

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

RICHLAND-BEAN BLOSSOM  
COMMUNITY SCHOOL CORPORATION  
MONROE COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
04/25/2018



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rose Merrick (Vacant) Debbie Tate	07-01-14 to 03-02-15 03-03-15 to 03-29-15 03-30-15 to 06-30-18
Superintendent of Schools	Dr. Michael Wilcox	07-01-14 to 06-30-18
President of the School Board	Dana Robert Kerr Jimmie Durnil Dana Robert Kerr	07-01-14 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE RICHLAND-BEAN BLOSSOM COMMUNITY  
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Richland-Bean Blossom Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

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

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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


*Other Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of 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 28, 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 28, 2018



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

TO: THE OFFICIALS OF THE RICHLAND-BEAN BLOSSOM COMMUNITY  
SCHOOL CORPORATION, MONROE 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 Richland-Bean Blossom Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated March 28, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001 and 2016-002 to be material weaknesses.

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

**Compliance and Other Matters**


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

**Richland-Bean Blossom Community School Corporation's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

March 28, 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.

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

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 410,766	\$ 17,817,272	\$ 17,731,298	\$ 2,258	\$ 498,998	\$ 17,789,431	\$ 18,326,995	\$ 74,840	\$ 36,274
Debt Service	2,825,624	5,702,276	6,002,994	-	2,524,906	6,268,104	5,935,094	-	2,857,916
Retirement/Severance Bond Debt Service	3,679	242,450	228,856	-	17,273	262,161	253,876	-	25,558
Capital Projects	(34,283)	2,235,509	1,898,121	-	303,105	2,255,951	1,988,755	-	570,301
School Transportation	452,028	1,499,916	1,988,513	36,572	3	1,858,535	1,602,115	-	256,423
School Bus Replacement	62,230	456,097	194,576	-	323,751	491,391	766,935	-	48,207
Rainy Day	454,524	-	400,000	(36,572)	17,952	-	-	-	17,952
Retirement/Severance Bond	469,418	-	31,500	-	437,918	-	-	-	437,918
School Lunch	241,794	976,712	974,655	-	243,851	880,463	915,024	-	209,290
Textbook Rental	9,575	288,796	98,711	-	199,660	196,877	146,692	-	249,845
Levy Excess	-	1,906	-	-	1,906	-	-	-	1,906
Joint Services and Supply - Special Education Cooperative	(3,641)	903,092	899,448	-	3	1,127,394	1,003,052	-	124,345
Educational License Plates	300	-	-	-	300	-	-	-	300
Alternative Education	37,676	4,549	-	-	42,225	5,286	-	-	47,511
SAFE School Haven	1,229	-	-	-	1,229	-	-	-	1,229
Athletic Contribution	-	-	-	-	-	2,500	-	-	2,500
Corporation Calendar	2,455	-	-	-	2,455	-	-	-	2,455
Jim Rubush Donations	-	500	-	-	500	-	-	-	500
Smithville Disc Golf	28	750	-	-	778	3,256	3,881	-	153
Psi Iota Xi Donation	316	-	-	-	316	-	-	-	316
Metiri Group Grant	(5,320)	-	-	-	(5,320)	-	-	5,320	-
Gate Community Foundation	4,351	-	-	-	4,351	-	-	-	4,351
Family Engagement/Comm Founda	25,000	526	-	-	25,526	-	-	-	25,526
Community Foundation/Social Wk	55	-	-	-	55	-	-	-	55
Community Foundation Preschool	26,417	20,000	-	-	46,417	-	-	-	46,417
Extra-Curricular Activities	-	-	-	-	-	-	34,336	-	(34,336)
Scholarship/Oliver Deckard	3,486	15	500	-	3,001	13	500	-	2,514
Scholarship/Ed Ellett	9,975	43	500	-	9,518	48	500	-	9,066
Scholarship/Lisa Lagneaux	4,343	19	500	-	3,862	19	-	-	3,881
Boston Scientific Grant	1,000	-	-	-	1,000	-	-	-	1,000
Scholarship /VFW Post 10526	7,395	32	-	-	7,427	36	-	-	7,463
Scholarship/Joyce Gates	8,444	29	1,000	-	7,473	56	1,000	-	6,529
Construction, Remodeling, and Equipping Buildings	-	-	-	-	-	9,625	9,625	-	-
Miscellaneous Programs	682	-	229	-	453	-	-	-	453
Family Engagement Coord Grant	-	-	-	-	-	20,000	4,344	-	15,656
Coordinated School Health	832	1,355	440	-	1,747	411	975	-	1,183
Action For Healthy Kids	1,423	5,850	6,446	-	827	6,000	5,960	-	867
Gen Youth Foundation	335	-	1,500	-	(1,165)	-	(1,165)	-	-
Community Garden Fund	-	800	-	-	800	789	1,327	-	262
Donations/Spec Needs Field Trip	2,939	4,190	2,137	-	4,992	4,435	2,551	-	6,876

