

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

RISING SUN - OHIO COUNTY  
COMMUNITY SCHOOL CORPORATION  
OHIO COUNTY, INDIANA

July 1, 2012 to June 30, 2014



**FILED**  
09/07/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kelli Keith	01-01-12 to 12-31-16
Superintendent of Schools	Stephen Patz Branden Roeder	07-01-12 to 06-30-14 07-01-14 to 06-30-18
President of the School Board	Corey Potts Harlan Holt Hoffman William Hayes Corey Potts	01-01-12 to 12-31-14 01-01-15 to 09-09-15 09-10-15 to 12-31-15 01-01-16 to 12-31-16



**STATE OF INDIANA**  
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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF THE RISING SUN - OHIO COUNTY COMMUNITY  
SCHOOL CORPORATION, OHIO COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Rising Sun - Ohio County Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012, to June 30, 2014, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012, to June 30, 2014.

***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, 2012, to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


*Other Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated July 11, 2016, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

July 11, 2016



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

TO: THE OFFICIALS OF THE RISING SUN - OHIO COUNTY COMMUNITY  
SCHOOL CORPORATION, OHIO 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 Rising Sun - Ohio County Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012, to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated July 11, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002 to be material weaknesses.



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**

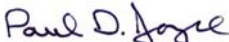
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

**Rising Sun - Ohio County Community School Corporation's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

July 11, 2016

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2013 and 2014

Fund	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 914,931	\$ 5,762,100	\$ 6,188,720	\$ -	\$ 488,311	\$ 5,768,319	\$ 5,811,413	\$ -	\$ 445,217
Debt Service	1,493,469	654,000	654,000	-	1,493,469	210,000	654,000	(63,262)	986,207
Capital Projects	208,801	805,580	682,752	(70,000)	261,629	702,786	811,749	-	152,666
School Transportation	130,113	464,497	457,326	(14,000)	123,284	391,894	435,327	-	79,851
School Bus Replacement	144,540	158,341	165,236	-	137,645	119,551	-	(15,000)	242,196
Rainy Day	108,000	-	32,000	84,000	160,000	-	19,913	15,000	155,087
School Lunch	108,602	451,373	427,183	-	132,792	386,266	416,923	-	102,135
Textbook Rental	19,934	68,116	19,994	-	68,056	72,807	179,474	63,262	24,651
Early Intervention Grant	-	9,925	8,595	-	1,330	-	1,329	-	1
Recreational Activities	4,915	16,440	13,628	-	7,727	12,765	16,647	-	3,845
Cooper Scholarship Fund	40,465	771	400	-	40,836	1,463	1,300	-	40,999
United Comm. Bank Scholarship	-	3,500	2,000	-	1,500	4,500	6,000	-	-
Gray Scholarship Fund	298,659	5,690	3,000	-	301,349	10,504	9,000	-	302,853
Charles Johnson Scholarship	29,919	12,156	5,000	-	37,075	34,952	2,000	-	70,027
Ohio County Comm. Found. Fund	1,299	28,177	25,932	-	3,544	47,502	44,265	-	6,781
ECO 15 Grant	1,872	13,500	13,534	-	1,838	500	500	-	1,838
RSHS Teacher's Aide Grant Fund	27,776	75,000	78,722	-	24,054	55,000	79,054	-	-
LPN Grant	466	-	-	-	466	-	-	-	466
City of RS Personnel Grant	110,000	-	99,027	-	10,973	180,000	101,548	-	89,425
County Wireless Grant	-	34,661	34,661	-	-	-	-	-	-
BP Gift Fund	285	-	-	-	285	-	-	-	285
Red Ribbon Grant 2012	1,000	-	989	-	11	1,000	-	-	1,011
Secured School Safety Grant	-	-	-	-	-	12,515	12,515	-	-
School Technology	4,270	7,623	9,426	-	2,467	7,620	8,080	-	2,007
R.S. Regional Foundation Grant	5,647	137,387	62,272	-	80,762	91,804	172,463	-	103
Prof. Develop. Cap. Bldg. Grant	500	-	-	-	500	-	-	-	500
Project Lead the Way	-	-	594	-	(594)	7,535	6,941	-	-
MainSource Bank Donation Fund	697	1,000	329	-	1,368	1,000	1,200	-	1,168
Community Donation Fund	-	100	100	-	-	176	-	-	176
Title I, 2010-2011	48	-	-	-	48	-	-	-	48
Title I, 2011-2012	(8,197)	8,197	-	-	-	-	-	-	-
Title I: 2012-2013	-	93,430	94,845	-	(1,415)	1,415	-	-	-
Title I: 2013-2014	-	-	-	-	-	88,410	93,251	-	(4,841)
ROD-Federal	-	44,071	68,299	-	(24,228)	153,866	159,242	-	(29,604)
Special Ed Pre School-Federal	-	3,012	3,963	-	(951)	8,360	8,913	-	(1,504)
Drug Free Schools	475	-	-	-	475	-	-	-	475
Arts & Education Grant	2	-	-	-	2	-	-	-	2
Medicaid Reimbursement - Federal	4,853	-	4,853	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(4,585)	40,326	35,741	-	-	16,045	20,630	-	(4,585)
Special Education - Part B	(139)	-	-	-	(139)	-	(139)	-	-
Education Jobs	(3,141)	6,641	3,500	-	-	-	-	-	-
Payroll Withholdings	23,361	1,721,536	1,719,048	-	25,849	1,542,397	1,549,772	-	18,474
Prepaid Food	-	-	-	-	-	221,996	211,718	-	10,278
Southeastern Insurance Consortium	5,286,695	16,062,689	18,400,509	-	2,948,875	16,878,254	18,165,017	-	1,662,112
<b>Totals</b>	<b>\$ 8,955,532</b>	<b>\$ 26,689,839</b>	<b>\$ 29,316,178</b>	<b>\$ -</b>	<b>\$ 6,329,193</b>	<b>\$ 27,031,202</b>	<b>\$ 29,000,045</b>	<b>\$ -</b>	<b>\$ 4,360,350</b>

