

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT

OF

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
RIPLEY COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
09/12/2017

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|--------------------|----------------------|
| Treasurer | Lana M. Miller | 07-01-13 to 06-30-19 |
| Superintendent of Schools | Robert D. Moorhead | 07-01-13 to 06-30-20 |
| President of the School Board | Tim Taylor | 01-01-13 to 12-31-17 |



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SOUTH RIPLEY COMMUNITY
SCHOOL CORPORATION, RIPLEY COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the South Ripley Community 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 Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 17, 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

July 17, 2017



STATE OF INDIANA
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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 SOUTH RIPLEY COMMUNITY
SCHOOL CORPORATION, RIPLEY 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 South Ripley Community 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 July 17, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

South Ripley Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

July 17, 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.

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SOUTH RIPLEY COMMUNITY 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 | \$ 2,089,368 | \$ 8,338,060 | \$ 8,567,141 | \$ 2,126 | \$ 1,862,413 | \$ 8,503,369 | \$ 8,616,415 | \$ 727 | \$ 1,750,094 |
| Debt Service | 729,015 | 1,476,644 | 1,540,000 | - | 665,659 | 1,470,575 | 1,540,000 | 46,025 | 642,259 |
| Capital Projects | 779,738 | 1,025,404 | 842,492 | - | 962,650 | 1,098,221 | 967,176 | 32,476 | 1,126,171 |
| School Transportation | 1,142,987 | 708,739 | 722,833 | (130,800) | 998,093 | 755,634 | 769,721 | (91,375) | 892,631 |
| School Bus Replacement | 95,412 | 196,223 | - | - | 291,635 | 231,665 | 517,579 | 6,782 | 12,503 |
| Rainy Day | 600,199 | - | 91,760 | 130,800 | 639,239 | - | 398,070 | 120,000 | 361,169 |
| Construction | 421,893 | - | - | - | 421,893 | - | - | - | 421,893 |
| School Lunch | 72,077 | 731,997 | 694,556 | - | 109,518 | 779,407 | 740,842 | - | 148,083 |
| Textbook Rental | 21,595 | 115,735 | 88,558 | - | 48,772 | 103,549 | 123,019 | 6,216 | 35,518 |
| Repair and Replacement | - | - | - | - | - | 11,099 | 7,372 | - | 3,727 |
| Levy Excess | 13,664 | 106,460 | - | - | 120,124 | 7,312 | - | (120,124) | 7,312 |
| Educational License Plates | 477 | 150 | - | - | 627 | 150 | 777 | - | - |
| SAFE School Haven | (6,764) | 20,414 | 13,650 | - | - | 13,650 | 13,650 | - | - |
| Extra-Curricular Activities | 24,996 | 7,189 | 2,705 | - | 29,480 | 7,189 | 2,442 | - | 34,227 |
| Scholarships and Awards | 13,240 | 281 | 500 | - | 13,021 | 72 | 500 | - | 12,593 |
| Miscellaneous Programs | 812 | 817 | 808 | - | 821 | 868 | 1,689 | - | - |
| Natl Science-Energy Cont Award | - | 10,000 | - | - | 10,000 | - | 1,799 | - | 8,201 |
| Boren Foundation IPAD Grant | 620 | - | 620 | - | - | 5,000 | 5,000 | - | - |
| Ripley County Substance Abuse | 471 | - | 471 | - | - | - | - | - | - |
| RIP Co Comm Foundation-Grant | - | - | - | - | - | 500 | 500 | - | - |
| ECO15-PLTW/BIOMED Supplies Grant | - | 750 | 750 | - | - | - | - | - | - |
| ECO15-Dream It Do It Grant | 500 | 250 | 750 | - | - | - | - | - | - |
| RIP Co Safe Schools-Impact Grant | - | - | - | - | - | 25,300 | 25,300 | - | - |
| ECO15 Grant-EL Sandbox SR Project | - | - | - | - | - | 20,000 | - | - | 20,000 |
| R Sun Reg Found-Playgrd Equipment | - | - | - | - | - | 5,000 | 5,000 | - | - |
| Tyson Fund-1.1 Pilot Program | - | 87,204 | 81,295 | - | 5,909 | - | 5,909 | - | - |
| Tyson Fund-EL Playground | - | - | - | - | - | 65,000 | 65,000 | - | - |
| Lowe's Charity Found-IPADS/CAS | - | - | - | - | - | 4,270 | 4,248 | - | 22 |
| Medicaid Adm Claiming -PCG | 9,717 | 13,620 | - | - | 23,337 | 7,204 | 316 | - | 30,225 |
| Secured Schools Safety Grant | - | - | 2,226 | - | (2,226) | - | 44,727 | - | (46,953) |
| School Technology | 229 | 13,013 | 10,650 | - | 2,592 | 12,397 | 12,166 | - | 2,823 |
| Miscellaneous Programs | 1,693 | 7,614 | 7,907 | - | 1,400 | 2,430 | 4,293 | - | (463) |
| ISTA Settlement | - | 248,902 | - | - | 248,902 | - | 31,516 | - | 217,386 |
| Senator David Ford Technology | - | - | - | - | - | 82,630 | 93,667 | - | (11,037) |
| Title I 2012-2013 | (22,524) | 40,943 | 18,419 | - | - | - | - | - | - |
| Title I 2013-2014 | - | 203,816 | 229,335 | - | (25,519) | 40,055 | 14,536 | - | - |
| Title I 2014-2015 | - | - | - | - | - | 203,406 | 221,683 | - | (18,277) |
| Improving Teaching Quality, No Child Left, Title II, Part A | - | 55,116 | 65,137 | - | (10,021) | 79,646 | 70,666 | - | (1,041) |
| Rural Schools and Low Income Program - Pass Through State | - | - | - | - | - | 23,579 | 26,279 | - | (2,700) |
| Payroll Withholdings | - | 2,199,171 | 2,199,171 | - | - | 2,133,244 | 2,133,244 | - | - |
| Prepaid Food | - | - | - | - | - | 2,772 | 238 | - | 2,534 |
| Totals | \$ 5,989,415 | \$ 15,608,512 | \$ 15,181,734 | \$ 2,126 | \$ 6,418,319 | \$ 15,695,193 | \$ 16,465,339 | \$ 727 | \$ 5,648,900 |

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

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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, which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

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

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

Sale of capital assets, which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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.