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

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
RBB Foundation Grant	-	3,000	812	-	2,188	-	-	-	2,188
GQE Remediation	12,685	-	-	-	12,685	-	-	-	12,685
Formative Assessment	-	-	-	-	-	16,582	16,582	-	-
High Ability 13 - 14	7,361	-	7,361	-	-	-	-	-	-
High Ability 14 - 15	-	35,008	18,527	-	16,481	-	13,321	-	3,160
High Ability 15 - 16	-	-	-	-	-	36,206	16,903	-	19,303
Medicaid Reimbursement	744	62,174	-	-	62,918	147,758	-	(91,300)	119,376
Non-English Speaking 12-13	1,037	-	-	-	1,037	-	1,037	-	-
Non-English Speaking 15-16	-	-	-	-	-	1,934	609	-	1,325
School Technology	(1,803)	5,801	4,777	-	(779)	36,754	-	-	35,975
Performance Based Awards	-	73,621	71,889	-	1,732	118,036	118,036	-	1,732
STEM Program Grant	-	-	-	-	-	250,000	-	(250,000)	-
David C. Ford, Part 2	5,413	-	-	-	5,413	-	-	-	5,413
Title I 13-14	(42,214)	430,327	371,787	-	16,326	81,059	97,386	-	(1)
Title I 15-16	-	-	-	-	-	179,241	226,398	-	(47,157)
STEM Program	-	-	-	-	-	-	5,292	250,000	244,708
Special Education Technical Assistance	(9,402)	130,083	32,356	-	88,325	(89,549)	(1,225)	-	1
PL 101-476 IDEA 12-13	(118)	490	372	-	-	-	-	-	-
PL 101-476 IDEA 13-14	(106,901)	263,439	225,502	-	(68,964)	119,346	50,382	-	-
PL 101-476 IDEA 14-15	-	508,114	969,825	-	(461,711)	726,765	269,212	-	(4,158)
PL 101-476 IDEA 15-16	-	-	-	-	-	758,597	857,693	-	(99,096)
PL 99-457 Preschool 12-13	(330)	(245)	-	-	(575)	-	(575)	-	-
PL 99-457 Preschool 13-14	(2,968)	4,100	789	-	343	1,267	1,610	-	-
Preschool FY15 Part B 619	-	-	25,026	-	(25,026)	25,570	22,042	-	(21,498)
Preschool FY16 Part B 619	-	-	-	-	-	-	29,757	-	(29,757)
Medicaid Reimbursement - Federal	83,788	75	-	-	83,863	-	3,940	(79,922)	1
Medicaid Reimbursement - Federal	-	100,180	65,096	-	35,084	(85,217)	40,805	91,062	124
Improving Teacher Quality, No Child Left, Title II, Part A	-	-	-	-	-	31,961	45,849	-	(13,888)
Title II 13-14	(2,852)	57,183	57,183	-	(2,852)	12,313	4,098	-	5,363
Title II 14-15	-	-	-	-	-	-	4,676	-	(4,676)
HUSSC Program	1,497	-	489	-	1,008	-	1,007	-	1
Special Education - Part B	6,234	-	-	-	6,234	-	6,234	-	-
Prepaid Food	-	-	-	-	-	97,749	-	-	97,749
Payroll Withholdings	113,140	4,275,772	4,048,402	-	340,510	4,380,342	4,496,660	-	224,192
Totals	\$ 5,090,386	\$ 36,111,806	\$ 36,362,117	\$ 2,258	\$ 4,842,333	\$ 38,029,495	\$ 37,330,101	\$ -	\$ 5,541,727

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

*E. Disbursements*

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

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

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

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

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

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

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

*F. Other Financing Sources and Uses*

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

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

**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.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Negative Receipts and Disbursements**

The financial statement contains some receipts and disbursements which appear as negative entries. This is a result of the correction of errors from prior periods. The errors made in the prior period were corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative receipt and disbursement was shown in the current period.