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

The accompanying financial statement presents the financial information for the School Corporation.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*E. Disbursements*

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

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

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

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

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

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

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

*F. Other Financing Sources and Uses*

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

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

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*G. Fund Accounting*

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

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied 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 March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

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

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



RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

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

**Note 7. Negative Receipts and Disbursements**

The financial statement contains some disbursements which appear as negative entries. This is a result of a correction made to reclassify disbursements to the proper fund to eliminate a cash balance deficit.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013 and 2014.

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

**Note 9. Restatement**

For the year ended June 30, 2014, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances.

Fund Name	Balance as of June 30, 2012	Prior Period Adjustment	Balance as of July 1, 2012
Southeastern Insurance Consortium	\$ -	\$ 5,286,695	\$ 5,286,695

**Note 10. Holding Corporation**

The School Corporation has entered into a capital lease with Rising Sun School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of providing funds to be applied on the cost of constructing and equipping certain school 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 2012-2013 and 2013-2014 totaled \$654,000 and \$654,000, 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://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Early Intervention Grant
Cash and investments - beginning	\$ 914,931	\$ 1,493,469	\$ 208,801	\$ 130,113	\$ 144,540	\$ 108,000	\$ 108,602	\$ 19,934	\$ -
Receipts:									
Local sources	404,140	654,000	805,580	464,497	158,341	-	253,644	43,440	-
Intermediate sources	17	-	-	-	-	-	-	-	-
State sources	5,342,535	-	-	-	-	-	4,945	24,676	9,925
Federal sources	-	-	-	-	-	-	192,784	-	-
Other receipts	15,408	-	-	-	-	-	-	-	-
Total receipts	<u>5,762,100</u>	<u>654,000</u>	<u>805,580</u>	<u>464,497</u>	<u>158,341</u>	<u>-</u>	<u>451,373</u>	<u>68,116</u>	<u>9,925</u>
Disbursements:									
Instruction	4,310,088	-	-	-	-	32,000	219,396	-	8,595
Support services	1,749,258	-	417,703	457,326	165,236	-	4,722	19,994	-
Noninstructional services	129,374	-	-	-	-	-	203,065	-	-
Facilities acquisition and construction	-	-	265,049	-	-	-	-	-	-
Debt services	-	654,000	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>6,188,720</u>	<u>654,000</u>	<u>682,752</u>	<u>457,326</u>	<u>165,236</u>	<u>32,000</u>	<u>427,183</u>	<u>19,994</u>	<u>8,595</u>
Excess (deficiency) of receipts over disbursements	<u>(426,620)</u>	<u>-</u>	<u>122,828</u>	<u>7,171</u>	<u>(6,895)</u>	<u>(32,000)</u>	<u>24,190</u>	<u>48,122</u>	<u>1,330</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	84,000	-	-	-
Transfers out	-	-	(70,000)	(14,000)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(70,000)</u>	<u>(14,000)</u>	<u>-</u>	<u>84,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(426,620)</u>	<u>-</u>	<u>52,828</u>	<u>(6,829)</u>	<u>(6,895)</u>	<u>52,000</u>	<u>24,190</u>	<u>48,122</u>	<u>1,330</u>
Cash and investments - ending	<u>\$ 488,311</u>	<u>\$ 1,493,469</u>	<u>\$ 261,629</u>	<u>\$ 123,284</u>	<u>\$ 137,645</u>	<u>\$ 160,000</u>	<u>\$ 132,792</u>	<u>\$ 68,056</u>	<u>\$ 1,330</u>

