

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

RENSSELAER CENTRAL
SCHOOL CORPORATION
JASPER COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
04/03/2018

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|--|-------------|
| Schedule of Officials | 2 |
| Independent Auditor's Report | 3-5 |
| 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 <i>Government Auditing Standards</i> | 6-7 |
| Financial Statement and Accompanying Notes: | |
| Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis..... | 10-11 |
| Notes to Financial Statement | 12-17 |
| Other Information - Unaudited: | |
| Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis..... | 20-41 |
| Schedule of Payables and Receivables | 43 |
| Schedule of Leases and Debt | 44 |
| Schedule of Capital Assets..... | 45 |
| Supplemental Audit of Federal Awards: | |
| Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance | 48-50 |
| Schedule of Expenditures of Federal Awards and Accompanying Notes: | |
| Schedule of Expenditures of Federal Awards..... | 53 |
| Notes to Schedule of Expenditures of Federal Awards | 54 |
| Schedule of Findings and Questioned Costs | 55-74 |
| Auditee-Prepared Documents: | |
| Summary Schedule of Prior Audit Findings..... | 76-85 |
| Corrective Action Plan | 86-95 |
| Other Reports..... | 96 |

SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|-----------------------------------|--|
| Treasurer | Dawn D. Claussen | 07-01-15 to 06-30-18 |
| Superintendent of Schools | Ned Speicher Curtis Craig | 07-01-15 to 12-31-16 01-01-17 to 06-30-18 |
| President of the School Board | Rich Ludington Charles Parrish | 07-01-15 to 06-30-16 07-01-16 to 06-30-18 |



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AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Rensselaer Central School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, 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, 2015 to June 30, 2017.

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, 2015 to June 30, 2017, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 6, 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

March 6, 2018



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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Rensselaer Central School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated March 6, 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

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

Compliance and Other Matters

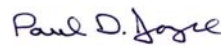
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Rensselaer Central School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

March 6, 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.

RENSSELAER CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

| Fund | Cash and Investments | | | Other Financing | | Cash and Investments | | | Other Financing | | Cash and Investments | |
|---|----------------------|---------------|---------------|-----------------|--------------|----------------------|---------------|----------------|-----------------|--|----------------------|--|
| | 07-01-15 | Receipts | Disbursements | Sources (Uses) | 06-30-16 | Receipts | Disbursements | Sources (Uses) | 06-30-17 | | | |
| General | \$ 2,115,088 | \$ 10,598,876 | \$ 10,753,160 | \$ - | \$ 1,960,804 | \$ 10,906,380 | \$ 11,101,963 | \$ - | \$ 1,765,221 | | | |
| Debt Service | 560,563 | 2,413,813 | 2,176,661 | (33,964) | 763,751 | 2,332,795 | 2,172,622 | (32,590) | 891,334 | | | |
| Capital Projects | 926,782 | 2,110,770 | 2,008,649 | (211,556) | 817,347 | 2,078,725 | 2,075,091 | (50,247) | 770,734 | | | |
| School Transportation | 398,934 | 932,569 | 816,379 | (61,753) | 453,371 | 711,467 | 821,576 | (68,998) | 274,264 | | | |
| School Bus Replacement | 155,638 | 165,084 | 53,010 | (173,809) | 93,903 | 142,329 | 87,981 | (11) | 148,240 | | | |
| Rainy Day | 1,378,015 | 99,496 | 49,271 | 300,504 | 1,728,744 | - | 88,375 | 200,000 | 1,840,369 | | | |
| Retirement/Severance Bond | 132,320 | - | - | - | 132,320 | - | 90,562 | - | 41,758 | | | |
| Construction | - | - | - | 99,496 | 99,496 | - | - | - | 99,496 | | | |
| Construction - MS Project | (232,652) | - | 1,600,599 | 1,833,251 | - | - | - | - | - | | | |
| Construction - LIT | - | - | - | - | - | 95,562 | - | - | 95,562 | | | |
| School Lunch | 630,489 | 739,117 | 704,792 | - | 664,814 | 726,605 | 720,192 | - | 671,227 | | | |
| Textbook Rental | 117,085 | 243,704 | 165,990 | - | 194,799 | 241,754 | 478,789 | 32,293 | (9,943) | | | |
| Levy Excess | 343 | - | - | 81,082 | 81,425 | - | - | (80,447) | 978 | | | |
| Joint Services and Supply - Special Education Cooperative | - | - | - | - | - | 486,232 | 213,643 | - | 272,589 | | | |
| Special Ed Preschool - Coop | - | - | - | - | - | 1,216,541 | 421,354 | - | 795,187 | | | |
| Spec Ed Preschool - Boswell | - | - | - | - | - | 4,743 | 1,780 | - | 2,963 | | | |
| Spec Ed Preschool - Demotte | - | - | - | - | - | 9,251 | 4,059 | - | 5,192 | | | |
| Spec Ed Preschool - Rensselaer | - | - | - | - | - | 6,926 | 2,749 | - | 4,177 | | | |
| Spec Ed Preschool - S Newton | - | - | - | - | - | 9,677 | 5,290 | - | 4,387 | | | |
| Spec Ed Preschool - Frontier | - | - | - | - | - | 8,157 | 4,361 | - | 3,796 | | | |
| Coop Ser - Emergency Fund | - | - | - | - | - | 23,290 | 4,000 | - | 19,290 | | | |
| Joint Services Interlocal | - | - | - | - | - | 137,486 | 137,486 | - | - | | | |
| Joint Services - IDEA - Speech | - | - | - | - | - | 20,445 | 12,229 | - | 8,216 | | | |
| Child Care Program | (286) | 24,760 | 15,262 | - | 9,212 | 29,747 | 17,354 | - | 21,605 | | | |
| Educational License Plates | 3,910 | 225 | 2,005 | - | 2,130 | 188 | - | - | 2,318 | | | |
| Alternative Education | - | 9,357 | 9,357 | - | - | 4,428 | - | - | 4,428 | | | |
| Early Intervention Grant | 6,925 | - | - | - | 6,925 | - | - | - | 6,925 | | | |
| Lilly - Counseling | - | - | - | - | - | 30,000 | 13,513 | - | 16,487 | | | |
| Miscellaneous Programs | 175 | - | 159 | - | 16 | 300 | - | - | 316 | | | |
| Miscellaneous | 15,290 | 4,453 | 6,560 | - | 13,183 | 8,604 | 7,944 | - | 13,843 | | | |
| Drivers Ed | 10,474 | 30,269 | 30,092 | - | 10,651 | 27,600 | 46,719 | - | (8,468) | | | |
| Amerimac | 500 | - | - | - | 500 | - | - | - | 500 | | | |
| Coop School Summer - ESY | (1,756) | 16,890 | 17,612 | - | (2,478) | 22,483 | 25,882 | - | (5,877) | | | |
| FETC - Indian Trails | - | - | 1,443 | - | (1,443) | 2,973 | - | - | 1,530 | | | |
| Monsanto | - | 2,500 | - | - | 2,500 | - | - | - | 2,500 | | | |
| Auction Fund | - | 14,884 | 505 | - | 14,379 | 40 | - | - | 14,419 | | | |
| IPAD Insurance Account | 1,512 | 49 | 660 | - | 901 | - | - | - | 901 | | | |
| RCPS Ground Leases | 8,500 | 2,500 | - | - | 11,000 | 2,500 | - | - | 13,500 | | | |
| IPAD - Professional Development | 1,347 | - | - | - | 1,347 | - | 1,347 | - | - | | | |
| FFA Blue Jacket Grant | 750 | - | 595 | - | 155 | - | - | - | 155 | | | |
| Indian Trails | 122 | - | 122 | - | - | - | - | - | - | | | |
| Jasper County REMC | 5,337 | 500 | - | - | 5,837 | 2,233 | 4,806 | - | 3,264 | | | |
| Coop Tech/LEA Service | 4,839 | 29,466 | 30,621 | - | 3,684 | 23,180 | 24,873 | - | 1,991 | | | |
| Football Athletic | (8,158) | 801 | (7,357) | - | - | - | - | - | - | | | |
| ISHAA - Arihood Grant | 1,000 | - | - | - | 1,000 | - | - | - | 1,000 | | | |
| School Trust of Indiana | 356 | 2,266 | 3,177 | - | (555) | 1,884 | 1,329 | - | - | | | |
| School Supplies for Elementary | - | 657 | 657 | - | - | 725 | 423 | - | 302 | | | |