**Note 8. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants or from expenses exceeding revenues. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 and 2016.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. *Holding Corporations***

The School Corporation has entered into capital leases with Edgewood High School Building Corporation and Richland-Bean Blossom School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related-parties of the School Corporation. Lease payments during the 2015 and 2016 fiscal years totaled \$4,399,635 and \$4,269,718, respectively.

**Note 10. *Subsequent Events***

On November 20, 2017, the School Board approved closing the Stinesville Elementary School at the end of the 2017-2018 school year.

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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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 410,766	\$ 2,825,624	\$ 3,679	\$ (34,283)	\$ 452,028	\$ 62,230	\$ 454,524	\$ 469,418	\$ 241,794	\$ 9,575
Receipts:										
Local sources	207,087	4,602,276	242,450	2,234,915	995,782	456,097	-	-	424,770	203,650
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	16,967,543	-	-	-	-	-	-	-	10,157	78,799
Federal sources	-	-	-	-	-	-	-	-	541,735	-
Temporary loans	528,000	1,100,000	-	-	500,000	-	-	-	-	-
Other receipts	114,642	-	-	594	4,134	-	-	-	50	6,347
Total receipts	17,817,272	5,702,276	242,450	2,235,509	1,499,916	456,097	-	-	976,712	288,796
Disbursements:										
Instruction	11,671,760	-	-	-	-	-	-	-	-	-
Support services	5,008,539	-	-	720,374	1,488,513	194,576	400,000	31,500	591	98,711
Noninstructional services	450,999	-	-	-	-	-	-	-	974,064	-
Facilities acquisition and construction	-	-	-	1,177,747	-	-	-	-	-	-
Debt service	600,000	6,002,994	228,856	-	500,000	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,731,298	6,002,994	228,856	1,898,121	1,988,513	194,576	400,000	31,500	974,655	98,711
Excess (deficiency) of receipts over disbursements	85,974	(300,718)	13,594	337,388	(488,597)	261,521	(400,000)	(31,500)	2,057	190,085
Other financing sources (uses):										
Sale of capital assets	2,258	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	36,572	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(36,572)	-	-	-
Total other financing sources (uses)	2,258	-	-	-	36,572	-	(36,572)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	88,232	(300,718)	13,594	337,388	(452,025)	261,521	(436,572)	(31,500)	2,057	190,085
Cash and investments - ending	\$ 498,998	\$ 2,524,906	\$ 17,273	\$ 303,105	\$ 3	\$ 323,751	\$ 17,952	\$ 437,918	\$ 243,851	\$ 199,660

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

	Levy Excess	Joint Services and Supply - Special Education Cooperative	Educational License Plates	Alternative Education	SAFE School Haven	Athletic Contribution	Corporation Calendar	Jim Rubush Donations	Smithville Disc Golf	Psi Iota Xi Donation
Cash and investments - beginning	\$ -	\$ (3,641)	\$ 300	\$ 37,676	\$ 1,229	\$ -	\$ 2,455	\$ -	\$ 28	\$ 316
Receipts:										
Local sources	1,906	900,840	-	-	-	-	-	500	750	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	4,549	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	2,252	-	-	-	-	-	-	-	-
Total receipts	1,906	903,092	-	4,549	-	-	-	500	750	-
Disbursements:										
Instruction	-	422,325	-	-	-	-	-	-	-	-
Support services	-	477,123	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	899,448	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	1,906	3,644	-	4,549	-	-	-	500	750	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,906	3,644	-	4,549	-	-	-	500	750	-
Cash and investments - ending	\$ 1,906	\$ 3	\$ 300	\$ 42,225	\$ 1,229	\$ -	\$ 2,455	\$ 500	\$ 778	\$ 316

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

	Metiri Group Grant	Gate Community Foundation	Family Engagement/ Comm Founda	Community Foundation/ Social Wk	Community Foundation Preschool	Extra- Curricular Activities	Scholarship/ Oliver Deckard	Scholarship/ Ed Ellett	Scholarship/ Lisa Lagneau	Boston Scientific Grant
Cash and investments - beginning	\$ (5,320)	\$ 4,351	\$ 25,000	\$ 55	\$ 26,417	\$ -	\$ 3,486	\$ 9,975	\$ 4,343	\$ 1,000
Receipts:										
Local sources	-	-	526	-	20,000	-	15	43	19	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	526	-	20,000	-	15	43	19	-
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	500	500	500	-
Total disbursements	-	-	-	-	-	-	500	500	500	-
Excess (deficiency) of receipts over disbursements	-	-	526	-	20,000	-	(485)	(457)	(481)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	526	-	20,000	-	(485)	(457)	(481)	-
Cash and investments - ending	\$ (5,320)	\$ 4,351	\$ 25,526	\$ 55	\$ 46,417	\$ -	\$ 3,001	\$ 9,518	\$ 3,862	\$ 1,000

