

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

AUDIT REPORT

OF

ROCKVILLE COMMUNITY SCHOOL CORPORATION

PARKE COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED

03/24/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Teresa L. Veach	07-01-07 to 06-30-10
Superintendent of Schools	Gary L. Storie Thomas W. Rohr, interim Randall M. Kerkhoff	07-01-07 to 06-30-08 07-01-08 to 12-31-08 01-01-09 to 06-30-10
President of the School Board	Pamela Ferguson Roger Bridge	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 ROCKVILLE COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rockville Community 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 February 15, 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, 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 Long-Term Debt has 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 it.

STATE BOARD OF ACCOUNTS

February 15, 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 ROCKVILLE COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rockville Community 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 February 15, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in item 2009-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 2009-1 to be a material weakness.

Compliance and Other Matters

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

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

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

STATE BOARD OF ACCOUNTS

February 15, 2010

ROCKVILLE COMMUNITY 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	\$ 4,324,359	\$ -	\$ 66,685	\$ (4,257,674)
Support services	2,294,457	109,018	228,245	(1,957,194)
Noninstructional services	449,259	-	-	(449,259)
Facilities acquisition and construction	1,790,267	-	-	(1,790,267)
Debt service	1,826,037	-	-	(1,826,037)
Nonprogrammed charges	251,609	-	-	(251,609)
	<u>\$ 10,935,988</u>	<u>\$ 109,018</u>	<u>\$ 294,930</u>	<u>(10,532,040)</u>
Total governmental activities				
General receipts:				
Property taxes				2,954,438
Other local sources				735,301
State aid				3,606,662
Bonds and loans				800,000
Grants and contributions not restricted to specific programs				284,105
Sale of property				33,968
Investment earnings				138,251
Other				7,919
				<u>8,560,644</u>
Total general receipts				<u>8,560,644</u>
Change in net assets				(1,971,396)
Net assets - beginning				<u>3,598,935</u>
Net assets - ending				<u>\$ 1,627,539</u>
<u>Assets</u>				
Cash and investments				\$ 1,066,821
Restricted assets:				
Cash and investments				<u>560,718</u>
Total assets				<u>\$ 1,627,539</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 560,718
Unrestricted				<u>1,066,821</u>
Total net assets				<u>\$ 1,627,539</u>

The accompanying notes are an integral part of the financial information.

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

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 4,607,966	\$ -	\$ 124,864	\$ (4,483,102)
Support services	2,424,740	175,264	223,559	(2,025,917)
Noninstructional services	516,647	-	-	(516,647)
Facilities acquisition and construction	621,371	-	-	(621,371)
Debt service	2,059,611	-	-	(2,059,611)
Nonprogrammed charges	286,362	-	-	(286,362)
Total governmental activities	<u>\$ 10,516,697</u>	<u>\$ 175,264</u>	<u>\$ 348,423</u>	<u>(9,993,010)</u>
General receipts:				
Property taxes				4,164,924
Other local sources				815,284
State aid				4,183,720
Grants and contributions not restricted to specific programs				1,024,585
Sale of property				74,126
Investment earnings				22,837
Other				39,003
Total general receipts				<u>10,324,479</u>
Change in net assets				331,469
Net assets - beginning				<u>1,627,539</u>
Net assets - ending				<u>\$ 1,959,008</u>
<u>Assets</u>				
Cash and investments				\$ 1,810,322
Restricted assets:				
Cash and investments				<u>148,686</u>
Total assets				<u>\$ 1,959,008</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 148,686
Unrestricted				<u>1,810,322</u>
Total net assets				<u>\$ 1,959,008</u>

The accompanying notes are an integral part of the financial information.

ROCKVILLE COMMUNITY 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	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:								
Local sources	\$ 1,702,745	\$ 7,618	\$ 925,413	\$ 666,814	\$ 12,389	\$ 35,869	\$ 591,064	\$ 3,941,912
Intermediate sources	294	-	-	-	-	-	150	444
State sources	3,647,917	-	-	-	-	-	112,949	3,760,866
Federal sources	-	-	-	-	-	-	419,483	419,483
Temporary loans	-	-	560,000	170,000	-	-	70,000	800,000
Other	443	-	-	-	-	-	7,476	7,919
Total receipts	5,351,399	7,618	1,485,413	836,814	12,389	35,869	1,201,122	8,930,624
Disbursements:								
Current:								
Instruction	4,096,816	-	-	-	-	-	227,543	4,324,359
Support services	1,359,589	9,771	-	364,684	-	-	560,413	2,294,457
Noninstructional services	115,175	-	-	-	-	-	334,084	449,259
Facilities acquisition and construction	-	18,869	-	376,494	-	1,367,360	27,544	1,790,267
Debt services	-	-	1,575,953	111,000	-	-	139,084	1,826,037
Nonprogrammed charges	229,634	-	-	-	-	-	21,975	251,609
Total disbursements	5,801,214	28,640	1,575,953	852,178	-	1,367,360	1,310,643	10,935,988
Excess (deficiency) of receipts over disbursements	(449,815)	(21,022)	(90,540)	(15,364)	12,389	(1,331,491)	(109,521)	(2,005,364)
Other financing sources (uses):								
Sale of capital assets	10,303	-	-	-	-	-	23,665	33,968
Transfers in	103,908	75,000	-	-	-	-	25,626	204,534
Transfers out	(75,000)	-	(9,661)	-	-	-	(119,873)	(204,534)
Total other financing sources (uses)	39,211	75,000	(9,661)	-	-	-	(70,582)	33,968
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(410,604)	53,978	(100,201)	(15,364)	12,389	(1,331,491)	(180,103)	(1,971,396)
Cash and investments - beginning	570,269	75,000	657,236	126,270	129,063	1,534,599	506,498	3,598,935
Cash and investments - ending	<u>\$ 159,665</u>	<u>\$ 128,978</u>	<u>\$ 557,035</u>	<u>\$ 110,906</u>	<u>\$ 141,452</u>	<u>\$ 203,108</u>	<u>\$ 326,395</u>	<u>\$ 1,627,539</u>
Cash and Investment Assets - Ending								
Cash and investments	\$ 159,665	\$ 128,978	\$ -	\$ 110,906	\$ 141,452	\$ 203,108	\$ 322,712	\$ 1,066,821
Restricted assets:								
Cash and investments	-	-	557,035	-	-	-	3,683	560,718
Total cash and investment assets - ending	\$ 159,665	\$ 128,978	\$ 557,035	\$ 110,906	\$ 141,452	\$ 203,108	\$ 326,395	\$ 1,627,539
Cash and Investment Fund Balance - Ending								
Restricted for:								
Debt service	\$ -	\$ -	\$ 557,035	\$ -	\$ -	\$ -	\$ 3,683	\$ 560,718
Unrestricted	159,665	128,978	-	110,906	141,452	203,108	322,712	1,066,821
Total cash and investment fund balance - ending	\$ 159,665	\$ 128,978	\$ 557,035	\$ 110,906	\$ 141,452	\$ 203,108	\$ 326,395	\$ 1,627,539

