

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, 2015 to June 30, 2017



FILED
02/22/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Linda Dodd	07-01-15 to 06-30-19
Superintendent of Schools	Dr. Gregory Hinshaw Lisa Chalfant (interim) Rolland Abraham	07-01-15 to 06-30-17 07-01-17 to 09-19-17 09-20-17 to 06-30-19
President of the School Board	Jeffrey Oswalt Bill Bush Fred Pries	01-01-15 to 12-31-15 01-01-16 to 12-31-17 01-01-18 to 12-31-18



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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, 2015 to June 30, 2017, 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 from 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 to 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, 2015 to June 30, 2017.

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, 2015 to June 30, 2017, 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 Title 2 U.S. Code of Federal Regulations, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 December 20, 2018, 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 solely 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 effectiveness of the School Corporation's 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

December 20, 2018



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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, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 20, 2018, 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.

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 School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

December 20, 2018

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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, 2016 and 2017

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-15	Receipts	Disbursements		06-30-16	Receipts	Disbursements		
General	\$ 207,281	\$ 9,981,475	\$ 10,004,637	\$ -	\$ 184,119	\$ 10,098,689	\$ 9,733,279	\$ -	\$ 549,529
Debt Service	453,508	1,419,897	1,303,406	-	569,999	1,263,234	1,482,602	2,161	352,792
Retirement/Severance Bond Debt Service	145,427	290,946	266,007	-	170,366	253,727	273,047	-	151,046
Capital Projects	95,859	1,469,793	775,351	(246,136)	544,165	1,344,781	1,352,293	(40,000)	496,653
School Transportation	196,367	1,316,672	842,409	(99,680)	570,950	1,333,601	1,123,646	(244,700)	536,205
School Bus Replacement	63,290	214,549	47,517	-	230,322	183,801	311,372	-	102,751
Rainy Day	176,376	16,647	-	355,000	548,023	7,640	-	285,000	840,663
Retirement/Severance Bond	57,147	-	-	-	57,147	-	2,909	-	54,238
2015 GO Bonds - Impr. Tech.	-	4,607	358,985	485,000	130,622	-	130,622	-	-
Construction Winchester Community High School	98	-	98	-	-	-	-	-	-
2016 GO Bonds	-	-	-	-	-	-	257,215	490,000	232,785
School Lunch	18,514	705,373	638,528	3,714	89,073	667,034	627,484	-	128,623
Textbook Rental	194,122	209,048	201,232	-	201,938	231,248	286,606	-	146,580
Levy Excess	1,103	-	-	-	1,103	-	-	-	1,103
Educational License Plates	244	112	-	-	356	169	356	-	169
Early Intervention Grant	2,056	-	2,056	-	-	7,749	-	-	7,749
Early Intervention Grant FY15	-	9,768	-	-	9,768	1,750	11,518	-	-
Holloway Band Trust	1,012	-	-	-	1,012	-	-	-	1,012
Best Trust	52,151	17,796	4,550	-	65,397	17,903	11,728	-	71,572
Donation - RC Commissioner	-	12,000	12,000	-	-	-	-	-	-
Scholarships and Awards	27,168	24,659	22,730	-	29,097	20,579	22,076	-	27,600
Fields Scholarship	50,000	-	-	-	50,000	-	-	-	50,000
Donations - Adv. Mfg.	7,924	500	4,061	-	4,363	-	3,945	-	418
Donations - 3D Achieve.Cent	-	44,500	40,366	-	4,134	200	1,742	-	2,592
COBRA Clearing	12,994	122,667	120,029	-	15,632	105,759	112,530	-	8,861
Formative Assessment	-	16,731	15,582	-	1,149	18,316	15,194	-	4,271
High Abilities Grant 15/16	-	31,920	13,440	-	18,480	-	18,480	-	-
High Abilities Grant 16/17	-	-	-	-	-	31,770	20,224	-	11,546
High Abilities Grant 14/15	14,975	-	14,975	-	-	-	-	-	-
Secured Schools Safety Grant	-	-	-	-	-	9,898	9,898	-	-

