

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

SINGLE AUDIT REPORT
OF
ROCHESTER COMMUNITY SCHOOL CORPORATION
FULTON COUNTY, INDIANA
July 1, 2014 to June 30, 2016



FILED
02/19/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sheila Howe	07-01-14 to 09-26-14
	(Vacant)	09-27-14 to 11-23-14
	Sherie Breitenbach	11-24-14 to 11-13-15
	(Vacant)	11-14-15 to 01-17-16
	Valerie Gillespie	01-18-16 to 12-31-18
Superintendent of Schools	Jana K. Vance	07-01-14 to 12-31-18
President of the School Board	Thomas Schwenk	01-01-14 to 12-31-16
	John Bradley Weaver	01-01-17 to 12-31-18



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE ROCHESTER COMMUNITY SCHOOL
CORPORATION, FULTON COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Rochester Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, 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, 2014 to June 30, 2016.

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, 2014 to June 30, 2016, 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 January 30, 2018, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

January 30, 2018



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

TO: THE OFFICIALS OF THE ROCHESTER COMMUNITY SCHOOL
CORPORATION, FULTON 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 Rochester Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated January 30, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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 2016-001 and 2016-002 to be material weaknesses.

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

Compliance and Other Matters

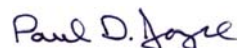
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001 and 2016-002.

Rochester 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

January 30, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

ROCHESTER COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 753,060	\$ 12,095,611	\$ 11,948,958	\$ (50,000)	\$ 849,713	\$ 11,877,478	\$ 12,433,676	\$ -	\$ 293,515
Debt Service	1,536,644	2,335,054	2,531,791	175,976	1,515,883	3,158,357	3,006,180	69,715	1,737,775
Capital Projects	740,312	1,713,944	1,790,433	-	663,823	1,646,889	1,094,921	67,375	1,283,166
School Transportation	840,473	811,725	686,641	-	965,557	795,975	667,189	-	1,094,343
School Bus Replacement	274,410	210,090	190,922	-	293,578	207,285	154,429	-	346,434
Rainy Day	70,545	-	-	-	70,545	48,873	-	-	119,418
Construction	4,469,843	-	4,310,159	1,856,270	2,015,954	-	1,879,090	(126,697)	10,167
2015 Construction Account	-	-	-	-	-	309	1,268,153	8,375,500	7,107,656
School Lunch	349,443	1,011,201	906,490	-	454,154	917,137	982,644	-	388,647
Textbook Rental	82,556	179,442	51,970	-	210,028	218,026	365,502	-	62,552
Repair and Replacement	276,505	-	85,001	50,000	241,504	-	-	-	241,504
Self-Insurance	85,255	2,062,212	1,810,464	-	337,003	1,342,743	1,999,159	-	(319,413)
Educational License Plates	1,610	262	-	-	1,872	206	-	-	2,078
Rochester Royals Donation Fund	450	-	-	-	450	-	-	-	450
Coca-Cola Fund	778	194	-	-	972	90	-	-	1,062
Transportation/Insurance Fees	10,445	3,670	10,000	-	4,115	-	-	-	4,115
Technology Curricular Materials	7,435	12,321	19,756	-	-	-	-	-	-
Ivy Tech Facility Rental Payment	212,466	62,490	249,376	-	25,580	41,244	-	78,069	144,893
Donations	604	17,750	6,205	-	12,149	12,540	8,435	-	16,254
RMS PBL	2,416	-	-	-	2,416	-	-	-	2,416
New Tech High Donation Fund	14,212	7,410	6,226	-	15,396	-	1,317	-	14,079
Rob Duzan Scholarship Fund	1,253	1,132	1,255	-	1,130	-	-	-	1,130
Bill Kurz Scholarship Fund	4,537	5,351	4,537	-	5,351	2,336	1,200	-	6,487
Miscellaneous Programs	1,790	-	-	-	1,790	-	-	-	1,790
NTH Fund From Tours	19,806	-	3,554	-	16,252	-	8,545	-	7,707
G.I.V.E. Local Donations	205	-	-	-	205	-	-	-	205
Admin Donation Fund	875	-	-	-	875	-	-	-	875
Hurricane Education Fund	3,000	-	-	-	3,000	-	-	-	3,000
Formative Assessment	-	-	-	-	-	23,240	-	-	23,240
High Ability 2013-2014	1,970	-	1,970	-	-	-	-	-	-
High Ability 2014-2015	-	31,674	24,912	-	6,762	-	6,762	-	-
High Ability 2015-2016	-	-	-	-	-	32,722	23,300	-	9,422
Medicaid Reimbursement	93,863	200	40,984	104,906	157,985	16,433	43,263	121,683	252,838
Secured Schools Safety Grant	(6,304)	50,000	60,038	-	(16,342)	-	28,694	-	(45,036)
NESP 2013-2014	1,856	-	1,856	-	-	-	-	-	-
School Technology	12,975	-	-	-	12,975	6,564	-	-	19,539
Performance Based Awards	-	61,213	59,110	-	2,103	-	-	-	2,103

