

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

AUDIT REPORT

OF

RANDOLPH EASTERN SCHOOL CORPORATION

RANDOLPH COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED
02/22/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Brenda R. Peacock	07-01-07 to 06-30-10
Superintendent of Schools	Cathy A. Stephen	07-01-07 to 06-30-10
President of the School Board	Rob K. Loesch Scott Byrum	07-01-07 to 06-30-09 07-01-09 to 06-30-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Randolph Eastern School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated January 27, 2010, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

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

U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

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

STATE BOARD OF ACCOUNTS

January 27, 2010



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Randolph Eastern School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

STATE BOARD OF ACCOUNTS

January 27, 2010

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

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 5,227,620	\$ -	\$ 128,266	\$ (5,099,354)
Support services	2,341,488	195,592	312,517	(1,833,379)
Noninstructional services	558,518	-	-	(558,518)
Facilities acquisition and construction	890,394	-	-	(890,394)
Debt service	583,022	-	-	(583,022)
Nonprogrammed charges	<u>128,892</u>	<u>-</u>	<u>-</u>	<u>(128,892)</u>
Total governmental activities	<u>\$ 9,729,934</u>	<u>\$ 195,592</u>	<u>\$ 440,783</u>	<u>(9,093,559)</u>
General receipts:				
Property taxes				2,291,544
Other local sources				655,019
State aid				4,941,069
Bonds and loans				512,318
Grants and contributions not restricted to specific programs				384,598
Sale of property				1,035
Investment earnings				78,257
Other				<u>1,441</u>
Total general receipts				<u>8,865,281</u>
Change in net assets				(228,278)
Net assets - beginning				<u>1,396,849</u>
Net assets - ending				<u>\$ 1,168,571</u>
<u>Assets</u>				
Cash and investments				\$ 1,043,141
Restricted assets:				
Cash and investments				<u>125,430</u>
Total assets				<u>\$ 1,168,571</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 125,430
Unrestricted				<u>1,043,141</u>
Total net assets				<u>\$ 1,168,571</u>

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

RANDOLPH EASTERN SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 5,020,869	\$ -	\$ 152,130	\$ (4,868,739)
Support services	2,853,529	195,067	354,882	(2,303,580)
Noninstructional services	576,705	-	-	(576,705)
Facilities acquisition and construction	301,466	-	-	(301,466)
Debt service	660,580	-	-	(660,580)
Nonprogrammed charges	208,009	-	-	(208,009)
Total governmental activities	<u>\$ 9,621,158</u>	<u>\$ 195,067</u>	<u>\$ 507,012</u>	<u>(8,919,079)</u>
General receipts:				
Property taxes				2,702,977
Other local sources				665,107
State aid				5,356,666
Grants and contributions not restricted to specific programs				976,075
Sale of property				2,352
Investment earnings				16,308
Other				9,825
Total general receipts				<u>9,729,310</u>
Change in net assets				810,231
Net assets - beginning				<u>1,168,571</u>
Net assets - ending				<u>\$ 1,978,802</u>
<u>Assets</u>				
Cash and investments				\$ 1,913,246
Restricted assets:				
Cash and investments				<u>65,556</u>
Total assets				<u>\$ 1,978,802</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 65,556
Unrestricted				<u>1,913,246</u>
Total net assets				<u>\$ 1,978,802</u>

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

RANDOLPH EASTERN SCHOOL CORPORATION
 STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	General	Rainy Day	School Lunch	Debt Service	Other	Totals
Receipts:						
Local sources	\$ 1,263,880	\$ -	\$ 172,522	\$ 570,581	\$ 1,212,385	\$ 3,219,368
Intermediate sources	442	-	-	-	600	1,042
State sources	5,033,293	-	4,660	-	166,395	5,204,348
Federal sources	-	-	269,372	-	292,729	562,101
Temporary loans	-	-	-	-	512,318	512,318
Interfund loans	-	92,767	-	-	221,305	314,072
Other	374	-	205	-	865	1,444
Total receipts	6,297,989	92,767	446,759	570,581	2,406,597	9,814,693
Disbursements:						
Current:						
Instruction	4,730,161	3,328	-	-	494,131	5,227,620
Support services	1,523,427	5,072	205	-	812,784	2,341,488
Noninstructional services	102,231	-	426,783	-	29,504	558,518
Facilities acquisition and construction	-	15,871	-	-	874,523	890,394
Debt services	-	-	-	529,498	53,524	583,022
Nonprogrammed charges	99,488	-	-	-	29,404	128,892
Interfund loans	-	221,305	-	-	92,767	314,072
Total disbursements	6,455,307	245,576	426,988	529,498	2,386,637	10,044,006
Excess (deficiency) of receipts over disbursements	(157,318)	(152,809)	19,771	41,083	19,960	(229,313)
Other financing sources (uses):						
Sale of capital assets	537	-	498	-	-	1,035
Transfers in	-	230,000	-	-	48,621	278,621
Transfers out	(130,000)	-	-	(10,877)	(137,744)	(278,621)
Total other financing sources (uses)	(129,463)	230,000	498	(10,877)	(89,123)	1,035
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(286,781)	77,191	20,269	30,206	(69,163)	(228,278)
Cash and investments - beginning	439,942	291,434	253,523	95,224	316,726	1,396,849
Cash and investments - ending	<u>\$ 153,161</u>	<u>\$ 368,625</u>	<u>\$ 273,792</u>	<u>\$ 125,430</u>	<u>\$ 247,563</u>	<u>\$ 1,168,571</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 153,161	\$ 368,625	\$ 273,792	\$ -	\$ 247,563	\$ 1,043,141
Restricted assets:						
Cash and investments	-	-	-	125,430	-	125,430
Total cash and investment assets - ending	<u>\$ 153,161</u>	<u>\$ 368,625</u>	<u>\$ 273,792</u>	<u>\$ 125,430</u>	<u>\$ 247,563</u>	<u>\$ 1,168,571</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ 125,430	\$ -	\$ 125,430
Unrestricted	153,161	368,625	273,792	-	247,563	1,043,141
Total cash and investment fund balance - ending	<u>\$ 153,161</u>	<u>\$ 368,625</u>	<u>\$ 273,792</u>	<u>\$ 125,430</u>	<u>\$ 247,563</u>	<u>\$ 1,168,571</u>

