

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

RANDOLPH CENTRAL SCHOOL CORPORATION
RANDOLPH COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
05/20/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Linda Dodd	07-01-13 to 06-30-16
Superintendent of Schools	Dr. Gregory Hinshaw	07-01-13 to 06-30-16
President of the School Board	Dallas Osting Jeffrey W. Oswalt Bill Bush	01-01-13 to 12-31-13 01-01-14 to 12-31-15 01-01-16 to 12-31-16



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Randolph Central School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015.

Opinion on Regulatory Basis of Accounting

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 period of July 1, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 29, 2016, 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* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

February 29, 2016



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**INDEPENDENT AUDITOR'S 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 RANDOLPH CENTRAL SCHOOL
CORPORATION, RANDOLPH COUNTY, INDIANA**

We have audited, 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, the financial statement of the Randolph Central School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated February 29, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 to be a material weakness.

INDEPENDENT AUDITOR'S 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

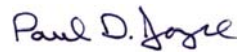
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

Randolph Central School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

February 29, 2016

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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.

RANDOLPH CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 578,616	\$ 9,974,276	\$ 10,281,522	\$ 400	\$ 271,770	\$ 9,900,696	\$ 9,965,318	\$ 133	\$ 207,281
Debt Service	151,334	1,027,923	947,180	-	232,077	1,308,329	1,086,898	-	453,508
Retirement/Severance Bond Debt Service	122,846	264,917	270,607	-	117,156	294,411	266,140	-	145,427
Capital Projects	297,839	1,436,060	1,411,983	(100,000)	221,916	990,919	1,117,076	100	95,859
School Transportation	53,678	949,258	914,364	-	88,572	968,223	861,038	610	196,367
School Bus Replacement	13,029	187,665	-	-	200,694	146,801	284,205	-	63,290
Rainy Day	327,239	3,419	-	100,000	430,658	718	255,000	-	176,376
Retirement/Severance Bond	60,550	-	556	-	59,994	-	2,847	-	57,147
Construction	11,660	-	11,660	-	-	-	-	-	-
Construction Winchester Community High School	-	-	69,412	70,000	588	-	490	-	98
Construction Driver Middle School	-	-	18,500	18,500	-	-	-	-	-
School Lunch	181,032	674,975	726,750	-	129,257	667,130	777,873	-	18,514
Textbook Rental	171,838	169,159	198,668	-	142,329	175,284	123,491	-	194,122
Levy Excess	955	-	-	-	955	148	-	-	1,103
Educational License Plates	206	188	150	-	244	150	150	-	244
SAFE School Haven	(2,661)	2,661	-	-	-	-	-	-	-
SAFE School Haven 13/14	-	2,820	2,820	-	-	-	-	-	-
SAFE School Haven 14/15	-	-	-	-	-	2,500	2,500	-	-
Early Intervention Grant	-	-	-	-	-	17,800	15,744	-	2,056
School Intervention and Career Counseling	6,842	15,000	6,425	-	15,417	-	15,417	-	-
Holloway Band Trust	1,012	-	-	-	1,012	-	-	-	1,012
Instruction Support	44,884	16,235	4,675	-	56,444	16,495	20,788	-	52,151
Scholarships and Awards	41,621	27,420	31,830	-	37,211	20,438	30,481	-	27,168
Fields Scholarship	50,000	-	-	-	50,000	-	-	-	50,000
Construction, Remodeling, and Equipping Buildings	-	66,050	58,176	-	7,874	55,000	54,950	-	7,924
Miscellaneous Programs	4,240	153,721	142,940	-	15,021	150,491	152,518	-	12,994
Instruction Support	4,396	-	4,396	-	-	-	-	-	-
High Abilities Grant 13/14	-	30,598	10,751	-	19,847	-	19,847	-	-
High Abilities Grant 14/15	-	-	-	-	-	30,950	15,975	-	14,975
Making A Difference Grant (G/T)	(4,713)	4,713	-	-	-	-	-	-	-
Secured Schools Safety Grant	-	-	-	-	-	49,976	49,976	-	-
Non-English Speaking Grant 13/14	-	563	-	-	563	-	563	-	-
Non-English Speaking Grant 14/15	-	-	-	-	-	641	641	-	-

