

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

FINANCIAL STATEMENT AND FEDERAL
SINGLE AUDIT REPORT
OF

RENSELAER CENTRAL SCHOOL CORPORATION
JASPER COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
08/02/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dawn D. Claussen	07-01-13 to 06-30-17
Superintendent of Schools	Ned Speicher Curtis Craig	07-01-13 to 12-31-16 01-01-17 to 06-30-17
President of the School Board	Rich Ludington Charles Parrish	07-01-13 to 06-30-16 07-01-16 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE RENSSELAER CENTRAL SCHOOL
CORPORATION, JASPER COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 22, 2017, 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

May 22, 2017



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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 RENSSELAER CENTRAL SCHOOL
CORPORATION, JASPER 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 Rensselaer Central School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated May 22, 2017, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002.

Rensselaer Central School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

May 22, 2017

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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.

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

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-13	Receipts	Disbursements		06-30-14	Receipts	Disbursements		
General	\$ 1,797,066	\$ 10,427,864	\$ 10,240,244	\$ -	\$ 1,984,686	\$ 10,593,920	\$ 10,463,518	\$ -	\$ 2,115,088
Debt Service	554,958	1,895,648	1,851,885	-	598,721	2,130,505	2,168,663	-	560,563
Retirement/Severance Bond Debt Service	105,224	128,631	255,344	149,664	128,175	-	128,175	-	-
Capital Projects	103,584	2,040,359	1,544,945	-	598,998	2,094,914	1,767,130	-	926,782
School Transportation	339,200	851,703	845,939	(87,691)	257,273	950,796	832,389	23,254	398,934
School Bus Replacement	128,875	117,060	179,814	(72,309)	(6,188)	171,826	-	(10,000)	155,638
Rainy Day	1,588,266	-	92,545	160,000	1,655,721	-	337,706	60,000	1,378,015
Retirement/Severance Bond	286,191	-	-	(149,664)	136,527	-	4,207	-	132,320
Construction	406,801	-	2,377,133	2,158,161	187,829	-	187,829	-	-
Construction - MS Project	-	-	-	-	-	-	232,652	-	(232,652)
School Lunch	612,297	748,184	675,853	-	684,628	758,487	804,234	(8,392)	630,489
Textbook Rental	88,216	197,790	207,984	-	78,022	235,492	196,429	-	117,085
Levy Excess	73,254	-	-	-	73,254	343	-	(73,254)	343
Child Care Program	-	9,051	12,787	-	(3,736)	16,048	12,598	-	(286)
Educational License Plates	3,913	225	397	-	3,741	263	94	-	3,910
Alternative Education	-	4,001	-	-	4,001	8,087	12,088	-	-
Early Intervention Grant	6,924	9,842	9,460	-	7,306	7,658	8,039	-	6,925
Miscellaneous Programs	976	-	976	-	-	175	-	-	175
Miscellaneous	28,462	16,672	24,365	-	20,769	4,215	9,694	-	15,290
Drivers Ed	10,779	24,676	35,521	-	(66)	48,985	38,445	-	10,474
Amerimac	500	-	-	-	500	-	-	-	500
Coop School Summer - ESY	(794)	16,831	16,536	-	(499)	19,536	20,793	-	(1,756)
FETC - Indian Trails	-	2,428	-	-	2,428	3,879	6,307	-	-
Monsanto	456	-	456	-	-	-	-	-	-
Auction Fund	38,521	-	-	-	38,521	-	38,521	-	-
HS Gym Floor	29,429	55,000	84,429	-	-	-	-	-	-
Van Rensselaer Bond	13,406	-	2,504	-	10,902	-	10,902	-	-
IPAD Insurance Account	270	1,246	423	-	1,093	1,519	1,100	-	1,512
RCPS Ground Lease	3,000	3,000	-	-	6,000	2,500	-	-	8,500
IPAD - Professional Development	2,100	14,400	3,900	-	12,600	-	11,253	-	1,347
Fetters	-	16,851	-	-	16,851	-	16,851	-	-
FFA Blue Jacket Grant	-	750	-	-	750	-	-	-	750
Indian Trails	-	-	-	-	-	15,000	14,878	-	122
Jasper County REMC	5,337	-	-	-	5,337	1,000	1,000	-	5,337
Coop Tech/LEA Service	-	-	-	-	-	18,445	13,606	-	4,839

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

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

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Football Athletic	-	-	-	-	-	-	8,158	-	(8,158)
ISHAA - Arihood Grant	-	-	-	-	-	1,000	-	-	1,000
School Trust of Indiana	-	-	-	-	-	356	-	-	356
Jasper Foundation	2,271	10,000	10,000	-	2,271	10,876	10,868	-	2,279
Jasper Foundation - Hall	-	1,157	1,157	-	-	-	-	-	-
High Ability 12-13	2,214	-	2,214	-	-	-	-	-	-
High Ability 13-14	-	31,674	26,503	-	5,171	-	5,171	-	-
High Ability 14-15	-	-	-	-	-	31,322	31,322	-	-
Drug Free Communities	5,539	1,733	2,549	-	4,723	1,000	2,895	-	2,828
Early Childhood Intervention (First Steps)	16,579	29,728	24,554	-	21,753	36,517	38,651	-	19,619
Medicaid Reimbursement	5,258	1,305	-	-	6,563	6,748	-	-	13,311
Secured Schools Safety Grant	-	6,545	13,091	-	(6,546)	18,856	18,935	-	(6,625)
Non-English Speaking Programs P.L. 273-1999	209	-	-	-	209	-	-	-	209
School Technology	14,723	5,184	-	-	19,907	4,191	-	-	24,098
Technology Grants [IC 20-40-15]	38,462	26,260	29,376	-	35,346	25,354	12,457	-	48,243
ISTA Medical Reimbursement	8,314	1,639	-	-	9,953	750	-	-	10,703
ISTA Settlement	-	216,091	6,600	-	209,491	-	77,909	-	131,582
Senator David Ford Technology	-	18,349	18,349	-	-	-	-	-	-
Title I 11-12	-	-	-	-	-	-	-	-	-
Title I 12-13	(11,869)	45,133	33,264	-	-	-	-	-	-
Title I 13-14	-	127,006	151,981	-	(24,975)	63,256	38,281	-	-
Title I 14-15	-	-	-	-	-	132,781	141,821	-	(9,040)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(399)	66,540	66,141	-	-	-	-	-	-
Medicaid Reimbursement - Federal	7,579	2,480	11,073	-	(1,014)	13,484	1,862	-	10,608
College Success Grant	1,880	-	-	-	1,880	-	-	-	1,880
Improving Teaching Quality, No Child Left, Title II, Part A	(3,149)	7,689	4,540	-	-	-	-	-	-
Title II Part A FY2012	(156)	43,223	46,071	-	(3,004)	8,162	5,158	-	-
Title II Part A FY2013	-	46,444	46,739	-	(295)	4,289	3,994	-	-
Title II Part A FY2014	-	-	-	-	-	22,991	26,737	-	(3,746)
Title III - Language Instruction	-	-	-	-	-	-	-	-	-
Education Jobs	-	-	-	-	-	-	-	-	-
Lunch Fund Student/Adult Prepaid	-	-	-	-	-	239,914	238,070	8,392	10,236
Payroll Deductions	-	2,859,364	2,859,364	-	-	2,790,158	2,790,158	-	-
School Lunch Payroll	-	265,607	265,607	-	-	1,289	1,289	-	-
Totals	\$ 6,314,666	\$ 20,395,363	\$ 22,082,613	\$ 2,158,161	\$ 6,785,577	\$ 20,496,887	\$ 20,792,837	\$ -	\$ 6,489,627

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

RENSSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

G. Fund Accounting

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

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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.

