

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

RENSELAER CENTRAL SCHOOL CORPORATION
JASPER COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED
12/13/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dawn Claussen	07-01-09 to 06-30-12
Superintendent of Schools	Ned Speicher	07-01-09 to 06-30-12
President of the School Board	David Rodibaugh	07-01-09 to 06-30-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

We have audited the accompanying financial statement of the Rensselaer Central School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. The financial statement is 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 statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), 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 statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated September 19, 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 THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the School Corporation's management, the school board, others within the entity, 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

September 19, 2011



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

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

We have audited the financial statement of the Rensselaer Central School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated September 19, 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 statement, 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2011-01 to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is 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 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, the school board, others within the entity, 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

September 19, 2011

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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RENSSELAER CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09		Other Financing Sources (Uses)		Cash and Investments 06-30-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11
	Receipts	Disbursements			Receipts	Disbursements			
General	\$ 506,819	\$ 9,759,716	\$ 8,474,423	\$ (717,979)	\$ 1,074,133	\$ 10,744,665	\$ 10,163,706	\$ (249,949)	\$ 1,405,143
Debt Service	-	1,786,955	1,087,000	(66,637)	633,318	1,122,026	1,128,582	(509,655)	117,107
Retirement/Severance Bond Debt Service	1	398,824	255,292	(118,486)	25,047	272,496	251,447	-	46,096
Capital Projects	1,128,857	2,764,569	2,179,296	-	1,714,130	1,967,125	2,463,110	29,214	1,247,359
School Transportation	34,039	1,136,772	821,898	(25,000)	323,913	864,439	801,708	(17,432)	369,212
School Bus Replacement	52,174	267,464	204,032	-	115,606	169,337	96,013	(197,915)	(8,985)
Special Education Preschool	122,843	28,876	104,698	(47,021)	-	-	-	-	-
Rainy Day	851,627	-	204,000	725,123	1,372,750	-	5,429	1,000,000	2,367,321
Retirement/Severance Bond	120,910	-	30,857	250,000	340,053	-	30,564	-	309,489
Construction	-	-	-	-	-	300,000	300,000	-	-
School Lunch	674,846	820,287	716,583	-	778,550	819,765	742,941	-	855,374
Textbook Rental	(107,922)	185,450	172,906	-	(95,378)	172,560	60,129	27,919	44,972
Levy Excess	117,166	109,894	204,341	-	22,719	-	-	(22,719)	-
Educational License Plates	3,163	188	-	-	3,351	187	-	-	3,538
Alternative Education	238	6,368	6,409	-	197	4,344	4,400	-	141
SAFE School Haven	26	-	-	-	26	-	-	(26)	-
Miscellaneous High Ability	1,300	1,763	324	-	2,739	-	1,206	-	1,533
Miscellaneous Programs	5,255	12,207	11,662	-	5,800	-	500	-	5,300
Drivers Education	4,111	41,561	13,888	-	31,784	21,651	36,959	-	16,476
PTRC	-	118,825	118,825	-	-	-	-	-	-
Amerimac	-	500	-	-	500	-	-	-	500
Jasper County Hospital Rental	-	1,600	-	-	1,600	1,600	3,200	-	-
Coop Summer School	-	-	-	-	-	19,859	19,859	-	-
FETC Indian Trails	-	-	-	-	-	1,811	1,811	-	-
Monsanto	-	-	-	-	-	2,500	508	-	1,992
Embarq Easement	1,000	-	-	-	1,000	-	1,000	-	-
Jasper County REMC	1,531	3,000	4,529	-	2	-	-	(2)	-
Jasper Foundation	4,977	7,001	8,444	-	3,534	1,800	3,792	-	1,542
High Ability 2008-2009	6,032	-	6,032	-	-	-	-	-	-
High Ability 2009-2010	-	33,109	23,120	-	9,989	-	9,989	-	-
High Ability 2010-2011	-	-	-	-	-	32,611	15,091	-	17,520
Economic Education Mini Grant	9	-	-	-	9	-	-	(9)	-
Education Technology Common School	-	165,687	165,687	-	-	-	-	-	-
Drug Free Communities	7,621	6,000	6,574	-	7,047	6,500	7,124	-	6,423
Medicaid Reimbursement	-	3,923	3,473	-	450	4,559	790	-	4,219
Non-English Speaking Program	-	5,365	5,365	-	-	5,551	5,551	-	-
School Technology	-	-	-	-	-	4,768	-	-	4,768
Technology Grants	12,847	18,258	1,693	-	29,412	19,821	6,700	-	42,533
Donaldson Foundation	370	2,492	2,849	-	13	-	-	(13)	-
ISTA Medical Reimbursement	6,244	-	-	-	6,244	612	-	-	6,856
Excess PTRC Distributions	-	118,825	-	-	118,825	-	-	(59,413)	59,412
Title 1 2008-2009	25,946	-	8,354	(17,592)	-	-	-	-	-
Title 1 2009-2010	-	228,374	235,930	17,592	10,036	-	-	(10,036)	-
Title 1 2010-2011	-	-	-	-	-	227,087	227,354	10,036	9,769
Chapter II Perkins Vocational	21,059	-	21,059	-	-	-	-	-	-
Title V Innovative 2007-2008	3,353	-	3,353	-	-	-	-	-	-
Title IV Safe & Drug Free 2007-2008	1,203	-	1,203	-	-	-	-	-	-
Title IV Safe & Drug Free 2008-2009	-	4,938	3,172	-	1,766	-	1,766	-	-
Title IV Safe & Drug Free 2009-2010	-	6,003	1,552	-	4,451	-	1,873	-	2,578
Medicaid Reimbursement - Federal	-	10,836	3,522	-	7,314	12,038	12,241	-	7,111
Title II Part A	52,131	73,884	61,904	-	64,111	20,027	82,986	-	1,152
Title III Consortium	93	2,618	2,089	-	622	4,975	5,577	-	20
Fiscal Stabilization - Education	903,134	363,558	1,266,692	-	-	-	-	-	-
Title I - Grants to LEAs	-	99,442	104,912	-	(5,470)	42,619	20,103	-	17,046
Special Education - Part B	-	408,125	325,276	-	82,849	29,757	90,779	-	21,827
Totals	\$ 4,563,003	\$ 19,003,257	\$ 16,873,218	\$ -	\$ 6,693,042	\$ 16,897,090	\$ 16,604,788	\$ -	\$ 6,985,344