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.

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures to the School Corporation were not made by June 30, 2015.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with the South Ripley Community 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 2014 and 2015 totaled \$1,540,000 and \$1,540,000, respectively.

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses the following benefits: health insurance, vision insurance, dental insurance and life insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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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.

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

| | General | Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Construction |
|---|---------------------|-------------------|---------------------|--------------------------|------------------------------|-------------------|-------------------|
| Cash and investments - beginning | \$ 2,089,368 | \$ 729,015 | \$ 779,738 | \$ 1,142,987 | \$ 95,412 | \$ 600,199 | \$ 421,893 |
| Receipts: | | | | | | | |
| Local sources | 67,329 | 1,476,644 | 1,025,173 | 708,739 | 196,223 | - | - |
| Intermediate sources | 24 | - | - | - | - | - | - |
| State sources | 7,598,904 | - | - | - | - | - | - |
| Federal sources | 67,782 | - | - | - | - | - | - |
| Other receipts | 604,021 | - | 231 | - | - | - | - |
| Total receipts | <u>8,338,060</u> | <u>1,476,644</u> | <u>1,025,404</u> | <u>708,739</u> | <u>196,223</u> | <u>-</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| Instruction | 5,981,505 | - | - | - | - | 91,760 | - |
| Support services | 2,469,123 | - | 733,161 | 722,833 | - | - | - |
| Noninstructional services | 114,037 | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | 109,331 | - | - | - | - |
| Debt services | 2,476 | 1,540,000 | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | <u>8,567,141</u> | <u>1,540,000</u> | <u>842,492</u> | <u>722,833</u> | <u>-</u> | <u>91,760</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>(229,081)</u> | <u>(63,356)</u> | <u>182,912</u> | <u>(14,094)</u> | <u>196,223</u> | <u>(91,760)</u> | <u>-</u> |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | 2,126 | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | 130,800 | - |
| Transfers out | - | - | - | (130,800) | - | - | - |
| Total other financing sources (uses) | <u>2,126</u> | <u>-</u> | <u>-</u> | <u>(130,800)</u> | <u>-</u> | <u>130,800</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(226,955)</u> | <u>(63,356)</u> | <u>182,912</u> | <u>(144,894)</u> | <u>196,223</u> | <u>39,040</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 1,862,413</u> | <u>\$ 665,659</u> | <u>\$ 962,650</u> | <u>\$ 998,093</u> | <u>\$ 291,635</u> | <u>\$ 639,239</u> | <u>\$ 421,893</u> |

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

| | School Lunch | Textbook Rental | Repair and Replacement | Levy Excess | Educational License Plates | SAFE School Haven | Extra- Curricular Activities |
|---|-------------------|--------------------|------------------------------|-------------------|----------------------------------|-------------------------|------------------------------------|
| Cash and investments - beginning | \$ 72,077 | \$ 21,595 | \$ - | \$ 13,664 | \$ 477 | \$ (6,764) | \$ 24,996 |
| Receipts: | | | | | | | |
| Local sources | 342,336 | 69,745 | - | 106,460 | - | - | 7,189 |
| Intermediate sources | - | - | - | - | 150 | - | - |
| State sources | 5,935 | 45,990 | - | - | - | 20,414 | - |
| Federal sources | 383,726 | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | <u>731,997</u> | <u>115,735</u> | <u>-</u> | <u>106,460</u> | <u>150</u> | <u>20,414</u> | <u>7,189</u> |
| Disbursements: | | | | | | | |
| Instruction | - | 9,396 | - | - | - | - | 2,705 |
| Support services | 29,503 | 79,162 | - | - | - | 13,650 | - |
| Noninstructional services | 661,257 | - | - | - | - | - | - |
| Facilities acquisition and construction | 3,796 | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | <u>694,556</u> | <u>88,558</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>13,650</u> | <u>2,705</u> |
| Excess (deficiency) of receipts over disbursements | <u>37,441</u> | <u>27,177</u> | <u>-</u> | <u>106,460</u> | <u>150</u> | <u>6,764</u> | <u>4,484</u> |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>37,441</u> | <u>27,177</u> | <u>-</u> | <u>106,460</u> | <u>150</u> | <u>6,764</u> | <u>4,484</u> |
| Cash and investments - ending | <u>\$ 109,518</u> | <u>\$ 48,772</u> | <u>\$ -</u> | <u>\$ 120,124</u> | <u>\$ 627</u> | <u>\$ -</u> | <u>\$ 29,480</u> |

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

| | Scholarships and Awards | Miscellaneous Programs | Natl Science-Energy Cont Award | Boren Foundation IPAD Grant | Ripley County Substance Abuse | RIP Co Comm Foundation-Grant | ECO15- PLTW/BIOMED Supplies Grant |
|---|-------------------------------|---------------------------|-----------------------------------|--------------------------------------|--|---------------------------------|---|
| Cash and investments - beginning | \$ 13,240 | \$ 812 | \$ - | \$ 620 | \$ 471 | \$ - | \$ - |
| Receipts: | | | | | | | |
| Local sources | 281 | - | 10,000 | - | - | - | - |
| Intermediate sources | - | 817 | - | - | - | - | 750 |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | 281 | 817 | 10,000 | - | - | - | 750 |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | 620 | 471 | - | 750 |
| Support services | - | 808 | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Nonprogrammed charges | 500 | - | - | - | - | - | - |
| Total disbursements | 500 | 808 | - | 620 | 471 | - | 750 |
| Excess (deficiency) of receipts over disbursements | (219) | 9 | 10,000 | (620) | (471) | - | - |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (219) | 9 | 10,000 | (620) | (471) | - | - |
| Cash and investments - ending | \$ 13,021 | \$ 821 | \$ 10,000 | \$ - | \$ - | \$ - | \$ - |

