	\$ 2,009	\$ 2,233	\$ 32,614	\$ -
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ (704)	\$ 347	\$ 2,009	\$ 2,233	\$ 32,614	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ (704)</b>	<b>\$ 347</b>	<b>\$ 2,009</b>	<b>\$ 2,233</b>	<b>\$ 32,614</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(704)	347	2,009	2,233	32,614	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ (704)</b>	<b>\$ 347</b>	<b>\$ 2,009</b>	<b>\$ 2,233</b>	<b>\$ 32,614</b>	<b>\$ -</b>

RANDOLPH SOUTHERN 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, 2010  
 (Continued)

	REAP	Grants to LEAs T.I. Stimulus	Special Education Part B Stimulus	Debt Service	Retirement/ Severance Bond	School Bus Replacement	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ 411,816	\$ 142,419	\$ 162,120	\$ 1,400,511
Intermediate sources	-	-	-	-	-	-	225
State sources	-	-	-	-	-	-	64,724
Federal sources	16,440	22,800	79,310	-	-	-	506,549
Interfund loans	-	-	-	-	-	-	4,092
Other	-	-	-	-	-	-	166
<b>Total receipts</b>	<b>16,440</b>	<b>22,800</b>	<b>79,310</b>	<b>411,816</b>	<b>142,419</b>	<b>162,120</b>	<b>1,976,267</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	11,972	25,171	63,196	-	-	-	371,844
Support services	4,468	-	-	-	-	46,210	441,618
Noninstructional services	-	-	-	-	-	-	236,448
Debt services	-	-	-	234,118	91,045	-	421,795
Nonprogrammed charges	-	-	-	-	-	-	15,626
<b>Total disbursements</b>	<b>16,440</b>	<b>25,171</b>	<b>63,196</b>	<b>234,118</b>	<b>91,045</b>	<b>46,210</b>	<b>1,487,331</b>
Excess (deficiency) of receipts over disbursements	-	(2,371)	16,114	177,698	51,374	115,910	488,936
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	5,128
Transfers out	-	-	-	(35,215)	-	(13,990)	(97,486)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,215)</b>	<b>-</b>	<b>(13,990)</b>	<b>(92,358)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,371)	16,114	142,483	51,374	101,920	396,578
Cash and investments - beginning	-	7,538	-	(6,127)	(272)	1,705	163,514
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 5,167</b>	<b>\$ 16,114</b>	<b>\$ 136,356</b>	<b>\$ 51,102</b>	<b>\$ 103,625</b>	<b>\$ 560,092</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ 5,167	\$ 16,114	\$ -	\$ -	\$ 103,625	\$ 372,634
Restricted assets:							
Cash and investments	-	-	-	136,356	51,102	-	187,458
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 5,167</b>	<b>\$ 16,114</b>	<b>\$ 136,356</b>	<b>\$ 51,102</b>	<b>\$ 103,625</b>	<b>\$ 560,092</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ 136,356	\$ 51,102	\$ -	\$ 187,458
Unrestricted	-	5,167	16,114	-	-	103,625	372,634
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 5,167</b>	<b>\$ 16,114</b>	<b>\$ 136,356</b>	<b>\$ 51,102</b>	<b>\$ 103,625</b>	<b>\$ 560,092</b>

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

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Deductions:			
Benefits	\$ -	\$ 2,761	\$ 2,761
Total deductions	-	2,761	2,761
Deficiency of total additions over total deductions	-	(2,761)	(2,761)
Cash and investment fund balance - beginning	110,545	7,663	118,208
Cash and investment fund balance - ending	\$ 110,545	\$ 4,902	\$ 115,447
Net assets:			
Cash and investments	\$ 110,545	\$ 4,902	\$ 115,447
Total net assets - cash and investment basis held in trust	\$ 110,545	\$ 4,902	\$ 115,447

RANDOLPH SOUTHERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For the Year Ended June 30, 2010

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Deductions:			
Benefits	\$ 14,849	\$ -	\$ 14,849
Total deductions	14,849	-	14,849
Deficiency of total additions over total deductions	(14,849)	-	(14,849)
Cash and investment fund balance - beginning	110,545	4,902	115,447
Cash and investment fund balance - ending	\$ 95,696	\$ 4,902	\$ 100,598
Net assets:			
Cash and investments	\$ 95,696	\$ 4,902	\$ 100,598
Total net assets - cash and investment basis held in trust	\$ 95,696	\$ 4,902	\$ 100,598