ROCHESTER COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
2016 Performance Based Awards	-	-	-	-	-	46,155	46,155	-	-
Graduation Rate Performance	11	-	-	-	11	-	-	-	11
RHS Classroom Math	284	-	-	-	284	-	-	-	284
E-Rate	-	1,272	-	-	1,272	-	500	-	772
Safe Haven Grant 2016	-	-	-	-	-	-	8,000	-	(8,000)
Title I 2012-2013	(418)	-	(418)	-	-	-	-	-	-
Title I 2013-2014	(65,667)	74,658	8,991	-	-	-	-	-	-
Title I 2014-2015	-	246,360	272,594	-	(26,234)	93,162	66,928	-	-
Title I 2015-2016	-	-	-	-	-	246,887	270,208	-	(23,321)
Special Education Part B 2012-2013	(2,419)	43,264	40,845	-	-	-	-	-	-
Special Education Preschool 2012-2013	(379)	566	187	-	-	-	-	-	-
Special Education Part B 2013-2014	(143,018)	156,530	132,695	-	(119,183)	123,884	4,700	-	1
Special Education Preschool 2013-2014	(8,209)	9,154	945	-	-	-	-	-	-
Special Education 2013-2014 Professional Development	(1,147)	1,147	3,721	-	(3,721)	3,825	104	-	-
Title V 2007-2008	3,026	-	-	-	3,026	-	-	-	3,026
IDEA	-	-	-	-	-	-	-	-	-
Special Ed Part B 2014-15	-	152,705	172,225	-	(19,520)	98,177	198,908	-	(120,251)
Special Ed Preschool 2014-15	-	9,197	10,175	-	(978)	1,175	414	-	(217)
Special Ed Part B 2015-16	-	-	-	-	-	51,785	168,235	-	(116,450)
Special Ed Preschool 2015-16	-	-	-	-	-	-	12,066	-	(12,066)
Title II Part A FY 2012	(30)	30	-	-	-	-	-	-	-
Title II Part A 2013-2015	(19,500)	19,500	27,757	-	(27,757)	50,877	23,120	-	-
Title II Part A 2014-2016	-	-	28,029	-	(28,029)	33,212	38,895	-	(33,712)
Rural Schools and Low Income Program - Pass Through State	-	32,000	33,158	-	(1,158)	4,258	3,100	-	-
FY 14 Title VI Grant/RL 15	-	-	12,237	-	(12,237)	-	30,954	-	(43,191)
RL 15, FY 14	-	-	-	-	-	38,130	-	-	38,130
RL 15, FY 15	-	-	-	-	-	-	3,241	-	(3,241)
Cafeteria Prepaid Food	-	-	-	-	-	14,746	-	-	14,746
Payroll Clearing	84,524	2,817,627	2,792,690	-	109,461	2,911,011	3,007,060	-	13,412
Totals	<u>\$ 9,712,346</u>	<u>\$ 24,236,956</u>	<u>\$ 28,338,439</u>	<u>\$ 2,137,152</u>	<u>\$ 7,748,015</u>	<u>\$ 24,065,731</u>	<u>\$ 27,855,047</u>	<u>\$ 8,585,645</u>	<u>\$ 12,544,344</u>

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

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

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

ROCHESTER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

ROCHESTER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

ROCHESTER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

ROCHESTER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of entries made when closing a fund into another fund by transferring the fund's positive or negative balance.

ROCHESTER COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 or 2016. The School Corporation also maintains a Self-Insurance fund which had a cash balance deficit at June 30, 2016, due to routine transfers not being made February through June 2016. These transfers should have been from the General fund to the Self-Insurance fund for the Employees and School Corporation's share of health and dental insurance.

Note 9. Holding Corporation

The School Corporation has entered into five capital leases with Rochester Community 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, reconstructing, or making improvements to facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2015 and 2016, totaled \$2,303,000 and \$2,648,000, respectively.

Note 10. Other Postemployment Benefits

The School Corporation provides health insurance benefits to eligible retirees and their spouses. 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.

ROCHESTER 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	2015 Construction Account
Cash and investments - beginning	\$ 753,060	\$ 1,536,644	\$ 740,312	\$ 840,473	\$ 274,410	\$ 70,545	\$ 4,469,843	\$ -
Receipts:								
Local sources	137,413	2,335,054	1,713,944	811,725	210,090	-	-	-
Intermediate sources	445	-	-	-	-	-	-	-
State sources	11,914,548	-	-	-	-	-	-	-
Federal sources	7,378	-	-	-	-	-	-	-
Temporary loans	35,827	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	12,095,611	2,335,054	1,713,944	811,725	210,090	-	-	-
Disbursements:								
Instruction	8,145,615	-	-	-	-	-	-	-
Support services	3,565,673	-	1,271,959	686,641	190,922	-	4,770	-
Noninstructional service	213,663	-	-	-	-	-	-	-
Facilities acquisition and construction	24,007	-	561,828	-	-	-	4,305,389	-
Debt services	-	2,531,791	(43,354)	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	11,948,958	2,531,791	1,790,433	686,641	190,922	-	4,310,159	-
Excess (deficiency) of receipts over disbursements	146,653	(196,737)	(76,489)	125,084	19,168	-	(4,310,159)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	175,976	-	-	-	-	1,855,370	-
Sale of capital assets	-	-	-	-	-	-	900	-
Transfers in	(50,000)	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(50,000)	175,976	-	-	-	-	1,856,270	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	96,653	(20,761)	(76,489)	125,084	19,168	-	(2,453,889)	-
Cash and investments - ending	\$ 849,713	\$ 1,515,883	\$ 663,823	\$ 965,557	\$ 293,578	\$ 70,545	\$ 2,015,954	\$ -

ROCHESTER 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

	School Lunch	Textbook Rental	Repair and Replacement	Self- Insurance	Educational License Plates	Rochester Royals Donation Fund	Coca-Cola Fund	Transportation/ Insurance Fees
Cash and investments - beginning	\$ 349,443	\$ 82,556	\$ 276,505	\$ 85,255	\$ 1,610	\$ 450	\$ 778	\$ 10,445
Receipts:								
Local sources	321,975	105,587	-	2,062,212	-	-	194	3,670
Intermediate sources	-	-	-	-	262	-	-	-
State sources	8,932	73,855	-	-	-	-	-	-
Federal sources	680,294	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>1,011,201</u>	<u>179,442</u>	<u>-</u>	<u>2,062,212</u>	<u>262</u>	<u>-</u>	<u>194</u>	<u>3,670</u>
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	470	51,970	-	-	-	-	-	10,000
Noninstructional service	906,020	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	85,001	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,810,464	-	-	-	-
Total disbursements	<u>906,490</u>	<u>51,970</u>	<u>85,001</u>	<u>1,810,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Excess (deficiency) of receipts over disbursements	<u>104,711</u>	<u>127,472</u>	<u>(85,001)</u>	<u>251,748</u>	<u>262</u>	<u>-</u>	<u>194</u>	<u>(6,330)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	50,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>50,000</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>104,711</u>	<u>127,472</u>	<u>(35,001)</u>	<u>251,748</u>	<u>262</u>	<u>-</u>	<u>194</u>	<u>(6,330)</u>
Cash and investments - ending	<u>\$ 454,154</u>	<u>\$ 210,028</u>	<u>\$ 241,504</u>	<u>\$ 337,003</u>	<u>\$ 1,872</u>	<u>\$ 450</u>	<u>\$ 972</u>	<u>\$ 4,115</u>