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, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Non-English Speaking Programs	-	2,388	-	-	2,388	-	2,388	-	-
Non-English Speaking Programs 16/17	-	-	-	-	-	3,376	1,003	-	2,373
School Technology	-	-	-	-	-	6,308	3,240	-	3,068
State Connectivity Grant 14/15	3,669	-	3,669	-	-	-	-	-	-
State Connectivity Grant 15/16	-	4,404	3,240	-	1,164	-	1,164	-	-
Career and Technical Performance Grant	-	-	-	-	-	939	-	-	939
Performance Based Awards 15/16	2,077	64,050	66,127	-	-	-	-	-	-
Performance Based Awards 16/17	-	-	-	-	-	32,503	32,503	-	-
Title I 14/15	(28,849)	73,301	44,452	-	-	-	-	-	-
Title I 15/16	-	344,185	369,604	-	(25,419)	70,794	45,375	-	-
Title I 16/17	-	-	-	-	-	255,437	304,162	-	(48,725)
Special Education FY14/15	(19,510)	97,684	78,174	-	-	-	-	-	-
Special Education FY15/16	-	277,759	296,682	-	(18,923)	78,731	59,808	-	-
Special Education FY16/17	-	-	-	-	-	275,772	307,859	-	(32,087)
Medicaid Reimbursement - Federal	14,941	-	-	-	14,941	-	-	-	14,941
Improving Teacher Quality, No Child Left, Title II, Part A	-	11,527	11,527	-	-	36,395	41,057	-	(4,662)
Title II Grant 13/14	(10,802)	46,997	36,195	-	-	224	224	-	-
Title II Grant 14/15	(635)	25,153	24,772	-	(254)	46,520	46,266	-	-
Rural Schools and Low Income Program - Pass Through State	(800)	23,612	22,812	-	-	2,602	2,602	-	-
Rural & Low Income Grant 14/15	(1,599)	16,444	14,845	-	-	15,351	15,351	-	-
Rural & Low Income Grant 15/16	-	3,503	3,758	-	(255)	17,980	20,757	-	(3,032)
Cafeteria Reimbursement Clearing	10,381	184,529	187,606	-	7,304	170,913	176,865	-	1,352
Textbook Reimbursement Clearing	-	69,066	69,066	-	-	66,720	66,720	-	-
Pepsi Clearing	-	7,524	7,524	-	-	8,622	8,622	-	-
Payroll Clearing Funds	2,466	2,884,985	2,885,854	-	1,597	2,813,800	2,813,628	-	1,769
Totals	\$ 1,748,955	\$ 20,046,771	\$ 18,813,866	\$ 497,898	\$ 3,479,758	\$ 19,500,835	\$ 19,758,360	\$ 492,461	\$ 3,714,694

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, the following: 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. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

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

Other receipts. Amounts received from various sources, including, but not limited to, the following: 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. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed 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:

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Proceeds of long-term debt. Amounts received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

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

Transfers out. Amounts 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 amounts 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 amounts 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 or highway use taxes are received 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial 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

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
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. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the timing of grant reimbursements not being received prior to fiscal year end.

RANDOLPH CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Holding Corporation

The School Corporation has entered into two capital leases with the Randolph Central Building Corp. (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2016 and 2017 totaled \$905,257 and \$908,831, respectively.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. 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 Indiana Gateway for Government Units 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 School Corporation's Financial Reports 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.

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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, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 207,281	\$ 453,508	\$ 145,427	\$ 95,859	\$ 196,367	\$ 63,290	\$ 176,376	\$ 57,147
Receipts:								
Local sources	12,812	1,419,897	287,745	1,023,699	1,057,212	214,549	15,489	-
Intermediate sources	38	-	-	-	-	-	-	-
State sources	9,937,633	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	3,201	315,435	256,208	-	-	-
Other receipts	30,992	-	-	130,659	3,252	-	1,158	-
Total receipts	9,981,475	1,419,897	290,946	1,469,793	1,316,672	214,549	16,647	-
Disbursements:								
Instruction	6,696,224	-	-	-	-	-	-	-
Support services	3,117,874	-	-	428,455	842,409	47,517	-	-
Noninstructional services	190,539	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	346,896	-	-	-	-
Debt service	-	1,303,406	266,007	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	10,004,637	1,303,406	266,007	775,351	842,409	47,517	-	-
Excess (deficiency) of receipts over disbursements	(23,162)	116,491	24,939	694,442	474,263	167,032	16,647	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	8,864	320	-	-	-
Transfers in	-	-	-	-	-	-	355,000	-
Transfers out	-	-	-	(255,000)	(100,000)	-	-	-
Total other financing sources (uses)	-	-	-	(246,136)	(99,680)	-	355,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,162)	116,491	24,939	448,306	374,583	167,032	371,647	-
Cash and investments - ending	\$ 184,119	\$ 569,999	\$ 170,366	\$ 544,165	\$ 570,950	\$ 230,322	\$ 548,023	\$ 57,147