RANDOLPH SOUTHERN 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

	Frontline Screenprint	Richard E. Wright Memorial	John D. Wilson Scholarship	Nina M. Chenoweth Scholarship	Ella Wilson Scholarship	Helen Thorn Scholarship	Misc/Gifts Bequests	Totals
Additions:								
Contributions:								
Other	\$ 11,798	\$ -	\$ 7,163	\$ -	\$ 128	\$ -	\$ -	\$ 19,089
Investment earnings:								
Interest	-	66	-	66	390	2,667	-	3,189
Total additions	11,798	66	7,163	66	518	2,667	-	22,278
Deductions:								
Administrative and general	15,134	50	6,900	50	300	1,700	100	24,234
Excess (deficiency) of total additions over total deductions	(3,336)	16	263	16	218	967	(100)	(1,956)
Cash and investment fund balance - beginning	11,004	1,100	4,200	1,108	9,595	58,384	1,794	87,185
Cash and investments - June 30	\$ 7,668	\$ 1,116	\$ 4,463	\$ 1,124	\$ 9,813	\$ 59,351	\$ 1,694	\$ 85,229
Net assets:								
Cash and investments	\$ 7,668	\$ 1,116	\$ 4,463	\$ 1,124	\$ 9,813	\$ 59,351	\$ 1,694	\$ 85,229
Total net assets - cash and investment basis held in trust	\$ 7,668	\$ 1,116	\$ 4,463	\$ 1,124	\$ 9,813	\$ 59,351	\$ 1,694	\$ 85,229

RANDOLPH SOUTHERN SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2010

	Frontline Screenprint	Richard E. Wright Memorial	John D. Wilson Scholarship	Nina M. Chenoweth Scholarship	Ella Wilson Scholarship	Helen Thorn Scholarship	Misc/Gifts Bequests	Insurance Grant	Totals
Additions:									
Contributions:									
Other	\$ 8,527	\$ -	\$ 5,374	\$ -	\$ -	\$ 14	\$ -	\$ 27,183	\$ 41,098
Investment earnings:									
Interest	-	6	-	6	46	689	-	-	747
Total additions	<u>8,527</u>	<u>6</u>	<u>5,374</u>	<u>6</u>	<u>46</u>	<u>703</u>	<u>-</u>	<u>27,183</u>	<u>41,845</u>
Deductions:									
Administrative and general	<u>16,195</u>	<u>50</u>	<u>5,537</u>	<u>50</u>	<u>300</u>	<u>2,000</u>	<u>-</u>	<u>2,353</u>	<u>26,485</u>
Excess (deficiency) of total additions over total deductions	(7,668)	(44)	(163)	(44)	(254)	(1,297)	-	24,830	15,360
Cash and investment fund balance - beginning	<u>7,668</u>	<u>1,116</u>	<u>4,463</u>	<u>1,124</u>	<u>9,813</u>	<u>59,351</u>	<u>1,694</u>	<u>-</u>	<u>85,229</u>
Cash and investments - June 30	<u>\$ -</u>	<u>\$ 1,072</u>	<u>\$ 4,300</u>	<u>\$ 1,080</u>	<u>\$ 9,559</u>	<u>\$ 58,054</u>	<u>\$ 1,694</u>	<u>\$ 24,830</u>	<u>\$ 100,589</u>
Net assets:									
Cash and investments	<u>\$ -</u>	<u>\$ 1,072</u>	<u>\$ 4,300</u>	<u>\$ 1,080</u>	<u>\$ 9,559</u>	<u>\$ 58,054</u>	<u>\$ 1,694</u>	<u>\$ 24,830</u>	<u>\$ 100,589</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>	<u>\$ 1,072</u>	<u>\$ 4,300</u>	<u>\$ 1,080</u>	<u>\$ 9,559</u>	<u>\$ 58,054</u>	<u>\$ 1,694</u>	<u>\$ 24,830</u>	<u>\$ 100,589</u>

RANDOLPH SOUTHERN SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For the Year Ended June 30, 2010

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	\$ 125,678
Buildings	11,885,037
Improvements other than Buildings	294,577
Machinery and equipment	<u>1,424,922</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 13,730,214</u>

RANDOLPH SOUTHERN SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2010

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:		
Energy Savings	\$ 3,013,642	\$ 219,609
Notes and loans payable	83,454	62,309
Bonds payable:		
General obligation bonds:		
Athletic Annex	255,000	137,150
Retirement/Severance Bond	<u>390,000</u>	<u>18,032</u>
Total governmental activities debt	<u>\$ 3,742,096</u>	<u>\$ 437,100</u>

RANDOLPH SOUTHERN SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

Lack of Segregation of Duties: Control activities were not selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts. The failure to establish these controls could enable material misstatements or irregularities to undetected.