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

RANDOLPH EASTERN SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Rainy Day	School Lunch	Fiscal Stabilization	Debt Service	Other	Totals
Receipts:							
Local sources	\$ 1,473,505	\$ -	\$ 157,292	\$ -	\$ 572,462	\$ 1,375,566	\$ 3,578,825
Intermediate sources	147	-	-	-	-	488	635
State sources	5,472,646	-	4,784	-	-	142,577	5,620,007
Federal sources	-	-	306,014	558,308	-	355,422	1,219,744
Interfund loans	-	221,305	-	-	-	209,494	430,799
Other	200	-	205	-	-	9,421	9,826
Total receipts	6,946,498	221,305	468,295	558,308	572,462	2,092,968	10,859,836
Disbursements:							
Current:							
Instruction	4,396,030	-	-	152,056	-	472,783	5,020,869
Support services	1,757,893	8,400	205	116,145	-	970,886	2,853,529
Noninstructional services	98,787	-	462,084	2,135	-	13,699	576,705
Facilities acquisition and construction	-	-	-	-	-	301,466	301,466
Debt services	-	-	-	-	608,575	52,005	660,580
Nonprogrammed charges	141,162	-	-	-	-	66,847	208,009
Interfund loans	-	209,495	-	-	-	221,304	430,799
Total disbursements	6,393,872	217,895	462,289	270,336	608,575	2,098,990	10,051,957
Excess (deficiency) of receipts over disbursements	552,626	3,410	6,006	287,972	(36,113)	(6,022)	807,879
Other financing sources (uses):							
Sale of capital assets	2,352	-	-	-	-	-	2,352
Transfers in	2,420	154,000	-	-	18,067	69,129	243,616
Transfers out	(147,402)	-	-	-	(41,828)	(54,386)	(243,616)
Total other financing sources (uses)	(142,630)	154,000	-	-	(23,761)	14,743	2,352
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	409,996	157,410	6,006	287,972	(59,874)	8,721	810,231
Cash and investments - beginning	153,161	368,625	273,792	-	125,430	247,563	1,168,571
Cash and investments - ending	\$ 563,157	\$ 526,035	\$ 279,798	\$ 287,972	\$ 65,556	\$ 256,284	\$ 1,978,802
Cash and Investment Assets - Ending							
Cash and investments	\$ 563,157	\$ 526,035	\$ 279,798	\$ 287,972	\$ -	\$ 256,284	\$ 1,913,246
Restricted assets:							
Cash and investments	-	-	-	-	65,556	-	65,556
Total cash and investment assets - ending	\$ 563,157	\$ 526,035	\$ 279,798	\$ 287,972	\$ 65,556	\$ 256,284	\$ 1,978,802
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 65,556	\$ -	\$ 65,556
Unrestricted	563,157	526,035	279,798	287,972	-	256,284	1,913,246
Total cash and investment fund balance - ending	\$ 563,157	\$ 526,035	\$ 279,798	\$ 287,972	\$ 65,556	\$ 256,284	\$ 1,978,802

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

RANDOLPH EASTERN SCHOOL CORPORATION
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2008

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:		
Contributions:		
Private sources	\$ 38,538	
Investment earnings:		
Interest	<u>46,110</u>	
Total additions	84,648	
Deductions:		
Administrative and general	<u>99,422</u>	
Deficiency of total additions over total deductions	(14,774)	
Cash and investment fund balance - beginning	<u>1,053,006</u>	
Cash and investment fund balance - ending	<u>\$ 1,038,232</u>	<u>\$ 14,844</u>
Net assets:		
Cash and investments	<u>\$ 1,038,232</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 1,038,232</u>	

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

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

	Private-Purpose Trust Funds	Agency Funds
Additions:		
Contributions:		
Private sources	\$ 56,190	
Investment earnings:		
Interest	25,182	
Total additions	81,372	
Deductions:		
Administrative and general	102,525	
Deficiency of total additions over total deductions	(21,153)	
Cash and investment fund balance - beginning	1,038,232	
Cash and investment fund balance - ending	\$ 1,017,079	\$ 12,666
Net assets:		
Cash and investments	\$ 1,017,079	
Total net assets - cash and investment basis held in trust	\$ 1,017,079	

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

RANDOLPH EASTERN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The School Corporation's financial reporting entity is composed entirely of the funds reported by its Treasurer. There are no significant component units.

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

Joint Venture

The School Corporation is a participant with four other school corporations in a joint venture to operate Greater Randolph Interlocal Cooperative, which was created to provide instruction to handicapped students. The School Corporation is obligated by contract to remit its share of the Co-op's expenses. Complete financial statements for the Greater Randolph Interlocal Cooperative can be obtained from the joint venture's administrative office at 335 High Street, Winchester, IN 47394.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

RANDOLPH EASTERN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

The school lunch fund accounts for monies used to provide meals to students.

The debt service fund accounts for monies set aside for paying debt on amounts borrowed or advanced for the purchase or lease of school buildings, school buses, equipment or capital construction, and interest on emergency and temporary loans.

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

Additionally, the School Corporation reports the following fund types:

The private-purpose trust funds account for endowments and other donations which primarily benefit graduating seniors who are furthering their education.

Agency funds account for payroll withholdings and other monies held pending payment.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

RANDOLPH EASTERN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

All balances consisted of cash. There were no investments at June 30, 2008 or 2009.