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

RANDOLPH CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
School Technology	-	3,617	870	-	2,747	-	2,747	-	-
State Connectivity Grant 14/15	-	-	-	-	-	3,669	-	-	3,669
State Connectivity Grant 12/13	141	-	141	-	-	-	-	-	-
Performance Based Awards	-	-	-	-	-	60,408	58,331	-	2,077
Wellness Grant	4,525	-	4,525	-	-	-	-	-	-
Excellence in Performance	-	-	-	-	-	143,200	143,200	-	-
Senator David Ford Technology	-	141,027	141,027	-	-	-	-	-	-
Title I	-	-	-	-	-	306,259	335,108	-	(28,849)
Title I Grant 12/13	(21,514)	59,093	37,579	-	-	-	-	-	-
Title I Grant 13/14	-	345,727	377,318	-	(31,591)	104,883	73,292	-	-
IDEA	-	-	-	-	-	251,471	270,981	-	(19,510)
Special Ed Pass Through 12/13	(15,005)	107,862	92,857	-	-	74	74	-	-
Special Ed Pass Through 13/14	-	268,658	290,765	-	(22,107)	77,571	55,464	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	4,415	4,915	-	(500)	4,876	4,376	-	-
Medicaid Reimbursement - Federal	15,153	-	212	-	14,941	-	-	-	14,941
Improving Teaching Quality, No Child Left, Title II, Part A	(1,575)	15,740	22,196	-	(8,031)	43,345	35,314	-	-
Title II Grant 13/14	-	-	-	-	-	25,780	36,582	-	(10,802)
Title II Grant 14/15	(100)	43,355	43,255	-	-	1,623	2,258	-	(635)
Rural Schools and Low Income Program - Pass Through State	-	160	2,530	-	(2,370)	6,527	4,957	-	(800)
Rural & Low Income Grant 11/12	(413)	6,816	6,403	-	-	-	1,599	-	(1,599)
Rural & Low Income Grant 12/13	-	19,332	21,707	-	(2,375)	12,738	10,363	-	-
GRIC Federal Payments	-	42,928	42,928	-	-	60,081	60,081	-	-
Textbook Reimbursement Clearing	-	68,328	68,328	-	-	65,280	65,280	-	-
Clearing Account- Pepsi	-	2,070	2,070	-	-	13,056	13,056	-	-
Cafeteria Reimbursement Clearing	6,822	185,078	183,134	-	8,766	181,578	179,963	-	10,381
Payroll Clearing Funds	2,585	3,033,332	3,033,356	-	2,561	2,888,126	2,888,221	-	2,466
Totals	\$ 2,107,062	\$ 19,355,159	\$ 19,489,481	\$ 88,900	\$ 2,061,640	\$ 19,047,645	\$ 19,361,173	\$ 843	\$ 1,748,955

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

RANDOLPH 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.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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 basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources include distributions from the State of Indiana and are 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.

Federal sources include distributions from the federal government and are 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.

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.

F. Other Financing Sources and Uses

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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.

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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 a cost-sharing 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:

Indiana Public Retirement System
One North Capitol, 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.

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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
One North Capitol, 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.

Note 7. Holding Corporation

The School Corporation has entered into two capital leases with the Randolph Central School Building Corporation (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 2014 and 2015 for the older lease totaled \$172,000 and \$172,000, respectively. Lease payments during the years 2014 and 2015 for the newer lease totaled \$296,000 and \$766,500, respectively.

Note 8. Combined Funds

Funds related to payroll were combined into one fund for the current financial statements for reporting purposes.

OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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 other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