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

| | ECO15- Dream It Do It Grant | RIP Co Safe Schools- Impact Grant | ECO15 Grant-EL Sandbox SR Project | R Sun Reg Found- Playgrd Equipment | Tyson Fund-1.1 Pilot Program | Tyson Fund-EL Playground | Lowe's Charity- IPADS/CAS |
|---|--|---|---|---------------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Cash and investments - beginning | \$ 500 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | - |
| Intermediate sources | 250 | - | - | - | 87,204 | - | - |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | 250 | - | - | - | 87,204 | - | - |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | - | - | - | - |
| Support services | 750 | - | - | - | 81,295 | - | - |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | 750 | - | - | - | 81,295 | - | - |
| Excess (deficiency) of receipts over disbursements | (500) | - | - | - | 5,909 | - | - |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (500) | - | - | - | 5,909 | - | - |
| Cash and investments - ending | \$ - | \$ - | \$ - | \$ - | \$ 5,909 | \$ - | \$ - |

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

| | Medicaid Adm Claiming -PCG | Secured Schools Safety Grant | School Technology | Miscellaneous Programs | ISTA Settlement | Senator David Ford Technology | Title I 2012-2013 |
|---|-------------------------------------|---------------------------------------|----------------------|---------------------------|--------------------|--|----------------------|
| Cash and investments - beginning | \$ 9,717 | \$ - | \$ 229 | \$ 1,693 | \$ - | \$ - | \$ (22,524) |
| Receipts: | | | | | | | |
| Local sources | - | - | 13,013 | - | 248,902 | - | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | 40,943 |
| Other receipts | 13,620 | - | - | 7,614 | - | - | - |
| Total receipts | 13,620 | - | 13,013 | 7,614 | 248,902 | - | 40,943 |
| Disbursements: | | | | | | | |
| Instruction | - | - | 10,650 | - | - | - | 18,419 |
| Support services | - | 2,226 | - | 7,907 | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | - | 2,226 | 10,650 | 7,907 | - | - | 18,419 |
| Excess (deficiency) of receipts over disbursements | 13,620 | (2,226) | 2,363 | (293) | 248,902 | - | 22,524 |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 13,620 | (2,226) | 2,363 | (293) | 248,902 | - | 22,524 |
| Cash and investments - ending | \$ 23,337 | \$ (2,226) | \$ 2,592 | \$ 1,400 | \$ 248,902 | \$ - | \$ - |

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

| | Title I 2013-2014 | Title I 2014-2015 | Improving Teaching Quality, No Child Left, Title II, Part A | Rural Schools and Low Income Program - Pass Through State | Payroll Withholdings | Prepaid Food | Totals |
|---|----------------------|----------------------|--|--|-------------------------|-----------------|---------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,989,415 |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | 4,272,034 |
| Intermediate sources | - | - | - | - | - | - | 89,195 |
| State sources | - | - | - | - | - | - | 7,671,243 |
| Federal sources | 203,816 | - | 55,116 | - | - | - | 751,383 |
| Other receipts | - | - | - | - | 2,199,171 | - | 2,824,657 |
| Total receipts | <u>203,816</u> | <u>-</u> | <u>55,116</u> | <u>-</u> | <u>2,199,171</u> | <u>-</u> | <u>15,608,512</u> |
| Disbursements: | | | | | | | |
| Instruction | 228,431 | - | 65,137 | - | - | - | 6,409,844 |
| Support services | - | - | - | - | - | - | 4,140,418 |
| Noninstructional services | 904 | - | - | - | - | - | 776,198 |
| Facilities acquisition and construction | - | - | - | - | - | - | 113,127 |
| Debt services | - | - | - | - | - | - | 1,542,476 |
| Nonprogrammed charges | - | - | - | - | 2,199,171 | - | 2,199,671 |
| Total disbursements | <u>229,335</u> | <u>-</u> | <u>65,137</u> | <u>-</u> | <u>2,199,171</u> | <u>-</u> | <u>15,181,734</u> |
| Excess (deficiency) of receipts over disbursements | <u>(25,519)</u> | <u>-</u> | <u>(10,021)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>426,778</u> |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | 2,126 |
| Transfers in | - | - | - | - | - | - | 130,800 |
| Transfers out | - | - | - | - | - | - | (130,800) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,126</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(25,519)</u> | <u>-</u> | <u>(10,021)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>428,904</u> |
| Cash and investments - ending | <u>\$ (25,519)</u> | <u>\$ -</u> | <u>\$ (10,021)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,418,319</u> |

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

| | General | Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Construction |
|---|---------------------|-------------------|---------------------|--------------------------|------------------------------|-------------------|-------------------|
| Cash and investments - beginning | \$ 1,862,413 | \$ 665,659 | \$ 962,650 | \$ 998,093 | \$ 291,635 | \$ 639,239 | \$ 421,893 |
| Receipts: | | | | | | | |
| Local sources | 67,322 | 1,470,575 | 1,097,993 | 755,634 | 231,665 | - | - |
| Intermediate sources | 18 | - | - | - | - | - | - |
| State sources | 7,766,799 | - | - | - | - | - | - |
| Federal sources | 73,662 | - | - | - | - | - | - |
| Other receipts | 595,568 | - | 228 | - | - | - | - |
| Total receipts | <u>8,503,369</u> | <u>1,470,575</u> | <u>1,098,221</u> | <u>755,634</u> | <u>231,665</u> | <u>-</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| Instruction | 5,946,742 | - | - | - | - | 170,380 | - |
| Support services | 2,542,088 | - | 772,858 | 769,721 | 517,579 | 227,690 | - |
| Noninstructional services | 124,109 | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | 194,318 | - | - | - | - |
| Debt services | 3,476 | 1,540,000 | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | <u>8,616,415</u> | <u>1,540,000</u> | <u>967,176</u> | <u>769,721</u> | <u>517,579</u> | <u>398,070</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>(113,046)</u> | <u>(69,425)</u> | <u>131,045</u> | <u>(14,087)</u> | <u>(285,914)</u> | <u>(398,070)</u> | <u>-</u> |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | 727 | - | - | - | - | - | - |
| Transfers in | - | 52,241 | 32,476 | 28,625 | 6,782 | 120,000 | - |
| Transfers out | - | (6,216) | - | (120,000) | - | - | - |
| Total other financing sources (uses) | <u>727</u> | <u>46,025</u> | <u>32,476</u> | <u>(91,375)</u> | <u>6,782</u> | <u>120,000</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(112,319)</u> | <u>(23,400)</u> | <u>163,521</u> | <u>(105,462)</u> | <u>(279,132)</u> | <u>(278,070)</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 1,750,094</u> | <u>\$ 642,259</u> | <u>\$ 1,126,171</u> | <u>\$ 892,631</u> | <u>\$ 12,503</u> | <u>\$ 361,169</u> | <u>\$ 421,893</u> |