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. Many were the result of the funds being established for reimbursable grants. The reimbursements for expenditures were not received by June 30, 2014 and 2015. Other funds with cash balance deficits were the result of expenditures exceeding receipts and available cash balances.

Note 8. Holding Corporations

The School Corporation entered into a capital lease with the Rensselaer Central High School Holding 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, 2014 and 2015, totaled \$327,000 and \$325,000, respectively.

The School Corporation entered into a capital lease with the Rensselaer Central Multi-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, 2014 and 2015, totaled \$1,079,500 and \$1,079,000, respectively.

Note 9. Subsequent Events

Special Education Cooperative

On July 1, 2016, the Rensselaer Central School Corporation became the fiscal agent of the Special Education Cooperative School Services (Special Ed Coop). The Special Ed Coop services nine participating school corporations: Benton Community School Corporation, Frontier School Corporation, Kankakee Valley School Corporation, North Newton School Corporation, North White School Corporation, Rensselaer Central School Corporation, South Newton School Corporation, Tri-County School Corporation, and West Central School Corporation.

2015 General Obligation Bond Issue

On August 18, 2015, the School Corporation issued \$1,840,000 in 2015 General Obligation Bonds with an interest rate of 2.36 percent. The bond issue is for Middle School renovation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the 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 School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	Construction - MS Project
Cash and investments - beginning	\$ 1,797,066	\$ 554,958	\$ 105,224	\$ 103,584	\$ 339,200	\$ 128,875	\$ 1,588,266	\$ 286,191	\$ 406,801	\$ -
Receipts:										
Local sources	117,956	1,895,648	128,631	2,040,359	668,029	117,060	-	-	-	-
Intermediate sources	1,145	-	-	-	-	-	-	-	-	-
State sources	10,299,717	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	181,156	-	-	-	-	-
Other receipts	9,046	-	-	-	2,518	-	-	-	-	-
Total receipts	10,427,864	1,895,648	128,631	2,040,359	851,703	117,060	-	-	-	-
Disbursements:										
Instruction	6,623,894	-	-	-	-	-	92,545	-	-	-
Support services	3,408,820	-	-	680,588	663,617	179,814	-	-	-	-
Noninstructional services	206,015	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,515	-	-	864,357	-	-	-	-	2,377,133	-
Debt services	-	1,851,885	255,344	-	182,322	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,240,244	1,851,885	255,344	1,544,945	845,939	179,814	92,545	-	2,377,133	-
Excess (deficiency) of receipts over disbursements	187,620	43,763	(126,713)	495,414	5,764	(62,754)	(92,545)	-	(2,377,133)	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	2,158,161	-
Transfers in	-	-	149,664	-	-	-	160,000	-	-	-
Transfers out	-	-	-	-	(87,691)	(72,309)	-	(149,664)	-	-
Total other financing sources (uses)	-	-	149,664	-	(87,691)	(72,309)	160,000	(149,664)	2,158,161	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	187,620	43,763	22,951	495,414	(81,927)	(135,063)	67,455	(149,664)	(218,972)	-
Cash and investments - ending	\$ 1,984,686	\$ 598,721	\$ 128,175	\$ 598,998	\$ 257,273	\$ (6,188)	\$ 1,655,721	\$ 136,527	\$ 187,829	\$ -

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

	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Educational License Plates	Alternative Education	Early Intervention Grant	Miscellaneous Programs	Miscellaneous	Drivers Ed
Cash and investments - beginning	\$ 612,297	\$ 88,216	\$ 73,254	\$ -	\$ 3,913	\$ -	\$ 6,924	\$ 976	\$ 28,462	\$ 10,779
Receipts:										
Local sources	283,638	138,508	-	9,051	225	-	-	-	-	24,676
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	8,888	59,108	-	-	-	4,001	9,842	-	-	-
Federal sources	455,658	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	174	-	-	-	-	-	-	16,672	-
Total receipts	748,184	197,790	-	9,051	225	4,001	9,842	-	16,672	24,676
Disbursements:										
Instruction	-	-	-	12,769	-	-	9,460	976	5,037	28,051
Support services	-	207,984	-	18	397	-	-	-	19,328	7,470
Noninstructional services	675,853	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	675,853	207,984	-	12,787	397	-	9,460	976	24,365	35,521
Excess (deficiency) of receipts over disbursements	72,331	(10,194)	-	(3,736)	(172)	4,001	382	(976)	(7,693)	(10,845)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	72,331	(10,194)	-	(3,736)	(172)	4,001	382	(976)	(7,693)	(10,845)
Cash and investments - ending	\$ 684,628	\$ 78,022	\$ 73,254	\$ (3,736)	\$ 3,741	\$ 4,001	\$ 7,306	\$ -	\$ 20,769	\$ (66)

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

	Amerimac	Coop School Summer - ESY	FETC - Indian Trails	Monsanto	Auction Fund	HS Gym Floor	Van Rensselaer Bond	IPAD Insurance Account	RCPS Ground Lease	IPAD - Professional Development
Cash and investments - beginning	\$ 500	\$ (794)	\$ -	\$ 456	\$ 38,521	\$ 29,429	\$ 13,406	\$ 270	\$ 3,000	\$ 2,100
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	16,831	2,428	-	-	55,000	-	1,246	3,000	14,400
Total receipts	-	16,831	2,428	-	-	55,000	-	1,246	3,000	14,400
Disbursements:										
Instruction	-	16,536	-	456	-	84,429	-	-	-	3,900
Support services	-	-	-	-	-	-	2,504	423	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	16,536	-	456	-	84,429	2,504	423	-	3,900
Excess (deficiency) of receipts over disbursements	-	295	2,428	(456)	-	(29,429)	(2,504)	823	3,000	10,500
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	295	2,428	(456)	-	(29,429)	(2,504)	823	3,000	10,500
Cash and investments - ending	\$ 500	\$ (499)	\$ 2,428	\$ -	\$ 38,521	\$ -	\$ 10,902	\$ 1,093	\$ 6,000	\$ 12,600