RANDOLPH 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, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	Construction Winchester Community High School
Cash and investments - beginning	\$ 578,616	\$ 151,334	\$ 122,846	\$ 297,839	\$ 53,678	\$ 13,029	\$ 327,239	\$ 60,550	\$ 11,660	\$ -
Receipts:										
Local sources	10,784	1,027,923	264,917	975,567	947,441	187,665	-	-	-	-
Intermediate sources	37,201	-	-	-	-	-	-	-	-	-
State sources	9,713,653	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	212,638	-	-	460,493	1,817	-	3,419	-	-	-
Total receipts	9,974,276	1,027,923	264,917	1,436,060	949,258	187,665	3,419	-	-	-
Disbursements:										
Current:										
Instruction	6,750,449	-	-	-	-	-	-	556	-	-
Support services	3,348,467	-	-	439,505	914,364	-	-	-	-	-
Noninstructional services	182,606	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	972,478	-	-	-	-	11,660	69,412
Debt services	-	947,180	270,607	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,281,522	947,180	270,607	1,411,983	914,364	-	-	556	11,660	69,412
Excess (deficiency) of receipts over disbursements	(307,246)	80,743	(5,690)	24,077	34,894	187,665	3,419	(556)	(11,660)	(69,412)
Other financing sources (uses):										
Sale of capital assets	400	-	-	-	-	-	-	-	-	70,000
Transfers in	321	-	-	-	-	-	100,000	-	-	-
Transfers out	(321)	-	-	(100,000)	-	-	-	-	-	-
Total other financing sources (uses)	400	-	-	(100,000)	-	-	100,000	-	-	70,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(306,846)	80,743	(5,690)	(75,923)	34,894	187,665	103,419	(556)	(11,660)	588
Cash and investments - ending	\$ 271,770	\$ 232,077	\$ 117,156	\$ 221,916	\$ 88,572	\$ 200,694	\$ 430,658	\$ 59,994	\$ -	\$ 588

RANDOLPH 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, 2014
 (Continued)

	Construction Driver Middle School	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	SAFE School Haven 13/14	SAFE School Haven 14/15	Early Intervention Grant	School Intervention and Career Counseling
Cash and investments - beginning	\$ -	\$ 181,032	\$ 171,838	\$ 955	\$ 206	\$ (2,661)	\$ -	\$ -	\$ -	\$ 6,842
Receipts:										
Local sources	-	184,355	100,910	-	188	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	5,975	67,421	-	-	2,661	2,820	-	-	15,000
Federal sources	-	483,552	-	-	-	-	-	-	-	-
Other	-	1,093	828	-	-	-	-	-	-	-
Total receipts	-	674,975	169,159	-	188	2,661	2,820	-	-	15,000
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	2,820	-	-	6,425
Support services	-	11,036	198,668	-	-	-	-	-	-	-
Noninstructional services	-	709,393	-	-	-	-	-	-	-	-
Facilities acquisition and construction	18,500	6,321	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	150	-	-	-	-	-
Total disbursements	18,500	726,750	198,668	-	150	-	2,820	-	-	6,425
Excess (deficiency) of receipts over disbursements	(18,500)	(51,775)	(29,509)	-	38	2,661	-	-	-	8,575
Other financing sources (uses):										
Sale of capital assets	18,500	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	18,500	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(51,775)	(29,509)	-	38	2,661	-	-	-	8,575
Cash and investments - ending	\$ -	\$ 129,257	\$ 142,329	\$ 955	\$ 244	\$ -	\$ -	\$ -	\$ -	\$ 15,417

RANDOLPH 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, 2014
 (Continued)

	Holloway Band Trust	Instruction Support	Scholarships and Awards	Fields Scholarship	Construction, Remodeling, and Equipping Buildings	Miscellaneous Programs	Instruction Support	High Abilities Grant 13/14	High Abilities Grant 14/15	Making A Difference Grant (G/T)
Cash and investments - beginning	\$ 1,012	\$ 44,884	\$ 41,621	\$ 50,000	\$ -	\$ 4,240	\$ 4,396	\$ -	\$ -	\$ (4,713)
Receipts:										
Local sources	-	16,235	27,420	-	66,050	153,721	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	30,598	-	4,713
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	16,235	27,420	-	66,050	153,721	-	30,598	-	4,713
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	4,396	10,751	-	-
Support services	-	4,675	-	-	-	142,940	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	58,176	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	31,830	-	-	-	-	-	-	-
Total disbursements	-	4,675	31,830	-	58,176	142,940	4,396	10,751	-	-
Excess (deficiency) of receipts over disbursements	-	11,560	(4,410)	-	7,874	10,781	(4,396)	19,847	-	4,713
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	11,560	(4,410)	-	7,874	10,781	(4,396)	19,847	-	4,713
Cash and investments - ending	\$ 1,012	\$ 56,444	\$ 37,211	\$ 50,000	\$ 7,874	\$ 15,021	\$ -	\$ 19,847	\$ -	\$ -

RANDOLPH 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, 2014
(Continued)