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

| | School Lunch | Textbook Rental | Repair and Replacement | Levy Excess | Educational License Plates | SAFE School Haven | Extra- Curricular Activities |
|---|-------------------|--------------------|------------------------------|------------------|----------------------------------|-------------------------|------------------------------------|
| Cash and investments - beginning | \$ 109,518 | \$ 48,772 | \$ - | \$ 120,124 | \$ 627 | \$ - | \$ 29,480 |
| Receipts: | | | | | | | |
| Local sources | 344,884 | 52,793 | 11,099 | 7,312 | - | - | 7,189 |
| Intermediate sources | - | - | - | - | 150 | - | - |
| State sources | 6,272 | 50,756 | - | - | - | 13,650 | - |
| Federal sources | 428,251 | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | <u>779,407</u> | <u>103,549</u> | <u>11,099</u> | <u>7,312</u> | <u>150</u> | <u>13,650</u> | <u>7,189</u> |
| Disbursements: | | | | | | | |
| Instruction | - | 8,304 | - | - | - | - | 2,442 |
| Support services | 31,504 | 114,715 | 7,372 | - | 777 | 13,650 | - |
| Noninstructional services | 695,026 | - | - | - | - | - | - |
| Facilities acquisition and construction | 6,754 | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Nonprogrammed charges | 7,558 | - | - | - | - | - | - |
| Total disbursements | <u>740,842</u> | <u>123,019</u> | <u>7,372</u> | <u>-</u> | <u>777</u> | <u>13,650</u> | <u>2,442</u> |
| Excess (deficiency) of receipts over disbursements | <u>38,565</u> | <u>(19,470)</u> | <u>3,727</u> | <u>7,312</u> | <u>(627)</u> | <u>-</u> | <u>4,747</u> |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | 6,216 | - | - | - | - | - |
| Transfers out | - | - | - | (120,124) | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>6,216</u> | <u>-</u> | <u>(120,124)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>38,565</u> | <u>(13,254)</u> | <u>3,727</u> | <u>(112,812)</u> | <u>(627)</u> | <u>-</u> | <u>4,747</u> |
| Cash and investments - ending | <u>\$ 148,083</u> | <u>\$ 35,518</u> | <u>\$ 3,727</u> | <u>\$ 7,312</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 34,227</u> |

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

| | Scholarships and Awards | Miscellaneous Programs | Natl Science-Energy Cont Award | Boren Foundation IPAD Grant | Ripley County Substance Abuse | RIP Co Comm Foundation-Grant | ECO15- PLTW/BIOMED Supplies Grant |
|---|-------------------------------|---------------------------|-----------------------------------|--------------------------------------|--|---------------------------------|---|
| Cash and investments - beginning | \$ 13,021 | \$ 821 | \$ 10,000 | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | |
| Local sources | 72 | - | - | - | - | - | - |
| Intermediate sources | - | 868 | - | 5,000 | - | 500 | - |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | <u>72</u> | <u>868</u> | <u>-</u> | <u>5,000</u> | <u>-</u> | <u>500</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| Instruction | - | - | 1,799 | 5,000 | - | - | - |
| Support services | - | 1,689 | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | 500 | - |
| Debt services | - | - | - | - | - | - | - |
| Nonprogrammed charges | 500 | - | - | - | - | - | - |
| Total disbursements | <u>500</u> | <u>1,689</u> | <u>1,799</u> | <u>5,000</u> | <u>-</u> | <u>500</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>(428)</u> | <u>(821)</u> | <u>(1,799)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(428)</u> | <u>(821)</u> | <u>(1,799)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 12,593</u> | <u>\$ -</u> | <u>\$ 8,201</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

| | ECO15- Dream It Do It Grant | RIP Co Safe Schools- Impact Grant | ECO15 Grant-EL Sandbox SR Project | R Sun Reg Found- Playgrd Equipment | Tyson Fund-1.1 Pilot Program | Tyson Fund-EL Playground | Lowe's Charity- IPADS/CAS |
|---|--|---|---|---------------------------------------|---------------------------------|-----------------------------|---------------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ 5,909 | \$ - | \$ - |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | - |
| Intermediate sources | - | 25,300 | 20,000 | 5,000 | - | 65,000 | 4,270 |
| State sources | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | - | 25,300 | 20,000 | 5,000 | - | 65,000 | 4,270 |
| Disbursements: | | | | | | | |
| Instruction | - | - | - | - | - | - | - |
| Support services | - | 2,110 | - | - | 5,909 | - | 4,248 |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | 23,190 | - | 5,000 | - | 65,000 | - |
| Debt services | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | - | 25,300 | - | 5,000 | 5,909 | 65,000 | 4,248 |
| Excess (deficiency) of receipts over disbursements | - | - | 20,000 | - | (5,909) | - | 22 |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | 20,000 | - | (5,909) | - | 22 |
| Cash and investments - ending | \$ - | \$ - | \$ 20,000 | \$ - | \$ - | \$ - | \$ 22 |