The accompanying notes are an integral part of the financial information.

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

	General	Rainy Day	Fiscal Stabilization Grant	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:									
Local sources	\$ 2,147,523	\$ -	\$ -	\$ 1,337,449	\$ 885,280	\$ 89,698	\$ -	\$ 718,171	\$ 5,178,121
Intermediate sources	294	-	-	-	-	-	-	244	538
State sources	4,261,967	-	-	-	-	-	-	149,721	4,411,688
Federal sources	-	-	467,354	-	-	-	-	677,336	1,144,690
Other	52	-	-	-	-	-	-	38,951	39,003
Total receipts	6,409,836	-	467,354	1,337,449	885,280	89,698	-	1,584,423	10,774,040
Disbursements:									
Current:									
Instruction	4,209,564	-	-	-	-	-	-	398,402	4,607,966
Support services	1,603,243	-	-	-	251,426	-	-	570,071	2,424,740
Noninstructional services	134,961	-	-	-	-	-	-	381,686	516,647
Facilities acquisition and construction	-	50	-	-	369,297	-	160,663	91,361	621,371
Debt services	-	-	-	1,729,928	172,467	-	-	157,216	2,059,611
Nonprogrammed charges	285,512	-	-	-	-	-	-	850	286,362
Total disbursements	6,233,280	50	-	1,729,928	793,190	-	160,663	1,599,586	10,516,697
Excess (deficiency) of receipts over disbursements	176,556	(50)	467,354	(392,479)	92,090	89,698	(160,663)	(15,163)	257,343
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	74,126	74,126
Transfers in	11,128	300,000	-	-	-	-	-	49,586	360,714
Transfers out	(300,000)	-	-	-	-	-	(42,445)	(18,269)	(360,714)
Total other financing sources (uses)	(288,872)	300,000	-	-	-	-	(42,445)	105,443	74,126
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(112,316)	299,950	467,354	(392,479)	92,090	89,698	(203,108)	90,280	331,469
Cash and investments - beginning	159,665	128,978	-	557,035	110,906	141,452	203,108	326,395	1,627,539
Cash and investments - ending	\$ 47,349	\$ 428,928	\$ 467,354	\$ 164,556	\$ 202,996	\$ 231,150	\$ -	\$ 416,675	\$ 1,959,008
Cash and Investment Assets - Ending									
Cash and investments	\$ 47,349	\$ 428,928	\$ 467,354	\$ -	\$ 202,996	\$ 231,150	\$ -	\$ 432,545	\$ 1,810,322
Restricted assets:									
Cash and investments	-	-	-	164,556	-	-	-	(15,870)	148,686
Total cash and investment assets - ending	\$ 47,349	\$ 428,928	\$ 467,354	\$ 164,556	\$ 202,996	\$ 231,150	\$ -	\$ 416,675	\$ 1,959,008
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ 164,556	\$ -	\$ -	\$ -	\$ (15,870)	\$ 148,686
Unrestricted	47,349	428,928	467,354	-	202,996	231,150	-	432,545	1,810,322
Total cash and investment fund balance - ending	\$ 47,349	\$ 428,928	\$ 467,354	\$ 164,556	\$ 202,996	\$ 231,150	\$ -	\$ 416,675	\$ 1,959,008

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

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

	Pension Trust Funds	Agency Funds
Deductions:		
Benefits	\$ 6,579	
Total deductions	6,579	
Excess (deficiency) of total additions over total deductions	(6,579)	
Cash and investment fund balance - beginning	37,370	
Cash and investment fund balance - ending	\$ 30,791	\$ 77,136
Net assets:		
Cash and investments	\$ 30,791	
Total net assets - cash and investment basis held in trust	\$ 30,791	

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

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

	Pension Trust Funds	Agency Funds
Deductions:		
Benefits	\$ 5,203	
Total deductions	5,203	
Excess (deficiency) of total additions over total deductions	(5,203)	
Cash and investment fund balance - beginning	30,791	
Cash and investment fund balance - ending	\$ 25,588	\$ 54,142
Net assets:		
Cash and investments	\$ 25,588	
Total net assets - cash and investment basis held in trust	\$ 25,588	

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

ROCKVILLE COMMUNITY 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.