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. 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 accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated as tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations, and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other financing sources and uses

Other financing sources and uses are presented in the aggregate on the face of the financial statements. The aggregate other financing sources and uses include the following:

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

RENSSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement any replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Debt Service	Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool
Cash and investments - beginning	\$ 506,819	\$ -	\$ 1	\$ 1,128,857	\$ 34,039	\$ 52,174	\$ 122,843
Receipts:							
Local sources	183,350	1,786,955	398,824	2,764,569	948,680	267,464	-
Intermediate sources	1,145	-	-	-	-	-	-
State sources	9,545,878	-	-	-	-	-	28,876
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	187,972	-	-
Other	29,343	-	-	-	120	-	-
Total receipts	<u>9,759,716</u>	<u>1,786,955</u>	<u>398,824</u>	<u>2,764,569</u>	<u>1,136,772</u>	<u>267,464</u>	<u>28,876</u>
Disbursements:							
Current:							
Instruction	5,026,314	-	-	-	-	-	32,057
Support services	3,124,944	-	-	638,194	605,862	204,032	-
Noninstructional services	207,635	-	-	-	-	-	-
Facilities acquisition and construction	33,374	-	-	1,541,102	-	-	-
Debt services	-	1,087,000	255,292	-	216,036	-	-
Nonprogrammed charges	82,156	-	-	-	-	-	72,641
Total disbursements	<u>8,474,423</u>	<u>1,087,000</u>	<u>255,292</u>	<u>2,179,296</u>	<u>821,898</u>	<u>204,032</u>	<u>104,698</u>
Excess (deficiency) of receipts over disbursements	<u>1,285,293</u>	<u>699,955</u>	<u>143,532</u>	<u>585,273</u>	<u>314,874</u>	<u>63,432</u>	<u>(75,822)</u>
Other financing sources (uses)							
Transfers in	32,021	-	-	-	-	-	-
Transfers out	(750,000)	(66,637)	(118,486)	-	(25,000)	-	(47,021)
Total other financing sources (uses)	<u>(717,979)</u>	<u>(66,637)</u>	<u>(118,486)</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>(47,021)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>567,314</u>	<u>633,318</u>	<u>25,046</u>	<u>585,273</u>	<u>289,874</u>	<u>63,432</u>	<u>(122,843)</u>
Cash and investments - ending	<u>\$ 1,074,133</u>	<u>\$ 633,318</u>	<u>\$ 25,047</u>	<u>\$ 1,714,130</u>	<u>\$ 323,913</u>	<u>\$ 115,606</u>	<u>\$ -</u>