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

	Scholarship / VFW Post 10526	Scholarship/ Joyce Gates	Construction, Remodeling, and Equipping Buildings	Miscellaneous Programs	Family Engagement Coord Grant	Coordinated School Health	Action For Healthy Kids	Gen Youth Foundation	Community Garden Fund
Cash and investments - beginning	\$ 7,395	\$ 8,444	\$ -	\$ 682	\$ -	\$ 832	\$ 1,423	\$ 335	\$ -
Receipts:									
Local sources	32	29	-	-	-	1,355	5,850	-	800
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	32	29	-	-	-	1,355	5,850	-	800
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	229	-	440	-	-	-
Noninstructional services	-	-	-	-	-	-	6,446	1,500	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,000	-	-	-	-	-	-	-
Total disbursements	-	1,000	-	229	-	440	6,446	1,500	-
Excess (deficiency) of receipts over disbursements	32	(971)	-	(229)	-	915	(596)	(1,500)	800
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32	(971)	-	(229)	-	915	(596)	(1,500)	800
Cash and investments - ending	\$ 7,427	\$ 7,473	\$ -	\$ 453	\$ -	\$ 1,747	\$ 827	\$ (1,165)	\$ 800

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

	Donations/ Spec Needs Field Trip	RBB Foundation Grant	GQE Remediation	Formative Assessment	High Ability 13 - 14	High Ability 14 - 15	High Ability 15 - 16	Medicaid Reimbursement	Non-English Speaking 12-13
Cash and investments - beginning	\$ 2,939	\$ -	\$ 12,685	\$ -	\$ 7,361	\$ -	\$ -	\$ 744	\$ 1,037
Receipts:									
Local sources	-	3,000	-	-	-	-	-	-	-
Intermediate sources	4,190	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	35,008	-	62,174	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	4,190	3,000	-	-	-	35,008	-	62,174	-
Disbursements:									
Instruction	-	812	-	-	7,361	18,527	-	-	-
Support services	2,137	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	2,137	812	-	-	7,361	18,527	-	-	-
Excess (deficiency) of receipts over disbursements	2,053	2,188	-	-	(7,361)	16,481	-	62,174	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,053	2,188	-	-	(7,361)	16,481	-	62,174	-
Cash and investments - ending	\$ 4,992	\$ 2,188	\$ 12,685	\$ -	\$ -	\$ 16,481	\$ -	\$ 62,918	\$ 1,037

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

	Non-English Speaking 15-16	School Technology	Performance Based Awards	STEM Program Grant	David C. Ford, Part 2	Title I 13-14	Title I 15-16	STEM Program	Special Education Technical Assistance
Cash and investments - beginning	\$ -	\$ (1,803)	\$ -	\$ -	\$ 5,413	\$ (42,214)	\$ -	\$ -	\$ (9,402)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	130,083
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	5,801	73,621	-	-	-	-	-	-
Federal sources	-	-	-	-	-	430,327	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	5,801	73,621	-	-	430,327	-	-	130,083
Disbursements:									
Instruction	-	-	71,889	-	-	310,963	-	-	32,356
Support services	-	4,777	-	-	-	60,824	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,777	71,889	-	-	371,787	-	-	32,356
Excess (deficiency) of receipts over disbursements	-	1,024	1,732	-	-	58,540	-	-	97,727
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,024	1,732	-	-	58,540	-	-	97,727
Cash and investments - ending	\$ -	\$ (779)	\$ 1,732	\$ -	\$ 5,413	\$ 16,326	\$ -	\$ -	\$ 88,325

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

	PL 101-476 IDEA 12-13	PL 101-476 IDEA 13-14	PL 101-476 IDEA 14-15	PL 101-476 IDEA 15-16	PL 99-457 Preschool 12-13	PL 99-457 Preschool 13-14	Preschool FY15 Part B 619	Preschool FY16 Part B 619	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ (118)	\$ (106,901)	\$ -	\$ -	\$ (330)	\$ (2,968)	\$ -	\$ -	\$ 83,788
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	490	263,439	508,114	-	(245)	4,100	-	-	75
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	490	263,439	508,114	-	(245)	4,100	-	-	75
Disbursements:									
Instruction	372	121,945	827,252	-	-	789	25,026	-	-
Support services	-	103,557	142,573	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	372	225,502	969,825	-	-	789	25,026	-	-
Excess (deficiency) of receipts over disbursements	118	37,937	(461,711)	-	(245)	3,311	(25,026)	-	75
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	118	37,937	(461,711)	-	(245)	3,311	(25,026)	-	75
Cash and investments - ending	\$ -	\$ (68,964)	\$ (461,711)	\$ -	\$ (575)	\$ 343	\$ (25,026)	\$ -	\$ 83,863