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 South Vermillion Community School Corporation, Vigo County School Corporation, and Southwest Parke Community School Corporation in a joint venture to operate the Covered Bridge Special Education District, which was created to provide instruction for handicapped children. The School Corporation is obligated by contract to remit payments annually to supplement the Covered Bridge Special Education District. Complete financial statements for the Covered Bridge Special Education District can be obtained from the District's administrative office at 1320 Walnut Street, Terre Haute, Indiana.

The School Corporation is a participant with Indiana State University, Ivy Tech State College: Region Seven, North Vermillion Community School Corporation, South Vermillion Community School Corporation, and Turkey Run Community School Corporation in a joint venture to operate the Parke-Vermillion Education and Training Interlocal which was created to provide vocational and technical education to high school students and others. The Interlocal's continued existence depends on continued funding by the School Corporation. Complete financial statements for the Interlocal can be obtained from South Vermillion School Corporation, Clinton, Indiana.

The School Corporation is a participant with Benton Community, Cloverdale Community, Hamilton Heights, Logansport Community School Corporation, Marion-Adams, North Putnam, North Vermillion Community, Northwestern, Metropolitan School District of Warren County, South Vermillion Community, Southwest Parke Community, Tipton Community, Turkey Run Community, Wabash Valley Education Center, West Central Indiana Educational Service Center, and Western Boone Community School Corporations in a joint venture to operate the Wabash Valley/West Central Indiana Insurance Trust which was created to provide a common and unified program of group insurance. The Trustee of the plan shall determine the rate of contributions to be required from each participant covered by the plan. Complete financial statements for the Wabash Valley/West Central Indiana Insurance Trust can be obtained from Logansport Community School Corporation.

ROCKVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

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 locally adopted resolution.

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.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

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

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

The construction fund is used to account for receipts and disbursements related to the high school remodeling project.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the retirement/severance bond fund, which accumulate resources for pension benefit payments.

ROCKVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Agency funds account for assets held by the School Corporation as an agent for federal and state agencies and also serve as control accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental 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. All government-wide financials would be presented on the accrual basis of accounting.

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

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

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

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

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. Due to problems with the tax bills the spring installment for 2007 was due July 20, 2007, and

ROCKVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

the spring installment for 2008 was due August 15, 2008. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

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 funds 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.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

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.

ROCKVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. 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.

ROCKVILLE COMMUNITY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

B. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2007	2008
Transportation Operating	\$ (3,538)	\$ (54,431)
Biomed Vocation Grant 2008-09	(3,880)	(2,214)
Retirement/ Severance Bond Fund	-	(15,868)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to a shortfall in projected revenues; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 \$2,240,515. None of the School Corporation's deposits are exposed to custodial credit risk.

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

B. Interfund Transfers

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

Transfer From	Transfer To	2007-08	2008-09
General Fund	Rainy Day	\$ 75,000	\$ 300,000
Construction	Other governmental funds	-	42,445
Debt Service	Other governmental funds	9,661	-
Other governmental funds	General Fund	103,908	11,128
Other governmental funds	Other governmental funds	15,965	7,141
Totals		<u>\$ 204,534</u>	<u>\$ 360,714</u>

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

ROCKVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 (excluding postemployment benefits); 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.

Medical Benefits to Employees, Retirees and Dependents

During 1992, the School Corporation joined with other governmental entities to form the Wabash Valley/West Central Indiana Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for 18 member governmental entities. This risk pool was formed in 1992. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits and life insurance to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$150,000 per insured event and \$5,000,000 lifetime. The risk pool obtains independent coverage for insured events in excess of the \$150,000 limit.

B. Holding Corporation

The School Corporation has entered into capital leases with Rockville School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2008 and June 30, 2009, totaled \$972,000 and \$1,111,000, respectively.

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

ROCKVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Actuarial Information for the Above Plan

		PERF
Annual required contribution	\$	41,638
Interest on net pension obligation		(4,109)
Adjustment to annual required contribution		4,683
Annual pension cost		42,212
Contributions made		39,680
Increase (decrease) in net pension obligation		2,532
Net pension obligation, beginning of year		(56,681)
Net pension obligation, end of year	\$	(54,149)

ROCKVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	6.5%
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
<u>Actuarial Assumptions</u>	
	PERF
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%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 26,902	142%	\$ (67,263)
	06-30-07	45,986	77%	(56,681)
	06-30-08	42,212	94%	(54,149)

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.