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Rainy Day	Retirement/ Severance Bond	Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates
Cash and investments - beginning	\$ 851,627	\$ 120,910	\$ -	\$ 674,846	\$ (107,922)	\$ 117,166	\$ 3,163
Receipts:							
Local sources	-	-	-	330,498	123,794	109,894	188
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	10,596	61,418	-	-
Federal sources	-	-	-	479,193	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	238	-	-
Total receipts	-	-	-	820,287	185,450	109,894	188
Disbursements:							
Current:							
Instruction	204,000	30,857	-	-	-	-	-
Support services	-	-	-	-	172,906	204,341	-
Noninstructional services	-	-	-	716,583	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	204,000	30,857	-	716,583	172,906	204,341	-
Excess (deficiency) of receipts over disbursements	(204,000)	(30,857)	-	103,704	12,544	(94,447)	188
Other financing sources (uses)							
Transfers in	975,123	250,000	-	-	-	-	-
Transfers out	(250,000)	-	-	-	-	-	-
Total other financing sources (uses)	725,123	250,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	521,123	219,143	-	103,704	12,544	(94,447)	188
Cash and investments - ending	\$ 1,372,750	\$ 340,053	\$ -	\$ 778,550	\$ (95,378)	\$ 22,719	\$ 3,351

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Alternative Education	SAFE School Haven	Miscellaeneous High Ability	Miscellaneous Programs	Drivers Education	PTRC	Amerimac
Cash and investments - beginning	\$ 238	\$ 26	\$ 1,300	\$ 5,255	\$ 4,111	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	41,561	118,825	-
Intermediate sources	-	-	-	-	-	-	-
State sources	6,368	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	1,763	12,207	-	-	500
Total receipts	<u>6,368</u>	<u>-</u>	<u>1,763</u>	<u>12,207</u>	<u>41,561</u>	<u>118,825</u>	<u>500</u>
Disbursements:							
Current:							
Instruction	6,409	-	324	4,743	8,340	-	-
Support services	-	-	-	5,118	5,548	118,825	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,801	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>6,409</u>	<u>-</u>	<u>324</u>	<u>11,662</u>	<u>13,888</u>	<u>118,825</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(41)</u>	<u>-</u>	<u>1,439</u>	<u>545</u>	<u>27,673</u>	<u>-</u>	<u>500</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(41)</u>	<u>-</u>	<u>1,439</u>	<u>545</u>	<u>27,673</u>	<u>-</u>	<u>500</u>
Cash and investments - ending	<u>\$ 197</u>	<u>\$ 26</u>	<u>\$ 2,739</u>	<u>\$ 5,800</u>	<u>\$ 31,784</u>	<u>\$ -</u>	<u>\$ 500</u>

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Jasper County Hospital Rental	Coop Summer School	FETC Indian Trails	Monsanto	Embarq Easement	Jasper County REMC	Jasper Foundation
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,531	\$ 4,977
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	1,600	-	-	-	-	3,000	7,001
Total receipts	1,600	-	-	-	-	3,000	7,001
Disbursements:							
Current:							
Instruction	-	-	-	-	-	2,529	8,444
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	2,000	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	4,529	8,444
Excess (deficiency) of receipts over disbursements	1,600	-	-	-	-	(1,529)	(1,443)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,600	-	-	-	-	(1,529)	(1,443)
Cash and investments - ending	\$ 1,600	\$ -	\$ -	\$ -	\$ 1,000	\$ 2	\$ 3,534

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	High Ability 2008-2009	High Ability 2009-2010	High Ability 2010-2011	Economic Education Mini Grant	Education Technology Common School	Drug Free Communities	Medicaid Reimbursement
Cash and investments - beginning	\$ 6,032	\$ -	\$ -	\$ 9	\$ -	\$ 7,621	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	33,109	-	-	165,687	6,000	3,923
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>33,109</u>	<u>-</u>	<u>-</u>	<u>165,687</u>	<u>6,000</u>	<u>3,923</u>
Disbursements:							
Current:							
Instruction	6,032	23,120	-	-	-	3,546	-
Support services	-	-	-	-	165,687	3,028	3,473
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>6,032</u>	<u>23,120</u>	<u>-</u>	<u>-</u>	<u>165,687</u>	<u>6,574</u>	<u>3,473</u>
Excess (deficiency) of receipts over disbursements	<u>(6,032)</u>	<u>9,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(574)</u>	<u>450</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,032)</u>	<u>9,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(574)</u>	<u>450</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 9,989</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 7,047</u>	<u>\$ 450</u>