RENSELAEER CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

| Fund | Cash and Investments 07-01-15 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-16 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-17 |
|--|-------------------------------------|---------------|---------------|--------------------------------------|-------------------------------------|---------------|---------------|--------------------------------------|-------------------------------------|
| RCSC Teacher Appreciation | - | 1,643 | 900 | - | 743 | 1,088 | 591 | - | 1,240 |
| Welding Program - HS | - | 10,000 | 8,043 | - | 1,957 | - | 1,957 | - | - |
| Building Maint - Coop Sch Serv | - | - | - | - | - | 40,000 | - | - | 40,000 |
| Jasper Foundation | 2,279 | 2,850 | 2,699 | - | 2,430 | 21,495 | 20,760 | - | 3,165 |
| RCHS Art Fund | - | - | - | - | - | 1,200 | 375 | - | 825 |
| J Rodibaugh Student Care Fund | - | - | - | - | - | 2,735 | - | - | 2,735 |
| Jasper Foundation - Staddon | - | - | - | - | - | 94,507 | 61,707 | - | 32,800 |
| Ind Retired Teachers - J Shupr | - | - | - | - | - | 498 | 497 | - | 1 |
| Psi Iota Sx Sorority - Lib | - | - | - | - | - | 1,667 | - | - | 1,667 |
| Personal Finance Program - HS | - | - | - | - | - | 500 | - | - | 500 |
| Formative Assessment | - | 19,742 | 19,742 | - | - | 19,543 | 19,543 | - | - |
| High Ability 15-16 | - | 31,825 | 30,440 | - | 1,385 | - | 1,385 | - | - |
| High Ability 16-17 | - | - | - | - | - | 31,454 | 30,820 | - | 634 |
| Drug Free Communities | 2,828 | 5,250 | 2,936 | - | 5,142 | 6,500 | 9,848 | - | 1,794 |
| Early Childhood Intervention (First Steps) | 19,619 | 64,904 | 88,359 | - | (3,836) | 70,921 | 93,743 | - | (26,658) |
| Medicaid Reimbursement | 13,311 | 427 | - | - | 13,738 | 561 | - | - | 14,299 |
| Secured Schools Safety Grant | (6,625) | 26,501 | 27,229 | - | (7,353) | 29,413 | 29,849 | - | (7,789) |
| Non-English Speaking Programs | 209 | - | - | - | 209 | - | - | - | 209 |
| Title III - English Prof 15-16 | - | 10,498 | 10,498 | - | - | - | - | - | - |
| Title III - English Prof 16-17 | - | - | - | - | - | 10,078 | 10,078 | - | - |
| School Technology | 24,098 | 4,404 | 18,144 | - | 10,358 | 6,308 | - | - | 16,666 |
| School Technology Fund - Coop | - | - | - | - | - | 570 | 486 | - | 84 |
| Technology Grants [IC 20-40-15] | 48,243 | 14,833 | 2,477 | - | 60,599 | 11,800 | 25,520 | - | 46,879 |
| Career and Technical Performance Grant | - | - | - | - | - | 12,044 | 11,520 | - | 524 |
| Performance Based Awards | - | - | - | - | - | 149,649 | 149,649 | - | - |
| ISTA Medical Reimbursement | 10,703 | 1,974 | - | - | 12,677 | - | - | - | 12,677 |
| ISTA Settlement | 131,582 | - | 61,279 | - | 70,303 | - | - | - | 70,303 |
| Title I 14-15 | (9,040) | 45,786 | 36,746 | - | - | - | - | - | - |
| Title I 15-16 | - | 137,567 | 164,151 | - | (26,584) | 63,597 | 37,013 | - | - |
| Title I 16-17 | - | - | - | - | - | 153,161 | 160,023 | - | (6,862) |
| PL 105-17 - FY16 | - | - | - | - | - | 260,149 | 260,577 | - | (428) |
| PL 105-17 - FY17 | - | - | - | - | - | 2,402,846 | 2,656,464 | - | (253,618) |
| PL 99-457 15-16 Preschool | - | - | - | - | - | 34,590 | 34,590 | - | - |
| PL 99-457 16-17 Preschool | - | - | - | - | - | 49,612 | 62,030 | - | (12,418) |
| Medicaid Reimbursement - Federal | 10,608 | 852 | 9,617 | - | 1,843 | 1,118 | 948 | - | 2,013 |
| Other Federal Programs | 1,880 | - | - | - | 1,880 | - | - | - | 1,880 |
| Title II Part A FY2014 | (3,746) | 27,968 | 25,002 | - | (780) | 780 | - | - | - |
| Title II Part A FY2015 | - | 33,879 | 37,868 | - | (3,989) | 13,738 | 9,972 | - | (223) |
| Title II Part A FY2016 | - | - | - | - | - | 27,442 | 33,668 | - | (6,226) |
| Lunch Fund Student/Adult Prepaid | 10,236 | 226,673 | 226,900 | - | 10,009 | 232,656 | 231,357 | - | 11,308 |
| Payroll Deductions | - | 2,830,437 | 2,830,437 | - | - | 2,886,381 | 2,886,381 | - | - |
| Totals | \$ 6,489,627 | \$ 20,941,019 | \$ 22,043,448 | \$ 1,833,251 | \$ 7,220,449 | \$ 25,953,851 | \$ 25,429,643 | \$ - | \$ 7,744,657 |

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

Debt 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:

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

RENSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. Many of the cash balance deficits were the result of the funds being established for reimbursable grants. The reimbursements for expenditures were not received by June 30, 2016 and 2017. Other funds with cash balance deficits were the result of expenditures exceeding receipts and available cash balances.

RENSSELAER CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Holding Corporations

The School Corporation entered into a capital lease with the Rensselaer Central High School Holding Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2016 and 2017, totaled \$328,000 and \$329,000, respectively.

The School Corporation entered into a capital lease with the Rensselaer Central Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2016 and 2017, totaled \$1,076,000 and \$1,076,500, respectively.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://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 Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

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

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

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | General | Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Retirement/ Severance Bond | Construction | Construction - MS Project |
|---|--------------|--------------|------------------|-----------------------|------------------------|--------------|----------------------------|--------------|---------------------------|
| Cash and investments - beginning | \$ 2,115,088 | \$ 560,563 | \$ 926,782 | \$ 398,934 | \$ 155,638 | \$ 1,378,015 | \$ 132,320 | \$ - | \$ (232,652) |
| Receipts: | | | | | | | | | |
| Local sources | 235,087 | 2,413,813 | 2,108,770 | 742,821 | 165,084 | 99,496 | - | - | - |
| Intermediate sources | 1,145 | - | - | - | - | - | - | - | - |
| State sources | 10,360,401 | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | 189,726 | - | - | - | - | - |
| Other receipts | 2,243 | - | 2,000 | 22 | - | - | - | - | - |
| Total receipts | 10,598,876 | 2,413,813 | 2,110,770 | 932,569 | 165,084 | 99,496 | - | - | - |
| Disbursements: | | | | | | | | | |
| Instruction | 6,927,403 | - | - | - | - | 40,675 | - | - | - |
| Support services | 3,576,654 | - | 724,786 | 626,755 | 53,010 | - | - | - | - |
| Noninstructional services | 247,223 | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | 1,880 | - | 1,283,863 | - | - | 8,596 | - | - | 1,600,599 |
| Debt service | - | 2,176,661 | - | 189,624 | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 10,753,160 | 2,176,661 | 2,008,649 | 816,379 | 53,010 | 49,271 | - | - | 1,600,599 |
| Excess (deficiency) of receipts over disbursements | (154,284) | 237,152 | 102,121 | 116,190 | 112,074 | 50,225 | - | - | (1,600,599) |
| Other financing sources (uses): | | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - | 1,833,251 |
| Transfers in | - | - | - | - | - | 400,000 | - | 99,496 | - |
| Transfers out | - | (33,964) | (211,556) | (61,753) | (173,809) | (99,496) | - | - | - |
| Total other financing sources (uses) | - | (33,964) | (211,556) | (61,753) | (173,809) | 300,504 | - | 99,496 | 1,833,251 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (154,284) | 203,188 | (109,435) | 54,437 | (61,735) | 350,729 | - | 99,496 | 232,652 |
| Cash and investments - ending | \$ 1,960,804 | \$ 763,751 | \$ 817,347 | \$ 453,371 | \$ 93,903 | \$ 1,728,744 | \$ 132,320 | \$ 99,496 | \$ - |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Construction - LIT | School Lunch | Textbook Rental | Levy Excess | Joint Services and Supply - Special Education Cooperative | Special Ed Preschool - Coop | Spec Ed Preschool - Boswell | Spec Ed Preschool - Demotte |
|---|-----------------------|-----------------|--------------------|----------------|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Cash and investments - beginning | \$ - | \$ 630,489 | \$ 117,085 | \$ 343 | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | 1,209 | 183,091 | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | 8,422 | 60,553 | - | - | - | - | - |
| Federal sources | - | 501,789 | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | 227,697 | 60 | - | - | - | - | - |
| Total receipts | - | 739,117 | 243,704 | - | - | - | - | - |
| Disbursements: | | | | | | | | |
| Instruction | - | - | - | - | - | - | - | - |
| Support services | - | - | 165,990 | - | - | - | - | - |
| Noninstructional services | - | 704,792 | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | 704,792 | 165,990 | - | - | - | - | - |
| Excess (deficiency) of receipts over disbursements | - | 34,325 | 77,714 | - | - | - | - | - |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | 81,082 | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | 81,082 | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 34,325 | 77,714 | 81,082 | - | - | - | - |
| Cash and investments - ending | \$ - | \$ 664,814 | \$ 194,799 | \$ 81,425 | \$ - | \$ - | \$ - | \$ - |

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Spec Ed Preschool - Rensselaer | Spec Ed Preschool - S Newton | Spec Ed Preschool - Frontier | Coop Ser - Emergency Fund | Joint Services Interlocal | Joint Services - IDEA - Speech | Child Care Program | Educational License Plates |
|---|---|---------------------------------------|---------------------------------------|------------------------------------|---------------------------------|---|--------------------------|----------------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (286) | \$ 3,910 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | 24,760 | 225 |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | - | - | - | - | - | - | 24,760 | 225 |
| Disbursements: | | | | | | | | |
| Instruction | - | - | - | - | - | - | 15,257 | - |
| Support services | - | - | - | - | - | - | 5 | 2,005 |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | - | - | - | - | - | 15,262 | 2,005 |
| Excess (deficiency) of receipts over disbursements | - | - | - | - | - | - | 9,498 | (1,780) |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | - | - | - | - | 9,498 | (1,780) |
| Cash and investments - ending | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,212 | \$ 2,130 |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Alternative Education | Early Intervention Grant | Lilly - Counseling | Miscellaneous Programs | Miscellaneous | Drivers Ed | Amerimac | Coop School Summer - ESY |
|---|--------------------------|--------------------------------|-----------------------|---------------------------|---------------|------------|----------|-----------------------------------|
| Cash and investments - beginning | \$ - | \$ 6,925 | \$ - | \$ 175 | \$ 15,290 | \$ 10,474 | \$ 500 | \$ (1,756) |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | 30,269 | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | 9,357 | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | 4,453 | - | - | 16,890 |
| Total receipts | 9,357 | - | - | - | 4,453 | 30,269 | - | 16,890 |
| Disbursements: | | | | | | | | |
| Instruction | 9,357 | - | - | 159 | 1,425 | 26,634 | - | 17,612 |
| Support services | - | - | - | - | 5,135 | 3,458 | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 9,357 | - | - | 159 | 6,560 | 30,092 | - | 17,612 |
| Excess (deficiency) of receipts over disbursements | - | - | - | (159) | (2,107) | 177 | - | (722) |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | - | (159) | (2,107) | 177 | - | (722) |
| Cash and investments - ending | \$ - | \$ 6,925 | \$ - | \$ 16 | \$ 13,183 | \$ 10,651 | \$ 500 | \$ (2,478) |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | FETC - Indian Trails | Monsanto | Auction Fund | IPAD Insurance Account | RCPS Ground Leases | IPAD - Professional Development | FFA Blue Jacket Grant | Indian Trails |
|---|----------------------------|----------|-----------------|------------------------------|--------------------------|---------------------------------------|--------------------------------|------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ 1,512 | \$ 8,500 | \$ 1,347 | \$ 750 | \$ 122 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | 2,500 | 14,884 | 49 | 2,500 | - | - | - |
| Total receipts | - | 2,500 | 14,884 | 49 | 2,500 | - | - | - |
| Disbursements: | | | | | | | | |
| Instruction | - | - | - | - | - | - | 595 | - |
| Support services | 1,443 | - | 505 | 660 | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | 122 |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 1,443 | - | 505 | 660 | - | - | 595 | 122 |
| Excess (deficiency) of receipts over disbursements | (1,443) | 2,500 | 14,379 | (611) | 2,500 | - | (595) | (122) |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (1,443) | 2,500 | 14,379 | (611) | 2,500 | - | (595) | (122) |
| Cash and investments - ending | \$ (1,443) | \$ 2,500 | \$ 14,379 | \$ 901 | \$ 11,000 | \$ 1,347 | \$ 155 | \$ - |