ROCKVILLE COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Plan members are required to contribute 3% of their salary and 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 7.25% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2008, 2007, and 2006, were \$129,460, \$124,259, and \$109,741, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

ROCKVILLE COMMUNITY 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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 576,320	\$ 640,560	\$ (64,240)	90%	\$ 634,809	(10%)
07-01-07	668,529	721,488	(52,959)	93%	586,244	(9%)
07-01-08	760,179	832,794	(72,615)	91%	714,496	(10%)

ROCKVILLE COMMUNITY 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

	Donations, Gifts and Trusts	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess
Receipts:						
Local sources	\$ 5,000	\$ 255,249	\$ 4,028	\$ 99,118	\$ 61,864	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	23,267	4,638	30,990	-
Federal sources	-	-	-	192,398	-	-
Temporary loans	-	50,000	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	5,000	305,249	27,295	296,154	92,854	-
Disbursements:						
Current:						
Instruction	-	-	6,875	-	-	-
Support services	2,000	390,813	-	3,664	90,837	-
Noninstructional services	-	-	-	333,953	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	20,625	-	-	-
Total disbursements	2,000	390,813	27,500	337,617	90,837	-
Excess (deficiency) of receipts over disbursements	3,000	(85,564)	(205)	(41,463)	2,017	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	16,401	-	-
Transfers in	-	-	-	-	9,661	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	16,401	9,661	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,000	(85,564)	(205)	(25,062)	11,678	-
Cash and investments - beginning	4,877	82,026	30,409	49,879	27,367	11,128
Cash and investments - ending	\$ 7,877	\$ (3,538)	\$ 30,204	\$ 24,817	\$ 39,045	\$ 11,128
Cash and Investment Assets - Ending						
Cash and investments	\$ 7,877	\$ (3,538)	\$ 30,204	\$ 24,817	\$ 39,045	\$ 11,128
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 7,877	\$ (3,538)	\$ 30,204	\$ 24,817	\$ 39,045	\$ 11,128
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	7,877	(3,538)	30,204	24,817	39,045	11,128
Total cash and investment fund balance - ending	\$ 7,877	\$ (3,538)	\$ 30,204	\$ 24,817	\$ 39,045	\$ 11,128

ROCKVILLE COMMUNITY 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)

	Educational License Plate	Early Intervention Grant	Gifted and Talented 2006-07	Gifted and Talented 2007-08	Non-English Speaking Program	Phone Refunds
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	150	-	-	-	-	-
State sources	-	25,095	28,959	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	7,476
Total receipts	<u>150</u>	<u>25,095</u>	<u>28,959</u>	<u>-</u>	<u>-</u>	<u>7,476</u>
Disbursements:						
Current:						
Instruction	-	36,853	18,788	8,494	426	-
Support services	719	-	-	-	-	14,637
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>719</u>	<u>36,853</u>	<u>18,788</u>	<u>8,494</u>	<u>426</u>	<u>14,637</u>
Excess (deficiency) of receipts over disbursements	<u>(569)</u>	<u>(11,758)</u>	<u>10,171</u>	<u>(8,494)</u>	<u>(426)</u>	<u>(7,161)</u>
Other financing sources (uses):						
Sale of capital assets	-	87	-	-	-	7,177
Transfers in	-	-	-	8,494	-	-
Transfers out	-	-	(8,494)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>87</u>	<u>(8,494)</u>	<u>8,494</u>	<u>-</u>	<u>7,177</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(569)</u>	<u>(11,671)</u>	<u>1,677</u>	<u>-</u>	<u>(426)</u>	<u>16</u>
Cash and investments - beginning	<u>1,700</u>	<u>12,234</u>	<u>1,375</u>	<u>-</u>	<u>426</u>	<u>16,702</u>
Cash and investments - ending	<u>\$ 1,131</u>	<u>\$ 563</u>	<u>\$ 3,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,718</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,131	\$ 563	\$ 3,052	\$ -	\$ -	\$ 16,718
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 1,131</u>	<u>\$ 563</u>	<u>\$ 3,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,718</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,131	563	3,052	-	-	16,718
Total cash and investment fund balance - ending	<u>\$ 1,131</u>	<u>\$ 563</u>	<u>\$ 3,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,718</u>

ROCKVILLE COMMUNITY 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)

	Technology Planning Grant	Title I 2007-08	Title I 2006-07	Title V 2007-08	Title V 2006-07	Scholarships
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	168,407	12,800	1,465	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	168,407	12,800	1,465	-	850
Disbursements:						
Current:						
Instruction	-	134,191	17,469	-	-	-
Support services	1,900	1,181	230	303	2,991	-
Noninstructional services	-	131	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	500	850
Total disbursements	1,900	135,503	17,699	303	3,491	850
Excess (deficiency) of receipts over disbursements	(1,900)	32,904	(4,899)	1,162	(3,491)	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,900)	32,904	(4,899)	1,162	(3,491)	-
Cash and investments - beginning	2,019	-	4,899	-	3,491	-
Cash and investments - ending	<u>\$ 119</u>	<u>\$ 32,904</u>	<u>\$ -</u>	<u>\$ 1,162</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 119	\$ 32,904	\$ -	\$ 1,162	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 119</u>	<u>\$ 32,904</u>	<u>\$ -</u>	<u>\$ 1,162</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	119	32,904	-	1,162	-	-
Total cash and investment fund balance - ending	<u>\$ 119</u>	<u>\$ 32,904</u>	<u>\$ -</u>	<u>\$ 1,162</u>	<u>\$ -</u>	<u>\$ -</u>

ROCKVILLE COMMUNITY 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)