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Recreational Activities	Cooper Scholarship Fund	United Comm. Bank Scholarship	Gray Scholarship Fund	Charles Johnson Scholarship	Ohio County Comm. Found. Fund	ECO 15 Grant	RSHS Teacher's Aide Grant Fund	LPN Grant
Cash and investments - beginning	\$ 4,915	\$ 40,465	\$ -	\$ 298,659	\$ 29,919	\$ 1,299	\$ 1,872	\$ 27,776	\$ 466
Receipts:									
Local sources	16,440	771	3,500	5,690	12,156	-	-	75,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	300	500	-	-
Federal sources	-	-	-	-	-	27,877	13,000	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	16,440	771	3,500	5,690	12,156	28,177	13,500	75,000	-
Disbursements:									
Instruction	-	-	-	-	-	25,932	-	78,722	-
Support services	-	-	-	-	-	-	13,534	-	-
Noninstructional services	13,628	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	400	2,000	3,000	5,000	-	-	-	-
Total disbursements	13,628	400	2,000	3,000	5,000	25,932	13,534	78,722	-
Excess (deficiency) of receipts over disbursements	2,812	371	1,500	2,690	7,156	2,245	(34)	(3,722)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,812	371	1,500	2,690	7,156	2,245	(34)	(3,722)	-
Cash and investments - ending	\$ 7,727	\$ 40,836	\$ 1,500	\$ 301,349	\$ 37,075	\$ 3,544	\$ 1,838	\$ 24,054	\$ 466

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	City of RS Personnel Grant	County Wireless Grant	BP Gift Fund	Red Ribbon Grant 2012	Secured School Safety Grant	School Technology	R.S. Regional Foundation Grant	Prof. Develop. Cap. Bldg. Grant	Project Lead the Way
Cash and investments - beginning	\$ 110,000	\$ -	\$ 285	\$ 1,000	\$ -	\$ 4,270	\$ 5,647	\$ 500	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	7,623	-	-	-
Federal sources	-	34,661	-	-	-	-	137,387	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	34,661	-	-	-	7,623	137,387	-	-
Disbursements:									
Instruction	62,684	-	-	989	-	-	12,044	-	-
Support services	36,343	34,661	-	-	-	9,426	48,730	-	495
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	1,498	-	99
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	99,027	34,661	-	989	-	9,426	62,272	-	594
Excess (deficiency) of receipts over disbursements	(99,027)	-	-	(989)	-	(1,803)	75,115	-	(594)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(99,027)	-	-	(989)	-	(1,803)	75,115	-	(594)
Cash and investments - ending	\$ 10,973	\$ -	\$ 285	\$ 11	\$ -	\$ 2,467	\$ 80,762	\$ 500	\$ (594)



RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	MainSource Bank Donation Fund	Community Donation Fund	Title I, 2010-2011	Title I, 2011-2012	Title I: 2012-2013	Title I: 2013-2014	ROD-Federal	Special Ed Pre School-Federal	Drug Free Schools
Cash and investments - beginning	\$ 697	\$ -	\$ 48	\$ (8,197)	\$ -	\$ -	\$ -	\$ -	\$ 475
Receipts:									
Local sources	-	-	-	-	56,667	-	44,071	3,012	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	1,000	100	-	8,197	36,763	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	1,000	100	-	8,197	93,430	-	44,071	3,012	-
Disbursements:									
Instruction	329	100	-	-	94,645	-	68,299	3,963	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	200	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	329	100	-	-	94,845	-	68,299	3,963	-
Excess (deficiency) of receipts over disbursements	671	-	-	8,197	(1,415)	-	(24,228)	(951)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	671	-	-	8,197	(1,415)	-	(24,228)	(951)	-
Cash and investments - ending	\$ 1,368	\$ -	\$ 48	\$ -	\$ (1,415)	\$ -	\$ (24,228)	\$ (951)	\$ 475