ROCHESTER 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

	Technology Curricular Materials	Ivy Tech Facility Rental Payment	Donations	RMS PBL	New Tech High Donation Fund	Rob Duzan Scholarship Fund	Bill Kurz Scholarship Fund	Miscellaneous Programs
Cash and investments - beginning	\$ 7,435	\$ 212,466	\$ 604	\$ 2,416	\$ 14,212	\$ 1,253	\$ 4,537	\$ 1,790
Receipts:								
Local sources	12,321	62,490	17,750	-	-	-	5,351	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	7,410	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	1,132	-	-
Total receipts	12,321	62,490	17,750	-	7,410	1,132	5,351	-
Disbursements:								
Instruction	-	-	5,668	-	-	-	-	-
Support services	19,756	190,054	537	-	6,226	-	-	-
Noninstructional service	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	59,322	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,255	4,537	-
Total disbursements	19,756	249,376	6,205	-	6,226	1,255	4,537	-
Excess (deficiency) of receipts over disbursements	(7,435)	(186,886)	11,545	-	1,184	(123)	814	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,435)	(186,886)	11,545	-	1,184	(123)	814	-
Cash and investments - ending	\$ -	\$ 25,580	\$ 12,149	\$ 2,416	\$ 15,396	\$ 1,130	\$ 5,351	\$ 1,790

ROCHESTER 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

	NTH Fund From Tours	G.I.V.E. Local Donations	Admin Donation Fund	Hurricane Education Fund	Formative Assessment	High Ability 2013-2014	High Ability 2014-2015	High Ability 2015-2016
Cash and investments - beginning	\$ 19,806	\$ 205	\$ 875	\$ 3,000	\$ -	\$ 1,970	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	31,674	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	31,674	-
Disbursements:								
Instruction	-	-	-	-	-	1,970	24,912	-
Support services	-	-	-	-	-	-	-	-
Noninstructional service	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	3,554	-	-	-	-	-	-	-
Total disbursements	3,554	-	-	-	-	1,970	24,912	-
Excess (deficiency) of receipts over disbursements	(3,554)	-	-	-	-	(1,970)	6,762	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,554)	-	-	-	-	(1,970)	6,762	-
Cash and investments - ending	\$ 16,252	\$ 205	\$ 875	\$ 3,000	\$ -	\$ -	\$ 6,762	\$ -

ROCHESTER 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

	Medicaid Reimbursement	Secured Schools Safety Grant	NESP 2013-2014	School Technology	Performance Based Awards	2016 Performance Based Awards	Graduation Rate Performance
Cash and investments - beginning	\$ 93,863	\$ (6,304)	\$ 1,856	\$ 12,975	\$ -	\$ -	\$ 11
Receipts:							
Local sources	200	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	50,000	-	-	61,213	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	200	50,000	-	-	61,213	-	-
Disbursements:							
Instruction	40,984	-	500	-	59,110	-	-
Support services	-	60,038	619	-	-	-	-
Noninstructional service	-	-	737	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	40,984	60,038	1,856	-	59,110	-	-
Excess (deficiency) of receipts over disbursements	(40,784)	(10,038)	(1,856)	-	2,103	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	104,906	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	104,906	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	64,122	(10,038)	(1,856)	-	2,103	-	-
Cash and investments - ending	\$ 157,985	\$ (16,342)	\$ -	\$ 12,975	\$ 2,103	\$ -	\$ 11

ROCHESTER 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

	RHS Classroom Math	E-Rate	Safe Haven Grant 2016	Title I 2012-2013	Title I 2013-2014	Title I 2014-2015	Title I 2015-2016
Cash and investments - beginning	\$ 284	\$ -	\$ -	\$ (418)	\$ (65,667)	\$ -	\$ -
Receipts:							
Local sources	-	1,272	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	74,658	246,360	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	1,272	-	-	74,658	246,360	-
Disbursements:							
Instruction	-	-	-	(418)	5,641	268,041	-
Support services	-	-	-	-	3,053	4,055	-
Noninstructional service	-	-	-	-	297	498	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	-	(418)	8,991	272,594	-
Excess (deficiency) of receipts over disbursements	-	1,272	-	418	65,667	(26,234)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,272	-	418	65,667	(26,234)	-
Cash and investments - ending	\$ 284	\$ 1,272	\$ -	\$ -	\$ -	\$ (26,234)	\$ -

ROCHESTER 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

	Special Education Part B 2012-2013	Special Education Preschool 2012-2013	Special Education Part B 2013-2014	Special Education Preschool 2013-2014	Special Education 2013-2014 Professional Development	Title V 2007-2008	IDEA
Cash and investments - beginning	\$ (2,419)	\$ (379)	\$ (143,018)	\$ (8,209)	\$ (1,147)	\$ 3,026	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	43,264	566	156,530	9,154	1,107	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	40	-	-
Total receipts	43,264	566	156,530	9,154	1,147	-	-
Disbursements:							
Instruction	2,656	187	1,987	945	-	-	-
Support services	38,189	-	130,708	-	3,721	-	-
Noninstructional service	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	40,845	187	132,695	945	3,721	-	-
Excess (deficiency) of receipts over disbursements	2,419	379	23,835	8,209	(2,574)	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,419	379	23,835	8,209	(2,574)	-	-
Cash and investments - ending	\$ -	\$ -	\$ (119,183)	\$ -	\$ (3,721)	\$ 3,026	\$ -

ROCHESTER 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

	Special Ed Part B 2014-15	Special Ed Preschool 2014-15	Special Ed Part B 2015-16	Special Ed Preschool 2015-16	Title II Part A FY 2012	Title II Part A 2013-2015	Title II Part A 2014-2016
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (30)	\$ (19,500)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	152,705	9,197	-	-	30	19,500	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>152,705</u>	<u>9,197</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>19,500</u>	<u>-</u>
Disbursements:							
Instruction	1,101	10,175	-	-	-	-	-
Support services	171,124	-	-	-	-	27,757	28,029
Noninstructional service	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>172,225</u>	<u>10,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,757</u>	<u>28,029</u>
Excess (deficiency) of receipts over disbursements	<u>(19,520)</u>	<u>(978)</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>(8,257)</u>	<u>(28,029)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
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>(19,520)</u>	<u>(978)</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>(8,257)</u>	<u>(28,029)</u>
Cash and investments - ending	<u>\$ (19,520)</u>	<u>\$ (978)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,757)</u>	<u>\$ (28,029)</u>