	Drug Free Schools and Communities 2007-08	Drug Free Schools and Communities 2006-07	Biomed Vocational Grant 2008-09	Title II, Part A 2005-07	Title II, Part A 2007-09	Title II, Part D Technology Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	4,588	1,532	-	-	38,293	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	4,588	1,532	-	-	38,293	-
Disbursements:						
Current:						
Instruction	-	567	3,880	-	-	-
Support services	1,432	3,122	-	15,908	27,973	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,432	3,689	3,880	15,908	27,973	-
Excess (deficiency) of receipts over disbursements	3,156	(2,157)	(3,880)	(15,908)	10,320	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	7,471	-
Transfers out	-	-	-	(7,471)	-	-
Total other financing sources (uses)	-	-	-	(7,471)	7,471	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,156	(2,157)	(3,880)	(23,379)	17,791	-
Cash and investments - beginning	-	2,157	-	23,379	-	982
Cash and investments - ending	<u>\$ 3,156</u>	<u>\$ -</u>	<u>\$ (3,880)</u>	<u>\$ -</u>	<u>\$ 17,791</u>	<u>\$ 982</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 3,156	\$ -	\$ (3,880)	\$ -	\$ 17,791	\$ 982
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 3,156</u>	<u>\$ -</u>	<u>\$ (3,880)</u>	<u>\$ -</u>	<u>\$ 17,791</u>	<u>\$ 982</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,156	-	(3,880)	-	17,791	982
Total cash and investment fund balance - ending	<u>\$ 3,156</u>	<u>\$ -</u>	<u>\$ (3,880)</u>	<u>\$ -</u>	<u>\$ 17,791</u>	<u>\$ 982</u>

ROCKVILLE COMMUNITY 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 2006-07	Retirement/ Severance Bond Fund	Supplemental Construction	Interest	REMC Technology Grant	Totals
Receipts:						
Local sources	\$ -	\$ 68,970	\$ -	\$ 95,985	\$ -	\$ 591,064
Intermediate sources	-	-	-	-	-	150
State sources	-	-	-	-	-	112,949
Federal sources	-	-	-	-	-	419,483
Temporary loans	-	20,000	-	-	-	70,000
Other	-	-	-	-	-	7,476
Total receipts	-	88,970	-	95,985	-	1,201,122
Disbursements:						
Current:						
Instruction	-	-	-	-	-	227,543
Support services	1,247	-	-	1,456	-	560,413
Noninstructional services	-	-	-	-	-	334,084
Facilities acquisition and construction	-	-	27,544	-	-	27,544
Debt services	-	139,084	-	-	-	139,084
Nonprogrammed charges	-	-	-	-	-	21,975
Total disbursements	1,247	139,084	27,544	1,456	-	1,310,643
Excess (deficiency) of receipts over disbursements	(1,247)	(50,114)	(27,544)	94,529	-	(109,521)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	23,665
Transfers in	-	-	-	-	-	25,626
Transfers out	-	-	-	(103,908)	-	(119,873)
Total other financing sources (uses)	-	-	-	(103,908)	-	(70,582)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,247)	(50,114)	(27,544)	(9,379)	-	(180,103)
Cash and investments - beginning	1,247	53,797	131,109	45,113	182	506,498
Cash and investments - ending	\$ -	\$ 3,683	\$ 103,565	\$ 35,734	\$ 182	\$ 326,395
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 103,565	\$ 35,734	\$ 182	\$ 322,712
Restricted assets:						
Cash and investments	-	3,683	-	-	-	3,683
Total cash and investment assets - ending	\$ -	\$ 3,683	\$ 103,565	\$ 35,734	\$ 182	\$ 326,395
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ 3,683	\$ -	\$ -	\$ -	\$ 3,683
Unrestricted	-	-	103,565	35,734	182	322,712
Total cash and investment fund balance - ending	\$ -	\$ 3,683	\$ 103,565	\$ 35,734	\$ 182	\$ 326,395

ROCKVILLE COMMUNITY 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

	Donations, Gifts and Trusts	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess
Receipts:						
Local sources	\$ -	\$ 375,552	\$ 4,914	\$ 160,114	\$ 57,851	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	28,793	14,635	30,633	-
Federal sources	-	-	-	174,236	-	-
Other	-	-	-	-	-	-
Total receipts	-	375,552	33,707	348,985	88,484	-
Disbursements:						
Current:						
Instruction	-	-	31,551	-	-	-
Support services	-	376,640	-	-	86,067	-
Noninstructional services	-	-	-	380,827	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	50,764	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	427,404	31,551	380,827	86,067	-
Excess (deficiency) of receipts over disbursements	-	(51,852)	2,156	(31,842)	2,417	-
Other financing sources (uses):						
Sale of capital assets	-	959	-	73,167	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(11,128)
Total other financing sources (uses)	-	959	-	73,167	-	(11,128)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(50,893)	2,156	41,325	2,417	(11,128)
Cash and investments - beginning	7,877	(3,538)	30,204	24,817	39,045	11,128
Cash and investments - ending	\$ 7,877	\$ (54,431)	\$ 32,360	\$ 66,142	\$ 41,462	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 7,877	\$ (54,431)	\$ 32,360	\$ 66,142	\$ 41,462	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 7,877	\$ (54,431)	\$ 32,360	\$ 66,142	\$ 41,462	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	7,877	(54,431)	32,360	66,142	41,462	-
Total cash and investment fund balance - ending	\$ 7,877	\$ (54,431)	\$ 32,360	\$ 66,142	\$ 41,462	\$ -

ROCKVILLE COMMUNITY 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)