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 objections, 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.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TRANSPORTATION FUND SALARY DISBURSEMENTS

Portions of the salaries paid for the Elementary Principal, High School Principal, Superintendent and Treasurer were paid from the Transportation Fund and the General Fund.

IC 20-40-6-6(a) regarding the Transportation Fund states in part:

"The following costs are payable from the fund: (1) The salaries paid to bus drivers, transportation supervisors, mechanics and garage employees, clerks, and other transportation related employees . . .

Percentages or parts of salaries of teaching personnel or principals are not attributable to transportation. However, parts of salaries of instructional aides who are assigned to assist with the school transportation program are attributable to transportation. The costs described in this subsection (other than instructional aide costs) may not be budgeted for payment or paid from the fund."

The Conclusion of Attorney General Advisory Number 96-78 states in part:

"The school transportation fund was established to cover costs which are attributable to transportation. Indiana Code 21-2-11.5-2(b)(1) through (b)(7) (now 20-40-6-6) set forth the costs which may be attributed to transportation. According to subsection (b) (1), the salaries of "transportation-related" employees may be paid from this fund. As the school superintendent and school corporation treasurer do not appear to be positions that are transportation-related, payment from the transportation fund of the salaries attached to these positions would be improper." (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

RANDOLPH SOUTHERN SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

OVERDRAWN CASH BALANCES

The cash balances of the Transportation Operating Fund, Special Education 2008-2009 Fund, Debt Service Fund and Retirement/Severance Bond Fund were overdrawn as of June 30, 2009. The cash balance of the Special Education 2009-2010 Fund was overdrawn as of June 30, 2010.

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)

CONDITION OF RECORDS (Applies to Randolph Southern Elementary School)

Financial records presented for audit were incomplete and not reflective of the previously examined ending balances. The records presented did not provide sufficient information to examine or establish beginning balances, receipts, disbursements, ending balances or the accuracy or correctness of the transactions. A similar comment was stated in prior Report B34185.

The Detail of Expenditures (Form SA5-3) included the description "Vendor" as the purpose of the disbursement which presented difficulty in determining the appropriateness of disbursement.

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)

INTEREST FUND (Applies to Randolph Southern Elementary School)

Interest, donations, picture money etc., were receipted to the Interest Fund.

IC 20-41-1-9 concerning the school extra-curricular account provides in part:

"The money in the school extracurricular account may be invested under the conditions specified in IC 5-13-10 and IC 5-13-10.5 for investment of state money. However, investments under this section are at the discretion of the principal. The interest earned from any investment may be credited to the school extracurricular account and need not be credited proportionately to each separate extracurricular fund. The interest earned from the investment may be used for any of the following:

- (1) A school purpose approved by the principal.
- (2) An extracurricular purpose approved by the principal.

Amounts expended under this section for the purposes described in this section are in addition to the appropriation under IC 20-26-5-4(3)."

After a decision has been made to purchase an investment from the bank account balance (and not credit the interest to individual funds), a necessity exists for accounting purposes, to establish an investment income fund in the extra-curricular account records to which any earnings (the aforementioned procedure) are receipted and from which expenditures are made. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 5)

RANDOLPH SOUTHERN SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 7)

AMOUNTS OWED (Applies to Randolph Jr./Sr. High School)

The vendor who provided yearbooks for the High School was owed \$12,757 as of the end fiscal year 2009-2010 and a repayment plan was entered into. The \$12,757 represented amounts owed for fiscal years 2008-2009 and 2009-2010. The amount owed was provided by the vendor as no one at the High School was able to provide a detail of the amount owed, payments made, balance due, etc.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (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)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

TO: THE OFFICIALS OF THE RANDOLPH SOUTHERN SCHOOL  
CORPORATION, RANDOLPH COUNTY, INDIANA

Compliance

We have audited the compliance of the Randolph Southern 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, 2009 and 2010. 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, 2009 and 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item Finding 2010-2.

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

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)

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.