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Jasper County REMC | Coop Tech/LEA Service | Football Athletic | ISHAA - Arihood Grant | School Trust of Indiana | School Supplies for Elementary | RCSC Teacher Appreciation | Welding Program - HS |
|---|--------------------------|-----------------------------|----------------------|-----------------------------|-------------------------------|---|---------------------------------|----------------------------|
| Cash and investments - beginning | \$ 5,337 | \$ 4,839 | \$ (8,158) | \$ 1,000 | \$ 356 | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | 500 | 29,466 | 801 | - | 2,266 | 657 | 1,643 | 10,000 |
| Total receipts | 500 | 29,466 | 801 | - | 2,266 | 657 | 1,643 | 10,000 |
| Disbursements: | | | | | | | | |
| Instruction | - | - | (7,357) | - | - | 657 | - | 8,043 |
| Support services | - | 30,621 | - | - | 3,177 | - | 900 | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | 30,621 | (7,357) | - | 3,177 | 657 | 900 | 8,043 |
| Excess (deficiency) of receipts over disbursements | 500 | (1,155) | 8,158 | - | (911) | - | 743 | 1,957 |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 500 | (1,155) | 8,158 | - | (911) | - | 743 | 1,957 |
| Cash and investments - ending | \$ 5,837 | \$ 3,684 | \$ - | \$ 1,000 | \$ (555) | \$ - | \$ 743 | \$ 1,957 |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Building Maint - Coop Sch Serv | Jasper Foundation | RCHS Art Fund | J Rodibaugh Student Care Fund | Jasper Foundation - Staddon | Ind Retired Teachers - J Shupr | Psi Iota Sx Sorority - Lib | Personal Finance Program - HS |
|---|--|----------------------|---------------------|--|-----------------------------------|---|----------------------------------|--|
| Cash and investments - beginning | \$ - | \$ 2,279 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | 2,850 | - | - | - | - | - | - |
| Total receipts | - | 2,850 | - | - | - | - | - | - |
| Disbursements: | | | | | | | | |
| Instruction | - | 2,699 | - | - | - | - | - | - |
| Support services | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | 2,699 | - | - | - | - | - | - |
| Excess (deficiency) of receipts over disbursements | - | 151 | - | - | - | - | - | - |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 151 | - | - | - | - | - | - |
| Cash and investments - ending | \$ - | \$ 2,430 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Formative Assessment | High Ability 15-16 | High Ability 16-17 | Drug Free Communities | Early Childhood Intervention (First Steps) | Medicaid Reimbursement | Secured Schools Safety Grant | Non-English Speaking Programs |
|---|-------------------------|--------------------------|--------------------------|-----------------------------|---|---------------------------|---------------------------------------|-------------------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ 2,828 | \$ 19,619 | \$ 13,311 | \$ (6,625) | \$ 209 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | 64,904 | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | 19,742 | 31,825 | - | - | - | 427 | 26,501 | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | 5,250 | - | - | - | - |
| Total receipts | 19,742 | 31,825 | - | 5,250 | 64,904 | 427 | 26,501 | - |
| Disbursements: | | | | | | | | |
| Instruction | - | 30,440 | - | 1,626 | 88,359 | - | - | - |
| Support services | - | - | - | 1,310 | - | - | 27,229 | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | 19,742 | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 19,742 | 30,440 | - | 2,936 | 88,359 | - | 27,229 | - |
| Excess (deficiency) of receipts over disbursements | - | 1,385 | - | 2,314 | (23,455) | 427 | (728) | - |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | 1,385 | - | 2,314 | (23,455) | 427 | (728) | - |
| Cash and investments - ending | \$ - | \$ 1,385 | \$ - | \$ 5,142 | \$ (3,836) | \$ 13,738 | \$ (7,353) | \$ 209 |

RENSELAEER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Title III - English Prof 15-16 | Title III - English Prof 16-17 | School Technology | School Technology Fund - Coop | Technology Grants [IC 20-40-15] | Career and Technical Performance Grant | Performance Based Awards | ISTA Medical Reimbursement |
|---|--------------------------------------|--------------------------------------|----------------------|--|---------------------------------------|---|--------------------------------|----------------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ 24,098 | \$ - | \$ 48,243 | \$ - | \$ - | \$ 10,974 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | 10,498 | - | 4,404 | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | 14,833 | - | - | 1,974 |
| Total receipts | 10,498 | - | 4,404 | - | 14,833 | - | - | 1,974 |
| Disbursements: | | | | | | | | |
| Instruction | 10,498 | - | - | - | - | - | - | - |
| Support services | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | 18,144 | - | 2,477 | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 10,498 | - | 18,144 | - | 2,477 | - | - | - |
| Excess (deficiency) of receipts over disbursements | - | - | (13,740) | - | 12,356 | - | - | 1,974 |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | (13,740) | - | 12,356 | - | - | 1,974 |
| Cash and investments - ending | \$ - | \$ - | \$ 10,358 | \$ - | \$ 60,599 | \$ - | \$ - | \$ 12,677 |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | ISTA Settlement | Title I 14-15 | Title I 15-16 | Title I 16-17 | PL 105-17 - FY16 | PL 105-17 - FY17 | PL 99-457 15-16 Preschool | PL 99-457 16-17 Preschool |
|---|--------------------|------------------|------------------|------------------|---------------------|---------------------|---------------------------------|---------------------------------|
| Cash and investments - beginning | \$ 131,582 | \$ (9,040) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | 45,786 | 137,567 | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | - | 45,786 | 137,567 | - | - | - | - | - |
| Disbursements: | | | | | | | | |
| Instruction | - | 36,169 | 126,475 | - | - | - | - | - |
| Support services | 61,279 | 437 | 36,300 | - | - | - | - | - |
| Noninstructional services | - | 140 | 1,376 | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 61,279 | 36,746 | 164,151 | - | - | - | - | - |
| Excess (deficiency) of receipts over disbursements | (61,279) | 9,040 | (26,584) | - | - | - | - | - |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (61,279) | 9,040 | (26,584) | - | - | - | - | - |
| Cash and investments - ending | \$ 70,303 | \$ - | \$ (26,584) | \$ - | \$ - | \$ - | \$ - | \$ - |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