	Secured Schools Safety Grant	Non-English Speaking Grant 13/14	Non-English Speaking Grant 14/15	School Technology	State Connectivity Grant 14/15	State Connectivity Grant 12/13	Performance Based Awards	Wellness Grant	Excellence in Performance	Senator David Ford Technology
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141	\$ -	\$ 4,525	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	563	-	3,617	-	-	-	-	-	141,027
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	563	-	3,617	-	-	-	-	-	141,027
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	-	-	133,557
Support services	-	-	-	870	-	141	-	4,525	-	7,470
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	870	-	141	-	4,525	-	141,027
Excess (deficiency) of receipts over disbursements	-	563	-	2,747	-	(141)	-	(4,525)	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	563	-	2,747	-	(141)	-	(4,525)	-	-
Cash and investments - ending	\$ -	\$ 563	\$ -	\$ 2,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RANDOLPH 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, 2014
 (Continued)

	Title I	Title I Grant 12/13	Title I Grant 13/14	IDEA	Special Ed Pass Through 12/13	Special Ed Pass Through 13/14	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Grant 13/14
Cash and investments - beginning	\$ -	\$ (21,514)	\$ -	\$ -	\$ (15,005)	\$ -	\$ -	\$ 15,153	\$ (1,575)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	59,093	345,727	-	107,862	268,658	4,415	-	15,740	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	59,093	345,727	-	107,862	268,658	4,415	-	15,740	-
Disbursements:										
Current:										
Instruction	-	37,579	368,871	-	92,857	290,765	-	110	-	-
Support services	-	-	8,447	-	-	-	4,915	102	22,196	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	37,579	377,318	-	92,857	290,765	4,915	212	22,196	-
Excess (deficiency) of receipts over disbursements	-	21,514	(31,591)	-	15,005	(22,107)	(500)	(212)	(6,456)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	21,514	(31,591)	-	15,005	(22,107)	(500)	(212)	(6,456)	-
Cash and investments - ending	\$ -	\$ -	\$ (31,591)	\$ -	\$ -	\$ (22,107)	\$ (500)	\$ 14,941	\$ (8,031)	\$ -

RANDOLPH 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, 2014
(Continued)

	Title II Grant 14/15	Rural Schools and Low Income Program - Pass Through State	Rural & Low Income Grant 11/12	Rural & Low Income Grant 12/13	GRIC Federal Payments	Textbook Reimbursement Clearing	Clearing Account- Pepsi	Cafeteria Reimbursement Clearing	Payroll Clearing Funds	Totals
Cash and investments - beginning	\$ (100)	\$ -	\$ (413)	\$ -	\$ -	\$ -	\$ -	\$ 6,822	\$ 2,585	\$ 2,107,062
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	3,963,176
Intermediate sources	-	-	-	-	-	-	-	-	-	37,201
State sources	-	-	-	-	-	-	-	-	-	9,988,048
Federal sources	43,355	160	6,816	19,332	42,928	-	-	-	-	1,397,638
Other	-	-	-	-	-	68,328	2,070	185,078	3,033,332	3,969,096
Total receipts	43,355	160	6,816	19,332	42,928	68,328	2,070	185,078	3,033,332	19,355,159
Disbursements:										
Current:										
Instruction	-	-	63	1,913	42,928	-	-	-	-	7,744,040
Support services	43,255	2,530	6,340	19,794	-	-	-	-	-	5,180,240
Noninstructional services	-	-	-	-	-	-	-	-	-	891,999
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,136,547
Debt services	-	-	-	-	-	-	-	-	-	1,217,787
Nonprogrammed charges	-	-	-	-	-	68,328	2,070	183,134	3,033,356	3,318,868
Total disbursements	43,255	2,530	6,403	21,707	42,928	68,328	2,070	183,134	3,033,356	19,489,481
Excess (deficiency) of receipts over disbursements	100	(2,370)	413	(2,375)	-	-	-	1,944	(24)	(134,322)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	88,900
Transfers in	-	-	-	-	-	-	-	-	-	100,321
Transfers out	-	-	-	-	-	-	-	-	-	(100,321)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	88,900
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	100	(2,370)	413	(2,375)	-	-	-	1,944	(24)	(45,422)
Cash and investments - ending	\$ -	\$ (2,370)	\$ -	\$ (2,375)	\$ -	\$ -	\$ -	\$ 8,766	\$ 2,561	\$ 2,061,640