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

| | Medicaid Adm Claiming -PCG | Secured Schools Safety Grant | School Technology | Miscellaneous Programs | ISTA Settlement | Senator David Ford Technology | Title I 2012-2013 |
|---|-------------------------------------|---------------------------------------|----------------------|---------------------------|--------------------|--|----------------------|
| Cash and investments - beginning | \$ 23,337 | \$ (2,226) | \$ 2,592 | \$ 1,400 | \$ 248,902 | \$ - | \$ - |
| Receipts: | | | | | | | |
| Local sources | - | - | 8,206 | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - |
| State sources | - | - | 4,191 | - | - | 82,630 | - |
| Federal sources | - | - | - | - | - | - | - |
| Other receipts | 7,204 | - | - | 2,430 | - | - | - |
| Total receipts | 7,204 | - | 12,397 | 2,430 | - | 82,630 | - |
| Disbursements: | | | | | | | |
| Instruction | 316 | - | 12,166 | - | 31,516 | - | - |
| Support services | - | 44,727 | - | 4,293 | - | 93,667 | - |
| Noninstructional services | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - |
| Debt services | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - |
| Total disbursements | 316 | 44,727 | 12,166 | 4,293 | 31,516 | 93,667 | - |
| Excess (deficiency) of receipts over disbursements | 6,888 | (44,727) | 231 | (1,863) | (31,516) | (11,037) | - |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 6,888 | (44,727) | 231 | (1,863) | (31,516) | (11,037) | - |
| Cash and investments - ending | \$ 30,225 | \$ (46,953) | \$ 2,823 | \$ (463) | \$ 217,386 | \$ (11,037) | \$ - |

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

| | Title I 2013-2014 | Title I 2014-2015 | Improving Teaching Quality, No Child Left, Title II, Part A | Rural Schools and Low Income Program - Pass Through State | Payroll Withholding | Prepaid Food | Totals |
|---|----------------------|----------------------|--|--|------------------------|-----------------|---------------------|
| Cash and investments - beginning | \$ (25,519) | \$ - | \$ (10,021) | \$ - | \$ - | \$ - | \$ 6,418,319 |
| Receipts: | | | | | | | |
| Local sources | - | - | - | - | - | - | 4,054,744 |
| Intermediate sources | - | - | - | - | - | - | 126,106 |
| State sources | - | - | - | - | - | - | 7,924,298 |
| Federal sources | 40,055 | 203,406 | 79,646 | 23,579 | - | - | 848,599 |
| Other receipts | - | - | - | - | 2,133,244 | 2,772 | 2,741,446 |
| Total receipts | <u>40,055</u> | <u>203,406</u> | <u>79,646</u> | <u>23,579</u> | <u>2,133,244</u> | <u>2,772</u> | <u>15,695,193</u> |
| Disbursements: | | | | | | | |
| Instruction | 14,536 | 217,781 | 70,666 | 22,902 | - | - | 6,504,550 |
| Support services | - | 3,036 | - | 3,377 | - | - | 5,161,010 |
| Noninstructional services | - | 866 | - | - | - | - | 820,001 |
| Facilities acquisition and construction | - | - | - | - | - | - | 294,762 |
| Debt services | - | - | - | - | - | - | 1,543,476 |
| Nonprogrammed charges | - | - | - | - | 2,133,244 | 238 | 2,141,540 |
| Total disbursements | <u>14,536</u> | <u>221,683</u> | <u>70,666</u> | <u>26,279</u> | <u>2,133,244</u> | <u>238</u> | <u>16,465,339</u> |
| Excess (deficiency) of receipts over disbursements | <u>25,519</u> | <u>(18,277)</u> | <u>8,980</u> | <u>(2,700)</u> | <u>-</u> | <u>2,534</u> | <u>(770,146)</u> |
| Other financing sources (uses): | | | | | | | |
| Sale of capital assets | - | - | - | - | - | - | 727 |
| Transfers in | - | - | - | - | - | - | 246,340 |
| Transfers out | - | - | - | - | - | - | (246,340) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>727</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>25,519</u> | <u>(18,277)</u> | <u>8,980</u> | <u>(2,700)</u> | <u>-</u> | <u>2,534</u> | <u>(769,419)</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ (18,277)</u> | <u>\$ (1,041)</u> | <u>\$ (2,700)</u> | <u>\$ -</u> | <u>\$ 2,534</u> | <u>\$ 5,648,900</u> |

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

| Lessor | Purpose | Annual Lease Payment | Lease Beginning Date | Lease Ending Date |
|--|-------------------------------------|----------------------------|----------------------------|-------------------------|
| Governmental activities: | | | | |
| Kansas State Bank | 1:1 Initiative-Samsung Chromebooks | \$ 37,522 | 5/15/2014 | 5/15/2016 |
| Kansas State Bank | 1:1 Initiative-Dell Chromebooks | 64,185 | 4/28/2015 | 5/5/2017 |
| South Ripley Community Multi-School Building Corporation | Building/Renovation Project of 2008 | 1,540,000 | 7/15/2009 | 1/15/2029 |
| Ricoh USA Inc. | Copier Lease | 3,836 | 6/28/2014 | 6/28/2019 |
| Ricoh USA Inc. | Copier Lease | <u>10,447</u> | 6/18/2015 | 6/18/2020 |
| Total governmental activities | | <u>1,655,990</u> | | |
| Total of annual lease payments | | <u><u>\$ 1,655,990</u></u> | | |

SOUTH RIPLEY COMMUNITY 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.

| | Ending Balance |
|------------------------------------|-------------------|
| Governmental activities: | |
| Land | \$ 264,000 |
| Buildings | 28,930,000 |
| Improvements other than buildings | 793,788 |
| Machinery, equipment, and vehicles | 2,991,274 |
| Total governmental activities | 32,979,062 |
| Total capital assets | \$ 32,979,062 |

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF THE SOUTH RIPLEY COMMUNITY
SCHOOL CORPORATION, RIPLEY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the South Ripley Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 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.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-005. 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, and 2015-006, to be material weaknesses.

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

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

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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.