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2013  
 (Continued)

	Arts & Education Grant	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A	Special Education - Part B	Education Jobs	Payroll Withholdings	Prepaid Food	Southeastern Insurance Consortium	Totals
Cash and investments - beginning	\$ 2	\$ 4,853	\$ (4,585)	\$ (139)	\$ (3,141)	\$ 23,361	\$ -	\$ 5,286,695	\$ 8,955,532
Receipts:									
Local sources	-	-	-	-	-	-	-	-	3,000,949
Intermediate sources	-	-	-	-	-	-	-	-	17
State sources	-	-	-	-	-	-	-	-	5,390,504
Federal sources	-	-	40,326	-	6,641	-	-	-	498,736
Other receipts	-	-	-	-	-	1,721,536	-	16,062,689	17,799,633
Total receipts	-	-	40,326	-	6,641	1,721,536	-	16,062,689	26,689,839
Disbursements:									
Instruction	-	4,853	35,741	-	3,500	-	-	-	4,961,880
Support services	-	-	-	-	-	-	-	-	2,957,428
Noninstructional services	-	-	-	-	-	-	-	-	346,267
Facilities acquisition and construction	-	-	-	-	-	-	-	-	266,646
Debt services	-	-	-	-	-	-	-	-	654,000
Nonprogrammed charges	-	-	-	-	-	1,719,048	-	18,400,509	20,129,957
Total disbursements	-	4,853	35,741	-	3,500	1,719,048	-	18,400,509	29,316,178
Excess (deficiency) of receipts over disbursements	-	(4,853)	4,585	-	3,141	2,488	-	(2,337,820)	(2,626,339)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	84,000
Transfers out	-	-	-	-	-	-	-	-	(84,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,853)	4,585	-	3,141	2,488	-	(2,337,820)	(2,626,339)
Cash and investments - ending	\$ 2	\$ -	\$ -	\$ (139)	\$ -	\$ 25,849	\$ -	\$ 2,948,875	\$ 6,329,193

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Early Intervention Grant
Cash and investments - beginning	\$ 488,311	\$ 1,493,469	\$ 261,629	\$ 123,284	\$ 137,645	\$ 160,000	\$ 132,792	\$ 68,056	\$ 1,330
Receipts:									
Local sources	646,546	210,000	702,786	391,894	119,551	-	209,773	48,706	-
Intermediate sources	37	-	-	-	-	-	-	-	-
State sources	5,109,814	-	-	-	-	-	4,714	24,101	-
Federal sources	-	-	-	-	-	-	171,779	-	-
Other receipts	11,922	-	-	-	-	-	-	-	-
Total receipts	<u>5,768,319</u>	<u>210,000</u>	<u>702,786</u>	<u>391,894</u>	<u>119,551</u>	<u>-</u>	<u>386,266</u>	<u>72,807</u>	<u>-</u>
Disbursements:									
Instruction	3,998,422	-	-	-	-	12,018	196,697	-	1,329
Support services	1,689,358	-	539,396	435,327	-	7,895	5,285	179,474	-
Noninstructional services	123,633	-	-	-	-	-	214,941	-	-
Facilities acquisition and construction	-	-	272,353	-	-	-	-	-	-
Debt services	-	654,000	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>5,811,413</u>	<u>654,000</u>	<u>811,749</u>	<u>435,327</u>	<u>-</u>	<u>19,913</u>	<u>416,923</u>	<u>179,474</u>	<u>1,329</u>
Excess (deficiency) of receipts over disbursements	<u>(43,094)</u>	<u>(444,000)</u>	<u>(108,963)</u>	<u>(43,433)</u>	<u>119,551</u>	<u>(19,913)</u>	<u>(30,657)</u>	<u>(106,667)</u>	<u>(1,329)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	15,000	-	63,262	-
Transfers out	-	(63,262)	-	-	(15,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(63,262)</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>15,000</u>	<u>-</u>	<u>63,262</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(43,094)</u>	<u>(507,262)</u>	<u>(108,963)</u>	<u>(43,433)</u>	<u>104,551</u>	<u>(4,913)</u>	<u>(30,657)</u>	<u>(43,405)</u>	<u>(1,329)</u>
Cash and investments - ending	<u>\$ 445,217</u>	<u>\$ 986,207</u>	<u>\$ 152,666</u>	<u>\$ 79,851</u>	<u>\$ 242,196</u>	<u>\$ 155,087</u>	<u>\$ 102,135</u>	<u>\$ 24,651</u>	<u>\$ 1</u>