| | Medicaid Reimbursement - Federal | Other Federal Programs | Title II Part A FY2014 | Title II Part A FY2015 | Title II Part A FY2016 | Lunch Fund Student/Adult Prepaid | Payroll Deductions | Totals |
|---|--|------------------------------|------------------------------|------------------------------|------------------------------|---|-----------------------|--------------|
| Cash and investments - beginning | \$ 10,608 | \$ 1,880 | \$ (3,746) | \$ - | \$ - | \$ 10,236 | \$ - | \$ 6,489,627 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | 6,069,529 |
| Intermediate sources | - | - | - | - | - | - | - | 1,145 |
| State sources | - | - | - | - | - | - | - | 10,532,130 |
| Federal sources | 852 | - | 27,968 | 33,879 | - | - | - | 747,841 |
| Temporary loans | - | - | - | - | - | - | - | 189,726 |
| Other receipts | - | - | - | - | - | 226,673 | 2,830,437 | 3,400,648 |
| Total receipts | 852 | - | 27,968 | 33,879 | - | 226,673 | 2,830,437 | 20,941,019 |
| Disbursements: | | | | | | | | |
| Instruction | - | - | 8,882 | 15,370 | - | - | - | 7,360,978 |
| Support services | 9,617 | - | 16,120 | 22,498 | - | - | - | 5,369,894 |
| Noninstructional services | - | - | - | - | - | - | - | 953,531 |
| Facilities acquisition and construction | - | - | - | - | - | - | - | 2,935,423 |
| Debt service | - | - | - | - | - | - | - | 2,366,285 |
| Nonprogrammed charges | - | - | - | - | - | 226,900 | 2,830,437 | 3,057,337 |
| Total disbursements | 9,617 | - | 25,002 | 37,868 | - | 226,900 | 2,830,437 | 22,043,448 |
| Excess (deficiency) of receipts over disbursements | (8,765) | - | 2,966 | (3,989) | - | (227) | - | (1,102,429) |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | 1,833,251 |
| Transfers in | - | - | - | - | - | - | - | 580,578 |
| Transfers out | - | - | - | - | - | - | - | (580,578) |
| Total other financing sources (uses) | - | - | - | - | - | - | - | 1,833,251 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (8,765) | - | 2,966 | (3,989) | - | (227) | - | 730,822 |
| Cash and investments - ending | \$ 1,843 | \$ 1,880 | \$ (780) | \$ (3,989) | \$ - | \$ 10,009 | \$ - | \$ 7,220,449 |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | General | Debt Service | Capital Projects | School Transportation | School Bus Replacement | Rainy Day | Retirement/ Severance Bond | Construction | Construction - MS Project |
|---|--------------|--------------|------------------|-----------------------|------------------------|--------------|----------------------------|--------------|---------------------------|
| Cash and investments - beginning | \$ 1,960,804 | \$ 763,751 | \$ 817,347 | \$ 453,371 | \$ 93,903 | \$ 1,728,744 | \$ 132,320 | \$ 99,496 | \$ - |
| Receipts: | | | | | | | | | |
| Local sources | 261,189 | 2,332,795 | 2,074,672 | 711,167 | 142,329 | - | - | - | - |
| Intermediate sources | 1,145 | - | - | - | - | - | - | - | - |
| State sources | 10,637,086 | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - | - |
| Other receipts | 6,960 | - | 4,053 | 300 | - | - | - | - | - |
| Total receipts | 10,906,380 | 2,332,795 | 2,078,725 | 711,467 | 142,329 | - | - | - | - |
| Disbursements: | | | | | | | | | |
| Instruction | 7,370,625 | - | - | - | - | 33,321 | 90,562 | - | - |
| Support services | 3,488,691 | - | 701,120 | 629,838 | 87,981 | - | - | - | - |
| Noninstructional services | 242,647 | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | 1,373,971 | - | - | 55,054 | - | - | - |
| Debt service | - | 2,172,622 | - | 191,738 | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | - |
| Total disbursements | 11,101,963 | 2,172,622 | 2,075,091 | 821,576 | 87,981 | 88,375 | 90,562 | - | - |
| Excess (deficiency) of receipts over disbursements | (195,583) | 160,173 | 3,634 | (110,109) | 54,348 | (88,375) | (90,562) | - | - |
| Other financing sources (uses): | | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | 81,082 | - | 200,000 | - | - | - |
| Transfers out | - | (32,590) | (50,247) | (150,080) | (11) | - | - | - | - |
| Total other financing sources (uses) | - | (32,590) | (50,247) | (68,998) | (11) | 200,000 | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (195,583) | 127,583 | (46,613) | (179,107) | 54,337 | 111,625 | (90,562) | - | - |
| Cash and investments - ending | \$ 1,765,221 | \$ 891,334 | \$ 770,734 | \$ 274,264 | \$ 148,240 | \$ 1,840,369 | \$ 41,758 | \$ 99,496 | \$ - |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Construction - LIT | School Lunch | Textbook Rental | Levy Excess | Joint Services and Supply - Special Education Cooperative | Special Ed Preschool - Coop | Spec Ed Preschool - Boswell | Spec Ed Preschool - Demotte |
|---|-----------------------|-------------------|--------------------|-----------------|--|--------------------------------------|--------------------------------------|--------------------------------------|
| Cash and investments - beginning | \$ - | \$ 664,814 | \$ 194,799 | \$ 81,425 | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | |
| Local sources | 95,562 | 1,486 | 183,651 | - | 480,988 | 1,216,541 | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | 8,053 | 58,032 | - | - | - | - | - |
| Federal sources | - | 485,328 | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | 231,738 | 71 | - | 5,244 | - | 4,743 | 9,251 |
| Total receipts | <u>95,562</u> | <u>726,605</u> | <u>241,754</u> | <u>-</u> | <u>486,232</u> | <u>1,216,541</u> | <u>4,743</u> | <u>9,251</u> |
| Disbursements: | | | | | | | | |
| Instruction | - | - | - | - | 12,256 | 343,458 | 1,780 | 4,059 |
| Support services | - | - | 478,789 | - | 201,387 | 77,896 | - | - |
| Noninstructional services | - | 699,262 | - | - | - | - | - | - |
| Facilities acquisition and construction | - | 20,930 | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | <u>-</u> | <u>720,192</u> | <u>478,789</u> | <u>-</u> | <u>213,643</u> | <u>421,354</u> | <u>1,780</u> | <u>4,059</u> |
| Excess (deficiency) of receipts over disbursements | <u>95,562</u> | <u>6,413</u> | <u>(237,035)</u> | <u>-</u> | <u>272,589</u> | <u>795,187</u> | <u>2,963</u> | <u>5,192</u> |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | 32,293 | 635 | - | - | - | - |
| Transfers out | - | - | - | (81,082) | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>32,293</u> | <u>(80,447)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>95,562</u> | <u>6,413</u> | <u>(204,742)</u> | <u>(80,447)</u> | <u>272,589</u> | <u>795,187</u> | <u>2,963</u> | <u>5,192</u> |
| Cash and investments - ending | <u>\$ 95,562</u> | <u>\$ 671,227</u> | <u>\$ (9,943)</u> | <u>\$ 978</u> | <u>\$ 272,589</u> | <u>\$ 795,187</u> | <u>\$ 2,963</u> | <u>\$ 5,192</u> |

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Spec Ed Preschool - Rensselaer | Spec Ed Preschool - S Newton | Spec Ed Preschool - Frontier | Coop Ser - Emergency Fund | Joint Services Interlocal | Joint Services - IDEA - Speech | Child Care Program | Educational License Plates |
|---|---|---------------------------------------|---------------------------------------|------------------------------------|---------------------------------|---|--------------------------|----------------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,212 | \$ 2,130 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | 137,486 | 20,445 | 29,747 | 188 |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | 6,926 | 9,677 | 8,157 | 23,290 | - | - | - | - |
| Total receipts | 6,926 | 9,677 | 8,157 | 23,290 | 137,486 | 20,445 | 29,747 | 188 |
| Disbursements: | | | | | | | | |
| Instruction | 2,749 | 5,290 | 4,361 | - | - | - | 17,299 | - |
| Support services | - | - | - | 4,000 | - | 12,229 | 55 | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | 137,486 | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 2,749 | 5,290 | 4,361 | 4,000 | 137,486 | 12,229 | 17,354 | - |
| Excess (deficiency) of receipts over disbursements | 4,177 | 4,387 | 3,796 | 19,290 | - | 8,216 | 12,393 | 188 |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 4,177 | 4,387 | 3,796 | 19,290 | - | 8,216 | 12,393 | 188 |
| Cash and investments - ending | \$ 4,177 | \$ 4,387 | \$ 3,796 | \$ 19,290 | \$ - | \$ 8,216 | \$ 21,605 | \$ 2,318 |

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Alternative Education | Early Intervention Grant | Lilly - Counseling | Miscellaneous Programs | Miscellaneous | Drivers Ed | Amerimac | Coop School Summer - ESY |
|---|--------------------------|--------------------------------|-----------------------|---------------------------|---------------|------------|----------|-----------------------------------|
| Cash and investments - beginning | \$ - | \$ 6,925 | \$ - | \$ 16 | \$ 13,183 | \$ 10,651 | \$ 500 | \$ (2,478) |
| Receipts: | | | | | | | | |
| Local sources | - | - | 30,000 | - | - | 27,600 | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | 4,428 | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | 300 | 8,604 | - | - | 22,483 |
| Total receipts | 4,428 | - | 30,000 | 300 | 8,604 | 27,600 | - | 22,483 |
| Disbursements: | | | | | | | | |
| Instruction | - | - | 13,513 | - | - | 28,012 | - | 25,882 |
| Support services | - | - | - | - | 1,779 | 18,707 | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | 6,165 | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | - | 13,513 | - | 7,944 | 46,719 | - | 25,882 |
| Excess (deficiency) of receipts over disbursements | 4,428 | - | 16,487 | 300 | 660 | (19,119) | - | (3,399) |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 4,428 | - | 16,487 | 300 | 660 | (19,119) | - | (3,399) |
| Cash and investments - ending | \$ 4,428 | \$ 6,925 | \$ 16,487 | \$ 316 | \$ 13,843 | \$ (8,468) | \$ 500 | \$ (5,877) |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | FETC - Indian Trails | Monsanto | Auction Fund | IPAD Insurance Account | RCPS Ground Leases | IPAD - Professional Development | FFA Blue Jacket Grant | Indian Trails |
|---|----------------------------|----------|-----------------|------------------------------|--------------------------|---------------------------------------|--------------------------------|------------------|
| Cash and investments - beginning | \$ (1,443) | \$ 2,500 | \$ 14,379 | \$ 901 | \$ 11,000 | \$ 1,347 | \$ 155 | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | 2,973 | - | 40 | - | 2,500 | - | - | - |
| Total receipts | 2,973 | - | 40 | - | 2,500 | - | - | - |
| Disbursements: | | | | | | | | |
| Instruction | - | - | - | - | - | 1,347 | - | - |
| Support services | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | - | - | - | - | 1,347 | - | - |
| Excess (deficiency) of receipts over disbursements | 2,973 | - | 40 | - | 2,500 | (1,347) | - | - |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 2,973 | - | 40 | - | 2,500 | (1,347) | - | - |
| Cash and investments - ending | \$ 1,530 | \$ 2,500 | \$ 14,419 | \$ 901 | \$ 13,500 | \$ - | \$ 155 | \$ - |

RENSSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Jasper County REMC | Coop Tech/LEA Service | Football Athletic | ISHAA - Arihood Grant | School Trust of Indiana | School Supplies for Elementary | RCSC Teacher Appreciation | Welding Program - HS |
|---|--------------------------|-----------------------------|----------------------|-----------------------------|-------------------------------|---|---------------------------------|----------------------------|
| Cash and investments - beginning | \$ 5,837 | \$ 3,684 | \$ - | \$ 1,000 | \$ (555) | \$ - | \$ 743 | \$ 1,957 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | 2,233 | 23,180 | - | - | 1,884 | 725 | 1,088 | - |
| Total receipts | 2,233 | 23,180 | - | - | 1,884 | 725 | 1,088 | - |
| Disbursements: | | | | | | | | |
| Instruction | 4,806 | 11,593 | - | - | - | 423 | - | 1,957 |
| Support services | - | 13,280 | - | - | 1,329 | - | 591 | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 4,806 | 24,873 | - | - | 1,329 | 423 | 591 | 1,957 |
| Excess (deficiency) of receipts over disbursements | (2,573) | (1,693) | - | - | 555 | 302 | 497 | (1,957) |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (2,573) | (1,693) | - | - | 555 | 302 | 497 | (1,957) |
| Cash and investments - ending | \$ 3,264 | \$ 1,991 | \$ - | \$ 1,000 | \$ - | \$ 302 | \$ 1,240 | \$ - |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Building Maint - Coop Sch Serv | Jasper Foundation | RCHS Art Fund | J Rodibaugh Student Care Fund | Jasper Foundation - Staddon | Ind Retired Teachers - J Shupr | Psi Iota Sx Sorority - Lib | Personal Finance Program - HS |
|---|--|----------------------|---------------------|--|-----------------------------------|---|----------------------------------|--|
| Cash and investments - beginning | \$ - | \$ 2,430 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | 40,000 | 21,495 | 1,200 | 2,735 | 94,507 | 498 | 1,667 | 500 |
| Total receipts | 40,000 | 21,495 | 1,200 | 2,735 | 94,507 | 498 | 1,667 | 500 |
| Disbursements: | | | | | | | | |
| Instruction | - | 20,760 | 375 | - | 61,707 | 497 | - | - |
| Support services | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | 20,760 | 375 | - | 61,707 | 497 | - | - |
| Excess (deficiency) of receipts over disbursements | 40,000 | 735 | 825 | 2,735 | 32,800 | 1 | 1,667 | 500 |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 40,000 | 735 | 825 | 2,735 | 32,800 | 1 | 1,667 | 500 |
| Cash and investments - ending | \$ 40,000 | \$ 3,165 | \$ 825 | \$ 2,735 | \$ 32,800 | \$ 1 | \$ 1,667 | \$ 500 |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Formative Assessment | High Ability 15-16 | High Ability 16-17 | Drug Free Communities | Early Childhood Intervention (First Steps) | Medicaid Reimbursement | Secured Schools Safety Grant | Non-English Speaking Programs |
|---|-------------------------|--------------------------|--------------------------|-----------------------------|---|---------------------------|---------------------------------------|-------------------------------------|
| Cash and investments - beginning | \$ - | \$ 1,385 | \$ - | \$ 5,142 | \$ (3,836) | \$ 13,738 | \$ (7,353) | \$ 209 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | 70,921 | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | 19,543 | - | 31,454 | - | - | 561 | 29,413 | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | 6,500 | - | - | - | - |
| Total receipts | 19,543 | - | 31,454 | 6,500 | 70,921 | 561 | 29,413 | - |
| Disbursements: | | | | | | | | |
| Instruction | - | 1,385 | 30,820 | 6,580 | 93,743 | - | - | - |
| Support services | - | - | - | 3,268 | - | - | 29,849 | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | 19,543 | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | 19,543 | 1,385 | 30,820 | 9,848 | 93,743 | - | 29,849 | - |
| Excess (deficiency) of receipts over disbursements | - | (1,385) | 634 | (3,348) | (22,822) | 561 | (436) | - |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | (1,385) | 634 | (3,348) | (22,822) | 561 | (436) | - |
| Cash and investments - ending | \$ - | \$ - | \$ 634 | \$ 1,794 | \$ (26,658) | \$ 14,299 | \$ (7,789) | \$ 209 |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Title III - English Prof 15-16 | Title III - English Prof 16-17 | School Technology | School Technology Fund - Coop | Technology Grants [IC 20-40-15] | Career and Technical Performance Grant | Performance Based Awards | ISTA Medical Reimbursement |
|---|--------------------------------------|--------------------------------------|----------------------|--|---------------------------------------|---|--------------------------------|----------------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ 10,358 | \$ - | \$ 60,599 | \$ - | \$ - | \$ 12,677 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | 10,078 | 6,308 | - | - | 12,044 | 149,649 | - |
| Federal sources | - | - | - | - | - | - | - | - |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | 570 | 11,800 | - | - | - |
| Total receipts | - | 10,078 | 6,308 | 570 | 11,800 | 12,044 | 149,649 | - |
| Disbursements: | | | | | | | | |
| Instruction | - | 10,078 | - | - | - | 11,520 | 149,649 | - |
| Support services | - | - | - | - | - | - | - | - |
| Noninstructional services | - | - | - | - | - | - | - | - |
| Facilities acquisition and construction | - | - | - | 486 | 25,520 | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | 10,078 | - | 486 | 25,520 | 11,520 | 149,649 | - |
| Excess (deficiency) of receipts over disbursements | - | - | 6,308 | 84 | (13,720) | 524 | - | - |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | 6,308 | 84 | (13,720) | 524 | - | - |
| Cash and investments - ending | \$ - | \$ - | \$ 16,666 | \$ 84 | \$ 46,879 | \$ 524 | \$ - | \$ 12,677 |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | ISTA Settlement | Title I 14-15 | Title I 15-16 | Title I 16-17 | PL 105-17 - FY16 | PL 105-17 - FY17 | PL 99-457 15-16 Preschool | PL 99-457 16-17 Preschool |
|---|--------------------|------------------|------------------|------------------|---------------------|---------------------|---------------------------------|---------------------------------|
| Cash and investments - beginning | \$ 70,303 | \$ - | \$ (26,584) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | - |
| Intermediate sources | - | - | - | - | - | - | - | - |
| State sources | - | - | - | - | - | - | - | - |
| Federal sources | - | - | 63,597 | 153,161 | 260,149 | 2,402,846 | 34,590 | 49,612 |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - | - |
| Total receipts | - | - | 63,597 | 153,161 | 260,149 | 2,402,846 | 34,590 | 49,612 |
| Disbursements: | | | | | | | | |
| Instruction | - | - | 31,790 | 121,870 | 31,048 | 899,123 | - | - |
| Support services | - | - | 4,030 | 37,424 | 229,529 | 1,757,341 | 34,590 | 62,030 |
| Noninstructional services | - | - | 1,193 | 729 | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | - | - |
| Total disbursements | - | - | 37,013 | 160,023 | 260,577 | 2,656,464 | 34,590 | 62,030 |
| Excess (deficiency) of receipts over disbursements | - | - | 26,584 | (6,862) | (428) | (253,618) | - | (12,418) |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | - | - | 26,584 | (6,862) | (428) | (253,618) | - | (12,418) |
| Cash and investments - ending | \$ 70,303 | \$ - | \$ - | \$ (6,862) | \$ (428) | \$ (253,618) | \$ - | \$ (12,418) |

RENSELAER CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

| | Medicaid Reimbursement - Federal | Other Federal Programs | Title II Part A FY2014 | Title II Part A FY2015 | Title II Part A FY2016 | Lunch Fund Student/Adult Prepaid | Payroll Deductions | Totals |
|---|--|------------------------------|------------------------------|------------------------------|------------------------------|---|-----------------------|--------------|
| Cash and investments - beginning | \$ 1,843 | \$ 1,880 | \$ (780) | \$ (3,989) | \$ - | \$ 10,009 | \$ - | \$ 7,220,449 |
| Receipts: | | | | | | | | |
| Local sources | - | - | - | - | - | - | - | 7,816,767 |
| Intermediate sources | - | - | - | - | - | - | - | 1,145 |
| State sources | - | - | - | - | - | - | - | 10,966,649 |
| Federal sources | 1,118 | - | 780 | 13,738 | 27,442 | - | - | 3,492,361 |
| Temporary loans | - | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | 232,656 | 2,886,381 | 3,676,929 |
| Total receipts | 1,118 | - | 780 | 13,738 | 27,442 | 232,656 | 2,886,381 | 25,953,851 |
| Disbursements: | | | | | | | | |
| Instruction | - | - | - | 7,470 | 3,484 | - | - | 9,455,192 |
| Support services | 948 | - | - | 2,502 | 30,184 | - | - | 7,909,367 |
| Noninstructional services | - | - | - | - | - | - | - | 943,831 |
| Facilities acquisition and construction | - | - | - | - | - | - | - | 1,501,669 |
| Debt service | - | - | - | - | - | - | - | 2,501,846 |
| Nonprogrammed charges | - | - | - | - | - | 231,357 | 2,886,381 | 3,117,738 |
| Total disbursements | 948 | - | - | 9,972 | 33,668 | 231,357 | 2,886,381 | 25,429,643 |
| Excess (deficiency) of receipts over disbursements | 170 | - | 780 | 3,766 | (6,226) | 1,299 | - | 524,208 |
| Other financing sources (uses): | | | | | | | | |
| Proceeds of long-term debt | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | 314,010 |
| Transfers out | - | - | - | - | - | - | - | (314,010) |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | 170 | - | 780 | 3,766 | (6,226) | 1,299 | - | 524,208 |
| Cash and investments - ending | \$ 2,013 | \$ 1,880 | \$ - | \$ (223) | \$ (6,226) | \$ 11,308 | \$ - | \$ 7,744,657 |

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RENSELAER CENTRAL SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2017

| Government or Enterprise | Accounts Payable | Accounts Receivable |
|--------------------------|---------------------|------------------------|
| Governmental activities | <u>\$ 659,313</u> | <u>\$ 293,442</u> |

RENSELAER CENTRAL SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2017

| Lessor | Purpose | Annual Lease Payment | Lease Beginning Date | Lease Ending Date |
|--|-----------------------------|----------------------|----------------------|-------------------|
| Governmental activities: | | | | |
| Apple Inc | IPAD Leases | \$ 159,987 | 04/24/2017 | 07/15/2020 |
| Rensselaer Central High School Holding Corporation | Refinance | 330,000 | 07/15/2007 | 07/15/2021 |
| Rensselaer Central Multi-School Building Corporation | New Primary School/Security | <u>1,078,000</u> | 07/15/2011 | 01/15/2031 |
| Total of annual lease payments | | <u>\$ 1,567,987</u> | | |

-44-

| Type | Description of Debt | Purpose | Ending Principal Balance | Principal and Interest Due Within One Year |
|--------------------------|--|---------|--------------------------|--|
| Governmental activities: | | | | |
| General obligation bonds | Renovate and improve RCHS and Van Rens Elementary School - 2012 | | \$ 1,040,000 | \$ 308,069 |
| General obligation bonds | Renovate and improve RCHS and Van Rens Elementary Administration Office - 2013 | | 885,000 | 361,400 |
| General obligation bonds | Renovate and improve RCMS and High School - 2015 | | 1,840,000 | 41,388 |
| Notes and loans payable | Common School #A1594 | | <u>16,049</u> | <u>16,129</u> |
| Totals | | | <u>\$ 3,781,049</u> | <u>\$ 726,986</u> |

RENSELAER CENTRAL SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2017

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

| | <u>Ending Balance</u> |
|------------------------------------|---------------------------|
| Governmental activities: | |
| Land | \$ 997,423 |
| Buildings | 37,180,032 |
| Machinery, equipment, and vehicles | <u>4,736,642</u> |
| Total capital assets | <u>\$ 42,914,097</u> |

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for Each Major Federal Program

We have audited the Rensselaer Central School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

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

Basis for Qualified Opinion on Child Nutrition Cluster

As described in items 2017-003, 2017-004, 2017-005, and 2017-006 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/Cost Principles, Cash Management, and Program Income, and Procurement and Suspension and Debarment that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

Basis for Qualified Opinion on Special Education Cluster (IDEA)

As described in items 2017-007, 2017-009, and 2017-010 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/Cost Principles, Period of Performance, and 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 that program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on (identify the major federal program) for the period of July 1, 2015 to June 30, 2017.