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Non-English Speaking Programs	School Technology	Technology Grants	Donaldson Foundation	ISTA Medical Reimbursement	Excess PTRC Distributions	Title 1 2008-2009
Cash and investments - beginning	\$ -	\$ -	\$ 12,847	\$ 370	\$ 6,244	\$ -	\$ 25,946
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	5,365	-	-	-	-	118,825	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	18,258	2,492	-	-	-
Total receipts	<u>5,365</u>	<u>-</u>	<u>18,258</u>	<u>2,492</u>	<u>-</u>	<u>118,825</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	5,365	-	-	357	-	-	6,434
Support services	-	-	-	-	-	-	1,920
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	1,693	2,492	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>5,365</u>	<u>-</u>	<u>1,693</u>	<u>2,849</u>	<u>-</u>	<u>-</u>	<u>8,354</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>16,565</u>	<u>(357)</u>	<u>-</u>	<u>118,825</u>	<u>(8,354)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(17,592)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,592)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>16,565</u>	<u>(357)</u>	<u>-</u>	<u>118,825</u>	<u>(25,946)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,412</u>	<u>\$ 13</u>	<u>\$ 6,244</u>	<u>\$ 118,825</u>	<u>\$ -</u>

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title 1 2009-2010	Title 1 2010-2011	Chapter II Perkins Vocational	Title V Innovative 2007-2008	Title IV Safe & Drug Free 2007-2008	Title IV Safe & Drug Free 2008-2009	Title IV Safe & Drug Free 2009-2010
Cash and investments - beginning	\$ -	\$ -	\$ 21,059	\$ 3,353	\$ 1,203	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	228,374	-	-	-	-	4,938	6,003
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>228,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,938</u>	<u>6,003</u>
Disbursements:							
Current:							
Instruction	183,695	-	21,059	-	1,203	3,172	1,552
Support services	51,472	-	-	3,353	-	-	-
Noninstructional services	763	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>235,930</u>	<u>-</u>	<u>21,059</u>	<u>3,353</u>	<u>1,203</u>	<u>3,172</u>	<u>1,552</u>
Excess (deficiency) of receipts over disbursements	<u>(7,556)</u>	<u>-</u>	<u>(21,059)</u>	<u>(3,353)</u>	<u>(1,203)</u>	<u>1,766</u>	<u>4,451</u>
Other financing sources (uses)							
Transfers in	17,592	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>17,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>10,036</u>	<u>-</u>	<u>(21,059)</u>	<u>(3,353)</u>	<u>(1,203)</u>	<u>1,766</u>	<u>4,451</u>
Cash and investments - ending	<u>\$ 10,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,766</u>	<u>\$ 4,451</u>

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Medicaid Reimbursement Federal	Title II Part A	Title III Consortium	Fiscal Stabilization Education	Title I Grants to LEAs	Special Education Part B	Totals
Cash and investments - beginning	\$ -	\$ 52,131	\$ 93	\$ 903,134	\$ -	\$ -	\$ 4,563,003
Receipts:							
Local sources	-	-	-	-	-	-	7,074,602
Intermediate sources	-	-	-	-	-	-	1,145
State sources	-	-	-	-	-	-	9,986,045
Federal sources	10,836	73,884	2,618	363,558	99,442	408,125	1,676,971
Temporary loans	-	-	-	-	-	-	187,972
Other	-	-	-	-	-	-	76,522
Total receipts	<u>10,836</u>	<u>73,884</u>	<u>2,618</u>	<u>363,558</u>	<u>99,442</u>	<u>408,125</u>	<u>19,003,257</u>
Disbursements:							
Current:							
Instruction	-	61,904	2,089	1,266,692	95,059	277,232	7,282,528
Support services	3,522	-	-	-	9,853	-	5,322,078
Noninstructional services	-	-	-	-	-	-	924,981
Facilities acquisition and construction	-	-	-	-	-	-	1,582,462
Debt services	-	-	-	-	-	-	1,558,328
Nonprogrammed charges	-	-	-	-	-	48,044	202,841
Total disbursements	<u>3,522</u>	<u>61,904</u>	<u>2,089</u>	<u>1,266,692</u>	<u>104,912</u>	<u>325,276</u>	<u>16,873,218</u>
Excess (deficiency) of receipts over disbursements	<u>7,314</u>	<u>11,980</u>	<u>529</u>	<u>(903,134)</u>	<u>(5,470)</u>	<u>82,849</u>	<u>2,130,039</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	1,274,736
Transfers out	-	-	-	-	-	-	(1,274,736)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>7,314</u>	<u>11,980</u>	<u>529</u>	<u>(903,134)</u>	<u>(5,470)</u>	<u>82,849</u>	<u>2,130,039</u>
Cash and investments - ending	<u>\$ 7,314</u>	<u>\$ 64,111</u>	<u>\$ 622</u>	<u>\$ -</u>	<u>\$ (5,470)</u>	<u>\$ 82,849</u>	<u>\$ 6,693,042</u>