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, 2016

	2015 GO Bonds - Impr. Tech.	Construction Winchester Community High School	2016 GO Bonds	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant
Cash and investments - beginning	\$ -	\$ 98	\$ -	\$ 18,514	\$ 194,122	\$ 1,103	\$ 244	\$ 2,056
Receipts:								
Local sources	-	-	-	187,605	138,694	-	-	-
Intermediate sources	-	-	-	-	-	-	112	-
State sources	-	-	-	5,814	68,987	-	-	-
Federal sources	-	-	-	510,707	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	4,607	-	-	1,247	1,367	-	-	-
Total receipts	4,607	-	-	705,373	209,048	-	112	-
Disbursements:								
Instruction	8,618	-	-	-	-	-	-	-
Support services	-	-	-	8,887	201,232	-	-	2,056
Noninstructional services	-	-	-	629,200	-	-	-	-
Facilities acquisition and construction	350,367	98	-	441	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	358,985	98	-	638,528	201,232	-	-	2,056
Excess (deficiency) of receipts over disbursements	(354,378)	(98)	-	66,845	7,816	-	112	(2,056)
Other financing sources (uses):								
Proceeds of long-term debt	485,000	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	3,714	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	485,000	-	-	3,714	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	130,622	(98)	-	70,559	7,816	-	112	(2,056)
Cash and investments - ending	\$ 130,622	\$ -	\$ -	\$ 89,073	\$ 201,938	\$ 1,103	\$ 356	\$ -

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, 2016

	Early Intervention Grant FY15	Holloway Band Trust	Best Trust	Donation - RC Commissioner	Scholarships and Awards	Fields Scholarship	Donations - Adv. Mfg.	Donations - 3D Achieve.Cent
Cash and investments - beginning	\$ -	\$ 1,012	\$ 52,151	\$ -	\$ 27,168	\$ 50,000	\$ 7,924	\$ -
Receipts:								
Local sources	-	-	17,796	12,000	24,659	-	500	44,500
Intermediate sources	-	-	-	-	-	-	-	-
State sources	9,768	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	9,768	-	17,796	12,000	24,659	-	500	44,500
Disbursements:								
Instruction	-	-	-	12,000	-	-	-	-
Support services	-	-	4,550	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	4,061	40,366
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	22,730	-	-	-
Total disbursements	-	-	4,550	12,000	22,730	-	4,061	40,366
Excess (deficiency) of receipts over disbursements	9,768	-	13,246	-	1,929	-	(3,561)	4,134
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	9,768	-	13,246	-	1,929	-	(3,561)	4,134
Cash and investments - ending	\$ 9,768	\$ 1,012	\$ 65,397	\$ -	\$ 29,097	\$ 50,000	\$ 4,363	\$ 4,134

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, 2016

	COBRA Clearing	Formative Assessment	High Abilities Grant 15/16	High Abilities Grant 16/17	High Abilities Grant 14/15	Secured Schools Safety Grant	Non-English Speaking Programs	Non-English Speaking Programs 16/17
Cash and investments - beginning	\$ 12,994	\$ -	\$ -	\$ -	\$ 14,975	\$ -	\$ -	\$ -
Receipts:								
Local sources	122,667	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	16,731	31,920	-	-	-	2,388	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	122,667	16,731	31,920	-	-	-	2,388	-
Disbursements:								
Instruction	-	-	13,440	-	14,975	-	-	-
Support services	120,029	15,582	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	120,029	15,582	13,440	-	14,975	-	-	-
Excess (deficiency) of receipts over disbursements	2,638	1,149	18,480	-	(14,975)	-	2,388	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	2,638	1,149	18,480	-	(14,975)	-	2,388	-
Cash and investments - ending	\$ 15,632	\$ 1,149	\$ 18,480	\$ -	\$ -	\$ -	\$ 2,388	\$ -

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, 2016

	School Technology	State Connectivity Grant 14/15	State Connectivity Grant 15/16	Career and Technical Performance Grant	Performance Based Awards 15/16	Performance Based Awards 16/17	Title I 14/15	Title I 15/16
Cash and investments - beginning	\$ -	\$ 3,669	\$ -	\$ -	\$ 2,077	\$ -	\$ (28,849)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	4,404	-	64,050	-	-	-
Federal sources	-	-	-	-	-	-	73,301	344,185
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	4,404	-	64,050	-	73,301	344,185
Disbursements:								
Instruction	-	-	-	-	62,244	-	44,452	361,565
Support services	-	3,669	3,240	-	3,883	-	-	8,039
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	3,669	3,240	-	66,127	-	44,452	369,604
Excess (deficiency) of receipts over disbursements	-	(3,669)	1,164	-	(2,077)	-	28,849	(25,419)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	-	(3,669)	1,164	-	(2,077)	-	28,849	(25,419)
Cash and investments - ending	\$ -	\$ -	\$ 1,164	\$ -	\$ -	\$ -	\$ -	\$ (25,419)

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, 2016

	Title I 16/17	Special Education FY14/15	Special Education FY15/16	Special Education FY16/14	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title II Grant 13/14	Title II Grant 14/15
Cash and investments - beginning	\$ -	\$ (19,510)	\$ -	\$ -	\$ 14,941	\$ -	\$ (10,802)	\$ (635)
Receipts:								
Local sources	-	-	-	-	-	-	-	100
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	97,684	277,759	-	-	11,527	46,997	25,053
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	97,684	277,759	-	-	11,527	46,997	25,153
Disbursements:								
Instruction	-	78,174	296,682	-	-	-	-	8,700
Support services	-	-	-	-	-	11,527	36,195	16,072
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	78,174	296,682	-	-	11,527	36,195	24,772
Excess (deficiency) of receipts over disbursements	-	19,510	(18,923)	-	-	-	10,802	381
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	-	19,510	(18,923)	-	-	-	10,802	381
Cash and investments - ending	\$ -	\$ -	\$ (18,923)	\$ -	\$ 14,941	\$ -	\$ -	\$ (254)