2. Property Taxes

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

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

RANDOLPH EASTERN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

2. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Interfund services – The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

2. Interfund transfers – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

RANDOLPH EASTERN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the School Corporation had deposit balances in the amount of \$ 3,152,297.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of June 30, 2007, the School Corporation had no investments.

B. Interfund Transfers

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

RANDOLPH EASTERN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Transfer From	Transfer To	2008	2009
General Fund	Rainy Day Fund	\$ 100,000	\$ 90,000
General Fund	Debt Service Fund	-	18,067
General Fund	Other governmental funds	30,000	39,335
Debt Service Fund	Rainy Day Fund	-	28,000
Debt Service Fund	Other governmental funds	10,877	13,828
Other governmental funds	General Fund	-	2,420
Other governmental funds	Rainy Day Fund	130,000	36,000
Other governmental funds	Other governmental funds	7,744	15,966
Totals		<u>\$ 278,621</u>	<u>\$ 243,616</u>

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

C. Restatements and Reclassifications

For the year ended June 30, 2008, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2007	Fund Reclassification	Balance as Restated July 1, 2008
Governmental Funds	\$ 1,435,385	\$ (38,536)	\$ 1,396,849
Private-Purpose Trust Funds	1,014,470	38,536	1,053,006

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

RANDOLPH EASTERN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Holding Corporation

The School Corporation has entered into two capital leases with Randolph Eastern School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments totaled \$115,000 during the year ended June 30, 2009.

C. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

RANDOLPH EASTERN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 71,062
Interest on net pension obligation	(4,904)
Adjustment to annual required contribution	5,588
Annual pension cost	71,746
Contributions made	73,959
Decrease in net pension obligation	(2,213)
Net pension obligation, beginning of year	(67,641)
Net pension obligation, end of year	\$ (69,854)

Contribution rates:	
School Corporation	7.25%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

RANDOLPH EASTERN SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Three Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06-30-06	\$ 61,981	101%	\$ (71,632)
06-30-07	71,066	94%	(67,641)
06-30-08	71,746	103%	(69,854)

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

Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Costs

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

RANDOLPH EASTERN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$136,823, \$128,933, and \$105,139, respectively. The School Corporation contributed 100% of the required contribution for each of the fiscal years.

RANDOLPH EASTERN SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 999,611	\$ 1,124,540	\$ (124,929)	89%	\$ 967,085	(13%)
07-01-07	1,079,435	1,169,542	(90,107)	92%	993,830	(9%)
07-01-08	1,145,817	1,181,019	(35,202)	97%	955,794	(4%)

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Transportation Operating	Special Education Pre-School	Textbook Rental	Joint Services and Supply - GRIC 07-08	Joint Services and Supply - GRIC 06-07	Education License Plates	Safe Haven Grant
Receipts:							
Local sources	\$ 340,655	\$ 4,135	\$ 41,772	\$ 176,665	\$ 41,091	\$ -	\$ -
Intermediate sources	-	-	-	-	-	600	-
State sources	-	56,369	38,485	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	17,953	-	-	-	-	-	-
Other	762	-	103	-	-	-	-
Total receipts	359,370	60,504	80,360	176,665	41,091	600	-
Disbursements:							
Current:							
Instruction	-	31,203	-	176,232	37,180	-	-
Support services	343,079	-	61,916	-	-	-	-
Noninstructional services	-	-	-	-	-	-	379
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	29,404	-	-	-	-	-
Interfund loans	-	-	-	-	3,911	-	-
Total disbursements	343,079	60,607	61,916	176,232	41,091	-	379
Excess (deficiency) of receipts over disbursements	16,291	(103)	18,444	433	-	600	(379)
Other financing sources (uses):							
Transfers in	-	-	10,877	-	-	-	-
Transfers out	(130,000)	-	-	-	-	-	-
Total other financing sources (uses)	(130,000)	-	10,877	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(113,709)	(103)	29,321	433	-	600	(379)
Cash and investments - beginning	113,709	4,877	67,679	-	-	2,563	379
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,774</u>	<u>\$ 97,000</u>	<u>\$ 433</u>	<u>\$ -</u>	<u>\$ 3,163</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ -</u>	<u>\$ 4,774</u>	<u>\$ 97,000</u>	<u>\$ 433</u>	<u>\$ -</u>	<u>\$ 3,163</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ -</u>	<u>\$ 4,774</u>	<u>\$ 97,000</u>	<u>\$ 433</u>	<u>\$ -</u>	<u>\$ 3,163</u>	<u>\$ -</u>

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Early Intervention Grant	Gifted and Talented 2007-08	Gifted and Talented 2006-07	Non-English Speaking Program	Buddy System Project	Technology Plan Grant	Foreign Language Camp
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	8,000	29,553	-	6,488	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	8,000	29,553	-	6,488	-	-	-
Disbursements:							
Current:							
Instruction	8,000	29,553	320	7,236	1,900	-	36
Support services	-	-	-	-	-	2,174	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	8,000	29,553	320	7,236	1,900	2,174	36
Excess (deficiency) of receipts over disbursements	-	-	(320)	(748)	(1,900)	(2,174)	(36)
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	-	-	(320)	(748)	(1,900)	(2,174)	(36)
Cash and investments - beginning	-	-	320	748	1,900	9,501	36
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,327</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,327</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,327</u>	<u>\$ -</u>