ROCHESTER 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

	Rural Schools and Low Income Program - Pass Through State	FY 14 Title IV Grant/ RL 15	RL 15, FY 14	RL 15, FY 15	Cafeteria Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,524	\$ 9,712,346
Receipts:							
Local sources	-	-	-	-	-	-	7,801,248
Intermediate sources	-	-	-	-	-	-	707
State sources	-	-	-	-	-	-	12,147,632
Federal sources	32,000	-	-	-	-	-	1,432,743
Temporary loans	-	-	-	-	-	-	35,827
Other receipts	-	-	-	-	-	2,817,627	2,818,799
Total receipts	<u>32,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,817,627</u>	<u>24,236,956</u>
Disbursements:							
Instruction	32,000	12,237	-	-	-	-	8,613,311
Support services	1,158	-	-	-	-	-	6,467,429
Noninstructional service	-	-	-	-	-	-	1,121,215
Facilities acquisition and construction	-	-	-	-	-	-	5,035,547
Debt services	-	-	-	-	-	-	2,488,437
Nonprogrammed charges	-	-	-	-	-	2,792,690	4,612,500
Total disbursements	<u>33,158</u>	<u>12,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,792,690</u>	<u>28,338,439</u>
Excess (deficiency) of receipts over disbursements	<u>(1,158)</u>	<u>(12,237)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,937</u>	<u>(4,101,483)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	2,031,346
Sale of capital assets	-	-	-	-	-	-	105,806
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,137,152</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,158)</u>	<u>(12,237)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,937</u>	<u>(1,964,331)</u>
Cash and investments - ending	<u>\$ (1,158)</u>	<u>\$ (12,237)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,461</u>	<u>\$ 7,748,015</u>

ROCHESTER 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, 2016

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	2015 Construction Account
Cash and investments - beginning	\$ 849,713	\$ 1,515,883	\$ 663,823	\$ 965,557	\$ 293,578	\$ 70,545	\$ 2,015,954	\$ -
Receipts:								
Local sources	112,111	3,158,357	1,646,889	795,975	207,285	48,873	-	309
Intermediate sources	445	-	-	-	-	-	-	-
State sources	11,739,126	-	-	-	-	-	-	-
Federal sources	7,378	-	-	-	-	-	-	-
Temporary loans	17,798	-	-	-	-	-	-	-
Other receipts	620	-	-	-	-	-	-	-
Total receipts	11,877,478	3,158,357	1,646,889	795,975	207,285	48,873	-	309
Disbursements:								
Instruction	8,023,129	-	-	-	-	-	-	-
Support services	4,199,129	-	710,085	667,189	154,429	-	-	54,629
Noninstructional services	208,350	-	-	-	-	-	-	-
Facilities acquisition and construction	3,068	-	384,836	-	-	-	1,879,090	1,213,524
Debt service	-	3,006,180	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	12,433,676	3,006,180	1,094,921	667,189	154,429	-	1,879,090	1,268,153
Excess (deficiency) of receipts over disbursements	(556,198)	152,177	551,968	128,786	52,856	48,873	(1,879,090)	(1,267,844)
Other financing sources (uses):								
Proceeds of long-term debt	-	88,462	-	-	-	-	-	8,375,500
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	67,375	-	-	-	-	-
Transfers out	-	(18,747)	-	-	-	-	(126,697)	-
Total other financing sources (uses)	-	69,715	67,375	-	-	-	(126,697)	8,375,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(556,198)	221,892	619,343	128,786	52,856	48,873	(2,005,787)	7,107,656
Cash and investments - ending	\$ 293,515	\$ 1,737,775	\$ 1,283,166	\$ 1,094,343	\$ 346,434	\$ 119,418	\$ 10,167	\$ 7,107,656

ROCHESTER 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, 2016

	School Lunch	Textbook Rental	Repair and Replacement	Self- Insurance	Educational License Plates	Rochester Royals Donation Fund	Coca-Cola Fund	Transportation/ Insurance Fees
Cash and investments - beginning	\$ 454,154	\$ 210,028	\$ 241,504	\$ 337,003	\$ 1,872	\$ 450	\$ 972	\$ 4,115
Receipts:								
Local sources	311,318	148,005	-	1,342,743	-	-	90	-
Intermediate sources	-	-	-	-	206	-	-	-
State sources	8,947	70,021	-	-	-	-	-	-
Federal sources	596,832	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	40	-	-	-	-	-	-	-
Total receipts	917,137	218,026	-	1,342,743	206	-	90	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	197	365,502	-	-	-	-	-	-
Noninstructional services	982,447	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,999,159	-	-	-	-
Total disbursements	982,644	365,502	-	1,999,159	-	-	-	-
Excess (deficiency) of receipts over disbursements	(65,507)	(147,476)	-	(656,416)	206	-	90	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(65,507)	(147,476)	-	(656,416)	206	-	90	-
Cash and investments - ending	\$ 388,647	\$ 62,552	\$ 241,504	\$ (319,413)	\$ 2,078	\$ 450	\$ 1,062	\$ 4,115

ROCHESTER 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, 2016

	Technology Curricular Materials	Ivy Tech Facility Rental Payment	Donations	RMS PBL	New Tech High Donation Fund	Rob Duzan Scholarship Fund	Bill Kurz Scholarship Fund	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 25,580	\$ 12,149	\$ 2,416	\$ 15,396	\$ 1,130	\$ 5,351	\$ 1,790
Receipts:								
Local sources	-	41,244	12,540	-	-	-	2,336	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	41,244	12,540	-	-	-	2,336	-
Disbursements:								
Instruction	-	-	8,335	-	-	-	-	-
Support services	-	-	100	-	1,317	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	1,200	-
Total disbursements	-	-	8,435	-	1,317	-	1,200	-
Excess (deficiency) of receipts over disbursements	-	41,244	4,105	-	(1,317)	-	1,136	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	78,069	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	78,069	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	119,313	4,105	-	(1,317)	-	1,136	-
Cash and investments - ending	\$ -	\$ 144,893	\$ 16,254	\$ 2,416	\$ 14,079	\$ 1,130	\$ 6,487	\$ 1,790

ROCHESTER 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, 2016

	NTH Fund From Tours	G.I.V.E. Local Donations	Admin Donation Fund	Hurricane Education Fund	Formative Assessment	High Ability 2013-2014	High Ability 2014-2015	High Ability 2015-2016
Cash and investments - beginning	\$ 16,252	\$ 205	\$ 875	\$ 3,000	\$ -	\$ -	\$ 6,762	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	23,240	-	-	32,722
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	23,240	-	-	32,722
Disbursements:								
Instruction	8,545	-	-	-	-	-	6,762	23,300
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	8,545	-	-	-	-	-	6,762	23,300
Excess (deficiency) of receipts over disbursements	(8,545)	-	-	-	23,240	-	(6,762)	9,422
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,545)	-	-	-	23,240	-	(6,762)	9,422
Cash and investments - ending	\$ 7,707	\$ 205	\$ 875	\$ 3,000	\$ 23,240	\$ -	\$ -	\$ 9,422