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, 2016

	Rural Schools and Low Income Program - Pass Through State	Rural & Low Income Grant 14/15	Rural & Low Income Grant 15/16	Cafeteria Reimbursement Clearing	Textbook Reimbursement Clearing	Pepsi Clearing	Payroll Clearing Funds	Totals
Cash and investments - beginning	\$ (800)	\$ (1,599)	\$ -	\$ 10,381	\$ -	\$ -	\$ 2,466	\$ 1,748,955
Receipts:								
Local sources	-	-	-	-	-	-	-	4,579,924
Intermediate sources	-	-	-	-	-	-	-	150
State sources	-	-	-	-	-	-	-	10,141,695
Federal sources	23,612	16,444	3,503	-	-	-	-	1,430,772
Temporary loans	-	-	-	-	-	-	-	574,844
Other receipts	-	-	-	184,529	69,066	7,524	2,884,985	3,319,386
Total receipts	23,612	16,444	3,503	184,529	69,066	7,524	2,884,985	20,046,771
Disbursements:								
Instruction	19,312	8,780	3,758	-	-	-	-	7,628,924
Support services	3,500	6,065	-	-	-	-	-	4,880,781
Noninstructional services	-	-	-	-	-	-	-	819,739
Facilities acquisition and construction	-	-	-	-	-	-	-	742,229
Debt service	-	-	-	-	-	-	-	1,569,413
Nonprogrammed charges	-	-	-	187,606	69,066	7,524	2,885,854	3,172,780
Total disbursements	22,812	14,845	3,758	187,606	69,066	7,524	2,885,854	18,813,866
Excess (deficiency) of receipts over disbursements	800	1,599	(255)	(3,077)	-	-	(869)	1,232,905
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	485,000
Sale of capital assets	-	-	-	-	-	-	-	12,898
Transfers in	-	-	-	-	-	-	-	355,000
Transfers out	-	-	-	-	-	-	-	(355,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	497,898
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	800	1,599	(255)	(3,077)	-	-	(869)	1,730,803
Cash and investments - ending	\$ -	\$ -	\$ (255)	\$ 7,304	\$ -	\$ -	\$ 1,597	\$ 3,479,758

RANDOLPH CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2017

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 184,119	\$ 569,999	\$ 170,366	\$ 544,165	\$ 570,950	\$ 230,322	\$ 548,023	\$ 57,147
Receipts:								
Local sources	19,858	1,263,234	251,733	1,033,888	1,066,424	183,801	6,254	-
Intermediate sources	64	-	-	-	-	-	-	-
State sources	10,054,791	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	1,994	310,893	264,577	-	-	-
Other receipts	23,976	-	-	-	2,600	-	1,386	-
Total receipts	10,098,689	1,263,234	253,727	1,344,781	1,333,601	183,801	7,640	-
Disbursements:								
Instruction	6,450,586	-	-	-	-	-	-	2,909
Support services	3,089,381	-	-	479,749	849,059	311,372	-	-
Noninstructional services	193,312	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	548,677	18,379	-	-	-
Debt service	-	1,482,602	273,047	323,867	256,208	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	9,733,279	1,482,602	273,047	1,352,293	1,123,646	311,372	-	2,909
Excess (deficiency) of receipts over disbursements	365,410	(219,368)	(19,320)	(7,512)	209,955	(127,571)	7,640	(2,909)
Other financing sources (uses):								
Proceeds of long-term debt	-	2,161	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	300	-	-	-
Transfers in	-	-	-	-	-	-	285,000	-
Transfers out	-	-	-	(40,000)	(245,000)	-	-	-
Total other financing sources (uses)	-	2,161	-	(40,000)	(244,700)	-	285,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	365,410	(217,207)	(19,320)	(47,512)	(34,745)	(127,571)	292,640	(2,909)
Cash and investments - ending	\$ 549,529	\$ 352,792	\$ 151,046	\$ 496,653	\$ 536,205	\$ 102,751	\$ 840,663	\$ 54,238