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Recreational Activities	Cooper Scholarship Fund	United Comm. Bank Scholarship	Gray Scholarship Fund	Charles Johnson Scholarship	Ohio County Comm. Found. Fund	ECO 15 Grant	RSHS Teacher's Aide Grant Fund	LPN Grant
Cash and investments - beginning	\$ 7,727	\$ 40,836	\$ 1,500	\$ 301,349	\$ 37,075	\$ 3,544	\$ 1,838	\$ 24,054	\$ 466
Receipts:									
Local sources	12,765	1,463	4,500	10,504	34,952	-	-	55,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	500	-	-
Federal sources	-	-	-	-	-	47,502	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	12,765	1,463	4,500	10,504	34,952	47,502	500	55,000	-
Disbursements:									
Instruction	-	-	-	-	-	27,265	-	79,054	-
Support services	-	-	-	-	-	17,000	500	-	-
Noninstructional services	16,647	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,300	6,000	9,000	2,000	-	-	-	-
Total disbursements	16,647	1,300	6,000	9,000	2,000	44,265	500	79,054	-
Excess (deficiency) of receipts over disbursements	(3,882)	163	(1,500)	1,504	32,952	3,237	-	(24,054)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,882)	163	(1,500)	1,504	32,952	3,237	-	(24,054)	-
Cash and investments - ending	\$ 3,845	\$ 40,999	\$ -	\$ 302,853	\$ 70,027	\$ 6,781	\$ 1,838	\$ -	\$ 466

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	City of RS Personnel Grant	County Wireless Grant	BP Gift Fund	Red Ribbon Grant 2012	Secured School Safety Grant	School Technology	R.S. Regional Foundation Grant	Prof. Develop. Cap. Bldg. Grant	Project Lead the Way
Cash and investments - beginning	\$ 10,973	\$ -	\$ 285	\$ 11	\$ -	\$ 2,467	\$ 80,762	\$ 500	\$ (594)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	12,515	7,620	-	-	7,535
Federal sources	180,000	-	-	1,000	-	-	91,804	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	180,000	-	-	1,000	12,515	7,620	91,804	-	7,535
Disbursements:									
Instruction	58,308	-	-	-	-	-	53,672	-	-
Support services	43,240	-	-	-	12,515	8,080	79,052	-	6,941
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	39,739	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	101,548	-	-	-	12,515	8,080	172,463	-	6,941
Excess (deficiency) of receipts over disbursements	78,452	-	-	1,000	-	(460)	(80,659)	-	594
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	78,452	-	-	1,000	-	(460)	(80,659)	-	594
Cash and investments - ending	\$ 89,425	\$ -	\$ 285	\$ 1,011	\$ -	\$ 2,007	\$ 103	\$ 500	\$ -

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	MainSource Bank Donation Fund	Community Donation Fund	Title I, 2010-2011	Title I, 2011-2012	Title I: 2012-2013	Title I: 2013-2014	ROD-Federal	Special Ed Pre School-Federal	Drug Free Schools
Cash and investments - beginning	\$ 1,368	\$ -	\$ 48	\$ -	\$ (1,415)	\$ -	\$ (24,228)	\$ (951)	\$ 475
Receipts:									
Local sources	-	-	-	-	-	-	153,866	8,360	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	1,000	176	-	-	1,415	88,410	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	1,000	176	-	-	1,415	88,410	153,866	8,360	-
Disbursements:									
Instruction	1,200	-	-	-	-	93,051	159,242	8,913	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	200	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,200	-	-	-	-	93,251	159,242	8,913	-
Excess (deficiency) of receipts over disbursements	(200)	176	-	-	1,415	(4,841)	(5,376)	(553)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(200)	176	-	-	1,415	(4,841)	(5,376)	(553)	-
Cash and investments - ending	\$ 1,168	\$ 176	\$ 48	\$ -	\$ -	\$ (4,841)	\$ (29,604)	\$ (1,504)	\$ 475