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 for the period of July 1, 2015 to June 30, 2017.

Report on Internal Control over Compliance

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


A 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008, 2017-009, and 2017-010, that we consider 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

March 6, 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.

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RENSSELAER CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

| 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 06-30-16 | Total Federal Awards Expended 06-30-16 | Pass-Through To Subrecipient 06-30-17 | Total Federal Awards Expended 06-30-17 |
|---|-------------------------------------|---------------------------|--|---|---|---|---|
| Department of Agriculture | | | | | | | |
| Child Nutrition Cluster | Indiana Department of Education | | | | | | |
| School Breakfast Program | | 10.553 | FY 15-16; FY 16-17 | \$ - | \$ 114,542 | \$ - | \$ 116,718 |
| National School Lunch Program | | 10.555 | FY 15-16; FY 16-17 | - | 380,857 | - | 362,058 |
| National School Lunch Program - Commodities | | | FY 15-16; FY 16-17 | - | 61,460 | - | 72,611 |
| Total - National School Lunch Program | | | | - | 442,317 | - | 434,669 |
| Summer Food Service Program for Children | | 10.559 | FY 15-16; FY 16-17 | - | 6,391 | - | 6,552 |
| Total - Child Nutrition Cluster | | | | - | 563,250 | - | 557,939 |
| Total - Department of Agriculture | | | | - | 563,250 | - | 557,939 |
| Department of Education | | | | | | | |
| Title I Grants to Local Educational Agencies | Indiana Department of Education | | | | | | |
| | | 84.010 | 14-3815 | - | 45,786 | - | - |
| | | 84.010 | 15-3815 | - | 137,567 | - | 63,597 |
| | | 84.010 | 16-3815 | - | - | - | 153,161 |
| Total - Title I Grants to Local Educational Agencies | | | | - | 183,353 | - | 216,758 |
| Special Education Cluster (IDEA) | Indiana Department of Education | | | | | | |
| Special Education_Grants to States | | 84.027 | 14214-051-PN01 | - | 2,432 | - | - |
| | | 84.027 | 14215-051-PN01 | - | 112,626 | - | - |
| | | 84.027 | 14216-049-PN01 | - | 317,599 | - | 62,013 |
| | | 84.027 | 14216-150-PN01 | - | - | - | 35,744 |
| | | 84.027 | 14217-049-PN01 | - | - | - | 328,884 |
| | | 84.027 | 99914-051-TA01 | - | 155 | - | - |
| Total - Special Education_Grants to States | | | | - | 432,812 | - | 426,641 |
| Special Education_Preschool Grants | Indiana Department of Education | | | | | | |
| | | 84.173 | 45715-051-PN01 | - | 7,220 | - | - |
| | | 84.173 | 45716-049-PN01 | - | 13,035 | - | 3,933 |
| | | 84.173 | 45716-150-PN01 | - | - | - | 6,284 |
| | | 84.173 | 45717-049-PN01 | - | - | - | 8,942 |
| Total - Special Education_Preschool Grants | | | | - | 20,255 | - | 19,159 |
| Total - Special Education Cluster (IDEA) | | | | - | 453,067 | - | 445,800 |
| English Language Acquisition State Grants | Indiana Department of Education | | | | | | |
| | | 84.365 | 01116-128-PN01 | - | 6,185 | - | - |
| | | 84.365 | 01117-207-PN01 | - | - | - | 7,056 |
| Total - English Language Acquisition State Grants | | | | - | 6,185 | - | 7,056 |
| Supporting Effective Instruction State Grants | Indiana Department of Education | | | | | | |
| | | 84.367 | 14-3815 | - | 27,968 | - | 780 |
| | | 84.367 | 15-3815 | - | 33,879 | - | 13,738 |
| | | 84.367 | 16-3815 | - | - | - | 27,442 |
| Total - Supporting Effective Instruction State Grants | | | | - | 61,847 | - | 41,960 |
| Total - Department of Education | | | | - | 704,452 | - | 711,574 |
| Total federal awards expended | | | | \$ - | \$ 1,267,702 | \$ - | \$ 1,269,513 |

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 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 the Uniform Guidance, 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. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Special Education Cooperative and Wabash Valley Consortium

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

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

RENSELAER CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

| | |
|--|---------------|
| Internal control over major programs: | |
| Material weaknesses identified? | yes |
| Significant deficiencies identified? | none reported |
| Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? | yes |

Identification of Major Programs and type of auditor's report issued on compliance for each:

| <u>Name of Federal Program or Cluster</u> | <u>Opinion Issued</u> |
|---|-----------------------|
| Child Nutrition Cluster | Qualified |
| Special Education Cluster (IDEA) | Qualified |

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

| | |
|--|----|
| Auditee qualified as low-risk auditee? | no |
|--|----|

Section II - Financial Statement Findings

FINDING 2017-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2015-001.

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 and Receipts.

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

Cash and Investments

Monthly bank reconcilements were prepared by one individual without a proper system of oversight or review.

Receipts

The Treasurer issued and recorded receipts, prepared the deposits, took the deposits to the bank, and performed the monthly reconciliation of the bank balance to the record balance without a proper system of oversight or review.

Context

The lack of adequate internal controls was a systemic issue 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. . . .

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

Cause

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

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to monthly cash reconcilements and the receipt issuance.

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Cost

FINDING 2017-002

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Reporting, Special
Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2015-003.

Condition

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

Activities Allowed or Unallowed

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

Reporting

The School Corporation had not designed or implemented adequate policies or procedures to ensure accurate reporting of the School Food Authority (SFA) Verification Collection Reports, Annual Financial Reports, and monthly Sponsor Claims (claims for reimbursement). A proper system of oversight or review to ensure the accuracy of the reports was not established.

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

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

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

Context

The lack of 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

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

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance 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.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

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

FINDING 2017-003

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2015-003.

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 Allowable Costs/Cost Principles compliance requirement.

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

The School Corporation paid a total of \$72,890 to two vendors for flowers (\$40) and a portion of the School Corporation's total utility bill (\$72,850). When the sample errors for the flower purchase noted above were projected to the population as a whole, additional likely errors of \$169 were identified. These were paid without adequate supporting documentation that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

Context

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

Payments without adequate supporting documentation of their allowability totaled 8 percent of the vendor payments during the audit period.

Criteria

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

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

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

2 CFR 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). . . ."

OMB Circular A-87, Attachment A, Part C states in part:

"1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

b. Be allocable to Federal awards under the provisions of this Circular. . . .

j. Be adequately documented."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .

(g) Be adequately documented. . . ."

Cause

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

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

Known questioned costs of \$72,890 were identified as detailed in the *Condition*.

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

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Allowable Costs/Cost Principles 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 2017-004

Subject: School Breakfast Program, National School Lunch Program - Cash Management

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17

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 2015-004.

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 Cash Management compliance requirement.

The School Corporation had not designed or implemented adequate policies or procedures to ensure that the School Lunch fund cash balance (net cash resources) did not exceed three months average expenditures.

The School Corporation did not comply with the Cash Management requirement that they limit its net cash resources to three months average expenditures.

Context

The lack of controls was a systemic issue throughout the audit period. The cash balance in the School Lunch fund (net cash resources) exceeded three months average expenditures for all 24 months of the audit period.

Criteria

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

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

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

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:

"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; . . ."

Cause

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls 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.

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

FINDING 2017-005

Subject: Child Nutrition Cluster - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2015-006.

Condition

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

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded in the financial records.

The School Corporation did not comply with Program Income requirements. They did not transfer the correct amount of sales from the prepaid food account. The transfer from the School Lunch Clearing Account (8400) to the School Lunch fund (800) was the difference between the beginning balance in the account and the ending positive prepaid balance per the eTrition food service software. The actual program income generated from the food service program was not transferred or recorded.

Context

This was a systemic issue. The School Corporation failed to properly record program income in the School Lunch fund throughout the audit period.

Criteria

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

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

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

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(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. . . ."

7 CFR 225.6(e) states in part:

"*State-Sponsor Agreement.* A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to: . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

Cause

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the Program Income 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 Program Income compliance requirement.

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

Views of Responsible Officials

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

FINDING 2017-006

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2015-005.

Condition

Procurement

The School Corporation had not established an effective internal control system to ensure compliance with procurement requirements. The School Board adopted a Procurement policy on May 17, 2016; however, there were no controls in place to ensure that the policy was followed.

Suspension and Debarment

The School Corporation had not established an effective internal control system to ensure compliance with suspension and debarment requirements. There were no controls in place to ensure that vendors were not suspended or debarred from participation in federal programs.

The School Corporation did not comply with the suspension and debarment requirements of the Procurement and Suspension and Debarment compliance requirement for the 2015-2016 school year. They did not perform any procedures to verify that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

Context

The lack of controls and the noncompliance were isolated to the 2015-2016 school year within the audit period.

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

Criteria

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

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

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 CFR 180.300 states:

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

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

Cause

The School Corporation had not developed a system of internal controls to ensure compliance with the Procurement and Suspension and Debarment 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 Procurement and Suspension and Debarment compliance requirement.

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

Views of Responsible Officials

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

FINDING 2017-007

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

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): 14214-051-PN01, 14215-051-PN01,
14216-049-PN01, 14216-150-PN01,
14217-049-PN01, 99914-051-TA01,
45715-051-PN01, 45716-049-PN01,
45716-150-PN01, 45717-049-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Modified Opinion

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation reimbursed the Fiscal Agent for its special education payroll expenditures. The School Corporation did not have controls in place to ensure the accuracy of the payroll expenditures reported by the Fiscal Agent. In addition, a review of the vendor claims prior to payment by the School Corporation was not consistently documented.

The School Corporation, as the Fiscal Agent of the Special Education Cooperative (Cooperative), paid member School Corporations for payroll costs related to speech therapists employed at each School Corporation. Personnel activity reports or equivalents were not maintained for the 2016-2017 school year's portion of the speech therapists' salaries and related costs paid from the grant. The Cooperative paid each member School Corporation based on its grant budgets for speech therapists, which did not properly document time attributable to the grant.

Context

This was a systemic issue during the second year of the audit period. Member school corporations were paid for speech therapists based on the grant's budget during the 2016-2017 school year.