RANDOLPH CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	2015 GO Bonds - Impr. Tech.	Construction Winchester Community High School	2016 GO Bonds	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant
Cash and investments - beginning	\$ 130,622	\$ -	\$ -	\$ 89,073	\$ 201,938	\$ 1,103	\$ 356	\$ -
Receipts:								
Local sources	-	-	-	177,097	164,094	-	-	-
Intermediate sources	-	-	-	-	-	-	169	-
State sources	-	-	-	5,050	65,786	-	-	7,749
Federal sources	-	-	-	482,280	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	2,607	1,368	-	-	-
Total receipts	-	-	-	667,034	231,248	-	169	7,749
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	30	35,628	286,606	-	-	-
Noninstructional services	-	-	-	591,240	-	-	-	-
Facilities acquisition and construction	130,622	-	257,185	616	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	356	-
Total disbursements	130,622	-	257,215	627,484	286,606	-	356	-
Excess (deficiency) of receipts over disbursements	(130,622)	-	(257,215)	39,550	(55,358)	-	(187)	7,749
Other financing sources (uses):								
Proceeds of long-term debt	-	-	490,000	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	490,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(130,622)	-	232,785	39,550	(55,358)	-	(187)	7,749
Cash and investments - ending	\$ -	\$ -	\$ 232,785	\$ 128,623	\$ 146,580	\$ 1,103	\$ 169	\$ 7,749

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, 2017

	Early Intervention Grant FY15	Holloway Band Trust	Best Trust	Donation - RC Commissioner	Scholarships and Awards	Fields Scholarship	Donations - Adv. Mfg.	Donations - 3D Achieve.Cent
Cash and investments - beginning	\$ 9,768	\$ 1,012	\$ 65,397	\$ -	\$ 29,097	\$ 50,000	\$ 4,363	\$ 4,134
Receipts:								
Local sources	-	-	17,903	-	20,579	-	-	200
Intermediate sources	-	-	-	-	-	-	-	-
State sources	1,750	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	1,750	-	17,903	-	20,579	-	-	200
Disbursements:								
Instruction	9,706	-	-	-	-	-	-	-
Support services	1,812	-	11,728	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	3,945	1,742
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	22,076	-	-	-
Total disbursements	11,518	-	11,728	-	22,076	-	3,945	1,742
Excess (deficiency) of receipts over disbursements	(9,768)	-	6,175	-	(1,497)	-	(3,945)	(1,542)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	(9,768)	-	6,175	-	(1,497)	-	(3,945)	(1,542)
Cash and investments - ending	\$ -	\$ 1,012	\$ 71,572	\$ -	\$ 27,600	\$ 50,000	\$ 418	\$ 2,592

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, 2017

	COBRA Clearing	Formative Assessment	High Abilities Grant 15/16	High Abilities Grant 16/17	High Abilities Grant 14/15	Secured Schools Safety Grant	Non-English Speaking Programs	Non-English Speaking Programs 16/17
Cash and investments - beginning	\$ 15,632	\$ 1,149	\$ 18,480	\$ -	\$ -	\$ -	\$ 2,388	\$ -
Receipts:								
Local sources	105,759	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	18,316	-	31,770	-	9,898	-	3,376
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	105,759	18,316	-	31,770	-	9,898	-	3,376
Disbursements:								
Instruction	-	-	18,273	20,224	-	-	2,388	1,003
Support services	112,530	15,194	207	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	9,898	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	112,530	15,194	18,480	20,224	-	9,898	2,388	1,003
Excess (deficiency) of receipts over disbursements	(6,771)	3,122	(18,480)	11,546	-	-	(2,388)	2,373
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	(6,771)	3,122	(18,480)	11,546	-	-	(2,388)	2,373
Cash and investments - ending	\$ 8,861	\$ 4,271	\$ -	\$ 11,546	\$ -	\$ -	\$ -	\$ 2,373

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, 2017

	School Technology	State Connectivity Grant 14/15	State Connectivity Grant 15/16	Career and Technical Performance Grant	Performance Based Awards 15/16	Performance Based Awards 16/17	Title I 14/15	Title I 15/16
Cash and investments - beginning	\$ -	\$ -	\$ 1,164	\$ -	\$ -	\$ -	\$ -	\$ (25,419)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	6,308	-	-	939	-	32,503	-	-
Federal sources	-	-	-	-	-	-	-	70,794
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	6,308	-	-	939	-	32,503	-	70,794
Disbursements:								
Instruction	-	-	-	-	-	30,230	-	45,375
Support services	3,240	-	1,164	-	-	2,273	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	3,240	-	1,164	-	-	32,503	-	45,375
Excess (deficiency) of receipts over disbursements	3,068	-	(1,164)	939	-	-	-	25,419
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	3,068	-	(1,164)	939	-	-	-	25,419
Cash and investments - ending	\$ 3,068	\$ -	\$ -	\$ 939	\$ -	\$ -	\$ -	\$ -