ROCHESTER 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, 2016

	Medicaid Reimbursement	Secured Schools Safety Grant	NESP 2013-2014	School Technology	Performance Based Awards	2016 Performance Based Awards	Graduation Rate Performance
Cash and investments - beginning	\$ 157,985	\$ (16,342)	\$ -	\$ 12,975	\$ 2,103	\$ -	\$ 11
Receipts:							
Local sources	16,433	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	6,564	-	46,155	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	16,433	-	-	6,564	-	46,155	-
Disbursements:							
Instruction	43,263	-	-	-	-	46,155	-
Support services	-	28,694	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	43,263	28,694	-	-	-	46,155	-
Excess (deficiency) of receipts over disbursements	(26,830)	(28,694)	-	6,564	-	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	121,683	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	121,683	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	94,853	(28,694)	-	6,564	-	-	-
Cash and investments - ending	\$ 252,838	\$ (45,036)	\$ -	\$ 19,539	\$ 2,103	\$ -	\$ 11

ROCHESTER 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, 2016

	RHS Classroom Math	E-Rate	Safe Haven Grant 2016	Title I 2012-2013	Title I 2013-2014	Title I 2014-2015	Title I 2015-2016
Cash and investments - beginning	\$ 284	\$ 1,272	\$ -	\$ -	\$ -	\$ (26,234)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	93,162	246,887
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	93,162	246,887
Disbursements:							
Instruction	-	-	-	-	-	66,928	265,783
Support services	-	500	8,000	-	-	-	4,401
Noninstructional services	-	-	-	-	-	-	24
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	500	8,000	-	-	66,928	270,208
Excess (deficiency) of receipts over disbursements	-	(500)	(8,000)	-	-	26,234	(23,321)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(500)	(8,000)	-	-	26,234	(23,321)
Cash and investments - ending	\$ 284	\$ 772	\$ (8,000)	\$ -	\$ -	\$ -	\$ (23,321)

ROCHESTER 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, 2016

	Special Education Part B 2012-2013	Special Education Preschool 2012-2013	Special Education Part B 2013-2014	Special Education Preschool 2013-2014	Special Education 2013-2014 Professional Development	Title V 2007-2008	IDEA
Cash and investments - beginning	\$ -	\$ -	\$ (119,183)	\$ -	\$ (3,721)	\$ 3,026	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	123,884	-	3,825	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	123,884	-	3,825	-	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	4,700	-	104	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	4,700	-	104	-	-
Excess (deficiency) of receipts over disbursements	-	-	119,184	-	3,721	-	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	119,184	-	3,721	-	-
Cash and investments - ending	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 3,026	\$ -

ROCHESTER 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, 2016

	Special Ed Part B 2014-15	Special Ed Preschool 2014-15	Special Ed Part B 2015-16	Special Ed Preschool 2015-16	Title II Part A FY 2012	Title II Part A 2013-2015	Title II Part A 2014-2016
Cash and investments - beginning	\$ (19,520)	\$ (978)	\$ -	\$ -	\$ -	\$ (27,757)	\$ (28,029)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	98,177	1,175	51,785	-	-	50,877	33,212
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>98,177</u>	<u>1,175</u>	<u>51,785</u>	<u>-</u>	<u>-</u>	<u>50,877</u>	<u>33,212</u>
Disbursements:							
Instruction	4,327	414	2,275	12,066	-	-	-
Support services	194,581	-	165,960	-	-	23,120	38,895
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>198,908</u>	<u>414</u>	<u>168,235</u>	<u>12,066</u>	<u>-</u>	<u>23,120</u>	<u>38,895</u>
Excess (deficiency) of receipts over disbursements	<u>(100,731)</u>	<u>761</u>	<u>(116,450)</u>	<u>(12,066)</u>	<u>-</u>	<u>27,757</u>	<u>(5,683)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
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>(100,731)</u>	<u>761</u>	<u>(116,450)</u>	<u>(12,066)</u>	<u>-</u>	<u>27,757</u>	<u>(5,683)</u>
Cash and investments - ending	<u>\$ (120,251)</u>	<u>\$ (217)</u>	<u>\$ (116,450)</u>	<u>\$ (12,066)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,712)</u>

ROCHESTER 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, 2016

	Rural Schools and Low Income Program - Pass Through State	FY 14 Title IV Grant/ RL 15	RL 15, FY 14	RL 15, FY 15	Cafeteria Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ (1,158)	\$ (12,237)	\$ -	\$ -	\$ -	\$ 109,461	\$ 7,748,015
Receipts:							
Local sources	-	-	-	-	-	-	7,844,508
Intermediate sources	-	-	-	-	-	-	651
State sources	-	-	-	-	-	-	11,926,775
Federal sources	4,258	-	38,130	-	-	-	1,349,582
Temporary loans	-	-	-	-	-	-	17,798
Other receipts	-	-	-	-	14,746	2,911,011	2,926,417
Total receipts	4,258	-	38,130	-	14,746	2,911,011	24,065,731
Disbursements:							
Instruction	3,100	30,954	-	3,241	-	-	8,548,577
Support services	-	-	-	-	-	-	6,621,532
Noninstructional services	-	-	-	-	-	-	1,190,821
Facilities acquisition and construction	-	-	-	-	-	-	3,480,518
Debt service	-	-	-	-	-	-	3,006,180
Nonprogrammed charges	-	-	-	-	-	3,007,060	5,007,419
Total disbursements	3,100	30,954	-	3,241	-	3,007,060	27,855,047
Excess (deficiency) of receipts over disbursements	1,158	(30,954)	38,130	(3,241)	14,746	(96,049)	(3,789,316)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	8,463,962
Sale of capital assets	-	-	-	-	-	-	121,683
Transfers in	-	-	-	-	-	-	145,444
Transfers out	-	-	-	-	-	-	(145,444)
Total other financing sources (uses)	-	-	-	-	-	-	8,585,645
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,158	(30,954)	38,130	(3,241)	14,746	(96,049)	4,796,329
Cash and investments - ending	\$ -	\$ (43,191)	\$ 38,130	\$ (3,241)	\$ 14,746	\$ 13,412	\$ 12,544,344