SOUTH RIPLEY COMMUNITY 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 | Total Federal Awards Expended 06-30-14 | Total Federal Awards Expended 06-30-15 |
|---|-------------------------------------|---------------------------|--|---|---|
| <u>Department of Agriculture</u> | | | | | |
| Child Nutrition Cluster | | | | | |
| School Breakfast Program | Indiana Department of Education | 10.553 | | | |
| | | | FY2014 | \$ 83,683 | \$ - |
| | | | FY2015 | - | 99,119 |
| | | | | <u>83,683</u> | <u>99,119</u> |
| Total - School Breakfast Program | | | | | |
| National School Lunch Program | Indiana Department of Education | 10.555 | | | |
| Commodities | | | FY2014 | 300,043 | - |
| | | | FY2014-FY2015 | 60,153 | 57,155 |
| | | | FY2015 | - | 329,132 |
| | | | | <u>360,196</u> | <u>386,287</u> |
| Total - National School Lunch Program | | | | | |
| Total - Child Nutrition Cluster | | | | <u>443,879</u> | <u>485,406</u> |
| Total - Department of Agriculture | | | | <u>443,879</u> | <u>485,406</u> |
| <u>Department of Education</u> | | | | | |
| Title I Grants to Local Educational Agencies | Indiana Department of Education | 84.010 | | | |
| Title I 2012-2013 | | | FY2013 | 40,943 | - |
| Title I 2013-2014 | | | FY2014 | 203,816 | 40,055 |
| Title I 2014-2015 | | | FY2015 | - | 203,406 |
| | | | | <u>244,759</u> | <u>243,461</u> |
| Total - Title I Grants to Local Educational Agencies | | | | | |
| Special Education Cluster (IDEA) | Indiana Department of Education | 84.027 | | | |
| Special Education_Grants to States | | | | | |
| FY2013 Part B 611 | | | 14213-052-PN01 | 253,132 | 56 |
| FY2014 Part B 611 | | | 14214-052-PN01 | 138,780 | 241,007 |
| FY 2015 Part B 611 | | | 14215-052-PN01 | - | 200,433 |
| FY2014 Federal Technical Assistance Grant | | | 99914-052-TA01 | 612 | 4,543 |
| | | | | <u>392,524</u> | <u>446,039</u> |
| Total - Special Education_Grants to States | | | | | |

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

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(Continued)

| Federal Grantor Agency Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Total Federal Awards Expended 06-30-14 | Total Federal Awards Expended 06-30-15 |
|---|-------------------------------------|---------------------------|--|---|---|
| <u>Department of Education (continued)</u> | | | | | |
| Special Education Cluster (IDEA) (Continued) | | | | | |
| Special Education_Preschool Grants | Indiana Department of Education | 84.173 | | | |
| FY2013 Federal Part B 619 | | | 45713-052-PN01 | 778 | - |
| FY2014 Federal Part B 619 | | | 45714-052-PN01 | <u>18</u> | <u>1,005</u> |
| Total - Special Education_Preschool Grants | | | | <u>796</u> | <u>1,005</u> |
| Total - Special Education Cluster (IDEA) | | | | <u>393,320</u> | <u>447,044</u> |
| Impact Aid | Direct Grant | 84.041 | | | |
| | | | FY2010 | - | 4,673 |
| | | | FY2011 | - | 1,207 |
| | | | FY2014 | 67,782 | - |
| | | | FY2015 | <u>-</u> | <u>67,782</u> |
| Total - Impact Aid | | | | <u>67,782</u> | <u>73,662</u> |
| Rural Education | Indiana Department of Education | 84.358 | | | |
| Rural & Low Income Grant | | | FY2013 | - | 22,108 |
| Rural & Low Income Grant | | | FY2014 | <u>-</u> | <u>1,471</u> |
| Total - Rural Education | | | | <u>-</u> | <u>23,579</u> |
| Supporting Effective Instruction State Grant | Indiana Department of Education | 84.367 | | | |
| Title II Class Size Reduction | | | FY2013 | - | 12,261 |
| Title II Class Size Reduction | | | FY2014 | <u>55,116</u> | <u>67,385</u> |
| Total - Supporting Effective Instruction State Grant | | | | <u>55,116</u> | <u>79,646</u> |
| Total - Department of Education | | | | <u>760,977</u> | <u>867,392</u> |
| Total federal awards expended | | | | <u>\$ 1,204,856</u> | <u>\$ 1,352,798</u> |

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

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation 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.

SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

| | |
|---|---------------|
| Internal control over major programs: | |
| Material weaknesses identified? | yes |
| Significant deficiencies identified? | none reported |
| Type of auditor's report issued on compliance for major program(s): | Unmodified |

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 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Condition

There was a deficiency in the internal control system of the School Corporation related to financial transactions and reporting.

Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to receipts. The Treasurer was solely responsible for issuing receipts and making deposits.

SOUTH RIPLEY COMMUNITY 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. . . ."

Cause

Management of the School Corporation had not established a proper system of internal control.

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 be 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). The Treasurer was the person solely responsible for preparing and submitting the SEFA. There was no segregation of duties or other compensating controls documented.

SOUTH RIPLEY COMMUNITY 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. . . ."

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 could have remained undetected.

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 - CASH MANAGEMENT AND REPORTING

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-052-PN01, 14214-052-PN01,
99914-052-TA01, 14215-052-PN01,
45714-052-PN01

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system, as it relates to the following compliance requirements: Cash Management and Reporting.

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

Cash Management

The School Corporation designated a fiscal agent to receive and manage the Special Education programs. Management of the School Corporation had not implemented controls over the fiscal agent as it relates to the Cash Management compliance requirement. Reimbursement requests were prepared by the fiscal agent's Treasurer. There was no control in place to ensure that expenditures were paid prior to requesting reimbursement.

Reporting

The School Corporation designated a fiscal agent to manage the Special Education programs. Management of the School Corporation has not implemented controls over the fiscal agent as it relates to the Reporting compliance requirement. Grant reports were prepared and submitted by the fiscal agent's Treasurer. There was no control in place to ensure that the reports were accurate prior to submission.

Context

Based on the initial assessment of the Special Education grants, it was determined the lack of controls was a systemic problem over the requirements listed above.

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 to provide oversight over duties performed by the fiscal agent to ensure compliance with the compliance requirements of the grant.

Effect

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements 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 related to the grant agreement and the compliance requirements listed above.

SOUTH RIPLEY COMMUNITY 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 2015-004 - INTERNAL CONTROLS OVER CHILD NUTRITION CLUSTER

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): FY2014, FY2015, FY2014-FY2015

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: Cash Management, Eligibility, Program Income, Reporting, and Special Test and Provisions - Verification of Free and Reduced Price Applications (NSLP).

Cash Management

A control process had not been established to ensure that the School Lunch fund's net cash resources were limited to the three months average expenditures.

Eligibility

A control process had not been established to ensure that eligibility determinations for free and reduced priced meals were accurately determined. There was no control in place to ensure that the information entered into the food service software from the free and reduced price meal applications was correct.