Criteria

2 CFR 200.303 states in part:

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

"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 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Cause

The School Corporation had not established a proper or effective internal control structure that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles 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

Known questioned costs of \$144,997 were identified as detailed in the *Condition*.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Allowable Costs/Cost Principles compliance requirement.

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

Views of Responsible Officials

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

FINDING 2017-008

Subject: Special Education Cluster (IDEA) - Level of Effort

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): 14214-051-PN01, 14215-051-PN01,
14216-049-PN01, 14216-150-PN01,
14217-049-PN01, 99914-051-TA01,
45715-051-PN01, 45716-049-PN01,
45716-150-PN01, 45717-049-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the level of effort - maintenance of effort requirements of the Matching, Level of Effort, Earmarking compliance requirement.

One individual prepared the maintenance of effort report without a proper system of oversight or review.

Context

This was a systemic issue throughout the audit period.

Criteria

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

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

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Matching, Level of Effort, Earmarking 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 2017-009

Subject: Special Education Cluster (IDEA) - Period of Performance

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): 14214-051-PN01, 14215-051-PN01,
14216-049-PN01, 14216-150-PN01,
14217-049-PN01, 99914-051-TA01,
45715-051-PN01, 45716-049-PN01,
45716-150-PN01, 45717-049-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Period of Performance

Audit Findings: Material Weakness, Modified Opinion

Condition

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

The School Corporation failed to comply with the Period of Performance compliance requirement that all obligations for expenditures made from program funds were incurred within the period of performance. The obligation and/or payment of claims did not occur within the period of availability for transactions charged and recorded to the grant prior to the period of availability.

The School Corporation became the Fiscal Agent for the Special Education Cluster (IDEA) programs on July 1, 2016. The Indiana Department of Education awarded the remaining grant funds from the 2015-2016 school year to the School Corporation on July 11, 2016. Per the award letter, expenses accrued beginning on July 11, 2016, were eligible for reimbursement. There were underlying obligations for disbursements totaling \$160,755 which occurred prior to the period of performance.

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

Context

The lack of controls and the School Corporation's failure to comply with the Period of Performance compliance requirement was an isolated issue which occurred during the transition of the Special Education Cooperative's Fiscal Agent from one member School Corporation to the Rensselaer Community School Corporation at the beginning of the 2016-2017 school year.

Criteria

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 CFR 200.309 states:

"A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (except as described in § 200.461 Publication and printing costs) and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity."

2 CFR 200.77 states:

"Period of performance means the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award. The Federal awarding agency or pass-through entity must include start and end dates of the period of performance in the Federal award (see §§ 200.210 Information contained in a Federal award paragraph (a)(5) and 200.331 Requirements for pass-through entities, paragraph (a)(1)(iv))."

Cause

The School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Period of Performance compliance requirement.

Effect

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

Questioned Costs

Known questioned costs of \$160,755 were identified as detailed in the *Condition*.

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

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Period of Performance 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 2017-010

Subject: Special Education Cluster (IDEA) - Procurement and 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): 14214-051-PN01, 14215-051-PN01,
14216-049-PN01, 14216-150-PN01,
14217-049-PN01, 99914-051-TA01,
45715-051-PN01, 45716-049-PN01,
45716-150-PN01, 45717-049-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediate prior audit report. The prior audit finding numbers were 2015-007 and 2015-009.

Condition

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

The School Corporation failed to comply with the procurement requirement that small purchases and sealed bids must be in compliance with their procurement procedures, as well as state laws and procedures. Small purchase procedures were not followed which require that at least three price or rate quotations be obtained from qualified sources. There were no quotes or bids obtained for any purchases during the audit period.

The School Corporation did not perform any procedures to verify 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. There were no bids or quotes obtained for any vendors during the audit period. No verification procedures were performed for any of the contracted vendors paid from the grants.

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

Criteria

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

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

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 CFR 200.318(a) states in part: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

2 CFR 200.320(b) states:

"Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources."

Rensselaer Central School Corporation Policy 6325 -
PROCUREMENT - FEDERAL GRANTS/FUNDS

Small purchase procedures provide for relatively simple and informal procurement methods for securing services, supplies, and other property the cost of which exceeds \$3,500 but is less than the competitive bid threshold of \$100,000. Small purchase procedures require that at least three (3) price or rate quotations shall be obtained from qualified sources.

2 CFR 180.300 states:

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

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

RENSELAER CENTRAL 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 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 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.

AUDITEE-PREPARED DOCUMENTS

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

RENSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: **2015**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: **Curtis Craig, Dawn Claussen**

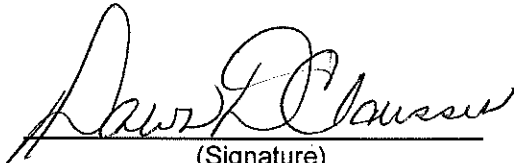
Contact Phone Number: 219-866-7822

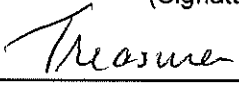
Status of Audit Finding:

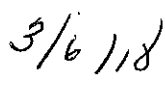
Lack of Segregation of Duties – The Administration Office has reviewed the office procedures and the Treasurer and the Assistant treasurer will review the receipts, disbursements and the financial statements.

Monitoring of Controls – The Administration Office has reviewed the office procedures and the Treasurer and the Assistant treasurer will review in monitoring and assessing the internal controls.

Preparing Financial Statement – The Form 9 will be reviewed and signed by the Board of School Trustees to show they have reviewed the information before being submitted to the DOE. The Superintendent, President of the Governing Body and Treasurer will sign the Form-9 signature page after the board reviews the information: All documents will be retained for the audits



(Signature)


(Title)


(Date)

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

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Phone 219.866.7822 – Fax 219.866.8360

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-002

Fiscal year in which the finding initially occurred: **2015**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: **Curtis Craig, Dawn Claussen**

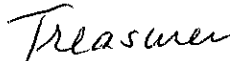
Contact Phone Number: 219-866-7822

Status of Audit Finding


A spreadsheet was created for the SEFA Report so totals can be checked before entering the information on Gateway. The Superintendent is given all the supporting documents to look over before submitting on Gateway.



(Signature)



(Title)



(Date)

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

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RENSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-003

Fiscal year in which the finding initially occurred: **2015**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Lori Zeider, Dawn Claussen, Curtis Craig

Contact Phone Number: 219-866-7822

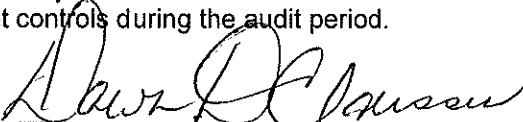
Status of Audit Finding

The School Corporation Treasurer and Food Service Director are working together to ensure all the Financial reporting is done correctly. The Food Service Director prepares the claims for payment and the Treasurer process the claims for board approval. The claims are approved by the Board of School Trustees and then mailed out the day after the board meeting. Due to the timing of the prior audit, we were not able to implement controls during the audit period.

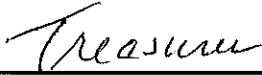
The Food Service Director is aware of the Board Policy and is following the procedures. As of June 30, 2017 the Corporation has a Child Nutrition Program Procurement Plan in place. Due to the timing of the prior audit, we were not able to implement controls during the audit period.

The Treasurer and the Food Service Director are working together to make sure the reporting is done correctly. Due to the timing of the prior audit, we were not able to implement controls during the audit period.


The School Corporation Treasurer and Food Service Director use a table provided by the Indiana Nutrition Service, the paid equity tool program, to calculate the paid lunch prices for the upcoming school year. Once prices are set, Breakfast and Lunch prices are approved by the Board of School Trustees. Due to the timing of the prior audit, we were not able to implement controls during the audit period.



(Signature)



(Title)



(Date)

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

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RENSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-004

Fiscal year in which the finding initially occurred: **2015**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Lori Zeider, Dawn Claussen, Curtis Craig

Contact Phone Number: 219-866-7822

Status of Audit Finding

The Food Service Director and Treasurer created a spread sheet showing Expenditures and Lunch Fund Balance for each month. A review of the three (3) months average expenditures will be compared to the end of month balance. The Food Service Director and Treasurer are aware of the Cash Management compliance requirements. There is a four year spending plan to address the excess funds in the Food Service Acct. This was put in place 17-18 school year.



(Signature)

Treasurer

(Title)

3/6/18

(Date)

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

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-005

Fiscal year in which the finding initially occurred: **2015**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Lori Zeider, Dawn Claussen, Curtis Craig

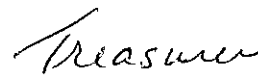
Contact Phone Number: 219-866-7822

Status of Audit Finding

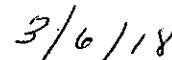
July 1, 2017, Certificate of Debarment, Suspension, Ineligibility and Voluntary Exclusion forms were sent out to Vendors with all Bid Documents.



(Signature)



(Title)



(Date)

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

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-006

Fiscal year in which the finding initially occurred: **2015**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

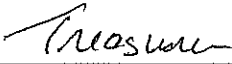
Contact Person Responsible for Corrective Action: Lori Zeider, Dawn Claussen, Curtis Craig

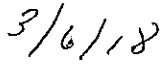
Contact Phone Number: 219-866-7822

Status of Audit Finding

The Food Service Director and the Treasurer are working together to comply with the program and income requirements and implement controls. Due to time of the prior audit we were unable to correct this during the audit period.


(Signature)


(Title)


(Date)

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

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-007

Fiscal year in which the finding initially occurred: **2015**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

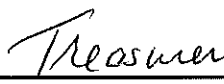
Contact Person Responsible for Corrective Action: Patricia Kem, Dawn Claussen, Curtis Craig

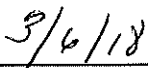
Contact Phone Number: 219-866-7822

Status of Audit Finding

Cooperative School Services and Rensselaer Central School are in the process of developing internal controls to ensure compliance requirements to the grant agreements and the Procurement compliance requirements are met.


(Signature)


(Title)


(Date)

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

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RENSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-008

Fiscal year in which the finding initially occurred: **2015**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Patricia Kem, Dawn Claussen, Curtis Craig

Contact Phone Number: 219-866-7822

Cooperative School Services and Rensselaer Central Schools are in the process of developing internal controls to ensure compliance requirements to the grant agreements and the reporting compliance requirements are met.