	Educational License Plate	Early Intervention Grant	Gifted and Talented Grant	Medicaid State Reimbursement	Phone Refunds	Technology Planning Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	244	-	-	-	-	-
State sources	-	45,383	28,959	1,318	-	-
Federal sources	-	-	-	-	-	-
Other	-	-	-	-	25,951	-
Total receipts	244	45,383	28,959	1,318	25,951	-
Disbursements:						
Current:						
Instruction	-	42,880	23,963	-	-	-
Support services	815	-	-	-	20,668	119
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	815	42,880	23,963	-	20,668	119
Excess (deficiency) of receipts over disbursements	(571)	2,503	4,996	1,318	5,283	(119)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(571)	2,503	4,996	1,318	5,283	(119)
Cash and investments - beginning	1,131	563	3,052	-	16,718	119
Cash and investments - ending	\$ 560	\$ 3,066	\$ 8,048	\$ 1,318	\$ 22,001	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 560	\$ 3,066	\$ 8,048	\$ 1,318	\$ 22,001	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 560	\$ 3,066	\$ 8,048	\$ 1,318	\$ 22,001	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	560	3,066	8,048	1,318	22,001	-
Total cash and investment fund balance - ending	\$ 560	\$ 3,066	\$ 8,048	\$ 1,318	\$ 22,001	\$ -

ROCKVILLE COMMUNITY 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 I 2007-08	Title I 2008-09	Title V 2007-08	Title V 2008-09	Scholarships	Drug Free Schools and Communities 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 850	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	21,666	192,202	-	1,395	-	1,000
Other	-	-	-	-	-	-
Total receipts	21,666	192,202	-	1,395	850	1,000
Disbursements:						
Current:						
Instruction	54,231	133,671	-	-	-	-
Support services	308	1,891	-	-	-	1,057
Noninstructional services	31	828	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	850	-
Total disbursements	54,570	136,390	-	-	850	1,057
Excess (deficiency) of receipts over disbursements	(32,904)	55,812	-	1,395	-	(57)
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	2,021
Transfers out	-	-	-	-	-	(5,120)
Total other financing sources (uses)	-	-	-	-	-	(3,099)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(32,904)	55,812	-	1,395	-	(3,156)
Cash and investments - beginning	32,904	-	1,162	-	-	3,156
Cash and investments - ending	\$ -	\$ 55,812	\$ 1,162	\$ 1,395	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 55,812	\$ 1,162	\$ 1,395	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 55,812	\$ 1,162	\$ 1,395	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	55,812	1,162	1,395	-	-
Total cash and investment fund balance - ending	\$ -	\$ 55,812	\$ 1,162	\$ 1,395	\$ -	\$ -

ROCKVILLE COMMUNITY 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)

	Drug Free Schools and Communities 2008-09	Biomed Vocational Grant 2008-09	Medicaid Reimbursement	Title II, Part A 2007-09	Title II, Part D Technology Grant	Title I School Improvement
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	3,130	18,058	2,737	76,767	158,940	27,205
Other	-	13,000	-	-	-	-
Total receipts	<u>3,130</u>	<u>31,058</u>	<u>2,737</u>	<u>76,767</u>	<u>158,940</u>	<u>27,205</u>
Disbursements:						
Current:						
Instruction	-	29,392	-	-	82,532	-
Support services	3,761	-	-	26,878	51,867	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>3,761</u>	<u>29,392</u>	<u>-</u>	<u>26,878</u>	<u>134,399</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(631)</u>	<u>1,666</u>	<u>2,737</u>	<u>49,889</u>	<u>24,541</u>	<u>27,205</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	5,120	-	-	-	-	-
Transfers out	(2,021)	-	-	-	-	-
Total other financing sources (uses)	<u>3,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,468</u>	<u>1,666</u>	<u>2,737</u>	<u>49,889</u>	<u>24,541</u>	<u>27,205</u>
Cash and investments - beginning	<u>-</u>	<u>(3,880)</u>	<u>-</u>	<u>17,791</u>	<u>982</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,468</u>	<u>\$ (2,214)</u>	<u>\$ 2,737</u>	<u>\$ 67,680</u>	<u>\$ 25,523</u>	<u>\$ 27,205</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 2,468	\$ (2,214)	\$ 2,737	\$ 67,680	\$ 25,523	\$ 27,205
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 2,468</u>	<u>\$ (2,214)</u>	<u>\$ 2,737</u>	<u>\$ 67,680</u>	<u>\$ 25,523</u>	<u>\$ 27,205</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>2,468</u>	<u>(2,214)</u>	<u>2,737</u>	<u>67,680</u>	<u>25,523</u>	<u>27,205</u>
Total cash and investment fund balance - ending	<u>\$ 2,468</u>	<u>\$ (2,214)</u>	<u>\$ 2,737</u>	<u>\$ 67,680</u>	<u>\$ 25,523</u>	<u>\$ 27,205</u>

ROCKVILLE COMMUNITY 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)

	Retirement/ Severance Bond Fund	Supplemental Construction	Interest	REMC Technology Grant	Totals
Receipts:					
Local sources	\$ 86,899	\$ 9,654	\$ 22,337	\$ -	\$ 718,171
Intermediate sources	-	-	-	-	244
State sources	-	-	-	-	149,721
Federal sources	-	-	-	-	677,336
Other	-	-	-	-	38,951
Total receipts	86,899	9,654	22,337	-	1,584,423
Disbursements:					
Current:					
Instruction	-	-	-	182	398,402
Support services	-	-	-	-	570,071
Noninstructional services	-	-	-	-	381,686
Facilities acquisition and construction	-	91,361	-	-	91,361
Debt services	106,452	-	-	-	157,216
Nonprogrammed charges	-	-	-	-	850
Total disbursements	106,452	91,361	-	182	1,599,586
Excess (deficiency) of receipts over disbursements	(19,553)	(81,707)	22,337	(182)	(15,163)
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	74,126
Transfers in	-	42,445	-	-	49,586
Transfers out	-	-	-	-	(18,269)
Total other financing sources (uses)	-	42,445	-	-	105,443
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,553)	(39,262)	22,337	(182)	90,280
Cash and investments - beginning	3,683	103,565	35,734	182	326,395
Cash and investments - ending	\$ (15,870)	\$ 64,303	\$ 58,071	\$ -	\$ 416,675
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ 64,303	\$ 58,071	\$ -	\$ 432,545
Restricted assets:					
Cash and investments	(15,870)	-	-	-	(15,870)
Total cash and investment assets - ending	\$ (15,870)	\$ 64,303	\$ 58,071	\$ -	\$ 416,675
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ (15,870)	\$ -	\$ -	\$ -	\$ (15,870)
Unrestricted	-	64,303	58,071	-	432,545
Total cash and investment fund balance - ending	\$ (15,870)	\$ 64,303	\$ 58,071	\$ -	\$ 416,675