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool
Cash and investments - beginning	\$ 1,074,133	\$ 633,318	\$ 25,047	\$ 1,714,130	\$ 323,913	\$ 115,606	\$ -
Receipts:							
Local sources	180,430	1,122,026	272,496	1,966,255	683,589	169,337	-
Intermediate sources	1,145	-	-	-	-	-	-
State sources	10,553,509	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	180,503	-	-
Other	9,581	-	-	870	347	-	-
Total receipts	<u>10,744,665</u>	<u>1,122,026</u>	<u>272,496</u>	<u>1,967,125</u>	<u>864,439</u>	<u>169,337</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	6,929,585	-	-	-	-	-	-
Support services	2,979,598	-	-	674,503	613,736	96,013	-
Noninstructional services	202,040	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,788,607	-	-	-
Debt services	-	1,128,582	251,447	-	187,972	-	-
Nonprogrammed charges	52,483	-	-	-	-	-	-
Total disbursements	<u>10,163,706</u>	<u>1,128,582</u>	<u>251,447</u>	<u>2,463,110</u>	<u>801,708</u>	<u>96,013</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>580,959</u>	<u>(6,556)</u>	<u>21,049</u>	<u>(495,985)</u>	<u>62,731</u>	<u>73,324</u>	<u>-</u>
Other financing sources (uses)							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	51	18,264	-	29,214	32,568	2,085	-
Transfers out	(250,000)	(527,919)	-	-	(50,000)	(200,000)	-
Total other financing sources (uses)	<u>(249,949)</u>	<u>(509,655)</u>	<u>-</u>	<u>29,214</u>	<u>(17,432)</u>	<u>(197,915)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>331,010</u>	<u>(516,211)</u>	<u>21,049</u>	<u>(466,771)</u>	<u>45,299</u>	<u>(124,591)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,405,143</u>	<u>\$ 117,107</u>	<u>\$ 46,096</u>	<u>\$ 1,247,359</u>	<u>\$ 369,212</u>	<u>\$ (8,985)</u>	<u>\$ -</u>

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Rainy Day	Retirement/ Severance Bond	Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates
Cash and investments - beginning	\$ 1,372,750	\$ 340,053	\$ -	\$ 778,550	\$ (95,378)	\$ 22,719	\$ 3,351
Receipts:							
Local sources	-	-	300,000	312,618	107,074	-	187
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	10,010	65,486	-	-
Federal sources	-	-	-	497,137	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	300,000	819,765	172,560	-	187
Disbursements:							
Current:							
Instruction	5,429	30,564	-	-	-	-	-
Support services	-	-	-	-	60,129	-	-
Noninstructional services	-	-	-	742,941	-	-	-
Facilities acquisition and construction	-	-	300,000	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	5,429	30,564	300,000	742,941	60,129	-	-
Excess (deficiency) of receipts over disbursements	(5,429)	(30,564)	-	76,824	112,431	-	187
Other financing sources (uses)							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	1,000,000	-	-	-	27,919	-	-
Transfers out	-	-	-	-	-	(22,719)	-
Total other financing sources (uses)	1,000,000	-	-	-	27,919	(22,719)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	994,571	(30,564)	-	76,824	140,350	(22,719)	187
Cash and investments - ending	<u>\$ 2,367,321</u>	<u>\$ 309,489</u>	<u>\$ -</u>	<u>\$ 855,374</u>	<u>\$ 44,972</u>	<u>\$ -</u>	<u>\$ 3,538</u>

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Alternative Education	SAFE School Haven	Miscellaeneous High Ability	Miscelleneous Programs	Drivers Education	PTRC	Amerimac
Cash and investments - beginning	\$ 197	\$ 26	\$ 2,739	\$ 5,800	\$ 31,784	\$ -	\$ 500
Receipts:							
Local sources	-	-	-	-	21,651	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	4,344	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>4,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,651</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	4,400	-	1,206	500	30,765	-	-
Support services	-	-	-	-	6,194	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>4,400</u>	<u>-</u>	<u>1,206</u>	<u>500</u>	<u>36,959</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(56)</u>	<u>-</u>	<u>(1,206)</u>	<u>(500)</u>	<u>(15,308)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(26)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(26)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(56)</u>	<u>(26)</u>	<u>(1,206)</u>	<u>(500)</u>	<u>(15,308)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 141</u>	<u>\$ -</u>	<u>\$ 1,533</u>	<u>\$ 5,300</u>	<u>\$ 16,476</u>	<u>\$ -</u>	<u>\$ 500</u>