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

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

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

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and 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 8, 2011

RANDOLPH SOUTHERN SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2009 and 2010

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 06-30-09	Total Federal Awards Expended 06-30-10
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 08-09 FY 09-10	\$ 17,501 -	\$ - 24,130
National School Lunch Program	10.555	FY 08-09 FY 09-10	110,846 -	- 126,039
Total for federal grantor agency			<u>128,347</u>	<u>150,169</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010	2007-2008 2008-2009 2009-2010	13,147 68,287 -	- 23,699 62,118
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	2009-2010	-	25,171
Total for cluster			<u>81,434</u>	<u>110,988</u>
Pass-Through Greater Randolph Interlocal Cooperative Special Education Cluster Special Education - Grants to States	84.027	14208-PN01 14209-PN01 14210-PN01	12,505 102,023 -	- 23,758 115,241
ARRA-Special Education - Grants to States, Recovery Act	84.391	3310-SN01	-	63,196
Total for cluster			<u>114,528</u>	<u>202,195</u>
Pass-Through Indiana Department of Education State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY2009	177,742	261,327
Safe and Drug-Free Schools and Communities - State Grants	84.186	6805-06 6805-07	688 2,053	1,247 728
Total for program			<u>2,741</u>	<u>1,975</u>
State Grants for Innovative Programs	84.298	07-6805 08-6805	1,697 2,144	128 855
Total for program			<u>3,841</u>	<u>983</u>
Rural Education	84.358	S358A095861	-	16,440
Improving Teacher Quality State Grants	84.367	07-6805 08-6805 09-6805	15,383 11,784 -	- 23,674 6,956
Total for program			<u>27,167</u>	<u>30,630</u>
Total for federal grantor agency			<u>407,453</u>	<u>624,538</u>
Total federal awards expended			<u>\$ 535,800</u>	<u>\$ 774,707</u>

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

RANDOLPH SOUTHERN 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 Southern School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008-2009	2009-2010
School Breakfast Program	10.553	\$ 2,335	\$ 2,899
National School Lunch Program	10.555	14,599	14,944

RANDOLPH SOUTHERN 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

Title I, Part A Cluster  
Special Education Cluster  
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2010-1, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

Lack of Segregation of Duties: Control activities were not selected and developed at various levels of the School Corporation to reduce risks to achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to undetected.

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

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 objections, 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.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-2, TITLE I – CASH MANAGEMENT

Federal Agency: U.S. Department of Education  
Federal Program: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act  
CFDA Number: 84.010, 84.389  
Pass-Through Entity: Indiana Department of Education

The drawdown schedule for basic Title I grants was detailed in the original grant application. Sixteen of the twenty-four months had surplus cash balances at month end.

Nine of the twelve months had surplus cash balances at month end for the Title I Recovery Act grant.

EDGAR CFR 80.20 (b)(7) states in part: "Cash Management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used . . . Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Failure to minimize the cash on hand as determined by the grant agreement and federal regulation may cause future funding to be reduced by the pass-through agency.

We recommended that the School Corporation attempt to match their budgeted expenditures with the drawdown requests included in the original Title I grant application and monitor monthly cash balances with the goal to minimize the amount of cash on hand at the end of the month.

RANDOLPH SOUTHERN SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

January 31, 2011

U.S. Department of Education  
Indiana Department of Education

Re: Segregation of Duties/Receipts  
Title I/Cash Management

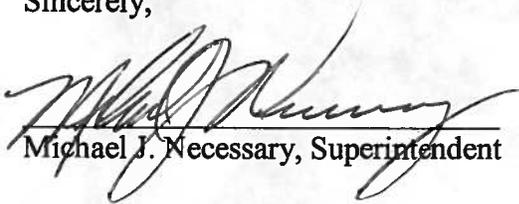
Randolph Southern School Corporation is unable, due to financial limitations, to employ additional personnel to segregate duties in our receipts and cash and investment balances.

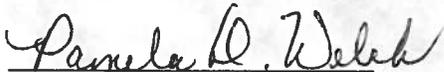
Randolph Southern School Corporation acknowledges that in the past we have not been in compliance regarding surplus cash balances at month end.

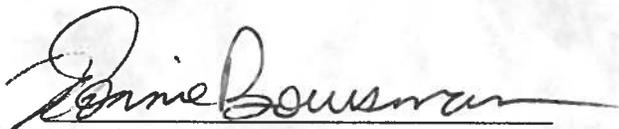
Since July 2010 we have been on the cash reimbursement system and believe this will correct the problem.

Thank you for your assistance with this situation.