ROCKVILLE COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2008

	Retirement/ Severance Bond	Totals
Deductions:		
Benefits	\$ 6,579	\$ 6,579
Total deductions	6,579	6,579
Excess (deficiency) of total additions over total deductions	(6,579)	(6,579)
Cash and investment fund balance - beginning	37,370	37,370
Cash and investment fund balance - ending	\$ 30,791	\$ 30,791
Net assets:		
Cash and investments	\$ 30,791	\$ 30,791
Total net assets - cash and investment basis held in trust	\$ 30,791	\$ 30,791

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

	Retirement/ Severance Bond	Totals
Deductions:		
Benefits	\$ 5,203	\$ 5,203
Total deductions	5,203	5,203
Excess (deficiency) of total additions over total deductions	(5,203)	(5,203)
Cash and investment fund balance - beginning	30,791	30,791
Cash and investment fund balance - ending	\$ 25,588	\$ 25,588
Net assets:		
Cash and investments	\$ 25,588	\$ 25,588
Total net assets - cash and investment basis held in trust	\$ 25,588	\$ 25,588

ROCKVILLE COMMUNITY 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</u> <u>Withholdings</u>	<u>Prepaid</u> <u>Meals</u>	<u>Medicaid</u> <u>Reimbursement</u>	<u>Totals</u>
Additions:				
Agency fund additions	\$ 1,262,244	\$ 99,004	\$ 25,578	\$ 1,386,826
Deductions:				
Agency fund deductions	<u>1,316,194</u>	<u>55,345</u>	<u>46,529</u>	<u>1,418,068</u>
Excess (deficiency) of total additions over total deductions	(53,950)	43,659	(20,951)	(31,242)
Cash and investment fund balance - beginning	<u>95,268</u>	<u>(6,128)</u>	<u>19,238</u>	<u>108,378</u>
Cash and investment fund balance - ending	<u>\$ 41,318</u>	<u>\$ 37,531</u>	<u>\$ (1,713)</u>	<u>\$ 77,136</u>

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

	<u>Payroll Withholdings</u>	<u>Prepaid Meals</u>	<u>Medicaid Reimbursement</u>	<u>Totals</u>
Additions:				
Agency fund additions	\$ 1,338,561	\$ -	\$ 15,189	\$ 1,353,750
Deductions:				
Agency fund deductions	<u>1,337,476</u>	<u>37,233</u>	<u>2,035</u>	<u>1,376,744</u>
Excess (deficiency) of total additions over total deductions	1,085	(37,233)	13,154	(22,994)
Cash and investment fund balance - beginning	<u>41,318</u>	<u>37,531</u>	<u>(1,713)</u>	<u>77,136</u>
Cash and investment fund balance - ending	<u>\$ 42,403</u>	<u>\$ 298</u>	<u>\$ 11,441</u>	<u>\$ 54,142</u>

ROCKVILLE COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For the Year Ended June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
1999 Grade school remodeling project	\$ 4,720,000	\$ 538,000
2006 High school remodeling project	8,645,000	571,000
Notes and loans payable:		
Energy savings contract	114,000	116,650
Bonds payable:		
General obligation bonds:		
Pension bonds	340,000	87,609
Athletic field bonds	<u>35,000</u>	<u>35,560</u>
Total governmental activities debt	<u>\$ 13,854,000</u>	<u>\$ 1,348,819</u>

ROCKVILLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

DISBURSEMENT DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances presented for audit were incorrect. Reconcilements were attempted but variances were not identified sufficiently.

IC 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The School Corporation is required to file quarterly monitoring reports and an annual expenditure report for Title I Grants to Local Educational Agencies with the Indiana Department of Education.

The amounts reported on the quarterly monitoring reports and the Annual Expenditure Report did not agree with the amounts shown on the School Corporation's financial records. The quarterly monitoring report dated June 30, 2009, reported a cash balance of \$15,394 while the School Corporation's fund ledger had a balance of \$55,812. The 2008-2009 Annual Expenditure Report reported an unexpended balance of -\$26,908 while the School Corporation's fund ledger had a balance of \$20,249.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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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 ROCKVILLE COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

Compliance

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

Internal Control Over Compliance

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

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)

effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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