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Jasper County Hospital Rental	Coop Summer School	FETC Indian Trails	Monsanto	Embarq Easement	Jasper County REMC	Jasper Foundation
Cash and investments - beginning	\$ 1,600	\$ -	\$ -	\$ -	\$ 1,000	\$ 2	\$ 3,534
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	1,600	19,859	1,811	2,500	-	-	1,800
Total receipts	<u>1,600</u>	<u>19,859</u>	<u>1,811</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>1,800</u>
Disbursements:							
Current:							
Instruction	-	18,261	-	508	-	-	3,792
Support services	3,200	1,598	1,811	-	1,000	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>3,200</u>	<u>19,859</u>	<u>1,811</u>	<u>508</u>	<u>1,000</u>	<u>-</u>	<u>3,792</u>
Excess (deficiency) of receipts over disbursements	<u>(1,600)</u>	<u>-</u>	<u>-</u>	<u>1,992</u>	<u>(1,000)</u>	<u>-</u>	<u>(1,992)</u>
Other financing sources (uses)							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(2)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,600)</u>	<u>-</u>	<u>-</u>	<u>1,992</u>	<u>(1,000)</u>	<u>(2)</u>	<u>(1,992)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,542</u>

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	High Ability 2008-2009	High Ability 2009-2010	High Ability 2010-2011	Economic Education Mini Grant	Education Technology Common School	Drug Free Communities	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ 9,989	\$ -	\$ 9	\$ -	\$ 7,047	\$ 450
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	32,611	-	-	6,500	4,559
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	32,611	-	-	6,500	4,559
Disbursements:							
Current:							
Instruction	-	9,989	15,091	-	-	6,311	-
Support services	-	-	-	-	-	813	790
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	9,989	15,091	-	-	7,124	790
Excess (deficiency) of receipts over disbursements	-	(9,989)	17,520	-	-	(624)	3,769
Other financing sources (uses)							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(9)	-	-	-
Total other financing sources (uses)	-	-	-	(9)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(9,989)	17,520	(9)	-	(624)	3,769
Cash and investments - ending	\$ -	\$ -	\$ 17,520	\$ -	\$ -	\$ 6,423	\$ 4,219

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Non-English Speaking Programs	School Technology	Technology Grants	Donaldson Foundation	ISTA Medical Reimbursement	Excess PTRC Distributions	Title 1 2008-2009
Cash and investments - beginning	\$ -	\$ -	\$ 29,412	\$ 13	\$ 6,244	\$ 118,825	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	5,551	4,768	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	19,821	-	612	-	-
Total receipts	<u>5,551</u>	<u>4,768</u>	<u>19,821</u>	<u>-</u>	<u>612</u>	<u>-</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	5,551	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	6,700	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>5,551</u>	<u>-</u>	<u>6,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>4,768</u>	<u>13,121</u>	<u>-</u>	<u>612</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(13)	-	(59,413)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13)</u>	<u>-</u>	<u>(59,413)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>4,768</u>	<u>13,121</u>	<u>(13)</u>	<u>612</u>	<u>(59,413)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,768</u>	<u>\$ 42,533</u>	<u>\$ -</u>	<u>\$ 6,856</u>	<u>\$ 59,412</u>	<u>\$ -</u>

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title 1 2009-2010	Title 1 2010-2011	Chapter II Perkins Vocational	Title V Innovative 2007-2008	Title IV Safe & Drug Free 2007-2008	Title IV Safe & Drug Free 2008-2009	Title IV Safe & Drug Free 2009-2010
Cash and investments - beginning	\$ 10,036	\$ -	\$ -	\$ -	\$ -	\$ 1,766	\$ 4,451
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	227,087	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	227,087	-	-	-	-	-
Disbursements:							
Current:							
Instruction	-	196,800	-	-	-	1,766	1,873
Support services	-	29,791	-	-	-	-	-
Noninstructional services	-	763	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	227,354	-	-	-	1,766	1,873
Excess (deficiency) of receipts over disbursements	-	(267)	-	-	-	(1,766)	(1,873)
Other financing sources (uses)							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	10,036	-	-	-	-	-
Transfers out	(10,036)	-	-	-	-	-	-
Total other financing sources (uses)	(10,036)	10,036	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,036)	9,769	-	-	-	(1,766)	(1,873)
Cash and investments - ending	\$ -	\$ 9,769	\$ -	\$ -	\$ -	\$ -	\$ 2,578