RANDOLPH 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, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	Construction Winchester Community High School
Cash and investments - beginning	\$ 271,770	\$ 232,077	\$ 117,156	\$ 221,916	\$ 88,572	\$ 200,694	\$ 430,658	\$ 59,994	\$ -	\$ 588
Receipts:										
Local sources	17,575	1,308,329	294,411	990,322	959,683	146,801	-	-	-	-
Intermediate sources	36	-	-	-	-	-	-	-	-	-
State sources	9,722,200	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	160,885	-	-	597	8,540	-	718	-	-	-
Total receipts	9,900,696	1,308,329	294,411	990,919	968,223	146,801	718	-	-	-
Disbursements:										
Current:										
Instruction	6,462,050	-	-	-	-	-	-	2,847	-	-
Support services	3,324,097	-	-	443,380	861,038	284,205	-	-	-	-
Noninstructional services	179,171	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	673,696	-	-	255,000	-	-	490
Debt services	-	1,086,898	266,140	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,965,318	1,086,898	266,140	1,117,076	861,038	284,205	255,000	2,847	-	490
Excess (deficiency) of receipts over disbursements	(64,622)	221,431	28,271	(126,157)	107,185	(137,404)	(254,282)	(2,847)	-	(490)
Other financing sources (uses):										
Sale of capital assets	133	-	-	100	610	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	133	-	-	100	610	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(64,489)	221,431	28,271	(126,057)	107,795	(137,404)	(254,282)	(2,847)	-	(490)
Cash and investments - ending	\$ 207,281	\$ 453,508	\$ 145,427	\$ 95,859	\$ 196,367	\$ 63,290	\$ 176,376	\$ 57,147	\$ -	\$ 98

RANDOLPH 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, 2015
(Continued)

	Construction Driver Middle School	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	SAFE School Haven 13/14	SAFE School Haven 14/15	Early Intervention Grant	School Intervention and Career Counseling
Cash and investments - beginning	\$ -	\$ 129,257	\$ 142,329	\$ 955	\$ 244	\$ -	\$ -	\$ -	\$ -	\$ 15,417
Receipts:										
Local sources	-	180,278	108,556	-	150	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	6,025	65,280	-	-	-	-	2,500	17,800	-
Federal sources	-	479,921	-	-	-	-	-	-	-	-
Other	-	906	1,448	148	-	-	-	-	-	-
Total receipts	-	667,130	175,284	148	150	-	-	2,500	17,800	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	2,500	-	-
Support services	-	12,161	123,491	-	-	-	-	-	15,744	15,417
Noninstructional services	-	707,882	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	57,830	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	150	-	-	-	-	-
Total disbursements	-	777,873	123,491	-	150	-	-	2,500	15,744	15,417
Excess (deficiency) of receipts over disbursements	-	(110,743)	51,793	148	-	-	-	-	2,056	(15,417)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(110,743)	51,793	148	-	-	-	-	2,056	(15,417)
Cash and investments - ending	\$ -	\$ 18,514	\$ 194,122	\$ 1,103	\$ 244	\$ -	\$ -	\$ -	\$ 2,056	\$ -

RANDOLPH 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, 2015
(Continued)

	Holloway Band Trust	Instruction Support	Scholarships and Awards	Fields Scholarship	Construction, Remodeling, and Equipping Buildings	Miscellaneous Programs	Instruction Support	High Abilities Grant 13/14	High Abilities Grant 14/15	Making A Difference Grant (G/T)
Cash and investments - beginning	\$ 1,012	\$ 56,444	\$ 37,211	\$ 50,000	\$ 7,874	\$ 15,021	\$ -	\$ 19,847	\$ -	\$ -
Receipts:										
Local sources	-	16,495	20,438	-	55,000	150,491	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	30,950	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	16,495	20,438	-	55,000	150,491	-	-	30,950	-
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	19,847	15,975	-
Support services	-	20,788	-	-	-	152,518	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	54,950	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	30,481	-	-	-	-	-	-	-
Total disbursements	-	20,788	30,481	-	54,950	152,518	-	19,847	15,975	-
Excess (deficiency) of receipts over disbursements	-	(4,293)	(10,043)	-	50	(2,027)	-	(19,847)	14,975	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,293)	(10,043)	-	50	(2,027)	-	(19,847)	14,975	-
Cash and investments - ending	\$ 1,012	\$ 52,151	\$ 27,168	\$ 50,000	\$ 7,924	\$ 12,994	\$ -	\$ -	\$ 14,975	\$ -