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014  
 (Continued)

	Arts & Education Grant	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A	Special Education - Part B	Education Jobs	Payroll Withholdings	Prepaid Food	Southeastern Insurance Consortium	Totals
Cash and investments - beginning	\$ 2	\$ -	\$ -	\$ (139)	\$ -	\$ 25,849	\$ -	\$ 2,948,875	\$ 6,329,193
Receipts:									
Local sources	-	-	-	-	-	-	-	-	2,610,666
Intermediate sources	-	-	-	-	-	-	-	-	37
State sources	-	-	-	-	-	-	-	-	5,166,799
Federal sources	-	-	16,045	-	-	-	-	-	599,131
Other receipts	-	-	-	-	-	1,542,397	221,996	16,878,254	18,654,569
Total receipts	-	-	16,045	-	-	1,542,397	221,996	16,878,254	27,031,202
Disbursements:									
Instruction	-	-	20,630	(139)	-	-	-	-	4,709,662
Support services	-	-	-	-	-	-	-	-	3,024,063
Noninstructional services	-	-	-	-	-	-	-	-	355,421
Facilities acquisition and construction	-	-	-	-	-	-	-	-	312,092
Debt services	-	-	-	-	-	-	-	-	654,000
Nonprogrammed charges	-	-	-	-	-	1,549,772	211,718	18,165,017	19,944,807
Total disbursements	-	-	20,630	(139)	-	1,549,772	211,718	18,165,017	29,000,045
Excess (deficiency) of receipts over disbursements	-	-	(4,585)	139	-	(7,375)	10,278	(1,286,763)	(1,968,843)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	78,262
Transfers out	-	-	-	-	-	-	-	-	(78,262)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(4,585)	139	-	(7,375)	10,278	(1,286,763)	(1,968,843)
Cash and investments - ending	\$ 2	\$ -	\$ (4,585)	\$ -	\$ -	\$ 18,474	\$ 10,278	\$ 1,662,112	\$ 4,360,350

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 30,197</u>	<u>\$ 61,105</u>



RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Rising Sun School Building Corporation	Renovated School Buildings	<u>\$ 654,000</u>	7/15/2006	1/15/2027
Total of annual lease payments		<u><u>\$ 654,000</u></u>		

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RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2014

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	\$ 146,823
Buildings	9,066,406
Improvements other than buildings	178,325
Machinery, equipment, and vehicles	1,804,396
Total governmental activities	11,195,950
Total capital assets	\$ 11,195,950

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE RISING SUN - OHIO COUNTY COMMUNITY  
SCHOOL CORPORATION, OHIO COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited the Rising Sun - Ohio County Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012, to June 30, 2014. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Basis for Qualified Opinion on Child Nutrition Cluster***

As described in item 2014-005 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Suspension and Debarment that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

***Qualified Opinion on Child Nutrition Cluster***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, 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 the Child Nutrition Cluster for the period of July 1, 2012, to June 30, 2014.

***Unmodified Opinion on the Other 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 its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2012, to June 30, 2014.

***Other Matters***

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

**Report on Internal Control over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.


Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-003, 2014-004, 2014-005, and 2014-006 to be material weaknesses.