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Medicaid Reimbursement Federal	Title II Part A	Title III Consortium	Fiscal Stabilization Education	Title I Grants to LEAs	Special Education Part B	Totals
Cash and investments - beginning	\$ 7,314	\$ 64,111	\$ 622	\$ -	\$ (5,470)	\$ 82,849	\$ 6,693,042
Receipts:							
Local sources	-	-	-	-	-	-	5,135,663
Intermediate sources	-	-	-	-	-	-	1,145
State sources	-	-	-	-	-	-	10,687,338
Federal sources	12,038	20,027	4,975	-	42,619	29,757	833,640
Temporary loans	-	-	-	-	-	-	180,503
Other	-	-	-	-	-	-	58,801
Total receipts	12,038	20,027	4,975	-	42,619	29,757	16,897,090
Disbursements:							
Current:							
Instruction	-	82,986	5,577	-	15,344	90,779	7,457,077
Support services	12,241	-	-	-	4,759	-	4,486,176
Noninstructional services	-	-	-	-	-	-	945,744
Facilities acquisition and construction	-	-	-	-	-	-	2,095,307
Debt services	-	-	-	-	-	-	1,568,001
Nonprogrammed charges	-	-	-	-	-	-	52,483
Total disbursements	12,241	82,986	5,577	-	20,103	90,779	16,604,788
Excess (deficiency) of receipts over disbursements	(203)	(62,959)	(602)	-	22,516	(61,022)	292,302
Other financing sources (uses)							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,120,137
Transfers out	-	-	-	-	-	-	(1,120,137)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(203)	(62,959)	(602)	-	22,516	(61,022)	292,302
Cash and investments - ending	\$ 7,111	\$ 1,152	\$ 20	\$ -	\$ 17,046	\$ 21,827	\$ 6,985,344

RENNELAER CENTRAL SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2011

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	\$ 986,138
Buildings	23,852,805
Machinery and equipment	3,767,715
Construction in progress	<u>827,977</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 29,434,635</u>

RENSELAER CENTRAL SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

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:		
Van Rensselaer Elementary Building Corporation	\$ 1,100,000	\$ 765,000
Rensselaer Central High School Holding Corporation	2,655,000	323,000
Rensselaer Central Multi-School Building Corporation	14,695,000	-
Notes and loans payable	132,550	34,380
Bonds payable:		
General obligation bonds:		
School Severance Bond	<u>805,000</u>	<u>251,900</u>
Total governmental activities debt	<u>\$ 19,387,550</u>	<u>\$ 1,374,280</u>

RENSSELAER CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the school related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. **Lack of Segregation of Duties:** Control activities should be 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 disbursements, payroll, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to occur undetected.
2. **Preparing Financial Statements:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statements and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility place the school at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

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)

CONFLICT OF INTEREST

David Rodibaugh, President of the School Board, and his family sold land to the School Corporation in October of 2010 for \$594,399. A Uniform Conflict of Interest Disclosure Statement was not filed.

During the audit period, Indiana Code 35-44-1-3 stated in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony. . . .

RENSELAER CENTRAL SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6).

(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . .

(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant . . .

(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-9-2-2) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (1/2) of whose support is provided during a year by the public servant."

OVERDRAWN FUND BALANCES

The following funds were overdrawn at June 30, 2010 and 2011:

Fund	2010	2011
Textbook Rental	\$ 95,378	\$ -
Title I - Grants to LEAs	5,470	-
School Bus Replacement	-	8,985

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

TEXTBOOK RENTAL DEPOSITS

Textbook rental receipts, collected at Van and Monnett Elementaries, were not always turned into the School Corporation Treasurer for deposit within a reasonable time. Receipts, in some instances, were held at the schools for periods of 11 days before being turned into the School Corporation office. A similar comment appeared in prior Report B35672.

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

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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
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Web Site: www.in.gov/sboa

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

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

Compliance

We have audited the compliance of the Rensselaer Central School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. 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, 2010 and 2011. The results of our auditing procedures also disclosed other 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 2011-02.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal

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)

program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as item 2011-02. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information and use of the School Corporation's management, the school board, others within the entity, 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

September 19, 2011

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

RENSELAER CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

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 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 135,428	\$ 139,248
National School Lunch Program	10.555		<u>393,786</u>	<u>406,716</u>
Total for federal grantor agency			<u>529,214</u>	<u>545,964</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
FY 2008-09		09-3815	8,353	-
FY 2009-10		10-3815	235,931	-
FY 2010-11		11-3815	<u>-</u>	<u>227,353</u>
Total for program			244,284	227,353
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		-	-
FY 2009-10		74304296	<u>104,912</u>	<u>20,102</u>
Total for cluster			<u>349,196</u>	<u>247,455</u>
Pass-Through West Central School Corporation				
Special Education Cluster				
ARRA - Special Education - Grants to States, Recovery Act	84.391	10-3815	<u>325,276</u>	<u>90,778</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	3815	<u>1,266,692</u>	<u>-</u>
Safe and Drug Free Schools and Communities - State Grants	84.186			
PL 107-113 SY 07-08		08-3815	1,203	-
PL 107-110 SY 08-09		09-3815	3,171	1,766
PL 107-110 SY 09-10		10-3815	<u>1,552</u>	<u>1,873</u>
Total for program			<u>5,926</u>	<u>3,639</u>
State Grants for Innovative Programs	84.298			
SY 07-08		08-3815	3,353	-
SY 08-09		09-3815	<u>21,059</u>	<u>-</u>
Total for program			<u>24,412</u>	<u>-</u>
Improving Teacher Quality State Grants	84.367			
SY 07-08		08-3815	12,417	-
SY 08-09		09-3815	46,423	14,577
SY 09-10		10-3815	3,064	57,134
SY 10-11		11-3815	<u>-</u>	<u>11,276</u>
Total for program			<u>61,904</u>	<u>82,987</u>
Total for federal grantor agency			<u>2,033,406</u>	<u>424,859</u>
Total federal awards expended			<u>\$ 2,562,620</u>	<u>\$ 970,823</u>