RANDOLPH 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, 2015
 (Continued)

	Secured Schools Safety Grant	Non-English Speaking Grant 13/14	Non-English Speaking Grant 14/15	School Technology	State Connectivity Grant 14/15	State Connectivity Grant 12/13	Performance Based Awards	Wellness Grant	Excellence in Performance	Senator David Ford Technology
Cash and investments - beginning	\$ -	\$ 563	\$ -	\$ 2,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	49,976	-	641	-	3,669	-	60,408	-	143,200	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	49,976	-	641	-	3,669	-	60,408	-	143,200	-
Disbursements:										
Current:										
Instruction	-	563	641	-	-	-	55,464	-	136,256	-
Support services	-	-	-	2,747	-	-	2,867	-	6,944	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	49,976	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	49,976	563	641	2,747	-	-	58,331	-	143,200	-
Excess (deficiency) of receipts over disbursements	-	(563)	-	(2,747)	3,669	-	2,077	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(563)	-	(2,747)	3,669	-	2,077	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 3,669	\$ -	\$ 2,077	\$ -	\$ -	\$ -

RANDOLPH 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, 2015
(Continued)

	Title I	Title I Grant 12/13	Title I Grant 13/14	IDEA	Special Ed Pass Through 12/13	Special Ed Pass Through 13/14	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Grant 13/14
Cash and investments - beginning	\$ -	\$ -	\$ (31,591)	\$ -	\$ -	\$ (22,107)	\$ (500)	\$ 14,941	\$ (8,031)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	306,259	-	104,883	251,471	74	77,571	4,876	-	43,345	25,001
Other	-	-	-	-	-	-	-	-	-	779
Total receipts	306,259	-	104,883	251,471	74	77,571	4,876	-	43,345	25,780
Disbursements:										
Current:										
Instruction	331,131	-	69,596	270,981	74	55,464	-	-	-	-
Support services	3,977	-	3,696	-	-	-	4,376	-	35,314	36,582
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	335,108	-	73,292	270,981	74	55,464	4,376	-	35,314	36,582
Excess (deficiency) of receipts over disbursements	(28,849)	-	31,591	(19,510)	-	22,107	500	-	8,031	(10,802)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,849)	-	31,591	(19,510)	-	22,107	500	-	8,031	(10,802)
Cash and investments - ending	<u>\$ (28,849)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,510)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,941</u>	<u>\$ -</u>	<u>\$ (10,802)</u>

RANDOLPH 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, 2015
(Continued)

	Title II Grant 14/15	Rural Schools and Low Income Program - Pass Through State	Rural & Low Income Grant 11/12	Rural & Low Income Grant 12/13	GRIC Federal Payments	Textbook Reimbursement Clearing	Clearing Account- Pepsi	Cafeteria Reimbursement Clearing	Payroll Clearing Funds	Totals
Cash and investments - beginning	\$ -	\$ (2,370)	\$ -	\$ (2,375)	\$ -	\$ -	\$ -	\$ 8,766	\$ 2,561	\$ 2,061,640
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	4,248,529
Intermediate sources	-	-	-	-	-	-	-	-	-	36
State sources	-	-	-	-	-	-	-	-	-	10,102,649
Federal sources	1,623	6,527	-	12,738	60,081	-	-	-	-	1,374,370
Other	-	-	-	-	-	65,280	13,056	181,578	2,888,126	3,322,061
Total receipts	1,623	6,527	-	12,738	60,081	65,280	13,056	181,578	2,888,126	19,047,645
Disbursements:										
Current:										
Instruction	500	800	1,599	375	60,081	-	-	-	-	7,486,744
Support services	1,758	4,157	-	9,988	-	-	-	-	-	5,365,245
Noninstructional services	-	-	-	-	-	-	-	-	-	887,053
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,091,942
Debt services	-	-	-	-	-	-	-	-	-	1,353,038
Nonprogrammed charges	-	-	-	-	-	65,280	13,056	179,963	2,888,221	3,177,151
Total disbursements	2,258	4,957	1,599	10,363	60,081	65,280	13,056	179,963	2,888,221	19,361,173
Excess (deficiency) of receipts over disbursements	(635)	1,570	(1,599)	2,375	-	-	-	1,615	(95)	(313,528)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	843
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	843
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(635)	1,570	(1,599)	2,375	-	-	-	1,615	(95)	(312,685)
Cash and investments - ending	\$ (635)	\$ (800)	\$ (1,599)	\$ -	\$ -	\$ -	\$ -	\$ 10,381	\$ 2,466	\$ 1,748,955