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
July 1, 2014 to June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Rochester Community School Building Corporation	2015 Bonds	\$ 399,500	06/30/2015	06/30/2035
Rochester Community School Building Corporation	2006 Bonds	1,041,000	12/31/2006	12/31/2017
Rochester Community School Building Corporation	2008 Bonds	724,000	06/30/2008	06/30/2019
Rochester Community School Building Corporation	2010 Bonds	193,000	06/30/2011	12/30/2019
Rochester Community School Building Corporation	2014 Bonds	<u>693,500</u>	06/30/2015	12/31/2028
Total of annual lease payments		<u>\$ 3,051,000</u>		

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities:		
General obligation bonds	2010 QSCB Bonds	\$ 1,647,820
General obligation bonds	2011 QSCB Bonds	<u>93,102</u>
		<u>1,970,000</u>
Totals		<u>\$ 3,617,820</u>
		<u>\$ 192,965</u>

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
July 1, 2014 to June 30, 2016

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 537,600
Buildings	83,250,000
Improvements other than buildings	12,614
Machinery, equipment, and vehicles	5,516,211
Construction in progress	168,069
Books and other	<u>900,934</u>
Total capital assets	<u>\$ 90,385,428</u>

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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 ROCHESTER COMMUNITY SCHOOL
CORPORATION, FULTON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Rochester 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, 2014 to June 30, 2016. 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. Except as discussed in the following paragraph, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on Child Nutrition Cluster

As described in items 2016-003 and 2016-005 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

As described in item 2016-006 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Child Nutrition Cluster regarding Program Income. Consequently, we were unable to determine whether the School Corporation complied with this requirement applicable to the programs.

Basis for Qualified Opinion on Special Education Cluster (IDEA)

As described in item 2016-007 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Procurement and Suspension and Debarment that are applicable to its Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to the programs.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of the Child Nutrition Cluster regarding Program Income, and the noncompliance regarding Cash Management and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) also described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2014 to June 30, 2016.

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) for the period of July 1, 2014 to June 30, 2016.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2014 to June 30, 2016.

Other 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

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


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 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007 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

January 30, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY14-15, FY 15-16	\$ -	\$ 112,700	\$ -	\$ 121,514
National School Lunch Program	Indiana Department of Education	10.555	FY14-15, FY 15-16	-	531,738	-	452,876
National School Lunch Program - Commodities			FY14-15, FY 15-16	-	64,270	-	63,532
Total - National School Lunch Program				-	596,008	-	516,408
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY14-15, FY 15-16	-	35,857	-	22,442
Total - Child Nutrition Cluster				-	744,565	-	660,364
Total - Department of Agriculture				-	744,565	-	660,364
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027	FY13	-	43,264	-	-
			FY14	-	156,530	-	123,884
			FY15	-	152,705	-	98,177
			FY16	-	-	-	51,785
Total - Special Education_Grants to States				-	352,499	-	273,846
Special Education_Preschool Grants	Indiana Department of Education	84.173	FY13	-	566	-	-
			FY14	-	9,154	-	-
			FY15	-	9,197	-	-
			FY16	-	-	-	1,176
Total - Special Education_Preschool Grants				-	18,917	-	1,176
Total - Special Education Cluster (IDEA)				-	371,416	-	275,022

ROCHESTER COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	FY13-14 FY14-15 FY15-16	- - -	79,059 241,960 -	- - -	- 136,403 203,646
Total - Title I Grants to Local Educational Agencies				-	321,019	-	340,049
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	Indiana Department of Education	84.325	FY14-15	-	1,107	-	3,825
Total - Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				-	1,107	-	3,825
Rural Education	Indiana Department of Education	84.358	FY13-14 FY14-15	- -	32,000 -	- -	4,258 38,130
Total - Rural Education				-	32,000	-	42,388
Supporting Effective Instruction State Grant (formally Improving Teacher Quality State Grants)	Indiana Department of Education	84.367	FY12-13 FY13-14 FY14-15	- - -	30 19,500 -	- - -	- 50,876 33,212
Total - Supporting Effective Instruction State Grant (formally Improving Teacher Quality State Grants)				-	19,530	-	84,088
Total - Department of Education				-	745,072	-	745,372
Total federal awards expended				\$ -	\$ 1,489,637	\$ -	\$ 1,405,736

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

ROCHESTER 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, 2015 and 2016. 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.

ROCHESTER 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 deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Programs:

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
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Section II - Financial Statement Findings

FINDING 2016-001

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

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

Repeat Finding

This is a repeat finding from the immediate prior audit regarding cash and investments and receipts. The prior audit finding number was 2014-002.

Condition

There were deficiencies in the internal control system of the School Corporation related to Financial Transactions and Reporting. The School Corporation had not separated incompatible activities related to Cash and Investments, Receipts, and Payroll.

Cash and Investments

Bank reconcilements were not prepared for five months of the audit period. Reconcilements prepared for the other nineteen months did not consistently include evidence of a proper review or approval process.

Receipts

The Treasurer wrote receipts, posted receipts, prepared bank deposits, took deposits to the bank (secondary), made adjustments, approved adjustments, and reconciled the bank accounts without a proper system of oversight, review, or approval.

Payroll

Payroll Distribution Reports were not consistently reviewed by someone other than the Payroll Clerk who prepared them.

Context

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

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. . . .

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

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

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

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

Cause

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

Effect

The failure to establish and properly implement controls enabled noncompliance related to bank reconcilements and could have enabled material misstatements or irregularities to remain undetected.

Recommendation

We recommended that the School Corporation's management establish and document effective controls, including segregation of duties, to ensure that bank reconcilements were performed and to ensure that financial transactions were accurately reported in the financial statement.

Views of Responsible Officials

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

FINDING 2016-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-001.

Condition

The School Corporation had not established or implemented an effective system of internal controls to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

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

The School Corporation failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for government units financial reporting system, which is the source for the SEFA. One employee prepared and submitted the grant information without an oversight or review process to detect and correct errors before submission.

Context

The lack of internal controls was a systemic issue throughout the audit period. The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster expenditures were overstated by \$266,638 for the 2014-2015 fiscal year and understated by \$216,767 for the 2015-2016 fiscal year.
2. The Title I Grants to Local Educational Agencies expenditures were understated by \$74,659 and \$246,888 for the 2014-2015 and 2015-2016 fiscal years, respectively.
3. The Rural Education expenditures were omitted for the 2014-2015 fiscal year.
4. Seven of the nine CFDA titles were incorrect or missing. Pass-Through Agencies and Identifying Numbers were not always correct or were missing.