Program Income

A control process had not been established to ensure that program income was properly recorded in the financial records until January 1, 2015. After that time, the Treasurer began reconciling on a monthly basis the program income recorded in the financial records to the program income reported in the School Corporation's food service program.

Reporting

A control process had not been established to ensure the Sponsor Claim (claims for reimbursement) and School Food Authority (SFA) Collection Reports were accurate prior to submission.

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

A control process had not been established to ensure the verification of free and reduced priced applications was performed in accordance with program requirements.

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

Context

Based on the initial assessment of the Child Nutrition Cluster grants it was determined that the lack of controls over the compliance requirements listed above was a systemic problem.

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 internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements 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 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.

FINDING 2015-005 - SUSPENSION AND DEBARMENT

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015, FY2014-FY2015

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 requirement: Procurement and Suspension and Debarment.

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

The Department of Agriculture required the School Corporation to verify that awarded contracts exceeding \$25,000 were not with suspended or debarred entities. The School Corporation failed to provide evidence that a search of the Excluded Party List Systems was conducted, that certification from the entity was collected, or that a clause was added to the contract for all vendors with food service purchases in excess of \$25,000.

Context

The School Corporation did not comply with the suspension and debarment requirements for the applicable transactions for both school years.

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 over the suspension and debarment requirements.

Effect

The failure to establish controls enabled material noncompliance to occur. Noncompliance with 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, and develop procedures to comply with the requirements.

SOUTH RIPLEY COMMUNITY 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 2015-006 - ELIGIBILITY

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): FY2013, FY2014, FY2015

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 requirement: Eligibility.

A control process had not been established to ensure individual eligibility for students receiving assistance was properly determined.

Context

Based on the initial assessment of the Title I Grants to Local Educational Agencies, it was determined the lack of controls over Eligibility was a systemic problem.

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 of the School Corporation had not established a proper system of internal controls over the Eligibility requirements.

Effect

The failure to establish internal controls could have 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.

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

Recommendation

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



SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION

"Home of the Raiders"



Robert D. Moorhead, Superintendent

Lana M. Miller, Business Manager

207 W. Tyson Street, PO Box 690, Versailles, IN 47042
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-003 – INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES AND ARRA TITLE I GRANTS TO LOCAL EDUCATION AGENCIES, RECOVERY ACT

Fiscal year in which the finding initially occurred: FY2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Lana M. Miller
Contact Phone Number: 812-689-6282

Status of Audit Finding:

Cash Management and Period of Availability- At the conclusion of the last audit, we implemented a new control for the Title 1 Director or the Elementary Principal to review and sign off on the monthly reimbursement requests that are prepared by the Business Manager/Treasurer. Additionally, the State implemented a control that sends an email to the Title 1 Director informing he/she that a reimbursement request has been submitted by the Business Manager/Treasurer.

Level of Effort-The Business Manager/Treasurer monitors the school corporation expenditures so that instructional expenditures for the corporation are maintained and/or not decreasing. A percentage of salaries and employee benefits is calculated by the State and is reported on the Form 9 Report. This data provided by the State is also reviewed.

Eligibility-Several staff members are involved in the preparation and submittal of the Title 1 application. The Title 1 Director takes the lead role in grant submittal. The Business Manager/Treasurer does all cost calculations of proposed staff and benefit costs. The Elementary Principal and Title 1 Director present the best suitable staff to work in Title 1. The Superintendent and Business Manager review costs for the proposed staff. After review, the Superintendent approves the grant which includes the number and particular staff members to work in Title 1. These are all controls that have been in place for many years.

Reporting- See response above to Cash Management and Period of Availability. Since the last audit, a second person is reviewing all reports and reimbursement submissions.

Special Tests and Provisions, ARRA- Stimulus (ARRA) funds were not received during this audit period. We will report all federal money on the SEFA Report.

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FINDING 2013-004 – INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO EDUCATION JOBS FUND

Fiscal year in which the finding initially occurred: FY2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Lana M. Miller
Contact Phone Number: 812-689-6282

Status of Audit Finding: Education Jobs Funds were not received during this audit period. If funds are received in the future, we will segregate duties in the areas of application and compliance.

FINDING 2013-005 – SPECIAL TESTS AND PROVISIONS

Fiscal year in which the finding initially occurred: FY2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Lana M. Miller
Contact Phone Number: 812-689-6282

Status of Audit Finding: After the last audit, many changes were implemented for communication between the participating schools and the Ripley Ohio Dearborn Special Education Cooperative. The Treasurer of ROD provides spreadsheets showing the approved grant allocations and expenditures for each school. We will report on the SEFA all federal revenue that is held and expended by ROD, on behalf of South Ripley. The reports that are provided by ROD to each participating school have aided in meeting compliance requirements.

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FINDING 2013-006 – INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO SPECIAL EDUCATION – GRANTS TO STATES AND ARRA SPECIAL EDUCATION – GRANTS TO STATES, RECOVERY ACT

Fiscal year in which the finding initially occurred: FY2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Lana M. Miller
Contact Phone Number: 812-689-6282

Status of Audit Finding: After the last audit, many changes were implemented for communication between the participating schools and the Ripley Ohio Dearborn Special Education Cooperative. The Superintendents got involved and asked the State Board of Accounts what specifically ROD and the participating schools needed to do to be compliant. The Treasurer of ROD provides spreadsheets showing the approved grant allocations and expenditures for each school. We will report on the SEFA all federal revenue that is held and expended by ROD, on behalf of South Ripley. She also provides copies of grant applications and award letters along with all reimbursement reports. The reports that are provided by ROD to each participating school have aided tremendously in meeting compliance requirements. The monthly reimbursement requests are additionally separated by federal and local monies. South Ripley has a second person review the monthly reimbursement requests.

Lana M. Miller
(Signature)

Business Manager/Treasurer
(Title)

3-2-2017
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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CORRECTIVE ACTION PLAN

FINDING 2015-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Contact Person Responsible for Corrective Action: Lana M. Miller
Contact Phone Number: 812-689-6282

Views of Responsible Official: The SBOA auditor was auditing our FY2011-2013 records in April of 2014. Changes were implemented immediately in April of 2014 for segregation of duties relating to receipting funds. This is a repeat Finding, due to the timing delay of the audits. We were well into the FY2013-2015 time period when the prior audit was taking place.