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RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 135,315</u>	<u>\$ 62,195</u>

RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Apple Inc.	Mac Book Lease	\$ 55,218	12/19/2012	1/15/2016
Apple Inc.	I-Pad Lease/WCHS	100,972	4/12/2013	4/12/2016
Apple Inc.	I-Pad Lease/DMS	51,890	5/15/2015	6/15/2018
Randolph Central School Building Corporation	Improving School Buildings	178,500	6/30/2011	12/31/2024
Randolph Central School Building Corporation	Improving School Buildings	727,500	6/30/2014	12/31/2032
Ricoh USA Inc./GE Capital	Copier/Printer Lease	<u>38,480</u>	7/25/2012	7/31/2017
Total governmental activities		<u>1,152,560</u>		
Total of annual lease payments		<u><u>\$ 1,152,560</u></u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Pension Debt	\$ 1,155,000	\$ 266,007
Notes and loans payable	Common School Loan - High School Roof	<u>1,200,000</u>	<u>127,200</u>
Total governmental activities		<u>2,355,000</u>	<u>393,207</u>
Totals		<u><u>\$ 2,355,000</u></u>	<u><u>\$ 393,207</u></u>

RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2015

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.

	Ending Balance
Governmental activities:	
Land	\$ 458,040
Infrastructure	1,898,877
Buildings	20,464,298
Improvements other than buildings	1,243,331
Machinery, equipment, and vehicles	3,286,834
Construction in progress	<u>9,398,022</u>
Total governmental activities	<u>36,749,402</u>
Total capital assets	<u>\$ 36,749,402</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the Randolph Central School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, 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 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

Our consideration of 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

February 29, 2016

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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.

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RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
U.S. DEPARTMENT OF AGRICULTURE					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	6825	\$ 92,502	\$ 90,536
National School Lunch Program	Indiana Department of Education	10.555	6825	431,663	428,608
Summer Food Service Program for Children	Indiana Department of Education	10.559	6825	12,114	10,922
Total for cluster				536,279	530,066
Total for federal grantor agency				536,279	530,066
U.S. DEPARTMENT OF EDUCATION					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	FY 12-13	59,094	-
			FY 13-14	345,727	104,881
			FY 14-15	-	306,259
Total for cluster				404,821	411,140
Special Education Cluster					
Special Education Grants to States	Indiana Department of Education	84.027	14212-066-PN01	572	-
			14213-066-PN01	108,818	74
			14214-066-PN01	299,637	77,590
			14215-066-PN01	-	281,270
			99914-066-PN01	4,415	4,876
Total for program				413,442	363,810
Special Education - Preschool Grants (IDEA Preschool)	Indiana Department of Education	84.173	45713-066-PN01	612	-
			45714-066-PN01	9,810	10,295
			45715-066-PN01	-	19,965
Total for program				10,422	30,260
Total for cluster				423,864	394,070
Rural Education	Indiana Department of Education	84.358	FY 11-12	6,815	-
			FY 12-13	19,332	12,738
			FY 13-14	160	6,527
Total for program				26,307	19,265
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	FY 12-13	15,738	43,345
			FY 13-14	43,354	1,623
			FY 14-15	-	25,001
Total for program				59,092	69,969
Total for federal grantor agency				914,084	894,444
Total federal awards expended				\$ 1,450,363	\$ 1,424,510

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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 5-11-1-25), audits of school corporations 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, 2014 and 2015. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	2014	2015
Child Nutrition Cluster	\$ 52,727	\$ 50,145

RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

Name of Federal Program or Cluster

Title I, Part A Cluster
Special Education 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 2015-001 - SEGREGATION OF DUTIES RELATED TO THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We noted a deficiency in the internal control system of the School Corporation related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the SEFA. The School Corporation Treasurer prepared the SEFA; however there was no control in place to ensure that the prepared SEFA was complete and accurate.