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

Criteria

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

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

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

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

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

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

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

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

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

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

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

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

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

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

Effect

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

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 2016-003

Subject: Child Nutrition Cluster - Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY14-15, FY15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-003.

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

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Cash Management compliance requirement. The School Corporation did not monitor the net cash resources of the School Lunch fund and failed to ensure that the amount did not exceed the three months average expenditures.

Context

The lack of controls and noncompliance were systemic problems. The net cash resources in the School Lunch fund exceeded the three months average expenditures for all 24 months of the audit period. The average excess balances were \$122,583 and \$80,498 for FY2015 and FY2016, respectively.

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 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.14(b) states: "*Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

7 CFR 220.7(e) states in part:

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

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

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

Cause

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

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation establish controls to ensure compliance and comply with the Cash Management compliance requirement.

Views of Responsible Officials

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

FINDING 2016-004

Subject: Child Nutrition Cluster - Eligibility and Reporting

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY14-15, FY15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Eligibility, Reporting

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-003.

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Eligibility and Reporting compliance requirements.

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

Eligibility

The School Corporation had not designed or implemented adequate policies and procedures to ensure that free and reduced price meal applications were accurately evaluated for eligibility. The application information was entered into the food service software, which automatically made the eligibility determination dependent on the information entered. There was no oversight or review to ensure that the information entered into the food service software was accurate.

Reporting

The School Corporation had not designed or implemented adequate policies and procedures to ensure that all of the required reports were accurately prepared and submitted. The food service director prepared and submitted the Annual Financial Reports without a proper system of oversight or review.

Context

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

The School Corporation had not developed a system of internal controls that would have segregated key functions related to the Eligibility and Reporting compliance requirements.

Effect

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

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Eligibility and Reporting compliance requirements.

Views of Responsible Officials

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

FINDING 2016-005

Subject: Child Nutrition Cluster - Special Tests and Provisions - Verification
of Free and Reduced Price Applications (NSLP)

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): FY14-15, FY15-16

Pass-Through Entity: Indiana Department of Education

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

Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-003.

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Priced Applications (NSLP) compliance requirement.

The Food Service Director performed the verifications of free and reduced price meal applications and made the determination of whether or not a change in eligibility was necessary without a proper system of oversight or review. In addition, one of the four school lunch applications selected for verification in the fall of 2015 was verified incorrectly.

Context

The lack of controls and noncompliance were systemic problems. One of the four applications selected for verification was incorrectly verified.

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 245.6a(c) states in part: "Verification requirement-(1) General. The local educational agency must verify eligibility of children in a sample of household applications approved for free and reduced meal benefits for that school year. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation establish controls to ensure compliance and comply with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Views of Responsible Officials

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

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

FINDING 2016-006

Subject: Child Nutrition Cluster - Program Income
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): FY14-15, FY15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Modified Opinion

Condition

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

It could not be determined if the School Corporation complied with requirements for accounting of program income generated from the operation of the food service programs. The School Corporation established a single fund, the School Lunch fund, to account for all activity of the food service programs. The School Corporation also maintained individual accounts for students who prepaid for meals. When prepaid funds were received, they were receipted into the School Lunch fund as revenue without distinction from program income generated by the food service programs. Due to the method of recordkeeping, it could not be verified whether the School Corporation met the requirements for the Program Income compliance requirement.

Context

The lack of controls was a systemic issue throughout the audit period. The procedures for collecting and recording program income prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

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 200.303 states in part:

"The non-Federal entity must:

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

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

7 CFR 210.14(c) states:

"Financial assurances. The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 220.13(i) states in part: "Each State agency . . . shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. . . ."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest, and be supported by documentation."

Cause

Management had not developed a system of internal controls that would have enabled a determination on the School Corporation's compliance with the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system which would have ensured that program income was properly identified prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation establish controls to enable the determination on the School Corporations compliance with the Program Income compliance requirement.

Views of Responsible Officials

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

FINDING 2016-007

Subject: Special Education Cluster (IDEA) - Suspension and Debarment

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): FY13, FY14, FY15, FY16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

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

Condition

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

The School Corporation did not perform any procedures to ensure compliance with requirements regarding verification that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

Context

This was a systemic issue, which occurred throughout the audit period. No verification procedures were performed for any of the contracted vendors paid from the grants.

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 200.303 states in part:

"The non-Federal entity must:

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

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

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

Cause

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

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and 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 to ensure compliance and comply with the Suspension and Debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

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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.



Rochester Community School Corporation

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: *July 1, 2012 to June 30, 2014*

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

Contact Person Responsible for Corrective Action: *Valerie Gillespie, Treasurer*

Contact Phone Number: *574-223-2159*

Status of Audit Finding:

Internal control systems have been enhanced to comply with requirements. Monthly reports are emailed by the Treasurer to the Food Service Director and Superintendent of expenditures, revenues, and ending balances reflective of each school facility, and overall fund balances. It is acknowledged that as of June 30, 2016, monthly cash balances still exceeded the maximum allowance. Opportunities of wage increases and equipment replacements are being evaluated to remedy the situation. Yearly, the Treasurer also audits the eligibility of Free and Reduced Applications and initials reviewed applications. Currently, Administration is working to select the most advantageous process to ensure that all assets are tracked throughout the district. The Food Service Director prepares the Annual Financial Report & the monthly reimbursement request, and they are reviewed by the Treasurer before they are submitted. These systems have been implemented as of August 1st, 2016.

FINDING 2014-004

Fiscal year in which the finding initially occurred: *July 1, 2012 to June 30, 2014*

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

Contact Person Responsible for Corrective Action: *Valerie Gillespie, Treasurer*

Contact Phone Number: *574-223-2159*

Status of Audit Finding:

To enhance internal control systems, Administrators of schools serviced with Title I allocations approve the utilization of grant expenditures. After the expenditures have been paid, the Treasurer utilizes expenditure reports to prepare the reimbursement request, and the Superintendent reviews and approves before the reimbursement request is submitted to the Department of Education. These systems have been implemented as of August 1st, 2014.