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

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

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

  
Paul D. Joyce, CPA  
State Examiner

July 11, 2016



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
			13-6080	\$ 32,001	\$ -
			14-6080	-	31,369
Total - School Breakfast Program				32,001	31,369
National School Lunch Program	Indiana Department of Education	10.555			
			13-6080	172,767	-
			14-6080	-	167,424
Total - National School Lunch Program				172,767	167,424
Total - Child Nutrition Cluster				204,768	198,793
Total - Department of Agriculture				204,768	198,793
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
FY 11			11-6080	8,196	-
FY 12			12-6080	93,430	1,415
FY 13			13-6080	-	88,410
Total - Title I, Part A Cluster				101,626	89,825
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027			
FY 12			14212-052-PN01	125,033	-
FY 13			14213-052-PN01	106,926	160,304
FY 14			14214-052-PN01	-	104,073
Technical Assistance			99914-052-TA01	-	1,667
Total - Special Education_Grants to States				231,959	266,044
Special Education_Preschool Grants	Indiana Department of Education	84.173			
FY 12			45712-052-PN01	599	-
FY 13			45713-052-PN01	338	1,031
FY 14			45714-052-PN01	-	25
Total - Special Education_Preschool Grants				937	1,056
Total - Special Education Cluster (IDEA)				232,896	267,100
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
FY 12			12-6080	40,326	-
FY 13			13-6080	-	16,045
Total - Improving Teacher Quality State Grants				40,326	16,045
Education Jobs Fund	Indiana Department of Education	84.410			
FY 13			13-6080	6,642	-
Total - Education Jobs Fund				6,642	-
Total - Department of Education				381,490	372,970
Total federal awards expended				\$ 586,258	\$ 571,763

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

RISING SUN - OHIO COUNTY COMMUNITY 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 and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**Note 2. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the SEFA.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 27,056	\$ 25,307

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Special Education Cluster (IDEA)

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 2014-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

There were several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The following deficiencies constitute material weaknesses.

Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to receipts, disbursements and cash and investment balances. The Treasurer was primarily responsible for issuing, posting, and depositing receipts; issuing, posting, and processing disbursements; and reconciling the funds ledger to the depository balance.

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The failure to establish these controls would have enabled material misstatements or irregularities to remain undetected. Control activities should have been in place to reduce the risks of errors in financial reporting.

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

***FINDING 2014-002 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

There was the following deficiency in the internal control system of the School Corporation related to reporting. The following deficiency constitutes a material weakness.

Control activities should have been developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation had not separated incompatible activities related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The Treasurer was responsible for preparation and submission of the SEFA. There was no control in place to ensure the SEFA was accurate prior to submitting. The failure to establish these controls would have enabled material misstatements or irregularities to remain undetected.

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

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

***Section III - Federal Award Findings and Questioned Costs***

***FINDING 2014-003 - CASH MANAGEMENT, ELIGIBILITY, PROGRAM INCOME, REPORTING, AND SPECIAL TESTS AND PROVISIONS***

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): 13-6080, 14-6080

Pass-Through Entity: Indiana Department of Education

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the following compliance requirements: Cash Management, Eligibility, Program Income, Reporting, and Special Tests and Provisions.

*Cash Management*

The Lunch Treasurer periodically monitored the balance in the School Lunch fund. There were no controls in place to ensure the School Lunch fund balance was maintained in compliance with Cash Management requirements.

*Eligibility*

One individual is responsible for inputting free and reduced price lunch applications into the computer software system to determine eligibility. There was no control in place to ensure that the information entered was accurate and to ensure the eligibility determination was correct.

*Program Income*

There is not adequate segregation of duties to ensure program income was properly recorded in the School Lunch fund.

*Reporting*

The Sponsor Claims (claims for reimbursement), the Annual Financial Reports, and the Verification Summary reports were prepared and submitted by the Lunch Treasurer. There was no control in place to ensure these reports were accurate prior to submission.

*Special Tests and Provisions - Verification of Free and Reduced Price Applications*

The Superintendent of Schools was responsible for reviewing the verification of free and reduced price lunch applications performed by the Lunch Treasurer, and signing as the verifying official on the application. This control was not properly implemented, the applications did not always contain the Superintendent's signature.

OMB Circular A-133, Subpart C, section .300 states in part:

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

The failure to establish internal controls would have enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2014-004 - SPECIAL TESTS AND PROVISIONS***

Federal Agency: Department of Agriculture  
Federal Program: National School Lunch Program  
CFDA Number: 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): 13-6080, 14-6080  
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the following compliance requirement: Special Tests and Provisions - Paid Lunch Equity.

The annual calculation for paid lunch equity was prepared by the Lunch Treasurer. There was no control in place to ensure compliance with Paid Lunch Equity requirements.

OMB Circular A-133, Subpart C, section .300 states in part:

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

The failure to establish internal controls would have enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement listed above.

***FINDING 2014-005 - SUSPENSION AND DEBARMENT***

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): 13-6080, 14-6080  
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Suspension and Debarment compliance requirement.

The School Corporation failed to provide evidence that a search of the System for Award Management was conducted, that certification from the entity was collected, or that a clause or condition was added to the contract for the vendor.