Description of Corrective Action Plan: Segregation of duties and controls in the Administration Office were reviewed and procedures updated in 2014. The Business Manager/Treasurer prepares the receipts and signs the receipts. The Deputy Treasurer then reviews the printed receipt and documentation from the check, along with the deposit ticket. After review, the second person initials. The Deputy Treasurer reviews and approves monthly bank statements prepared by the Business Manager/Treasurer. Both the Business Manager/Treasurer and Deputy Treasurer share in payroll functions. A third employee helps in the Administration Office for 4 days per month assisting with accounts payable and preparing claims. This person additionally prepares checks for mailing, once the checks are written and signed by the Business Manager/Treasurer.

Anticipated Completion Date: This was completed in May 2014.

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

Contact Person Responsible for Corrective Action: Lana M. Miller
Contact Phone Number: 812-689-6282

Views of Responsible Official: The Schedule of Expenditures of Federal Awards (SEFA) is an online report prepared in Gateway. The Business Manager/Treasurer prepares and submits the report based on receipts and expenditures from the Budgetary Software. To our knowledge, a second person review is not required in Gateway, nor listed in the instructions. We were unaware that a second person needs to review and approve the SEFA. The SEFA is merely a report that lists only federal receipts and expenditures. We are happy to have a review done by a second person in our office. It is important to note that the Auditor reviews the SEFA in its' entirety during the audit.

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Description of Corrective Action Plan: A second person will review the Schedule of Expenditures of Federal Awards (SEFA).

Anticipated Completion Date: With the next SEFA which is due 8-29-2017.

FINDING 2015-003 - CASH MANAGEMENT AND REPORTING

Contact Person Responsible for Corrective Action: Lana M. Miller
Contact Phone Number:812-689-6282

Views of Responsible Official: This Finding is for the Ripley-Ohio-Dearborn Special Education Cooperative (ROD) and relates to Special Education Grants that they receive on behalf of South Ripley Community School Corporation and its' other participating schools. We are told by our Auditor that all participating schools will receive this same Finding.

Description of Corrective Action Plan: After our last audit, the Superintendents of the participating schools of ROD invited the Indiana State Board of Accounts and the Indiana Department of Education to review the reports of ROD and help determine what was needed for ROD and also its participating schools to become compliant. After much discussion and review, guidance was provided to Marcia Fullenkamp, Treasurer of ROD.

I asked for a response from Marcia Fullenkamp to include in this Corrective Action Plan. This response was provided to me via email on 7/11/2017 by Marcia Fullenkamp, Treasurer of the Ripley Ohio Dearborn Special Education Cooperative. "A form has been created that is presented at the monthly ROD Board meetings in which the superintendent(s) will review and sign. This form will list each fund along with the fund balance, date of availability, cash balance and reporting information. Copies of all grant applications, revisions, reimbursement requests and final reports are received and filed."

Additionally, guidance and understanding was provided to ROD concerning the information ROD needs to provide that gets reported by the participating schools on their individual Schedule of Expenditures of Federal Awards (SEFA).

Anticipated Completion Date: Completed in 2016 per M. Fullenkamp.

FINDING 2015-004 - INTERNAL CONTROLS OVER CHILD NUTRITION CLUSTER

Contact Person Responsible for Corrective Action: Lana M. Miller
Contact Phone Number:812-689-6282

Views of Responsible Official: We have not had a full review of our Child Nutrition Cluster in several years. We are happy to provide some more oversight and segregations of duties in this area. Although several staff members are involved in the Food Service reporting and management, we couldn't present auditable paperwork for review during the audit to prove multiple staff involvement.

Description of Corrective Action Plan: We immediately made changes during this audit to provide oversight that was auditable. We immediately purchased and provided "Reviewed By" stamps to the two Food Service Managers and the Food Service Clerical staff. They immediately began using these to show they are reviewing paperwork and actually signing off with their approval.

Cafeteria Fund Cash Balance Review-Although all funds are balanced and reviewed daily by the Business Manager/Treasurer, and the Board reviews all balances monthly, the Auditor wanted to see we had a control process in place that showed our specific review of the Food Service cash balance. In particular that it's resources were limited to the average expenditures for three months. The Business Manager/Treasurer immediately added this calculation to her spreadsheet for periodic review that can be audited.

Free and Reduced Eligibility Determinations- A second person will sign off that they have reviewed the applications including the entry of the applications into our computer system.

Program Income- January 1, 2015 we began using Fund 8400-Prepaid Food. We were advised to begin using this fund during our last audit. The prepaid funds had to be moved from 0800 Cafeteria Fund to the 8400 Prepaid Fund. Thus, starting the new calendar year with the new fund was the best way for us to begin the new procedure.

Anticipated Completion Date: August 1, 2017 or as stated above.

FINDING 2015-005 - SUSPENSION AND DEBARMENT

Contact Person Responsible for Corrective Action: Lana M. Miller
Contact Phone Number: 812-689-6282

Views of Responsible Official: This is a federal requirement of which we had no knowledge.

Description of Corrective Action Plan: We immediately began using the SAMS website to verify that vendors have not been suspended or debarred. This is for vendors used for contracts exceeding \$25,000 that involve federal funds.

Anticipated Completion Date: August 1, 2017.

FINDING 2015-006 - ELIGIBILITY

Contact Person Responsible for Corrective Action: Elementary Principal Amy Linkel
Contact Phone Number: 812-689-5383

Views of Responsible Official: Multiple staff members are involved in the Title 1 federal program and eligibility determination. Principal Amy Linkel presented several spreadsheets and paperwork showing how eligibility is properly determined per grant guidelines at South Ripley Elementary School. The underlying issue involved providing something that was auditable to prove segregation of duties and additional oversight by other staff in regard to eligibility.

Description of Corrective Action Plan: An Action Plan is not needed as effective with the 2016-2017 school year, South Ripley Community School Corporation became classified as School Wide for Title 1. This means all students are eligible.

Anticipated Completion Date: Not Applicable

Lana M. Miller
(Signature)

Business Manager/Treasurer
(Title)
July 14 2017
(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.