FINDING 2014-005

Fiscal year in which the finding initially occurred: *July 1, 2012 to June 30, 2014*

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

Contact Person Responsible for Corrective Action: *Valerie Gillespie, Treasurer*

Contact Phone Number: *574-223-2159*

Status of Audit Finding:

In order to ensure proper separation of duties, the Director of Student Services approves the utilization of grant expenditures. After the expenditures have been paid, the Treasurer utilizes expenditure reports to request reimbursement of funds expended during respective periods of the grant. Before reimbursement reports are submitted for reimbursement to the Department of Education, the Superintendent reviews and signs the reimbursement request. These systems have been implemented as of August 1st, 2014.

Valerie Gillespie

Business Manager



Rochester Community School Corporation

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Phone: 574-223-2159 • Fax: 574-223-4909

CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Valerie Gillespie, Business Manager
Contact Phone Number: (574) 223-2159 ex 5006

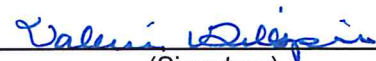
We concur with the finding. During the Audit Period (July 1, 2014-June 30, 2016), Rochester Community School Corporation experienced a turnover in the Administration Office that was historically higher than previous years. As a result, through this transitional period, effective controls were not maintained.

Description of Corrective Action Plan:

As the Business Manager as of January 1, 2016, many of the necessary improvements to internal controls have been addressed and rectified to-date. Bank Reconcilements are completed by the Business Manager/Treasurer, and reviewed by the Superintendent for accuracy. Additionally, the Business Manager/Treasurer prepares the deposit, and enters the receipts into the Financial Software. Upon completion, the Deputy Treasurer confirms the prepared deposit & confirms accuracy of receipts entered. Upon full and final verification, the Deputy Treasurer delivers the deposit to the Financial Institution.

The Payroll & Benefits Coordinator has implemented steps to ensure that Payroll Distribution Reports are consistently distributed to Administrators & Supervisors.

Anticipated Completion Date: August 2016



(Signature)

Business Manager
(Title)

January 30th, 2018
(Date)



Rochester Community School Corporation

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CORRECTIVE ACTION PLAN

FINDING 2016-002

Contact Person Responsible for Corrective Action: Valerie Gillespie, Business Manager

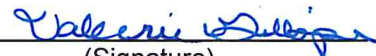
Contact Phone Number: (574) 223-2159 ex 5006

We concur with the finding. During the Audit Period (July 1, 2014-June 30, 2016), Rochester Community School Corporation experienced a turnover in the Administration Office that was historically higher than previous years. As a result, through this transitional period, effective controls were not maintained.

Description of Corrective Action Plan:

In order to eliminate the opportunity for erroneous reporting, all aspects of the Schedule of Expenditures of Federal Awards (SEFA) will be reviewed by the Department and/or Administrator responsible for the respective grant. Once accuracy is confirmed, the respective Administrator will sign off on the SEFA, and the Business Manager will maintain supporting documents. Upon completion, and before submission, the SEFA will be reviewed by the Superintendent to not only ensure that reporting is complete and accurate, but that documents proving accuracy & verification are maintained.

Anticipated Completion Date: March 2018



(Signature)

Business Manager
(Title)

January 30th, 2018
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2016-003

Contact Person Responsible for Corrective Action: Kathy Wilkinson
Contact Phone Number: 574-223-2159 Ext.5004

Views of Responsible Official:
We concur with the findings

Description of Corrective Action Plan: The Food Service Director will receive monthly lunchroom reports from Business Manager. The report will include revenue and expenditures. The Food Service Director will continue to use these figures to ensure the amount don't exceed three months average expenditures. The Food Service Director will look at each school on a monthly bases to determine how to spend the excess funds. Food Service Director will implement a plan for equipment and refurbishing of cafeterias to IDOE for approval. Anticipated Date of Completion 2-28-2018

Food Service Director

1-30-2018



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CORRECTIVE ACTION PLAN

FINDING 2016-004

Contact Person Responsible for Corrective Action: Kathy Wilkinson

Contact Phone Number: 574-223-2159 Ext.5004

Views of Responsible Official:

We concur with the findings

Description of Corrective Action Plan: The Food Service Director will receive Free and Reduced applications. The Director will input the information into the food service software. The Business Manager will review ten percent of the applications verifying the information and results are accurate and will sign the applications. Anticipated Date of Completion 7-1-2016

A handwritten signature in black ink that reads "Kathy Wilkinson". The signature is written in a cursive style and is positioned above a horizontal line.

Food Service Director

1-30-2018



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CORRECTIVE ACTION PLAN

FINDING 2016-005

Contact Person Responsible for Corrective Action: Kathy Wilkinson

Contact Phone Number: 574-223-2159 Ext.5004

Views of Responsible Official:

We concur with the findings.

Description of Corrective Action Plan: The Food Service Director will select applications in accordance with NSLP. The director will proceed to Direct Certification website and verify through direct verification. The applications that are not verified through Direct Certification will be sent letters to obtain income documentation. The director will input the income information received into the food service software. The Business Manager will review all the information and sign the verification part as well as the director. Anticipated Date of Completion 7-1-2016

Food Service Director

1-30-2018



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CORRECTIVE ACTION PLAN

FINDING 2016-006

Contact Person Responsible for Corrective Action: Kathy Wilkinson

Contact Phone Number: 574-223-2159 Ext.5004

Views of Responsible Official:

We concur with the findings

Description of Corrective Action Plan: The Food Service Director and Business Manager have established a separate account for prepaid. Since establishing a separate account reporting is more accurate and transparent. A transfer from prepaid to student lunches is done monthly. Anticipated Date of Completion 7-1-2016

Food Service Director

1-30-2018



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CORRECTIVE ACTION PLAN

FINDING 2016-007

Contact Person Responsible for Corrective Action: Valerie Gillespie, Business Manager

Contact Phone Number: (574) 223-2159 ex 5006

We concur with the finding. During the Audit Period (July 1, 2014-June 30, 2016), Rochester Community School Corporation experienced a turnover in the Administration Office that was historically higher than previous years. As a result, through this transitional period, effective controls were not maintained.

Description of Corrective Action Plan:

Purchasing procurement and consortium associations that the School Corporation utilizes comply with the Suspension and Debarment requirements. To ensure compliance at the district level for required grants, the School Corporation will ensure that all vendors utilized for goods and/or services are not prohibited per Federal requirements by incorporating required practices into school policy. To ensure vendors are not suspended or debarred, proof of eligibility will be obtained and included with purchasing documents maintained by the School Corporation.

Anticipated Completion Date: May 2018

Valerie Gillespie
(Signature)

Business Manager
(Title)

January 30th, 2018
(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/>.