Sincerely,

  
Michael J. Necessary, Superintendent

  
Pamela D. Welch, Treasurer

  
Donnie Bowsman, Title I Administrator

RANDOLPH SOUTHERN SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2011, with Pamela D. Welch, Treasurer; Michael J. Necessary, Superintendent of Schools; and Michael D. Miller, President of the School Board. The official response has been made a part of this report and may be found on pages 49 through 51.

This letter is a response to Randolph Southern School Corporation review Results and Comments from the audit of our financial records from July 1, 2008 through June 30, 2010.

In response to the Internal Controls over Financial Transactions and Reporting we believe we have addressed in a letter sent to the U.S. Department of Education and the Indiana Department of Education on January 31, 2011. We stated Randolph Southern School Corporation is unable, due to financial limitations, to employ additional personnel to segregate duties in our receipts and cash and investment balances. This statement would apply to all of our internal controls.

### **Transportation Fund Expenditures – Principals, Superintendent & Treasurer**

Randolph Southern School Corporation ceased paying partial salaries for the Elementary Principal, High School Principal, Superintendent and Treasurer from the Transportation Fund when State Board of Accounts Auditor, Stephanie Heath told us the Attorney General ruling on this. We did this even though we are well aware surrounding schools have and are still paying administrators, superintendent and treasurer from the Transportation Fund.

### **Overdrawn Cash Balances**

We most certainly try to not have any funds overdrawn and have purposely not made loans because we wanted our balances to be true balances. With the implementation of requesting cash twice monthly we feel problems with grants will take care of themselves beginning July 1, 2010. Funds supported by local taxes will be at the mercy of the distribution from the county. We will make sure we make loans between funds to make sure these overdrawn funds do not occur in the future.

We are always appreciative of suggestions from the State Board of Accounts on ways to make our business more efficient.

The Randolph Southern Jr. Sr. High School yearbook is the responsibility of the state accredited class called Mass Media.

The classroom assignment is to produce a yearbook that captures the living history of the school year. The "vendor" that helps our students create the yearbook is Herff-Jones.

The financial situation currently for the Mass Media class is that an extra-curricular school account titled Yearbook handles the receipts and the payment of expenses. This accredited class, Mass Media, is a financial stand-alone class that depends on the number of yearbooks sold, advertising, and various moneymaking projects.

Fortunately, the yearbook for many years was self-sustaining. The number of yearbooks sold and the profit made was capable of maintaining the yearbook fund in the black.

What has changed can be addressed in numbers. Cost of production is on the increase and the number of sales is on the decrease.

The 2010-11 yearbooks will cost \$5,600 for 125 books or \$44.80 per book. We have tried to order 125 books the past three years because if we were to order 100 the cost is approximately \$50 per book.

We have sold on the average 90 books per year. This year the cost of a yearbook to a student or parent is \$40. We have allocated the profit from Lifetouch (student pictures fall & spring), advertising sales and fundraising activities have made up the difference.

A major financial responsibility was created during the 2003-04 school year. The yearbook advisor and the vendor did not produce a quality yearbook.

At this date, February 10, 2011 the balance owed to Herrf-Jones is \$6739.67 (2010) and the current yearbook which we have not ordered, but 125 copies will cost \$5,600.

I have conferenced with Mrs. Sutton, our sponsor, and we have conversed and realizing the only solution is to stop the year after year continuous cycle of going into debt is to either have budget support from the Corporation or face the reality that the production of a yearbook is not feasible for the 2011-12 school year. This would eliminate the course offering, Mass Media, and students could register for other class offerings.

Consideration has been given to print 50 to 75 yearbooks, but the cost would be prohibitive.

Mrs. Sutton is a dedicated faculty member. She will continue to fund raise and do what she can to pay off current debts. Money from student pictures and any source available will be used to pay existing debts. The Herff-Jones Company does not charge interest on past debts.

With regrets, I recommend that the class, Mass Media, and the continuation of the Randolph Southern yearbook be eliminated with this current school year 2010-11.

# Randolph Southern Elementary School

Donnie Bowsman, Principal • Debbie Vincent, Secretary • Marica Smith, Counselor • Julie Frame, Nurse

February 11, 2011

Regarding the Conditions of Records Report given to the elementary following our Exit Review.

During our Exit Review the topic of “using the required State Board of Accounts prescribed or approved forms in the manner prescribed” did not come up. However, this topic was mentioned in the report.

Sincerely,  
Debbie Vincent  
Secretary