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Motion Fitness	Star Grant	Teacher Instruction Mini-Grant	Technology Pioneers	Consolidation Study	Title I 07-08	Title I 06-07
Receipts:							
Local sources	\$ -	\$ -	\$ 12,416	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	2,500	-	-	25,000	-	-
Federal sources	-	-	-	-	-	242,489	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	2,500	12,416	-	25,000	242,489	-
Disbursements:							
Current:							
Instruction	952	2,500	29,281	12,257	-	91,606	9,921
Support services	-	-	5,471	-	10,348	78,487	-
Noninstructional services	-	-	-	-	-	28,618	507
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	952	2,500	34,752	12,257	10,348	198,711	10,428
Excess (deficiency) of receipts over disbursements	(952)	-	(22,336)	(12,257)	14,652	43,778	(10,428)
Other financing sources (uses):							
Transfers in	-	-	25,000	5,000	-	7,744	-
Transfers out	-	-	-	-	-	-	(7,744)
Total other financing sources (uses)	-	-	25,000	5,000	-	7,744	(7,744)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(952)	-	2,664	(7,257)	14,652	51,522	(18,172)
Cash and investments - beginning	1,534	-	34,262	11,460	-	-	18,172
Cash and investments - ending	<u>\$ 582</u>	<u>\$ -</u>	<u>\$ 36,926</u>	<u>\$ 4,203</u>	<u>\$ 14,652</u>	<u>\$ 51,522</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 582</u>	<u>\$ -</u>	<u>\$ 36,926</u>	<u>\$ 4,203</u>	<u>\$ 14,652</u>	<u>\$ 51,522</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 582</u>	<u>\$ -</u>	<u>\$ 36,926</u>	<u>\$ 4,203</u>	<u>\$ 14,652</u>	<u>\$ 51,522</u>	<u>\$ -</u>

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	<u>Title V 07-08</u>	<u>Drug Free 05-06</u>	<u>Drug Free 06-07</u>	<u>Drug Free 07-08</u>	<u>Medicaid Reimbursement (Federal)</u>	<u>Alternative Power and Energy</u>	<u>Title II Part A (Class Size)</u>
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	2,800	2,800	-	-	44,640
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	2,800	2,800	-	-	44,640
Disbursements:							
Current:							
Instruction	-	5,086	2,910	1,370	1,948	-	44,640
Support services	1,458	-	-	-	500	4,118	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	1,458	5,086	2,910	1,370	2,448	4,118	44,640
Excess (deficiency) of receipts over disbursements	(1,458)	(5,086)	(110)	1,430	(2,448)	(4,118)	-
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	(1,458)	(5,086)	(110)	1,430	(2,448)	(4,118)	-
Cash and investments - beginning	1,458	5,086	110	-	4,029	5,107	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,430	\$ 1,581	\$ 989	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ 1,430	\$ 1,581	\$ 989	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ -	\$ -	\$ 1,430	\$ 1,581	\$ 989	\$ -

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title II Part D	Severance Bond Debt Service	Capital Projects	School Bus Replacement	Construction	Totals
Receipts:						
Local sources	\$ -	\$ 46,956	\$ 490,348	\$ 58,347	\$ -	\$ 1,212,385
Intermediate sources	-	-	-	-	-	600
State sources	-	-	-	-	-	166,395
Federal sources	-	-	-	-	-	292,729
Temporary loans	-	-	-	-	512,318	512,318
Interfund loans	-	26,465	176,887	-	-	221,305
Other	-	-	-	-	-	865
Total receipts	-	73,421	667,235	58,347	512,318	2,406,597
Disbursements:						
Current:						
Instruction	-	-	-	-	-	494,131
Support services	2,280	-	302,953	-	-	812,784
Noninstructional services	-	-	-	-	-	29,504
Facilities acquisition and construction	-	-	330,689	-	543,834	874,523
Debt services	-	53,524	-	-	-	53,524
Nonprogrammed charges	-	-	-	-	-	29,404
Interfund loans	-	19,897	33,593	35,366	-	92,767
Total disbursements	2,280	73,421	667,235	35,366	543,834	2,386,637
Excess (deficiency) of receipts over disbursements	(2,280)	-	-	22,981	(31,516)	19,960
Other financing sources (uses):						
Transfers in	-	-	-	-	-	48,621
Transfers out	-	-	-	-	-	(137,744)
Total other financing sources (uses)	-	-	-	-	-	(89,123)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,280)	-	-	22,981	(31,516)	(69,163)
Cash and investments - beginning	2,280	-	-	-	31,516	316,726
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 22,981	\$ -	\$ 247,563
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 22,981	\$ -	\$ 247,563
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ -	\$ -	\$ 22,981	\$ -	\$ 247,563

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Transportation Operating	Special Education Pre-School	Textbook Rental	Joint Services and Supply - GRIC 07-08	Joint Services and Supply - GRIC 08-09	Education License Plates	Early Intervention Grant
Receipts:							
Local sources	\$ 390,532	\$ 4,533	\$ 45,239	\$ 28,240	\$ 199,364	\$ -	\$ -
Intermediate sources	-	-	-	-	-	488	-
State sources	-	62,600	37,908	-	-	-	1,000
Federal sources	-	-	-	-	-	-	-
Interfund loans	40,154	-	-	-	-	-	-
Other	-	-	148	-	-	-	-
Total receipts	430,686	67,133	83,295	28,240	199,364	488	1,000
Disbursements:							
Current:							
Instruction	-	-	-	28,673	199,364	990	1,000
Support services	394,810	-	84,596	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	66,847	-	-	-	-	-
Interfund loans	17,952	-	-	-	-	-	-
Total disbursements	412,762	66,847	84,596	28,673	199,364	990	1,000
Excess (deficiency) of receipts over disbursements	17,924	286	(1,301)	(433)	-	(502)	-
Other financing sources (uses):							
Transfers in	18,076	-	13,828	-	-	-	-
Transfers out	(36,000)	-	-	-	-	-	-
Total other financing sources (uses)	(17,924)	-	13,828	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	286	12,527	(433)	-	(502)	-
Cash and investments - beginning	-	4,774	97,000	433	-	3,163	-
Cash and investments - ending	\$ -	\$ 5,060	\$ 109,527	\$ -	\$ -	\$ 2,661	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 5,060	\$ 109,527	\$ -	\$ -	\$ 2,661	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 5,060	\$ 109,527	\$ -	\$ -	\$ 2,661	\$ -