The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

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

During the audit of the SEFA, we noted the following errors:

- a. The value of commodities received by the School Corporation was not reported in the Child Nutrition Cluster. These omissions were \$52,727 for school year 2013-2014 and \$50,145 for school year 2014-2015.
- b. The expenditures that the Special Education Co-Operative (Greater Randolph Inter-local Co-Operative) made on behalf of the School Corporation's students were not reported in the Special Education Cluster. These omissions were \$42,928 for school year 2013-2014 and \$60,081 for school year 2014-15.
- c. Total federal expenditures were incorrectly reported.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

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

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002 - SUSPENSION AND DEBARMENT

Federal Agency: U.S .Department of Education

Federal Program: Special Education Grants to States, Special Education Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14212-066-PN01, 14213-066-PN01,
14214-066-PN01, 14215-066-PN01,
99914-066-PN01, 45713-066-PN01,
45714-066-PN01, 45715-066-PN01

Pass-Through Entity: Indiana Department of Education

The Greater Randolph Interlocal Cooperative (GRIC) retains Special Education funds to pay vendors/contractors on behalf of the School Corporation. Management of the GRIC has not established an effective internal control system related to the grant agreement and the Suspension and Debarment compliance requirements.

There was no documentation to support that the entities selected to provide services were checked to the Excluded Party List System, were required to provide a certification that they were not suspended nor debarred from doing work paid for by federal funds, or that a clause or condition was added to the covered transaction.

2 CFR 180.300 Subpart C states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

RANDOLPH CENTRAL SCHOOL CORPORATION
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(Continued)

- (a) Checking the Excluded Parties List System (EPLS); or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

OMB Circular A-133, 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."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that management of the GRIC and the School Corporation establish controls related to the grant agreement and compliance requirements listed above.

AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.



Randolph Central School Corporation

103 N. East Street • Winchester, IN 47394 • Telephone (765) 584-1401 • Fax (765) 584-1403

Gregory P. Hinshaw, Ed.D.
Superintendent

Lisa Chalfant
Curriculum Director/Grant Writer

CORRECTIVE ACTION PLAN

FINDING 2015-001 – SEGREGATION OF DUTIES RELATED TO THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Contact Person Responsible for Corrective Action: Gregory Hinshaw
Contact Phone Number: 765 584-1401

Description of Corrective Action Plan:

The Treasurer now has access to the Indiana Department of Education, Division of School and Community Nutrition Services, website and will be responsible for obtaining the value of commodities received, and reporting those commodities correctly on the Schedule of Expenditures of Federal Awards (SEFA).

Now that we are aware that Greater Randolph Interlocal Cooperative will no longer be audited as a separate entity, the Treasurer will obtain from Greater Randolph Interlocal Cooperative the expenditures made on behalf of Randolph Central School Corporation and report them, as required, on the Schedule of Expenditures of Federal Awards (SEFA).

Anticipated Completion Date: February 29, 2016

Gregory P. Hinshaw
(Signature)

Superintendent
(Title)

2/29/2016
(Date)



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Superintendent

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CORRECTIVE ACTION PLAN

FINDING 2015-002 - SUSPENSION AND DEBARMENT

Federal Agency: U. S. Department of Education

Federal Program: Special Education grants to States, Special Education Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14212-066-PN01, 14213-066-PN01, 14214-066-PN01, 14215-066-PN01, 99914-066-PN01, 45713-066-PN01, 45714-066-PN01, 45715-066-PN01

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Gregory Hinshaw

Contact Phone Number: 765 584-1401

Description of Corrective Action Plan:

The Board of Greater Randolph Interlocal Cooperative decided, going forward, that Greater Randolph Interlocal Cooperative will no longer retain any funds (other than PreSchool funds) to pay vendors/contractors on our behalf.

If that should change in the future, the Treasurer of Greater Randolph Interlocal Cooperative is aware that she must verify that vendors/contractors are not "suspended", "debarred", or "otherwise excluded".

PreSchool funds are currently used solely for employee expenditures.

Anticipated Completion Date: February 29, 2016

Gregory P. Hinshaw
(Signature)

Superintendent
(Title)

2/29/2016
(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.