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, 2017

	Title I 16/17	Special Education FY14/15	Special Education FY15/16	Special Education FY16/14	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title II Grant 13/14	Title II Grant 14/15
Cash and investments - beginning	\$ -	\$ -	\$ (18,923)	\$ -	\$ 14,941	\$ -	\$ -	\$ (254)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	255,437	-	78,731	275,772	-	36,395	224	46,520
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	255,437	-	78,731	275,772	-	36,395	224	46,520
Disbursements:								
Instruction	295,871	-	59,808	307,859	-	12,629	-	-
Support services	8,291	-	-	-	-	28,428	224	46,266
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	304,162	-	59,808	307,859	-	41,057	224	46,266
Excess (deficiency) of receipts over disbursements	(48,725)	-	18,923	(32,087)	-	(4,662)	-	254
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
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	(48,725)	-	18,923	(32,087)	-	(4,662)	-	254
Cash and investments - ending	\$ (48,725)	\$ -	\$ -	\$ (32,087)	\$ 14,941	\$ (4,662)	\$ -	\$ -

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, 2017

	Rural Schools and Low Income Program - Pass Through State	Rural & Low Income Grant 14/15	Rural & Low Income Grant 15/16	Cafeteria Reimbursement Clearing	Textbook Reimbursement Clearing	Pepsi Clearing	Payroll Clearing Funds	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (255)	\$ 7,304	\$ -	\$ -	\$ 1,597	\$ 3,479,758
Receipts:								
Local sources	-	-	-	-	-	-	-	4,310,824
Intermediate sources	-	-	-	-	-	-	-	233
State sources	-	-	-	-	-	-	-	10,238,236
Federal sources	2,602	15,351	17,980	-	-	-	-	1,282,086
Temporary loans	-	-	-	-	-	-	-	577,464
Other receipts	-	-	-	170,913	66,720	8,622	2,813,800	3,091,992
Total receipts	2,602	15,351	17,980	170,913	66,720	8,622	2,813,800	19,500,835
Disbursements:								
Instruction	2,602	15,351	5,229	-	-	-	-	7,280,043
Support services	-	-	15,528	-	-	-	-	5,298,710
Noninstructional services	-	-	-	-	-	-	-	784,552
Facilities acquisition and construction	-	-	-	-	-	-	-	971,064
Debt service	-	-	-	-	-	-	-	2,335,724
Nonprogrammed charges	-	-	-	176,865	66,720	8,622	2,813,628	3,088,267
Total disbursements	2,602	15,351	20,757	176,865	66,720	8,622	2,813,628	19,758,360
Excess (deficiency) of receipts over disbursements	-	-	(2,777)	(5,952)	-	-	172	(257,525)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	492,161
Sale of capital assets	-	-	-	-	-	-	-	300
Transfers in	-	-	-	-	-	-	-	285,000
Transfers out	-	-	-	-	-	-	-	(285,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	492,461
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(2,777)	(5,952)	-	-	172	234,936
Cash and investments - ending	\$ -	\$ -	\$ (3,032)	\$ 1,352	\$ -	\$ -	\$ 1,769	\$ 3,714,694

RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 224,090</u>	<u>\$ 88,507</u>

RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Pitney Bowes	Postage Machine	\$ 348	07/01/14	06/30/18
Randolph Central Building Corp.	School Construction/GO Bonds 2013	720,048	06/30/14	12/31/32
Randolph Central Building Corp.	School Renovation/Q.S.C.B.	183,451	06/30/11	12/31/24
Wells Fargo(Ricoh)	Copier/Printer Lease	3,207	07/25/12	07/31/17
Wells Fargo(Ricoh)	Copier/Printer Lease	26,233	07/19/17	07/31/22
Apple, Inc.	Ipad Lease/DMS	51,890	05/15/15	06/15/18
Apple, Inc.	Ipad Lease/Secondary	<u>51,225</u>	05/15/17	05/15/20
Total governmental activities		<u>1,036,402</u>		
Total of annual lease payments		<u>\$ 1,036,402</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Pension Debt	\$ 697,490	\$ 267,775
General obligation bonds	School Construction - GO 2016	350,000	250,550
Tax anticipation warrants	Tax Anticipation Warrants	569,032	578,085
Notes and loans payable	School Bus Loan	391,184	83,934
Notes and loans payable	Common School Loan - High School Roof	<u>1,040,000</u>	<u>120,800</u>
Total governmental activities		<u>3,047,706</u>	<u>1,301,144</u>
Totals		<u>\$ 3,047,706</u>	<u>\$ 1,301,144</u>

RANDOLPH CENTRAL SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2017

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	1,940,236
Buildings	28,621,257
Improvements other than buildings	1,269,979
Machinery, equipment, and vehicles	<u>3,649,303</u>
Total governmental activities	<u>35,938,815</u>
Total capital assets	<u>\$ 35,938,815</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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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 *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2015 to June 30, 2017.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-002. 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control 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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 and 2017-002, that we consider 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.

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

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

December 20, 2018

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.

RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

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	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast			FY16	\$ -	\$ 101,491	\$ -	\$ -
School Breakfast			FY17	-	-	-	105,521
Total - School Breakfast Program				-	101,491	-	105,521
National School Lunch Program							
School Lunch	Indiana Department of Education	10.555					
School Lunch			FY16	-	393,815	-	-
School Lunch			FY17	-	-	-	376,759
Commodities			FY16	-	46,911	-	-
Commodities			FY17	-	-	-	57,161
Total - National School Lunch Program				-	440,726	-	433,920
Total - Child Nutrition Cluster				-	542,217	-	539,441
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579	As58-6-16SS-0098	-	15,401	-	-
Total - Department of Agriculture				-	557,618	-	539,441
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
Sp. Ed. Pass Through 2014/15	Indiana Department of Education	84.027	14215-066-PN01	-	98,056	-	-
Sp. Ed. Pass Through 2015/16			14216-064-PN01	-	296,122	-	79,345
Sp. Ed. Pass Through 2016/17			14217-064-PN01	-	-	-	295,986
Total - Special Education Grants to States				-	394,178	-	375,331
Special Education Preschool Grants							
Spec. Ed. Preschool 2014/15	Indiana Department of Education	84.173	45715-066-PN01	-	5,831	-	-
Spec. Ed. Preschool 2015/16			45716-064-PN01	-	9,830	-	10,119
Spec. Ed. Preschool 2016/17			45717-064-PN01	-	-	-	10,083
Total - Special Education Preschool Grants				-	15,661	-	20,202
Total - Special Education Cluster (IDEA)				-	409,839	-	395,533

RANDOLPH CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

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	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Title I Grants to Local Education Agencies	Indiana Department of Education	84.010					
Title I 2014/15			15-6825	-	73,301	-	-
Title I 2015/16			S010A150014	-	344,185	-	70,794
Title I 2016/17			S010A160014	-	-	-	255,437
Total - Title I Grants to Local Education Agencies				-	417,486	-	326,231
Rural Education	Indiana Department of Education	84.358					
Rural & Low Income 2013/14			FY 13-14	-	23,612	-	-
Rural & Low Income 2014/15			7000S358B140014	-	16,444	-	15,351
Rural & Low Income 2015/16			7000S358B150014	-	3,503	-	17,980
Rural & Low Income 2016/17			S358B0160014	-	-	-	2,602
Total - Rural Education				-	43,559	-	35,933
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
T II 2013/14			13-6825	-	46,997	-	-
T II 2014/15			14-6825	-	25,053	-	46,520
T II 2015/16			S367A150015	-	11,527	-	36,395
T II 2016/17			S367A160013	-	-	-	224
Total - Supporting Effective Instruction State Grants				-	83,577	-	83,139
Total - Department of Education				-	954,461	-	840,836
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
Indiana MAC			16-6825	-	5,047	-	-
Indiana MAC			17-6825	-	-	-	6,569
Total - Medical Assistance Program				-	5,047	-	6,569
Total - Department of Health and Human Services				-	5,047	-	6,569
Total federal awards expended				\$ -	\$ 1,517,126	\$ -	\$ 1,386,846

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 (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 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. *Summary of Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. *Special Education Cooperative*

The School Corporation is a member of the Greater Randolph Interlocal Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified
Special Education Cluster (IDEA)	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

No matters are reportable.

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-001

Subject: Child Nutrition Cluster - Cash Management, Program Income, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - School Food Accounts

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY16, FY17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Program Income, Reporting, Special Test and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Test and Provisions - School Food Accounts

Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Cash Management, Program Income, Reporting, Special Test and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Test and Provisions - School Food Accounts compliance requirements.

Cash Management

The School Corporation had not established a control to ensure that the food service balance was less than or equal to the average expenditures for three months.

Program Income

The Treasurer recorded all income to the Cafeteria Reimbursement Clearing fund and provided copies of the receipts to the food service department for review and comparison to the accounting records. There was no documented evidence that the review was performed.

Reporting

The School Corporation did not have controls in place to ensure that reports were accurate and supported by records. The Food Service Director prepared and submitted all applicable reports without additional review or monitoring.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The School Corporation did not have controls in place to ensure that the verification process was properly performed and supported by records. The Food Service Director performed the required verification without additional review or monitoring.

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

Special Tests and Provisions - School Food Accounts

The School Corporation did not have controls in place to ensure that food service revenue and expense were correctly posted to the records. The Treasurer posted all income and disbursements to the School Lunch fund and provided copies of the receipts and accounts payable vouchers to the Food Service Department for review. However, there was no documentation of the review by the School Food Director.

Context

The lack of controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls to ensure compliance with the Cash Management, Program Income, Reporting, Special Test and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Test and Provisions - School Food Accounts compliance requirements.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Cash Management, Program Income, Reporting, Special Test and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Test and Provisions - School Food Accounts compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Cash Management, Program Income, Reporting, Special Test and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Test and Provisions - School Food Accounts compliance requirements.