(Signature)

Treasurer

(Title)

3/6/18

(Date)

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

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-009

Fiscal year in which the finding initially occurred: **2015**

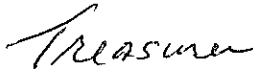
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

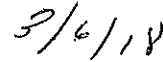
Contact Person Responsible for Corrective Action: Patricia Kem, Dawn Claussen, Curtis Craig

Contact Phone Number: 219-866-7822

Cooperative School Services and Rensselaer Central School are in the process of developing internal controls to ensure compliance requirements to the grant agreements and the Suspension and Debarment compliance requirements are met.


(Signature)


(Title)


(Date)

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

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015-010

Fiscal year in which the finding initially occurred: **2015**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

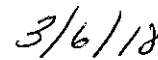
Contact Person Responsible for Corrective Action: Jennifer Norris, Dawn Claussen, Curtis Craig

Contact Phone Number: 219-866-7822

1. Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Availability – The Title I Coordinator, Superintendent, and Treasurer are in the process of implementing the internal controls at this time.
2. Cash Management – Documented in Administrative Guidelines– The Title I Coordinator, Superintendent, Treasurer are in the process of implementing the internal controls at this time.
3. Level of Effort – The Title I Coordinator, Superintendent, Treasurer are in the process of implementing internal controls at this time.
4. Request for Reimbursement Reports – Documented in Administrative Guidelines The Title I Coordinator, Superintendent, Treasurer are in the process of implementing internal controls at this time.
5. Final Expenditure Report – Documented in Administrative Guidelines. The Title I Coordinator, Superintendent, Treasurer are in the process of implementing internal controls at this time.
6. Student Per Pupil Expenditure Report – The Form 9 is reviewed by the Board of School Trustees and the Superintendent before submission. The ADM Report is reviewed by the School Principals prior to submission.
7. School Wide Programs – Title I Coordinator, Superintendent, Treasurer are in the process of implementing internal controls at this time
8. Comparability – The Title I Coordinator is still in the process of developing a Comparability report.


(Signature)


(Title)


(Date)

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

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-001

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

Contact Phone Number: 219-866-7822

View of Responsible Official: We concur with the findings

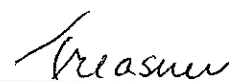
Description of Corrective Action Plan:

The administration has reviewed the office internal controls regarding Financial Transactions and Reporting. The Treasurer and Assistant Treasurer will work together preparing the receipts and bank deposits for accuracy before taking deposits to the bank. The Treasurer will prepare the monthly bank reconcilements and the Assistant Treasurer will review for accuracy. A report will be prepared for board review.

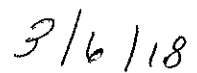
Anticipated Completion Date: June 30, 2018



(Signature)



(Title)



(Date)

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-002

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

Contact Phone Number: 219-866-7822

View of Responsible Official: We concur with the findings

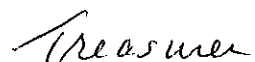
Description of Corrective Action Plan:

The administration has reviewed the office internal controls regarding Activities Allowed or Unallowed, Reporting and Special Tests and Provisions – Paid Lunch Equity. The Food Service Director and the Treasurer will implement controls to correct these findings.


Anticipated Completion Date: June 30, 2018



(Signature)



(Title)



(Date)

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RENSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-003

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

Contact Phone Number: 219-866-7822

View of Responsible Official: We concur with the findings

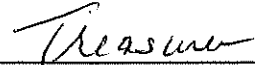
Description of Corrective Action Plan:

The administration has reviewed the office internal controls regarding Allowable Costs/Cost Principles. The Food Service Director and the Treasurer will implement controls to correct these findings and comply with program requirements. The School Corporation will be using the Indirect Cost rate for the 17-18 School year.

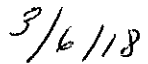
Anticipated Completion Date: June 30, 2018



(Signature)



(Title)



(Date)

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RENSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-004

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

Contact Phone Number: 219-866-7822

View of Responsible Official: We concur with the findings

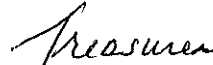
Description of Corrective Action Plan:

The administration has reviewed the office internal controls regarding Cash Management compliance requirements. The Food Service Director and the Treasurer will implement controls to correct these findings. The Food Service program has a 4 year spending plan to improve the cafeterias.

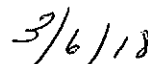
Anticipated Completion Date: June 30, 2018



(Signature)



(Title)



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RENSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-005

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

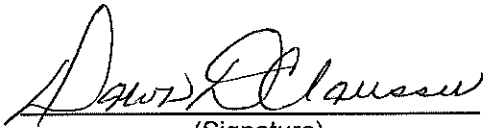
Contact Phone Number: 219-866-7822

View of Responsible Official: We concur with the findings

Description of Corrective Action Plan:

The administration has reviewed the office internal controls regarding Program Income. The Food Service Director and the Treasurer will implement controls to correct these findings. The Food Service Director and Treasurer are working together to insure compliance with program income requirements.

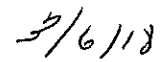
Anticipated Completion Date: June 30, 2018



(Signature)



(Title)



(Date)

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-006

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

Contact Phone Number: 219-866-7822

View of Responsible Official: We concur with the findings

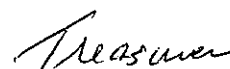
Description of Corrective Action Plan:

The administration has reviewed the office internal controls regarding Procurement, Suspension and Debarment. The Food Service Director and Treasurer are working together to ensure compliance with Procurement, Suspension and Debarment. Documentation is being kept to ensure that vendors are not Suspended or Debarred.

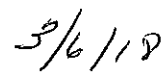
Anticipated Completion Date: June 30, 2018



(Signature)



(Title)



(Date)

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RENSSELAER CENTRAL SCHOOLS CORPORATION

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-007

Contact Person Responsible for Corrective Action: Curtis Craig, Superintendent, Dawn Claussen
Treasurer, Patti Kem – Director of Special Education Cooperative School Services

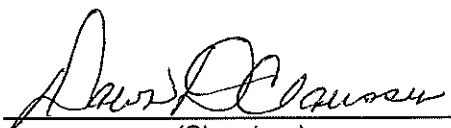
Contact Phone Number: 219-866-7822

View of Responsible Official: We concur with the findings

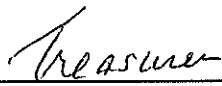
Description of Corrective Action Plan:

Cooperative School Services and Rensselaer Central Schools Corporation are in the process of developing internal controls to ensure compliance requirements to the grant agreements are met regarding payroll costs related to Speech/Language pathologist in the member school corporations. Time and Efforts reports for Speech Therapist are being kept to ensure compliance with allow cost.

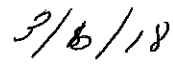
Anticipated Completion Date: June 1, 2018



(Signature)



(Title)



(Date)

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RENSSELAER CENTRAL SCHOOLS CORPORATION

CORRECTIVE ACTION PLAN

Mr. Curtis Craig
Superintendent

FINDING 2017-008

Contact Person Responsible for Corrective Action: Curtis Craig, Superintendent, Patti Kem – Director of Special Education Cooperative School Services, Dawn Claussen Treasurer

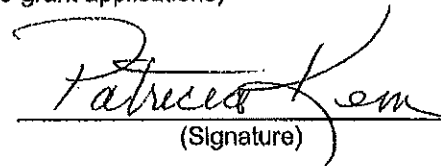
Contact Phone Number: 219-866-7822

View of Responsible Official: We concur with the findings

Description of Corrective Action Plan:

Cooperative School Services and Rensselaer Central Schools Corporation are in the process of developing internal controls to ensure compliance requirements to the grant agreements are met regarding the preparation of Maintenance of Effort requirements.

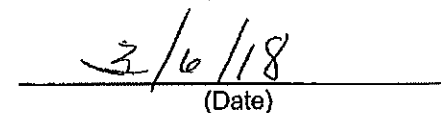
Anticipated Completion Date: September 1, 2018 (for the FY19 grant applications)



(Signature)



(Title)



(Date)

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RENSSELAER CENTRAL SCHOOLS CORPORATION

(Date)

Mr. Curtis Craig
Superintendent

CORRECTIVE ACTION PLAN

FINDING 2017-009

Subject: Special Education Cluster (IDEA) – Period of Performance

Contact Person Responsible for Corrective Action: Curtis Craig, Superintendent, Patti Kem – Director of Special Education Cooperative School Services, Dawn Claussen Treasurer

Contact Phone Number: 219-866-7822

View of Responsible Official: We concur with the findings

Description of Corrective Action Plan:


Rensselaer Central Schools Corporation became the LEA of the Cooperative School Services as of July 1, 2016. West Central was the LEA when FY2016 IDEA Part B 611 and FY 2016 Part B 619 were approved by Indiana Department of Education. On June 30, 2016 FY16 IDEA Part B 611 and FY 2016 Part B 619 Grants were closed out under West Central School Corporation and a new revised budget with remaining balances was submitted for Rensselaer Central Schools Corporation – new LEA July 1, 2016. There were underlying obligations from the prior grants that were paid with the new revised grants, but due to the change in LEA's, this was a one-time occurrence.

Cooperative School Services and Rensselaer Central Schools Corporation are in the process of developing internal controls to ensure compliance requirements to the grant agreements are met regarding Period of Performance.

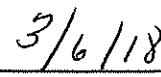
Anticipated Completion Date: N/A



(Signature)



(Title)



(Date)

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RENSSELAER CENTRAL SCHOOLS CORPORATION

CORRECTIVE ACTION PLAN

Mr. Curtis Craig
Superintendent

FINDING 2017-010

Contact Person Responsible for Corrective Action: Curtis Craig, Superintendent, Dawn Claussen
Treasurer, Patti Kem – Director of Special Education Cooperative School Services


Contact Phone Number: 219-866-7822

View of Responsible Official: We concur with the findings


Description of Corrective Action Plan:

Cooperative School Services and Rensselaer Central Schools Corporation are in the process of developing internal controls to ensure compliance requirements to the grant agreements are met regarding Procurement and Suspension and Debarment. The Rensselaer Central Schools Corporation is keeping documents to comply with Procurement requirements.

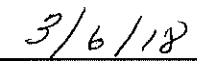
Anticipated Completion Date: May 1, 2018



(Signature)



(Title)



(Date)

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OTHER REPORTS

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