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

	Fetters	FFA Blue Jacket Grant	Indian Trails	Jasper County REMC	Coop Tech/ LEA Service	Football Athletic	ISHAA - Arihood Grant	School Trust of Indiana	Jasper Foundation	Jasper Foundation - Hall
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 5,337	\$ -	\$ -	\$ -	\$ -	\$ 2,271	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	16,851	750	-	-	-	-	-	-	10,000	1,157
Total receipts	16,851	750	-	-	-	-	-	-	10,000	1,157
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	10,000	1,157
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	-	-	10,000	1,157
Excess (deficiency) of receipts over disbursements	16,851	750	-	-	-	-	-	-	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,851	750	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ 16,851	\$ 750	\$ -	\$ 5,337	\$ -	\$ -	\$ -	\$ -	\$ 2,271	\$ -

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

	High Ability 12-13	High Ability 13-14	High Ability 14-15	Drug Free Communities	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]
Cash and investments - beginning	\$ 2,214	\$ -	\$ -	\$ 5,539	\$ 16,579	\$ 5,258	\$ -	\$ 209	\$ 14,723	\$ 38,462
Receipts:										
Local sources	-	-	-	-	29,728	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	31,674	-	-	-	1,305	6,545	-	5,184	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	1,733	-	-	-	-	-	26,260
Total receipts	-	31,674	-	1,733	29,728	1,305	6,545	-	5,184	26,260
Disbursements:										
Instruction	2,214	26,503	-	2,419	24,344	-	-	-	-	-
Support services	-	-	-	130	210	-	13,091	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	29,376
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,214	26,503	-	2,549	24,554	-	13,091	-	-	29,376
Excess (deficiency) of receipts over disbursements	(2,214)	5,171	-	(816)	5,174	1,305	(6,546)	-	5,184	(3,116)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,214)	5,171	-	(816)	5,174	1,305	(6,546)	-	5,184	(3,116)
Cash and investments - ending	\$ -	\$ 5,171	\$ -	\$ 4,723	\$ 21,753	\$ 6,563	\$ (6,546)	\$ 209	\$ 19,907	\$ 35,346

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

	ISTA Medical Reimbursement	ISTA Settlement	Senator David Ford Technology	Title I 11-12	Title I 12-13	Title I 13-14	Title I 14-15	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Medicaid Reimbursement - Federal	College Success Grant
Cash and investments - beginning	\$ 8,314	\$ -	\$ -	\$ -	\$ (11,869)	\$ -	\$ -	\$ (399)	\$ 7,579	\$ 1,880
Receipts:										
Local sources	-	216,091	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	18,349	-	-	-	-	-	-	-
Federal sources	-	-	-	-	45,133	127,006	-	66,540	2,480	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	1,639	-	-	-	-	-	-	-	-	-
Total receipts	1,639	216,091	18,349	-	45,133	127,006	-	66,540	2,480	-
Disbursements:										
Instruction	-	-	18,349	-	28,422	129,711	-	4,402	-	-
Support services	-	6,600	-	-	4,842	21,000	-	-	11,073	-
Noninstructional services	-	-	-	-	-	1,270	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	61,739	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	6,600	18,349	-	33,264	151,981	-	66,141	11,073	-
Excess (deficiency) of receipts over disbursements	1,639	209,491	-	-	11,869	(24,975)	-	399	(8,593)	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,639	209,491	-	-	11,869	(24,975)	-	399	(8,593)	-
Cash and investments - ending	\$ 9,953	\$ 209,491	\$ -	\$ -	\$ -	\$ (24,975)	\$ -	\$ -	\$ (1,014)	\$ 1,880

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

	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A FY2012	Title II Part A FY2013	Title II Part A FY2014	Title III - Language Instruction	Education Jobs	Lunch Fund Student/ Adult Prepaid	Payroll Deductions	School Lunch Payroll	Totals
Cash and investments - beginning	\$ (3,149)	\$ (156)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,314,666
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	5,669,600
Intermediate sources	-	-	-	-	-	-	-	-	-	1,145
State sources	-	-	-	-	-	-	-	-	-	10,444,613
Federal sources	7,689	43,223	46,444	-	-	-	-	-	-	794,173
Temporary loans	-	-	-	-	-	-	-	-	-	181,156
Other receipts	-	-	-	-	-	-	-	2,859,364	265,607	3,304,676
Total receipts	7,689	43,223	46,444	-	-	-	-	2,859,364	265,607	20,395,363
Disbursements:										
Instruction	4,540	46,071	11,739	-	-	-	-	-	-	7,187,924
Support services	-	-	35,000	-	-	-	-	-	-	5,262,909
Noninstructional services	-	-	-	-	-	-	-	-	-	883,138
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	3,334,120
Debt services	-	-	-	-	-	-	-	-	-	2,289,551
Nonprogrammed charges	-	-	-	-	-	-	-	2,859,364	265,607	3,124,971
Total disbursements	4,540	46,071	46,739	-	-	-	-	2,859,364	265,607	22,082,613
Excess (deficiency) of receipts over disbursements	3,149	(2,848)	(295)	-	-	-	-	-	-	(1,687,250)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	2,158,161
Transfers in	-	-	-	-	-	-	-	-	-	309,664
Transfers out	-	-	-	-	-	-	-	-	-	(309,664)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	2,158,161
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,149	(2,848)	(295)	-	-	-	-	-	-	470,911
Cash and investments - ending	\$ -	\$ (3,004)	\$ (295)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,785,577

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	Construction - MS Project
Cash and investments - beginning	\$ 1,984,686	\$ 598,721	\$ 128,175	\$ 598,998	\$ 257,273	\$ (6,188)	\$ 1,655,721	\$ 136,527	\$ 187,829	\$ -
Receipts:										
Local sources	190,738	2,130,505	-	2,094,914	753,064	171,826	-	-	-	-
Intermediate sources	1,145	-	-	-	-	-	-	-	-	-
State sources	10,398,693	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	189,624	-	-	-	-	-
Other receipts	3,344	-	-	-	8,108	-	-	-	-	-
Total receipts	10,593,920	2,130,505	-	2,094,914	950,796	171,826	-	-	-	-
Disbursements:										
Instruction	6,779,055	-	-	-	-	-	61,349	4,207	-	-
Support services	3,464,833	-	-	729,580	651,233	-	-	-	-	-
Noninstructional services	218,010	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,620	-	-	1,037,550	-	-	276,357	-	187,829	232,652
Debt services	-	2,168,663	128,175	-	181,156	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,463,518	2,168,663	128,175	1,767,130	832,389	-	337,706	4,207	187,829	232,652
Excess (deficiency) of receipts over disbursements	130,402	(38,158)	(128,175)	327,784	118,407	171,826	(337,706)	(4,207)	(187,829)	(232,652)
Other financing sources (uses):										
Transfers in	-	-	-	-	73,254	-	60,000	-	-	-
Transfers out	-	-	-	-	(50,000)	(10,000)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	23,254	(10,000)	60,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	130,402	(38,158)	(128,175)	327,784	141,661	161,826	(277,706)	(4,207)	(187,829)	(232,652)
Cash and investments - ending	\$ 2,115,088	\$ 560,563	\$ -	\$ 926,782	\$ 398,934	\$ 155,638	\$ 1,378,015	\$ 132,320	\$ -	\$ (232,652)