During fiscal year 2012-2013, the School Corporation entered into a contract with one vendor for the vendor. A search of the System of Award Manager website resulted in no active exclusions for this vendor.



RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 180.300 states in part:

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

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

OMB Circular A-133, Subpart C, section .300 states in part:

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

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Suspension and Debarment requirements of the programs.

***FINDING 2014-006 - CASH MANAGEMENT AND REPORTING***

Federal Agency: Department of Education

Federal Programs: Special Education\_Grants to States, Special Education\_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-052-PN01, 14213-052-PN01,  
14214-052-PN01, 99914-052-TA01,  
45712-052-PN01, 45713-052-PN01,  
45714-052-PN01

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the following compliance requirements: Cash Management and Reporting.

The School Corporation designated a fiscal agent to receive and manage the funding of the Special Education programs. The School Corporation had no controls in place to monitor the fiscal agent's system of internal control. There were the following deficiencies in the internal control system of the fiscal agent:

RISING SUN - OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cash Management*

Requests for Reimbursement were prepared by the fiscal agent's Treasurer. There was no control in place to ensure that expenditures were paid prior to requesting reimbursement.

*Reporting*

The Requests for Reimbursement and Final Expenditure Reports were prepared and submitted by the fiscal agent's Treasurer. There was no control in place to ensure that the reports were accurate prior to submission.

OMB Circular A-133, Subpart C, section .300 states in part:

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

The failure to establish internal controls would have enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

AUDITEE PREPARED DOCUMENT

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



# Rising Sun ~ Ohio County Community Schools

110 HENRIETTA STREET ♦ RISING SUN, INDIANA 47040

PHONE (812) 438-2655 ♦ FAX (812) 438-4636

## CORRECTIVE ACTION PLAN

### ***FINDING 2014-001 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING***

Contact Person Responsible for Corrective Action: Jennifer Craig/Kelli Keith

Contact Phone Number: 812-438-2626/812-438-2655

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We will have another staff member help with the initial verifications and verify that the balances in the computer are correct. A second staff member will prepare deposits and sign off on bank reconciliations.

Anticipated Completion Date: 7/1/2016

### ***FINDING 2014-002 – PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

Contact Person Responsible for Corrective Action: Jennifer Craig

Contact Phone Number: 812-438-2626

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Federal reports will be reviewed by another staff member.

Anticipated Completion Date: 7/1/2016

***FINDING 2014-003 – CASH MANAGEMENT, ELIGIBILITY, PROGRAM INCOME, REPORTING, AND SPECIAL TESTS AND PROVISIONS***

Contact Person Responsible for Corrective Action: Rita Scudder/Jennifer Craig

Contact Phone Number: 812-438-2655/812-438-2626

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We will monitor the cash balance to ensure it does not exceed the total of 3 months expenditures. Free and reduced lunch applications will be reviewed by a second staff member. Also, a second staff member will review State reimbursement reports and sign off on them for accuracy.

Anticipated Completion Date: 7/1/2016

***FINDING 2014-004 – SPECIAL TESTS AND PROVISIONS***

Contact Person Responsible for Corrective Action: Jennifer Craig

Contact Phone Number: 812-438-2626

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We will have another staff member review prices charged per student, review computer printouts, review weighted average meal prices, and sign off on the above.

***FINDING 2014-005 – SUSPENSION AND DEBARMENT***

Contact Person Responsible for Corrective Action: Rita Scudder/Jennifer Craig

Contact Phone Number: 812-438-2655/812-438-2626

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Federal website will be used to verify vendors.

Anticipated Completion Date: 7/1/2016

**FINDING 2014-006 – CASH MANAGEMENT AND REPORTING**

Contact Person Responsible for Corrective Action: Marcia Fullenkamp

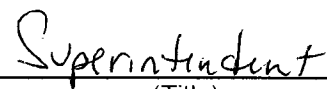
Contact Phone Number: 812-623-2315

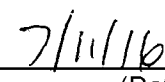
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The request for reimbursement will be signed off by the fiscal agent treasurer and the director of special education.

Anticipated Completion Date: 7/1/2016

  
\_\_\_\_\_  
(Signature)

  
\_\_\_\_\_  
(Title)

  
\_\_\_\_\_  
(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/>.