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

STATE BOARD OF ACCOUNTS

February 15, 2010

ROCKVILLE COMMUNITY 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	\$ 55,489 -	\$ - 34,199
Total for program			<u>55,489</u>	<u>34,199</u>
National School Lunch Program	10.555	FY 2007-08 FY 2008-09	158,651 -	- 157,949
Total for program			<u>158,651</u>	<u>157,949</u>
Total for cluster			<u>214,140</u>	<u>192,148</u>
Total for federal grantor agency			<u>214,140</u>	<u>192,148</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010	FY 2006-07 FY 2007-08 FY 2008-09	17,699 135,503 -	- 54,569 136,390
Total for program			<u>153,202</u>	<u>190,959</u>
Career and Technical Education- Basic Grants to States	84.048	C1-8-SPL-BIO7-532	3,880	14,178
Safe and Drug Free Schools and Communities - State Grant	84.186	FY 2006-07 FY 2007-08 FY 2008-09	3,689 1,432 -	- 1,057 3,761
Total for program			<u>5,121</u>	<u>4,818</u>
Innovative Education Program Strategies	84.298	FY 2006-07 FY 2007-08	3,491 303	- -
Total for program			<u>3,794</u>	<u>-</u>
Education Technology State Grants	84.318	FY 2007-08 FY 2008-09	1,247 -	- 134,399
Total for program			<u>1,247</u>	<u>134,399</u>
Improving Teacher Quality State Grants	84.367	06-6300 07-6300 08-6300	15,908 27,973 -	- - 26,878
Total for program			<u>43,881</u>	<u>26,878</u>
Total for federal grantor agency			<u>211,125</u>	<u>371,232</u>
Total federal awards expended			<u>\$ 425,265</u>	<u>\$ 563,380</u>

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

ROCKVILLE COMMUNITY 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 Rockville Community 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	2007-2008	2008-2009
National School Lunch Program	10.555	\$ 15,472	\$ 14,190
School Breakfast Program	10.553	6,271	3,721

ROCKVILLE COMMUNITY 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?	yes
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:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2009-1, INTERNAL CONTROL

Bank reconciliements were attempted but sufficient follow through was not performed for unidentified variances. There is a lack of segregation of duties with limited oversight by management. There were a number of disbursements that did not have adequate supporting documentation to verify the validity of the disbursement.

ROCKVILLE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Governmental units should have internal controls in effect which provides reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Two posting errors were found which had not been detected by School Corporation personnel. Both of these errors could have been found had sufficient follow through work been performed in the reconciling process. Twenty percent of the disbursements examined either did not have adequate supporting documentation or there was supporting documentation for only part of the claim.

The conditions listed could allow assets to be misappropriated without detection or could allow the financial statements to be materially misstated without detection.

We recommended that management implement procedures to provide more oversight over areas where there is a lack of segregation of duties. We recommended that the Treasurer and the School Board consider not approving disbursements that do not have adequate documentation.

Section III – Federal Award Findings and Questioned Costs

FINDING 2009-2, REPORTING

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number: FY 2008-2009
Pass-Through Entity: Indiana Department of Education

The amounts reported on the quarterly monitoring reports and the Annual Expenditure Report did not agree with the amounts shown on the School Corporation's financial records. For instance, the quarterly monitoring report dated June 30, 2009, reported a cash balance of \$15,394 while the School Corporation's fund ledger had a balance of \$55,812. The 2008-2009 Annual Expenditure Report reported an unexpended balance of -\$26,908 while the School Corporation's fund ledger had a balance of \$20,249.

The reporting requirements for subrecipients are as specified by the pass-through agency. The Indiana Department of Education requires quarterly monitoring reports and an Annual Expenditure Report as requirements for monitoring subrecipients.

Inaccurate reports could result in an inability of the pass-through agency to monitor subrecipients for compliance with federal regulations.

We recommended School Corporation Officials implement procedures to ensure accurate reporting to the pass-through agency. We also recommended the School Corporation Officials contact the pass-through agency to determine if corrected reports need to be filed.

ROCKVILLE COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



Rockville Community School Corporation

602 Howard Avenue • Rockville, Indiana 47872 • (765) 569-5582 Fax: (765) 569-6650

Dr. Randall M. Kerkhoff
Superintendent of Schools

David D. Mahurin
Jr/Sr High Principal

Sheila J. Rohr
Elementary Principal

29 January 2010

Indiana State Board of Accounts
Indianapolis, Indiana 46204

Dear State Board of Accounts:

2009-1 Internal Control

When the reconciliation of the bank statement and cash with cash receipts is completed at the end of each month, the corporation treasurer will provide the superintendent with a one page report attached to the Komputrol report, which will be reviewed and then signed by the superintendent that the fund report is balanced. The documentation for all claims has already been addressed.

2009-2 Reporting

Federal Agency: Department of Education
Federal Program: Title I Grant to Local Educational Agencies
DFDA Number: 84.010
Federal Award Number: FY 2008-2009
Auditee Contact Person: Terri Veach
Title of Contact Person: Treasurer
Phone: 765.569-5582
Expected Completion Date: 30 March 2010

When the quarterly report is completed for Title 1, this report will be reviewed by the superintendent and signed off.

Respectfully,

Randall M. Kerkhoff, Ed.D.
Superintendent

Education...A continuous process...Its responsibility must be a combined effort to the school, home and community.

J. Sue Berry
Jeffrey S. Gooch

Roger L. Bridge
Ronald C. Skelton

School Board of Trustees
Pamela S. Burgess
Ronald B. Wheeler

Pamela J. Ferguson
Gary Hanner - Legal Counsel

ROCKVILLE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 15, 2010, with Randall M. Kerkhoff, Superintendent of Schools; Teresa L. Veach, Treasurer; Roger Bridge, President of the School Board; and Ron Wheeler, Vice-President of the School Board. The officials concurred with our audit findings.