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Educational License Plates	Alternative Education	Early Intervention Grant	Miscellaneous Programs	Miscellaneous	Drivers Ed
Cash and investments - beginning	\$ 684,628	\$ 78,022	\$ 73,254	\$ (3,736)	\$ 3,741	\$ 4,001	\$ 7,306	\$ -	\$ 20,769	\$ (66)
Receipts:										
Local sources	26,530	175,406	343	16,048	263	-	-	-	-	48,985
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	8,007	59,872	-	-	-	8,087	7,658	-	-	-
Federal sources	485,866	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	238,084	214	-	-	-	-	-	175	4,215	-
Total receipts	758,487	235,492	343	16,048	263	8,087	7,658	175	4,215	48,985
Disbursements:										
Instruction	-	-	-	12,574	-	12,088	8,039	-	-	29,175
Support services	-	196,429	-	24	94	-	-	-	9,694	9,270
Noninstructional services	804,234	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	804,234	196,429	-	12,598	94	12,088	8,039	-	9,694	38,445
Excess (deficiency) of receipts over disbursements	(45,747)	39,063	343	3,450	169	(4,001)	(381)	175	(5,479)	10,540
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(8,392)	-	(73,254)	-	-	-	-	-	-	-
Total other financing sources (uses)	(8,392)	-	(73,254)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(54,139)	39,063	(72,911)	3,450	169	(4,001)	(381)	175	(5,479)	10,540
Cash and investments - ending	\$ 630,489	\$ 117,085	\$ 343	\$ (286)	\$ 3,910	\$ -	\$ 6,925	\$ 175	\$ 15,290	\$ 10,474

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Amerimac	Coop School Summer - ESY	FETC - Indian Trails	Monsanto	Auction Fund	HS Gym Floor	Van Rensselaer Bond	IPAD Insurance Account	RCPS Ground Lease	IPAD - Professional Development
Cash and investments - beginning	\$ 500	\$ (499)	\$ 2,428	\$ -	\$ 38,521	\$ -	\$ 10,902	\$ 1,093	\$ 6,000	\$ 12,600
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	19,536	3,879	-	-	-	-	1,519	2,500	-
Total receipts	-	19,536	3,879	-	-	-	-	1,519	2,500	-
Disbursements:										
Instruction	-	20,124	-	-	-	-	-	-	-	11,253
Support services	-	669	6,307	-	38,521	-	-	1,100	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	10,902	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	20,793	6,307	-	38,521	-	10,902	1,100	-	11,253
Excess (deficiency) of receipts over disbursements	-	(1,257)	(2,428)	-	(38,521)	-	(10,902)	419	2,500	(11,253)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,257)	(2,428)	-	(38,521)	-	(10,902)	419	2,500	(11,253)
Cash and investments - ending	\$ 500	\$ (1,756)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,512	\$ 8,500	\$ 1,347

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Fetters	FFA Blue Jacket Grant	Indian Trails	Jasper County REMC	Coop Tech/ LEA Service	Football Athletic	ISHAA - Arihood Grant	School Trust of Indiana	Jasper Foundation	Jasper Foundation - Hall
Cash and investments - beginning	\$ 16,851	\$ 750	\$ -	\$ 5,337	\$ -	\$ -	\$ -	\$ -	\$ 2,271	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	15,000	1,000	18,445	-	1,000	356	10,876	-
Total receipts	-	-	15,000	1,000	18,445	-	1,000	356	10,876	-
Disbursements:										
Instruction	-	-	-	1,000	-	8,158	-	-	10,868	-
Support services	-	-	-	-	13,606	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	16,851	-	14,878	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	16,851	-	14,878	1,000	13,606	8,158	-	-	10,868	-
Excess (deficiency) of receipts over disbursements	(16,851)	-	122	-	4,839	(8,158)	1,000	356	8	-
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	(16,851)	-	122	-	4,839	(8,158)	1,000	356	8	-
Cash and investments - ending	\$ -	\$ 750	\$ 122	\$ 5,337	\$ 4,839	\$ (8,158)	\$ 1,000	\$ 356	\$ 2,279	\$ -

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	High Ability 12-13	High Ability 13-14	High Ability 14-15	Drug Free Communities	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]
Cash and investments - beginning	\$ -	\$ 5,171	\$ -	\$ 4,723	\$ 21,753	\$ 6,563	\$ (6,546)	\$ 209	\$ 19,907	\$ 35,346
Receipts:										
Local sources	-	-	-	-	36,517	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	31,322	-	-	6,748	18,856	-	4,191	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	1,000	-	-	-	-	-	25,354
Total receipts	-	-	31,322	1,000	36,517	6,748	18,856	-	4,191	25,354
Disbursements:										
Instruction	-	5,171	31,322	2,895	38,591	-	-	-	-	-
Support services	-	-	-	-	60	-	18,935	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	12,457
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	5,171	31,322	2,895	38,651	-	18,935	-	-	12,457
Excess (deficiency) of receipts over disbursements	-	(5,171)	-	(1,895)	(2,134)	6,748	(79)	-	4,191	12,897
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	-	(5,171)	-	(1,895)	(2,134)	6,748	(79)	-	4,191	12,897
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 2,828	\$ 19,619	\$ 13,311	\$ (6,625)	\$ 209	\$ 24,098	\$ 48,243

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	ISTA Medical Reimbursement	ISTA Settlement	Senator David Ford Technology	Title I 11-12	Title I 12-13	Title I 13-14	Title I 14-15	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Medicaid Reimbursement - Federal	College Success Grant
Cash and investments - beginning	\$ 9,953	\$ 209,491	\$ -	\$ -	\$ -	\$ (24,975)	\$ -	\$ -	\$ (1,014)	\$ 1,880
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	63,256	132,781	-	13,484	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	750	-	-	-	-	-	-	-	-	-
Total receipts	750	-	-	-	-	63,256	132,781	-	13,484	-
Disbursements:										
Instruction	-	-	-	-	-	31,328	125,996	-	-	-
Support services	-	77,909	-	-	-	6,953	14,262	-	1,862	-
Noninstructional services	-	-	-	-	-	-	1,563	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	77,909	-	-	-	38,281	141,821	-	1,862	-
Excess (deficiency) of receipts over disbursements	750	(77,909)	-	-	-	24,975	(9,040)	-	11,622	-
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	750	(77,909)	-	-	-	24,975	(9,040)	-	11,622	-
Cash and investments - ending	\$ 10,703	\$ 131,582	\$ -	\$ -	\$ -	\$ -	\$ (9,040)	\$ -	\$ 10,608	\$ 1,880