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Gifted and Talented 2008-09	Medicaid Reimbursement (State)	Non-English Speaking Program	Technology Plan Grant	Access Indiana	Motion Fitness
Receipts:						
Local sources	\$ -	\$ -	\$ 710	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	29,553	2,420	6,596	-	2,500	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	29,553	2,420	7,306	-	2,500	-
Disbursements:						
Current:						
Instruction	20,775	-	7,306	-	-	582
Support services	-	-	-	7,327	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	20,775	-	7,306	7,327	-	582
Excess (deficiency) of receipts over disbursements	8,778	2,420	-	(7,327)	2,500	(582)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(2,420)	-	-	-	-
Total other financing sources (uses)	-	(2,420)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,778	-	-	(7,327)	2,500	(582)
Cash and investments - beginning	-	-	-	7,327	-	582
Cash and investments - ending	\$ 8,778	\$ -	\$ -	\$ -	\$ 2,500	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 8,778	\$ -	\$ -	\$ -	\$ 2,500	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 8,778	\$ -	\$ -	\$ -	\$ 2,500	\$ -

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Wellness Grant	Teacher Instruction Mini-Grant	Technology Pioneers	Consolidation Study	Title I 07-08	Title I 08-09
Receipts:						
Local sources	\$ 10,400	\$ 6,256	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	278,192
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	10,400	6,256	-	-	-	278,192
Disbursements:						
Current:						
Instruction	-	31,617	2,140	-	19,944	110,840
Support services	3,962	4,747	-	10,313	14,611	123,293
Noninstructional services	-	-	-	-	1,001	12,698
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	3,962	36,364	2,140	10,313	35,556	246,831
Excess (deficiency) of receipts over disbursements	6,438	(30,108)	(2,140)	(10,313)	(35,556)	31,361
Other financing sources (uses):						
Transfers in	-	-	-	-	-	15,966
Transfers out	-	-	-	-	(15,966)	-
Total other financing sources (uses)	-	-	-	-	(15,966)	15,966
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,438	(30,108)	(2,140)	(10,313)	(51,522)	47,327
Cash and investments - beginning	-	36,926	4,203	14,652	51,522	-
Cash and investments - ending	\$ 6,438	\$ 6,818	\$ 2,063	\$ 4,339	\$ -	\$ 47,327
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 6,438	\$ 6,818	\$ 2,063	\$ 4,339	\$ -	\$ 47,327
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	\$ 6,438	\$ 6,818	\$ 2,063	\$ 4,339	\$ -	\$ 47,327

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title V 07-08	Title V 08-09	Drug Free 08-09	Drug Free 07-08	Medicaid Reimbursement (Federal)	Alternative Power and Energy
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	1,817	709	2,000	1,740	3,755	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	1,817	709	2,000	1,740	3,755	-
Disbursements:						
Current:						
Instruction	-	-	550	3,170	4,570	-
Support services	1,817	-	-	-	387	439
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	1,817	-	550	3,170	4,957	439
Excess (deficiency) of receipts over disbursements	-	709	1,450	(1,430)	(1,202)	(439)
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	-	709	1,450	(1,430)	(1,202)	(439)
Cash and investments - beginning	-	-	-	1,430	1,581	989
Cash and investments - ending	\$ -	\$ 709	\$ 1,450	\$ -	\$ 379	\$ 550
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 709	\$ 1,450	\$ -	\$ 379	\$ 550
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ 709	\$ 1,450	\$ -	\$ 379	\$ 550

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Title II Part A (Class Size)	Rural Schools and Low Income Program	Severance Bond Debt Service	Capital Projects	School Bus Replacement	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 75,666	\$ 569,291	\$ 45,335	\$ 1,375,566
Intermediate sources	-	-	-	-	-	488
State sources	-	-	-	-	-	142,577
Federal sources	42,000	25,209	-	-	-	355,422
Interfund loans	-	-	2,804	166,536	-	209,494
Other	-	-	-	9,273	-	9,421
Total receipts	42,000	25,209	78,470	745,100	45,335	2,092,968
Disbursements:						
Current:						
Instruction	41,262	-	-	-	-	472,783
Support services	-	-	-	285,644	38,940	970,886
Noninstructional services	-	-	-	-	-	13,699
Facilities acquisition and construction	-	-	-	301,466	-	301,466
Debt services	-	-	52,005	-	-	52,005
Nonprogrammed charges	-	-	-	-	-	66,847
Interfund loans	-	-	26,465	176,887	-	221,304
Total disbursements	41,262	-	78,470	763,997	38,940	2,098,990
Excess (deficiency) of receipts over disbursements	738	25,209	-	(18,897)	6,395	(6,022)
Other financing sources (uses):						
Transfers in	-	-	-	18,897	2,362	69,129
Transfers out	-	-	-	-	-	(54,386)
Total other financing sources (uses)	-	-	-	18,897	2,362	14,743
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	738	25,209	-	-	8,757	8,721
Cash and investments - beginning	-	-	-	-	22,981	247,563
Cash and investments - ending	\$ 738	\$ 25,209	\$ -	\$ -	\$ 31,738	\$ 256,284
Cash and Investment Assets - Ending						
Cash and investments	\$ 738	\$ 25,209	\$ -	\$ -	\$ 31,738	\$ 256,284
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 738	\$ 25,209	\$ -	\$ -	\$ 31,738	\$ 256,284