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-002

Subject: Child Nutrition Cluster - Eligibility
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY16, FY17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the Eligibility compliance requirement.

The School Corporation is required to include certain criteria in their policy statements and public announcement. The School Corporation's public announcements did not contain all the applicable criteria.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 245.3(b) states in part:

"Each participating local educational agency and all participating schools under its jurisdiction must adhere to the eligibility criteria specified in this part. Local educational agencies must include these eligibility criteria in their policy statement as required under § 245.10 and it must be publicly announced in accordance with the provisions of § 245.5. . . ."

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

7 CFR 245.10(a) states:

"Each local educational agency of a school desiring to participate in the National School Lunch Program, School Breakfast Program, or to provide free milk under the Special Milk Program, or to become a commodity-only school shall submit for approval to the State agency a free and reduced price policy statement. Once approved, the policy statement shall be a permanent document which may be amended as necessary, except as specified in paragraph (c) of this section. Such policy statement, as a minimum, shall contain the following:

- (1) The official or officials designated by the local educational agency to make eligibility determinations on its behalf for free and reduced price meals or for free milk;
- (2) An assurance that for children who are not categorically eligible for free and reduced price benefits the local educational agency will determine eligibility for free and reduced price meals or free milk in accordance with the current Income Eligibility Guidelines.
- (3) The specific procedures the local educational agency will use in accepting applications from families for free and reduced price meals or for free milk. Additionally, the local educational agency must include the specific procedures it will use for obtaining documentation for determining children's eligibility through direct certification, in lieu of an application. Local educational agencies shall also provide households that are directly certified with a notice of eligibility, as specified in § 245.6(c)(2) and shall include in their policy statement a copy of such notice.
- (4) A description of the method or methods to be used to collect payments from those children paying the full price of the meal or milk, or a reduced price of a meal, which will prevent the overt identification of the children receiving a free meal or free milk or a reduced price meal, and
- (5) An assurance that the school will abide by the hearing procedure set forth in § 245.7 and the nondiscrimination practices set forth in § 245.8."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Eligibility compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Eligibility compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Eligibility compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are 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

Rolland T. Abraham, Ed.S.
Superintendent

Lisa Chalfant
Curriculum Director/Grant Writer

Linda Dodd
Treasurer

Debrah L. Anderson
Deputy Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2013-2014 and 2014-2015
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Linda Dodd
Contact Phone Number: 765 584-1401

Status of Audit Finding: Resolved

Treasurer has access to the Child Nutrition Cluster website to obtain reimbursement amounts and commodities.

Greater Randolph Interlocal Cooperative now reports expenditures made on behalf of our school corporation.

Superintendent reviews SEFA prior to submission.

FINDING 2015-002

Fiscal year in which the finding initially occurred: 2013-2014 and 2014-2015
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Linda Dodd
Contact Phone Number: 765 584-1401

Status of Audit Finding: Resolved

Greater Randolph Interlocal Cooperative no longer uses outside vendors. All funds are used to pay salaries.

(Signature)

Treasurer

(Title)

November 14, 2018

(Date)



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

Linda Dodd
Treasurer

Debrah L. Anderson
Deputy Treasurer

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Rolland Abraham
Contact Phone Number: 765 584-1401

Views of Responsible Official: We concur with the findings

Description of Corrective Action Plan:

Cash Management: Monthly the Food Service Director will prepare documentation showing that the food service account balance is less than or equal to the average expenditures for the previous three months. The Food Service Secretary will review the documentation for accuracy.

Program Income: The Food Service Secretary will sign and date all revenue reports when prepared and submit to the Corporation Treasurer who will review, sign and date.

Reporting: The Food Service Director will prepare the monthly Sponsor Claim for Reimbursement and the annual Verification Collection Report. The Food Service Secretary will review these reports. The Annual Financial Reports will be prepared by the Food Service Director and will be reviewed by the Corporation Treasurer.

Special Tests and Provisions-Verification: The Food Service Secretary will review the Food Service Directors verifications, and the proper procedures for the verifications will be followed and documented as required.

Special Tests and Provisions-School Food Account: The Food Service Secretary will provide supporting documentation to the Corporation Treasurer for the monthly earned income report. The Corporation Treasurer will review and make the appropriate transfers.

Anticipated Completion Date: 12/12/2018

FINDING 2017-002

Contact Person Responsible for Corrective Action: Rolland Abraham
Contact Phone Number: 765 584-1401

Views of Responsible Official: We concur with the findings

Description of Corrective Action Plan:

The Food Service Director will prepare the "Free and Reduced" lunch criteria for publication. The Deputy Treasurer will review the document to ensure that all criteria has been included. The Deputy Treasurer will send the information to the local newspaper fo publication each year prior to school registration.

Anticipated Completion Date: 12/12/2018



(Signature)

Superintendent

(Title)

12/12/18

(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/>.