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part A FY2012	Title II Part A FY2013	Title II Part A FY2014	Title III - Language Instruction	Education Jobs	Lunch Fund Student/ Adult Prepaid	Payroll Deductions	School Lunch Payroll	Totals
Cash and investments - beginning	\$ -	\$ (3,004)	\$ (295)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,785,577
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	5,645,139
Intermediate sources	-	-	-	-	-	-	-	-	-	1,145
State sources	-	-	-	-	-	-	-	-	-	10,543,434
Federal sources	-	8,162	4,289	22,991	-	-	-	-	-	730,829
Temporary loans	-	-	-	-	-	-	-	-	-	189,624
Other receipts	-	-	-	-	-	-	239,914	2,790,158	1,289	3,386,716
Total receipts	-	8,162	4,289	22,991	-	-	239,914	2,790,158	1,289	20,496,887
Disbursements:										
Instruction	-	5,158	3,994	7,856	-	-	-	-	-	7,210,201
Support services	-	-	-	18,881	-	-	-	-	-	5,260,222
Noninstructional services	-	-	-	-	-	-	-	-	-	1,023,807
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,791,096
Debt services	-	-	-	-	-	-	-	-	-	2,477,994
Nonprogrammed charges	-	-	-	-	-	-	238,070	2,790,158	1,289	3,029,517
Total disbursements	-	5,158	3,994	26,737	-	-	238,070	2,790,158	1,289	20,792,837
Excess (deficiency) of receipts over disbursements	-	3,004	295	(3,746)	-	-	1,844	-	-	(295,950)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	8,392	-	-	141,646
Transfers out	-	-	-	-	-	-	-	-	-	(141,646)
Total other financing sources (uses)	-	-	-	-	-	-	8,392	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,004	295	(3,746)	-	-	10,236	-	-	(295,950)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (3,746)	\$ -	\$ -	\$ 10,236	\$ -	\$ -	\$ 6,489,627

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 145,081</u>	<u>\$ 262,263</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
US Bancorp Gov Leasing	IPAD Leases	\$ 224,946	06/17/13	06/17/17
Rensselaer Central High School Holding Corporation	Refinance	328,000	07/15/07	07/15/21
Rensselaer Central Multi-School Building Corporation	New Primary School/Security	<u>1,076,000</u>	07/15/11	12/31/31
Total of annual lease payments		<u>\$ 1,628,946</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Renovate and improve RCHS and Van Rens Elementary School	\$ 1,600,000	\$ 306,163
General obligation bonds	Renovate and improve RCHS and Van Rens Elementary Administration Office	1,545,000	355,033
Tax anticipation warrants	Transportation Cashflow	189,624	191,110
Notes and loans payable	Common School #A1594	<u>80,244</u>	<u>32,820</u>
Totals		<u>\$ 3,414,868</u>	<u>\$ 885,126</u>

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

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 997,423
Buildings	37,107,677
Machinery, equipment, and vehicles	<u>4,551,613</u>
Total capital assets	<u>\$ 42,656,713</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE RENSSELAER CENTRAL SCHOOL
CORPORATION, JASPER COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Rensselaer Central School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Child Nutrition Cluster

As described in items 2015-004 and 2015-005 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management and Procurement and 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, 2013 to June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2013 to June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-006 and 2015-009. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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


Our consideration of internal control over compliance was for the limited purpose described in the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, 2015-008, 2015-009, and 2015-010 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

May 22, 2017

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 13-14; FY 14-15	\$ -	\$ 89,820	\$ -	\$ 107,917
National School Lunch Program	Indiana Department of Education	10.555		-	365,838	-	377,949
National School Lunch Program - Commodities				-	63,717	-	60,155
Total - National School Lunch Program				-	429,555	-	438,104
Summer Food Service Program for Children	Indiana Department of Education	10.559		-	3,831	-	5,895
Total - Child Nutrition Cluster				-	523,206	-	551,916
Total - Department of Agriculture				-	523,206	-	551,916
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
IDEA Part B Section 611			14213-051-PN01	-	132,378	-	976
IDEA Part B Section 611			14214-051-PN01	-	287,334	-	132,970
IDEA Part B Section 611			14215-051-PN01	-	-	-	302,607
IDEA Part B Section 611			A58-3-13DL-0065	-	66,540	-	-
Technical Assistance for Special Education			99914-051-TA01	-	3,766	-	5,929
Total - Special Education_Grants to States				-	490,018	-	442,482
Special Education_Preschool Grants	Indiana Department of Education	84.173					
IDEA Part B Section 619			45713-051-PN01	-	8,455	-	-
IDEA Part B Section 619			45714-051-PN01	-	15,563	-	7,948
IDEA Part B Section 619			45715-051-PN01	-	-	-	15,749
Total - Special Education_Preschool Grants				-	24,018	-	23,697
Total - Special Education Cluster (IDEA)				-	514,036	-	466,179
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I			12-3815	-	64,237	-	-
Title I			13-3815	-	107,902	-	72,599
Title I			14-3815	-	-	-	123,438
Total - Title I Grants to Local Educational Agencies				-	172,139	-	196,037
English Language Acquisition State Grants	Indiana Department of Education	84.365	01115-110-PN01	-	-	-	5,603
Total - English Language Acquisition State Grants				-	-	-	5,603
Improving Teacher Quality State Grants	Indiana Department of Education	84.367					
Title II			11-3815	-	7,689	-	-
Title II			12-3815	-	43,223	-	8,162
Title II			13-3815	-	46,444	-	4,289
Title II			14-3815	-	-	-	22,991
Total - Improving Teacher Quality State Grants				-	97,356	-	35,442
Total - Department of Education				-	783,531	-	703,261
Total federal awards expended				\$ -	\$ 1,306,737	\$ -	\$ 1,255,177

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Special Education Cooperative and Wabash Valley Consortium

The School Corporation is a member of a Special Education Cooperative. As a result, some activity for the Special Education Cluster (IDEA) that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the fiscal agent for the Special Education Cooperative.

The School Corporation is a member of the Wabash Valley Consortium. As a result, some activity for the English Language Acquisition State Grants (Title III) that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Wabash Valley Consortium.

RENSELAER CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified for all programs except Child Nutrition Cluster, which was qualified
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:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Special Education Cluster (IDEA) 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 2015-001 - FINANCIAL TRANSACTIONS AND REPORTING

Condition

There were several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

1. Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to cash and investments, receipts, disbursements, and preparation of the financial statement.

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

The School Corporation had a small office staff and segregation of duties was not always possible. One employee prepared the cash reconciliation and issued, recorded, reconciled and reported receipts. One employee prepared and recorded the non-payroll disbursements. One employee prepared and recorded payroll disbursements. There was no segregation of duties such as an oversight, review, or approval process.

2. Monitoring of Controls: The School Corporation had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting required the School Corporation to monitor and assess the quality of the system of internal control.
3. Preparing Financial Statements: The School Corporation had not identified risks to the preparation of a reliable financial statement and, as a result, failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements.

The Form 9, which included financial activity of all funds and was the basis for the financial statement, was signed by the Treasurer, Superintendent of Schools, and President of the School Board. Although the reports contained all of the required certifications, there was no evidence of adequate oversight or review before submission.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; . . .

- Accurate and timely recording of transactions. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

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

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

Cause

Management had not established a proper system of internal control, including segregation of duties.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

Views of Responsible Officials

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

**FINDING 2015-002 - PREPARATION OF THE SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS**

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). One employee prepared the SEFA without controls to ensure its accuracy before submission.