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Wal-Mart Community Grant	Elks Library Donation	Happy Trails Scholarship	Powers Scholarship	Wind Energy System	Energy Project	Kenneth C. Hinshaw Scholarship
Additions: Contributions: Private sources	\$ 250	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -
Investment earnings: Interest	-	-	227	-	-	-	11,251
Total additions	250	-	7,727	-	-	-	11,251
Deductions: Administrative and general	52	200	8,132	-	-	14,272	32,000
Excess (deficiency) of total additions over total deductions	198	(200)	(405)	-	-	(14,272)	(20,749)
Cash and investment fund balance - beginning	-	200	9,637	750	10,000	26,210	252,886
Cash and investments - June 30	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ 9,232</u>	<u>\$ 750</u>	<u>\$ 10,000</u>	<u>\$ 11,938</u>	<u>\$ 232,137</u>
Net assets: Cash and investments	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ 9,232</u>	<u>\$ 750</u>	<u>\$ 10,000</u>	<u>\$ 11,938</u>	<u>\$ 232,137</u>
Total net assets - cash and investment basis held in trust	<u>\$ 198</u>	<u>\$ -</u>	<u>\$ 9,232</u>	<u>\$ 750</u>	<u>\$ 10,000</u>	<u>\$ 11,938</u>	<u>\$ 232,137</u>

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Martha Goodman Scholarship	John D. Wilson Scholarship	David and Carol Young Scholarship	Steve Reish Athletic Scholarship	Harry and June Loy Scholarship	Mary Lou Fulk Memorial Scholarship
Additions: Contributions: Private sources	\$ -	\$ 9,355	\$ 10,000	\$ -	\$ -	\$ 2,750
Investment earnings: Interest	<u>4,423</u>	<u>66</u>	<u>29</u>	<u>143</u>	<u>3,338</u>	<u>34</u>
Total additions	4,423	9,421	10,029	143	3,338	2,784
Deductions: Administrative and general	<u>6,300</u>	<u>8,936</u>	<u>-</u>	<u>500</u>	<u>2,000</u>	<u>2,643</u>
Excess (deficiency) of total additions over total deductions	(1,877)	485	10,029	(357)	1,338	141
Cash and investment fund balance - beginning	<u>100,941</u>	<u>8,915</u>	<u>-</u>	<u>3,265</u>	<u>67,883</u>	<u>2,636</u>
Cash and investments - June 30	<u>\$ 99,064</u>	<u>\$ 9,400</u>	<u>\$ 10,029</u>	<u>\$ 2,908</u>	<u>\$ 69,221</u>	<u>\$ 2,777</u>
Net assets: Cash and investments	<u>\$ 99,064</u>	<u>\$ 9,400</u>	<u>\$ 10,029</u>	<u>\$ 2,908</u>	<u>\$ 69,221</u>	<u>\$ 2,777</u>
Total net assets - cash and investment basis held in trust	<u>\$ 99,064</u>	<u>\$ 9,400</u>	<u>\$ 10,029</u>	<u>\$ 2,908</u>	<u>\$ 69,221</u>	<u>\$ 2,777</u>

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	<u>Edith Winn Scholarship</u>	<u>Clyde and Sarah Wise Scholarship</u>	<u>Claudia B. Wise Scholarship</u>	<u>Steve Hinshaw Humanitarian Award</u>	<u>Herman Hummel Memorial</u>	<u>Carl C. and Virginia Keller Scholarship</u>
Additions: Contributions: Private sources	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ -
Investment earnings: Interest	<u>2,951</u>	<u>2,357</u>	<u>12,965</u>	<u>1,541</u>	<u>-</u>	<u>5,131</u>
Total additions	2,951	2,357	12,965	5,541	-	5,131
Deductions: Administrative and general	<u>1,500</u>	<u>1,200</u>	<u>12,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Excess (deficiency) of total additions over total deductions	1,451	1,157	965	3,541	-	3,131
Cash and investment fund balance - beginning	<u>59,700</u>	<u>47,794</u>	<u>290,674</u>	<u>31,854</u>	<u>50</u>	<u>103,406</u>
Cash and investments - June 30	<u>\$ 61,151</u>	<u>\$ 48,951</u>	<u>\$ 291,639</u>	<u>\$ 35,395</u>	<u>\$ 50</u>	<u>\$ 106,537</u>
Net assets: Cash and investments	<u>\$ 61,151</u>	<u>\$ 48,951</u>	<u>\$ 291,639</u>	<u>\$ 35,395</u>	<u>\$ 50</u>	<u>\$ 106,537</u>
Total net assets - cash and investment basis held in trust	<u>\$ 61,151</u>	<u>\$ 48,951</u>	<u>\$ 291,639</u>	<u>\$ 35,395</u>	<u>\$ 50</u>	<u>\$ 106,537</u>

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Charles Perry Valedictorian Award	W. L. Witters Biological Preserve	B. Everett Memorial Nature Program	Community Foundation	Mark Welch Memorial	Totals
Additions:						
Contributions:						
Private sources	\$ -	\$ -	\$ -	\$ 4,683	\$ -	\$ 38,538
Investment earnings:						
Interest	1,340	-	-	-	314	46,110
Total additions	1,340	-	-	4,683	314	84,648
Deductions:						
Administrative and general	1,000	-	-	4,187	500	99,422
Excess (deficiency) of total additions over total deductions	340	-	-	496	(186)	(14,774)
Cash and investment fund balance - beginning	27,388	2,081	45	-	6,691	1,053,006
Cash and investments - June 30	<u>\$ 27,728</u>	<u>\$ 2,081</u>	<u>\$ 45</u>	<u>\$ 496</u>	<u>\$ 6,505</u>	<u>\$ 1,038,232</u>
Net assets:						
Cash and investments	\$ 27,728	\$ 2,081	\$ 45	\$ 496	\$ 6,505	\$ 1,038,232
Total net assets - cash and investment basis held in trust	<u>\$ 27,728</u>	<u>\$ 2,081</u>	<u>\$ 45</u>	<u>\$ 496</u>	<u>\$ 6,505</u>	<u>\$ 1,038,232</u>