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Rensselaer Central School Corporation (School Corporation) and is presented in accordance with the 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 Indiana Code (IC 5-11-1 et seq.), audits of School Corporation's shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009-2010	2010-2011
National School Lunch Program	10.555	\$ 54,123	\$ 52,917

RENSELAER CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	yes
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?	yes

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 2011-01 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the school related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: Control activities should be 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 disbursements, payroll and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to occur undetected.

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

2. **Preparing Financial Statements:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statements and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility place the school at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

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 2011-02 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Federal Agency: U.S. Department of Education
Pass-Through Entity: Indiana Department of Education
Federal Program: ARRA - State Fiscal Stabilization Fund – Education State Grants, Recovery Act
CFDA Number: 84.394

The financial records for federal funds received as part of ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act are maintained in the School Corporation's Business Office. Currently, due to the limited personnel in the School Corporation's Business Office, the School Corporation has not separated incompatible activities related to all areas of the financial statement. The failure to establish these controls could enable material misstatements or irregularities to occur undetected.

Circular A133 Subpart C section .300 states in part: "The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

We recommended the School Corporation develop internal control procedures to properly segregate accounting activities in the School Corporation Business Office.

RENSELAER CENTRAL SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Ned L. Speicher
Superintendent

Dr. Edward Habrowski
Assistant Superintendent

Corrective Action Plan

Auditee Contact Person: Dawn Claussen
Title of Contact person: Treasurer
Phone Number: 219-866-7822

Section II-Financial Statement Findings

FINDING 2011-01, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

1. **Lack of Segregation of Duties:** The School Corporation's office will review office procedures and attempt to institute duties which would involve review of work performed by the Treasurer by the School Board. However, the school is a small governmental unit, and management has determined that the cost associated with employing additional staff in order to segregate duties effectively is cost prohibitive. Management acknowledges and assumes the risk inherent with the current set up of their business office.
2. **Preparing Financial Statements:** The Treasurer will have the School Board the annual report and compare it to the funds ledger and sign off to ensure that the annual report was properly completed and accurate.
3. **Monitoring of Controls:** The School Board will monitor and assess the quality of the School's system of internal control. The School Board will perform either an ongoing or separate evaluation of their system of internal controls. The School Board will exercise their oversight responsibility to minimize the risk of controls not operating effectively and provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Board will implement a process to identify and communicate corrective actions to improve controls.

Section III-Federal Award Findings and Questioned Costs
FINDING 2011-02, Internal Controls over Financial Transactions and Reporting
Federal Agency: U.S. Department of Education
Federal Program: State Fiscal Stabilization Fund
CFDA Number: 84.394
Pass-through Entity: Indiana Department of Education

1. **Lack of Segregation of Duties:** The School Corporation's office will review office procedures and attempt to institute duties which would involve review of work performed by the Treasurer by the School Board. However, the school is a small governmental unit, and management has determined that the cost associated with employing additional staff in order to segregate duties effectively is cost prohibitive. Management acknowledges and assumes the risk inherent with the current set up of their business office.

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2. **Preparing Financial Statements:** The Treasurer will have the School Board the annual report and compare it to the funds ledger and sign off to ensure that the annual report was properly completed and accurate.
3. **Monitoring of Controls:** The School Board will monitor and assess the quality of the School's system of internal control. The School Board will perform either an ongoing or separate evaluation of their system of internal controls. The School Board will exercise their oversight responsibility to minimize the risk of controls not operating effectively and provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Board will implement a process to identify and communicate corrective actions to improve controls.



Dawn Claussen, Treasurer

Date: September 19, 2011

RENSSELAER CENTRAL SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on September 19, 2011, with Dawn Claussen, Treasurer; Ned Speicher, Superintendent of Schools; and David Rodibaugh, President of the School Board. The officials concurred with our audit findings.