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster did not include commodities of \$63,717 and \$60,155 for the years ended June 30, 2014 and 2015, respectively.
2. The Special Education Cluster (IDEA) expenditures were understated by \$447,496 for the year ended June 30, 2014, and overstated by \$428,381 for the year ended June 30, 2015.
3. The Title I Grants to Local Educational Agencies expenditures were understated by \$45,133 for the year ended June 30, 2014.
4. The English Language Acquisition State Grants expenditures were understated by \$5,603 for the year ended June 30, 2015.
5. The Improving Teacher Quality State Grants expenditures were understated by \$41,688 for the year ended June 30, 2014.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

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

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; . . .

- Accurate and timely recording of transactions. . . ."

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. . . ."

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

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-003 - INTERNAL CONTROLS OVER THE CHILD NUTRITION CLUSTER

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Procurement and Suspension and Debarment, Reporting, and Special Tests and Provisions - Paid Lunch Equity.

Context

Activities Allowed or Unallowed, Allowable Costs/Cost Principles

The School Corporation had not established an effective internal control system to ensure that vendor disbursements were for allowable activities and allowable costs. The Food Service Director did not review program expenditures prior to payment.

Procurement and Suspension and Debarment

There were no controls to ensure compliance with the Procurement requirements of the programs. There was a School Board policy governing federal procurements; however, Food Service officials were unaware of the policy and the Procurement requirements for the programs.

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

Reporting

The School Corporation had not designed or implemented adequate policies or procedures to ensure accurate reporting of the School Food Authority (SFA) Verification Collection Reports, Annual Financial Report, and monthly Sponsor Claims (claims for reimbursement). An oversight or review process had not been established.

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)

The School Corporation had not designed or implemented adequate policies or procedures to ensure that the paid lunch equity calculations were accurate. An oversight or review process had not been established.

Context

The lack of controls was a systemic problem. There were no controls throughout the audit period.

Criteria

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. . . ."

Cause

The School Corporation had not designed or implemented adequate policies and procedures that segregated key functions related to the compliance requirements listed above.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. The lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

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

FINDING 2015-004 - CASH MANAGEMENT

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): FY 13-14, FY 14-15
Pass-Through Entity: Indiana Department of Education

Condition

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

The School Corporation had not designed or implemented adequate policies or procedures to ensure that the School Lunch fund cash balance (Net Cash Resources) did not exceed the 3 months average expenditures. An oversight or review process had not been established.

The School Corporation did not comply with the Cash Management requirement that they limit their cash balance to the 3 months average expenditures.

Context

This is a systemic problem. The cash balance in the School Lunch fund (Net Cash Resources) exceeded the 3 months average expenditures for all 24 months of the audit period.

Criteria

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. . . ."

7 CFR 210.14(b) states:

"*Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with §210.19(a)."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . with respect to participating schools under its jurisdiction: . . ."

(iv) Limit its net cash resource to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency; . . ."

Cause

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the Cash Management requirements of the programs.

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Cash Management requirements. We also recommended the School Corporation comply with the Cash Management requirements.

Views of Responsible Officials

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

FINDING 2015-005 - SUSPENSION AND DEBARMENT

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. There were no controls to ensure that vendors were not suspended or debarred from participation in federal programs.

The School Corporation did not comply with the Procurement and Suspension and Debarment requirements. They did not complete any of the possible actions to ensure that contractors procured were not suspended or debarred.

Context

This was a systemic problem. The School Corporation failed to comply with the Procurement and Suspension and Debarment compliance requirement throughout the audit period.

Criteria

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. . . ."

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

2 CFR 180.300 states:

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

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation establish controls, including segregation of duties related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. We also recommended that the School Corporation comply with the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

FINDING 2015-006 - PROGRAM INCOME

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15

Pass-Through Entity: Indiana Department of Education

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

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement. The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded in the financial records. An oversight or review process had not been established.

The School Corporation did not comply with Program Income requirements. They did not transfer the correct amount of sales from the prepaid food account. The transfers of prepayments from the Lunch Fund Student/Adult Prepaid fund to the School Lunch fund was the difference between the beginning balance in the account and the ending positive prepaid balance per the eTriton food service software. The difference was transferred to the School Lunch fund in order to balance.

Context

This is a systemic problem. Program Income was not properly recorded in the School Lunch fund throughout the audit period.

Criteria

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. . . ."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). Subsidiary records by student should be routinely reconciled to the cash balance and at month end. (The School Administrator and Uniform Compliance Guidelines Vol.183)

Cause

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

Effect

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

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Program Income requirements. We also recommended that the School Corporation comply with the Program Income requirements.

Views of Responsible Officials

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

FINDING 2015-007 - PROCUREMENT

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): 14213-051-PN01, 14214-051-PN01,
14215-051-PN01, A58-3-13DL-065,
99914-051-TA01, 45713-051-PN01,
45714-051-PN01, 45715-051-PN01

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The Director of Special Education was responsible for contracting with Occupational Therapists. There were no controls to ensure that the contracts were procured in accordance with program requirements.

Context

This was a systemic problem. The School Corporation did not have controls in place throughout the audit period.

Criteria

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. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

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

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2015-008 - 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): 14213-051-PN01, 14214-051-PN01,
14215-051-PN01, A58-3-13DL-065,
99914-051-TA01, 45713-051-PN01,
45714-051-PN01, 45715-051-PN01

Pass-Through Entity: Indiana Department of Education

Condition

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

The School Corporation had no policies or procedures in place to ensure compliance with Reporting requirements for the Final Expenditure Reports. There was no written evidence of a review prior to submission of the Final Expenditure Reports.

Context

A Final Expenditure Report was prepared for each grant and the lack of controls applied to all Final Expenditure Reports submitted.

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

Criteria

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. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2015-009 - SUSPENSION AND DEBARMENT

Federal Agency: Department of Education

Federal Program: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-051-PN01, 14214-051-PN01,
14215-051-PN01, A58-3-13DL-065,
99914-051-TA01, 45713-051-PN01,
45714-051-PN01, 45715-051-PN01

Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

The School Corporation did not have adequate policies and procedures in place to ensure that contractors procured for personal services were not suspended or debarred from participation in federal programs. The School Corporation did not complete any of the possible actions to ensure that contractors procured were not suspended or debarred.

Context

This lack of controls and compliance was a systemic problem which occurred throughout the audit period.

Criteria

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. . . ."

2 CFR 180.300 states:

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

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. We also recommended the School Corporation comply with the Procurement and Suspension and Debarment compliance requirement.

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

Views of Responsible Officials

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

**FINDING 2015-010 - INTERNAL CONTROL OVER TITLE I
GRANTS TO LOCAL EDUCATIONAL AGENCIES**

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 12-3815, 13-3815, 14-3815
Pass-Through Entity: Indiana Department of Education

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Availability, Cash Management, Level of Effort, Reporting, Special Tests and Provisions - Schoolwide Programs, and Special Tests and Provisions - Comparability.

Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Availability

Literacy Coaches were salaried positions paid from Title I funding. There were no controls to ensure that their salaries were allowable activities and allowable costs, or that their salaries were within the period of availability of the program. There was no evidence of a review or approval process.

Cash Management

There were no controls to ensure compliance with the Cash Management requirement that expenditures were paid before reimbursement was requested. The Treasurer prepared the monthly Reimbursement Form from supporting documentation. There was no evidence of adequate oversight or review of the supporting documentation to ensure prior payment before submission.

Level of Effort

The amounts used in the computation of Maintenance of Effort (MOE) were calculated at the State level using the Form 9. These reports, which included financial activity of all funds and were the basis for the financial statement, were signed by the Treasurer, Superintendent of Schools, and President of the School Board. Although the reports contained all of the required certifications, there was no written evidence of adequate oversight or review before submission.

Reporting

Reimbursement Forms

Monthly Reimbursement Forms were prepared by the Treasurer and reviewed by the Title I Director. There was no evidence of adequate oversight or review of the supporting documentation before submission of the Reimbursement Forms.

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

Final Expenditure Report

The Final Expenditure Report was prepared annually by the Treasurer and reviewed by the Title I Director. There was no evidence of adequate oversight or review of the supporting documentation before submission of the Final Expenditure Reports.

Student Per Pupil Expenditure Report

There were no controls to ensure the accuracy of the financial information submitted by the School Corporation and used by the Indiana Department of Education (IDOE) to file State Per Pupil Expenditure (SPPE) reports. The Form 9, which included financial activity of all funds and was the basis for the financial statement, was signed by the Treasurer, Superintendent of Schools, and President of the School Board. Although the reports contained all of the required certifications, there was no evidence of adequate oversight or review before submission.

Special Tests and Provisions

Schoolwide Programs

The Elementary School Principal prepared a School Improvement Plan for Rensselaer Central Elementary School each year. No documentation was presented to indicate that the Superintendent of Schools or School Board reviewed and approved each of the School Improvement Plans.

Comparability

The Title I Director independently prepared the Comparability Report. There were no controls to ensure that the report was accurate prior to submission.

Context

The lack of controls was a systemic problem. There was no written evidence of controls throughout the audit period.

Criteria

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. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

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

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

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.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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

RENSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-002


Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Lori Zeider
Contact Phone Number: 219-866-7822

Status of Audit Finding:

The Child Nutrition Program was transitioned into the Rensselaer Central Schools Corporation financial statement as of July 1, 2014.

The segregation of duties are being reviewed. All financial records are now the responsibility of the Rensselaer Central Schools Corporation Treasurer.

However, the school is a very small governmental unit and management has determined that the cost associated with employing additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the their treasurer's office


(Signature)
SUPERINTENDENT
(Title)
3-23-17
(Date)

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

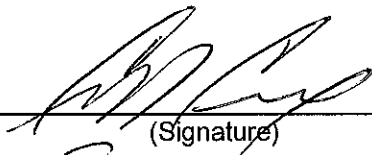
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-003

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Dawn D. Claussen
Contact Phone Number: 219-866-7822

Status of Audit Finding:

The Educational Jobs Federal Program is no longer available. If the program was available, the Corporation treasurer's office would review their office procedures and attempt to institute duties that would involve, at least on a sample basis, review of the work being performed by each of the office employees. However, the school is a very small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of their treasurer's office.



(Signature)
SUPERINTENDENT

(Title)
3-16-17

(Date)

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RENSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2015-001 – Financial Transactions and Reporting

Contact Person Responsible for Corrective Action: Curtis Craig – Superintendent and Dawn Claussen, Treasurer

Contact Phone Number: 219-866-7822

Description of Corrective Action Plan:

1. **Lack of Segregation of Duties** – The Corporation Treasurer's office will review the office procedures and institute duties that would involve another employee in the office to review receipts, disbursements and preparation of the financial statements.
2. **Monitoring of Controls** – The Corporation Treasurer's office will review the office procedures and institute duties to monitor and assess the quality of the system of internal controls.
3. **Preparing Financial Statement** – The Corporation Treasurer's office will review the office procedures and institute controls over the preparation of the financial statement to prevent or detect material misstatements. The Form 9 report will be reviewed by the Board of School Trustees and signed by the President, Superintendent and the Treasurer before being submitted. Supporting documents of the ledger activity will be provided to the Superintendent and President to use in their reviews and the documents will be retained for audit.

The School Corporation is small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the Corporation Treasurer's office

Anticipated Completion Date: June 30, 2017



(Signature)

Superintendent

(Title)

May 19, 2017

(Date)

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RENSSELAER CENTRAL SCHOOLS CORPORATION

CORRECTIVE ACTION PLAN

Mr. Curtis Craig
Superintendent

FINDING 2015-002 – Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Curtis Craig – Superintendent and Dawn Claussen, Treasurer

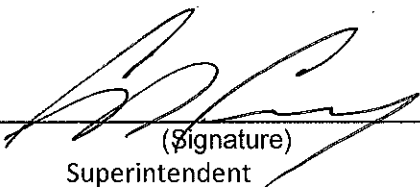
Contact Phone Number: 219-866-7822

Description of Corrective Action Plan:

The Corporation's Treasurer's office will establish a procedure to make sure the correct expenditures are reported on the SEFA report before submitted on Gateway. A spreadsheet will be created and reviewed before entering on the Annual Report.

The School Corporation is small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the Corporation Treasurer's office

Anticipated Completion Date: June 30, 2017



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Superintendent

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May 19, 2017

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2015-003 – Internal Controls over the Child Nutrition Cluster

Contact Person Responsible for Corrective Action: Curtis Craig – Superintendent and Dawn Claussen, Treasurer, Lori Zeider, Food Service Director
Contact Phone Number: 219-866-7822

Description of Corrective Action Plan:

1. **Activities Allowed and Unallowed and Allowable Cost/Cost Principles** - The School Corporation will establish an effective internal control system. As of July 1, 2015, the School Corporation took over the financial responsibility of the Rensselaer Lunch program. The expenditures are submitted by the Food Service Director who signs them to indicate the expenditures are allowed activities and costs and processed by the Treasurer for payment.
2. **Procurement** -- The Food Service Director is aware of the School Board policy and will follow the procedures.
3. **Reporting** – The School Corporation will design procedures to ensure adequate reporting done by the Food Service Director and Treasurer.
4. **Special Tests and Provisions** – Paid Lunch Equity – The School Corporation will design an adequate procedure to ensure the calculations were accurate.

The School Corporation is small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the Corporation Treasurer's office.

Anticipated Completion Date: June 30, 2017



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Superintendent

(Title)
May 19, 2017

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2015-004 – Cash Management

Contact Person Responsible for Corrective Action: Curtis Craig – Superintendent and Dawn Claussen, Treasurer, Lori Zeider, Food Service Director
Contact Phone Number: 219-866-7822


Description of Corrective Action Plan:

The School Corporation and the Food Service Director will review the policies and procedures on an annual basis.