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

	Wal-Mart Community Grant	Happy Trails Scholarship	Powers Scholarship	STEPS Donation	Wind Energy System	Energy Project	Martha Harrison Vocational
Additions:							
Contributions:							
Private sources	\$ -	\$ 7,401	\$ -	\$ 500	\$ -	\$ -	\$ 1,000
Investment earnings:							
Interest	-	40	-	-	-	-	-
Total additions	-	7,441	-	500	-	-	1,000
Deductions:							
Administrative and general	36	8,097	-	500	-	175	871
Excess (deficiency) of total additions over total deductions	(36)	(656)	-	-	-	(175)	129
Cash and investment fund balance - beginning	198	9,232	750	-	10,000	11,938	-
Cash and investments - June 30	<u>\$ 162</u>	<u>\$ 8,576</u>	<u>\$ 750</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 11,763</u>	<u>\$ 129</u>
Net assets:							
Cash and investments	\$ 162	\$ 8,576	\$ 750	\$ -	\$ 10,000	\$ 11,763	\$ 129
Total net assets - cash and investment basis held in trust	<u>\$ 162</u>	<u>\$ 8,576</u>	<u>\$ 750</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 11,763</u>	<u>\$ 129</u>

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Kenneth C. Hinshaw Scholarship	Martha Goodman Scholarship	John D. Wilson Scholarship	David and Carol Young Scholarship	Steve Reish Athletic Scholarship	Harry and June Loy Scholarship	Mary Lou Fulk Memorial Scholarship
Additions:							
Contributions:							
Private sources	\$ -	\$ -	\$ 12,614	\$ 28,222	\$ 203	\$ -	\$ 2,000
Investment earnings:							
Interest	<u>6,157</u>	<u>2,083</u>	<u>16</u>	<u>19</u>	<u>74</u>	<u>2,059</u>	<u>4</u>
Total additions	6,157	2,083	12,630	28,241	277	2,059	2,004
Deductions:							
Administrative and general	<u>32,000</u>	<u>6,300</u>	<u>11,805</u>	<u>13,459</u>	<u>500</u>	<u>2,000</u>	<u>2,779</u>
Excess (deficiency) of total additions over total deductions	(25,843)	(4,217)	825	14,782	(223)	59	(775)
Cash and investment fund balance - beginning	<u>232,137</u>	<u>99,064</u>	<u>9,400</u>	<u>10,029</u>	<u>2,908</u>	<u>69,221</u>	<u>2,777</u>
Cash and investments - June 30	<u>\$ 206,294</u>	<u>\$ 94,847</u>	<u>\$ 10,225</u>	<u>\$ 24,811</u>	<u>\$ 2,685</u>	<u>\$ 69,280</u>	<u>\$ 2,002</u>
Net assets:							
Cash and investments	<u>\$ 206,294</u>	<u>\$ 94,847</u>	<u>\$ 10,225</u>	<u>\$ 24,811</u>	<u>\$ 2,685</u>	<u>\$ 69,280</u>	<u>\$ 2,002</u>
Total net assets - cash and investment basis held in trust	<u>\$ 206,294</u>	<u>\$ 94,847</u>	<u>\$ 10,225</u>	<u>\$ 24,811</u>	<u>\$ 2,685</u>	<u>\$ 69,280</u>	<u>\$ 2,002</u>

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	<u>Edith Winn Scholarship</u>	<u>Clyde and Sarah Wise Scholarship</u>	<u>Claudia B. Wise Scholarship</u>	<u>Steve Hinshaw Humanitarian Award</u>	<u>Herman Hummel Memorial</u>	<u>Carl C. and Virginia Keller Scholarship</u>
Additions:						
Contributions:						
Private sources	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ 1,000
Investment earnings:						
Interest	<u>1,827</u>	<u>1,463</u>	<u>6,255</u>	<u>1,025</u>	<u>-</u>	<u>3,157</u>
Total additions	1,827	1,463	6,255	4,025	-	4,157
Deductions:						
Administrative and general	<u>1,500</u>	<u>1,200</u>	<u>12,000</u>	<u>3,000</u>	<u>-</u>	<u>4,500</u>
Excess (deficiency) of total additions over total deductions	327	263	(5,745)	1,025	-	(343)
Cash and investment fund balance - beginning	<u>61,151</u>	<u>48,951</u>	<u>291,639</u>	<u>35,395</u>	<u>50</u>	<u>106,537</u>
Cash and investments - June 30	<u>\$ 61,478</u>	<u>\$ 49,214</u>	<u>\$ 285,894</u>	<u>\$ 36,420</u>	<u>\$ 50</u>	<u>\$ 106,194</u>
Net assets:						
Cash and investments	<u>\$ 61,478</u>	<u>\$ 49,214</u>	<u>\$ 285,894</u>	<u>\$ 36,420</u>	<u>\$ 50</u>	<u>\$ 106,194</u>
Total net assets - cash and investment basis held in trust	<u>\$ 61,478</u>	<u>\$ 49,214</u>	<u>\$ 285,894</u>	<u>\$ 36,420</u>	<u>\$ 50</u>	<u>\$ 106,194</u>

RANDOLPH EASTERN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Charles Perry Valedictorian Award	W. L. Witters Biological Preserve	B. Everett Memorial Nature Program	Community Foundation	Mark Welch Memorial	Totals
Additions:						
Contributions:						
Private sources	\$ -	\$ -	\$ -	\$ 250	\$ -	\$ 56,190
Investment earnings:						
Interest	819	-	-	-	184	25,182
Total additions	819	-	-	250	184	81,372
Deductions:						
Administrative and general	1,000	-	-	303	500	102,525
Excess (deficiency) of total additions over total deductions	(181)	-	-	(53)	(316)	(21,153)
Cash and investment fund balance - beginning	27,728	2,081	45	496	6,505	1,038,232
Cash and investments - June 30	<u>\$ 27,547</u>	<u>\$ 2,081</u>	<u>\$ 45</u>	<u>\$ 443</u>	<u>\$ 6,189</u>	<u>\$ 1,017,079</u>
Net assets:						
Cash and investments	\$ 27,547	\$ 2,081	\$ 45	\$ 443	\$ 6,189	\$ 1,017,079
Total net assets - cash and investment basis held in trust	<u>\$ 27,547</u>	<u>\$ 2,081</u>	<u>\$ 45</u>	<u>\$ 443</u>	<u>\$ 6,189</u>	<u>\$ 1,017,079</u>

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

	<u>Payroll Withholdings</u>	<u>Grant Refund</u>	<u>Totals</u>
Additions:			
Agency fund additions	<u>\$ 1,869,872</u>	<u>\$ 802,637</u>	<u>\$ 2,672,509</u>
Deductions:			
Agency fund deductions	<u>1,926,103</u>	<u>802,637</u>	<u>2,728,740</u>
Deficiency of total additions over total deductions	(56,231)	-	(56,231)
Cash and investment fund balance - beginning	<u>71,075</u>	<u>-</u>	<u>71,075</u>
Cash and investment fund balance - ending	<u>\$ 14,844</u>	<u>\$ -</u>	<u>\$ 14,844</u>

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

	Payroll Withholdings
Additions: Agency fund additions	\$ <u>1,905,055</u>
Deductions: Agency fund deductions	<u>1,907,233</u>
Excess (deficiency) of total additions over total deductions	(2,178)
Cash and investment fund balance - beginning	<u>14,844</u>
Cash and investment fund balance - ending	<u><u>\$ 12,666</u></u>

RANDOLPH CENTRAL SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated	
Land	\$ 149,841
Buildings	14,559,679
Improvements other than buildings	1,272,257
Machinery and equipment	861,424
Transportation	<u>803,138</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 17,646,339</u></u>

RANDOLPH EASTERN SCHOOL CORPORATION
 Supplementary Information
 Schedule of Long-Term Debt
 June 30, 2009

<u>Description of Debt</u>	<u>Principal Ending Balance</u>	<u>Principal & Interest Due Within One Year</u>
Governmental activities:		
Bonds Payable:		
General Obligation Bonds		
2002 QZAB	\$ 562,500	\$ 75,000
2006 QZAB	1,680,000	80,000
2004 Pension Bonds	<u>240,000</u>	<u>50,405</u>
Total Bonds Payable	<u>2,482,500</u>	<u>205,405</u>
Common School Fund Loans		
2004 Common School Fund Loan	3,430,200	302,337
2006 Common School Fund Loan	<u>3,908,012</u>	<u>276,543</u>
Total Common School Fund Loans	<u>7,338,212</u>	<u>578,880</u>
Installment Payment Contract		
Energy Savings Contract	<u>605,917</u>	<u>130,000</u>
Total governmental activities long-term debt	<u>\$ 10,426,629</u>	<u>\$ 914,285</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
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
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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 RANDOLPH EASTERN SCHOOL
CORPORATION, RANDOLPH COUNTY, INDIANA

Compliance

We have audited the compliance of the Randolph Eastern School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

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

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion

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)

on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

STATE BOARD OF ACCOUNTS

January 27, 2010

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 2007-08 FY 2008-09	\$ 61,819 -	\$ - 70,513
Total for program			61,819	70,513
National School Lunch Program	10.555	FY 2007-08 FY 2008-09	234,224 -	- 253,641
Total for program			234,224	253,641
Special Milk Program for Children	10.556	FY 2007-08 FY 2008-09	5,085 -	- 10,513
Total for program			5,085	10,513
Total for federal grantor agency			301,128	334,667
<u>U.S. DEPARTMENT OF ENERGY</u>				
Pass-Through Indiana Department of Education State Energy Program	81.041	7-APE-011	4,118	438
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010	07-6835 08-6835 09-6835	10,428 198,711 -	- 35,556 243,627
Total for cluster			209,139	279,183
Pass-Through Greater Randolph Interlocal Cooperative Special Education Cluster Special Education - Grants to States	84.027	14207-066-PN01 14208-066-PN01 14209-066-PN01	37,180 176,232 -	- 28,673 199,364
Total for cluster			213,412	228,037

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

RANDOLPH EASTERN SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF EDUCATION (continued)</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	FY09	-	270,336
Total for cluster			-	270,336
Safe and Drug Free Schools and Communities - State Grants	84.186			
		6835-05	5,086	-
		6835-06	2,910	-
		6835-07	1,370	3,170
		6835-08	-	550
Total for program			9,366	3,720
Innovative Education Program Strategies (Title VI)	84.298			
		06-6835	1,458	-
		07-6835	-	1,817
Total for program			1,458	1,817
Improving Teacher Quality State Grants	84.367			
		06-6835	2,280	-
		S367A060013A	2,500	-
		07-6835	44,640	-
		08-6835	-	41,262
Total for program			49,420	41,262
Total for federal grantor agency			482,795	824,355
Total federal awards expended			<u>\$ 788,041</u>	<u>\$ 1,159,460</u>

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

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

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Randolph Eastern School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

II. Noncash Assistance

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

Program Title	Federal CFDA Number	2008	2009
School Breakfast Program	10.553	\$ 5,569	\$ 6,335
National School Lunch Program	10.555	21,102	22,785

RANDOLPH EASTERN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Special Education Cluster
Title I, Part A Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

RANDOLPH EASTERN SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

RANDOLPH EASTERN SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 27, 2010, with Cathy A. Stephen, Superintendent of Schools; Brenda R. Peacock, Treasurer; and Scott Byrum, President of the School Board. Our audit disclosed no material items that warrant comment at this time.