The Food Service Director will prepare the three month rolling average of expenditures and compare that amount with the end of month balance of the School Lunch Fund. The Treasurer will review the three month's average expenditures in compliance with Cash Management requirements.

The School Corporation is small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the Corporation Treasurer's office

Anticipated Completion Date: June 30, 2017



(Signature)
Superintendent

(Title)
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(Date)

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RENSSELAER CENTRAL SCHOOLS CORPORATION

CORRECTIVE ACTION PLAN

Mr. Curtis Craig
Superintendent

FINDING 2015-005 – Suspension and Debarment

Contact Person Responsible for Corrective Action: Curtis Craig – Superintendent and Dawn Claussen, Treasurer, Lori Zeider, Food Service Director

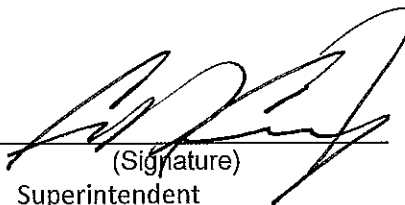
Contact Phone Number: 219-866-7822

Description of Corrective Action Plan:

The School Lunch fund will implement the internal control of certifying all vendors purchases are from a reputable company and in good standing. The Certification regarding Debarment, Suspension, Indelibility, and Voluntary Exclusion form will be sent along with the bid process. The SAM Exclusion website will also be viewed and a printout retained for documentation.

The School Corporation is small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the Corporation Treasurer's office.

Anticipated Completion Date: June 30, 2017



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(Title)
May 19, 2017

(Date)

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RENSELAER CENTRAL SCHOOLS CORPORATION

CORRECTIVE ACTION PLAN

Mr. Curtis Craig
Superintendent

FINDING 2015-006 – Program Income

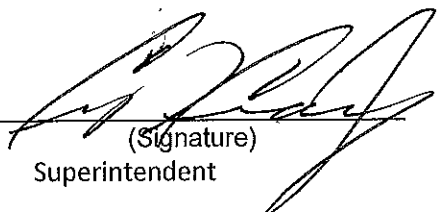
Contact Person Responsible for Corrective Action: Curtis Craig – Superintendent and Dawn Claussen, Treasurer, Lori Zeider, Food Service Director
Contact Phone Number: 219-866-7822

Description of Corrective Action Plan:

The School Corporation will implement internal controls over the program income transfers of sales from the pre-paid fund to the school lunch fund on monthly basis.

The School Corporation is small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the Corporation Treasurer's office.

Anticipated Completion Date: June 30, 2017



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Superintendent

(Title)
May 19, 2017

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RENSSELAER CENTRAL SCHOOLS CORPORATION

CORRECTIVE ACTION PLAN

Mr. Curtis Craig
Superintendent

FINDING 2015-007 – Procurement

Contact Person Responsible for Corrective Action: Curtis Craig – Superintendent and Dawn Claussen, Treasurer


Contact Phone Number: 219-866-7822

Description of Corrective Action Plan:

During this audit period, Cooperative School Services LEA was West Central School Corporation. As of July 1, 2016, the LEA of Cooperative School Services was transferred to Rensselaer Central Schools. Rensselaer Central Schools will work with Cooperative School Services to implement an internal control system to ensure compliance with requirements related to the grant agreement and the Procurement compliance requirements are met.

The School Corporation is small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the Corporation Treasurer's office

Anticipated Completion Date: June 30, 2017



(Signature)
Superintendent

(Title)
May 19, 2017

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2015-008 – Reporting

Contact Person Responsible for Corrective Action: Curtis Craig – Superintendent and Dawn Claussen, Treasurer
Contact Phone Number: 219-866-7822

Description of Corrective Action Plan:

During this audit period, Cooperative School Services LEA was West Central School Corporation. As of July 1, 2016, the LEA of Cooperative School Services was transferred to Rensselaer Central Schools. Rensselaer Central Schools will work with Cooperative School Services to implement procedures to ensure compliance requirements related to the grant agreement and the reporting compliance requirements are met.

The School Corporation is small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the Corporation Treasurer's office

Anticipated Completion Date: June 30, 2017



(Signature)
Superintendent

(Title)

May 19, 2017

(Date)

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2015-009 – Suspension and Debarment

Contact Person Responsible for Corrective Action: Curtis Craig – Superintendent and Dawn Claussen, Treasurer
Contact Phone Number: 219-866-7822

Description of Corrective Action Plan:

During this audit period, Cooperative School Services LEA was West Central School Corporation. As of July 1, 2016, the LEA of Cooperative School Services was transferred to Rensselaer Central Schools. Rensselaer Central Schools will work with Cooperative School Services to implement procedures to ensure compliance with requirements related to the grant agreement and the Suspension and Debarment compliance requirements are met.

The School Corporation is small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the Corporation Treasurer's office

Anticipated Completion Date: June 30, 2017



(Signature)
Superintendent

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May 19, 2017

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2015-010 – Internal Control over Title I Grants to Local Educational Agencies

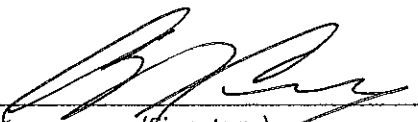
Contact Person Responsible for Corrective Action: Jennifer Norris, Title I Director, Curtis Craig, Superintendent and Dawn Claussen, Treasurer
Contact Phone Number: 219-866-7822

Description of Corrective Action Plan:

1. **Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Availability:** The Title I Director, Superintendent and Treasurer will draft administrative guidelines to implement an internal control system to ensure compliance with requirements.
2. **Cash Management:** The Title I Director, Superintendent and Treasurer will draft administrative guidelines to implement an internal control system to ensure compliance with requirements.
3. **Level of Effort:** The Title I Director, Superintendent and Treasurer will draft administrative guidelines to implement an internal control system to ensure compliance with requirements.
4. **Request for Reimbursement Reports:** The Title I Director, Superintendent and Treasurer will draft administrative guidelines to implement an internal control system to ensure compliance with requirements.
5. **Final Expenditure Report:** The Title I Director, Superintendent and Treasurer will draft administrative guidelines to implement an internal control system to ensure compliance with requirements.
6. **Student Per Pupil Expenditure Report:** The Title I Director, Superintendent and Treasurer will draft administrative guidelines to implement an internal control system to ensure compliance with requirements.
7. **School Wide Programs:** The Title I Director will add a signature page to the School Improvement Plans which indicates contribution or review of the plan to be signed by the School Improvement Committee, the Superintendent and School Board President.
8. **Comparability:** The Title I Director will prepare the Comparability Report. The report will be reviewed and signed by the Superintendent prior to submission.

The School Corporation is small governmental unit and management has determined that the cost associated with employing the additional staff necessary to properly segregate the duties in the office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of the Corporation Treasurer's office

Anticipated Completion Date: June 30, 2017



(Signature)
Superintendent

(Title)
May 19, 2017

(Date)

900 East Washington Street – Rensselaer, Indiana 47978

Phone 219.866.7822 – Fax 219.866.8360

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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/>.