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2015

	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title II 13-14	Title II 14-15	HUSSC Program	Special Education - Part B	Prepaid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (2,852)	\$ -	\$ 1,497	\$ 6,234	\$ -	\$ 113,140	\$ 5,090,386
Receipts:									
Local sources	-	-	-	-	-	-	-	-	10,432,775
Intermediate sources	-	-	-	-	-	-	-	-	4,190
State sources	-	-	-	-	-	-	-	-	17,237,652
Federal sources	100,180	-	57,183	-	-	-	-	-	1,905,398
Temporary loans	-	-	-	-	-	-	-	-	2,128,000
Other receipts	-	-	-	-	-	-	-	4,275,772	4,403,791
Total receipts	100,180	-	57,183	-	-	-	-	4,275,772	36,111,806
Disbursements:									
Instruction	65,096	-	-	-	-	-	-	-	13,576,473
Support services	-	-	57,183	-	-	-	-	-	8,791,647
Noninstructional services	-	-	-	-	489	-	-	-	1,433,498
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,177,747
Debt service	-	-	-	-	-	-	-	-	7,331,850
Nonprogrammed charges	-	-	-	-	-	-	-	4,048,402	4,050,902
Total disbursements	65,096	-	57,183	-	489	-	-	4,048,402	36,362,117
Excess (deficiency) of receipts over disbursements	35,084	-	-	-	(489)	-	-	227,370	(250,311)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	2,258
Transfers in	-	-	-	-	-	-	-	-	36,572
Transfers out	-	-	-	-	-	-	-	-	(36,572)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	2,258
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	35,084	-	-	-	(489)	-	-	227,370	(248,053)
Cash and investments - ending	\$ 35,084	\$ -	\$ (2,852)	\$ -	\$ 1,008	\$ 6,234	\$ -	\$ 340,510	\$ 4,842,333

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 498,998	\$ 2,524,906	\$ 17,273	\$ 303,105	\$ 3	\$ 323,751	\$ 17,952	\$ 437,918	\$ 243,851	\$ 199,660
Receipts:										
Local sources	400,129	4,595,545	262,161	2,254,451	1,156,720	491,391	-	-	377,886	119,137
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	17,388,684	-	-	-	-	-	-	-	11,027	77,740
Federal sources	-	-	-	-	-	-	-	-	491,465	-
Temporary loans	-	1,591,503	-	-	699,373	-	-	-	-	-
Other receipts	618	81,056	-	1,500	2,442	-	-	-	85	-
Total receipts	17,789,431	6,268,104	262,161	2,255,951	1,858,535	491,391	-	-	880,463	196,877
Disbursements:										
Instruction	12,063,212	-	-	-	-	-	-	-	-	-
Support services	5,299,952	-	-	907,668	756,055	766,935	-	-	1,609	146,692
Noninstructional services	435,831	-	-	-	-	-	-	-	913,415	-
Facilities acquisition and construction	-	-	-	1,081,087	-	-	-	-	-	-
Debt service	528,000	5,935,094	253,876	-	846,060	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,326,995	5,935,094	253,876	1,988,755	1,602,115	766,935	-	-	915,024	146,692
Excess (deficiency) of receipts over disbursements	(537,564)	333,010	8,285	267,196	256,420	(275,544)	-	-	(34,561)	50,185
Other financing sources (uses):										
Transfers in	80,160	-	-	-	-	-	-	-	-	-
Transfers out	(5,320)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	74,840	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(462,724)	333,010	8,285	267,196	256,420	(275,544)	-	-	(34,561)	50,185
Cash and investments - ending	\$ 36,274	\$ 2,857,916	\$ 25,558	\$ 570,301	\$ 256,423	\$ 48,207	\$ 17,952	\$ 437,918	\$ 209,290	\$ 249,845

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

	Levy Excess	Joint Services and Supply - Special Education Cooperative	Educational License Plates	Alternative Education	SAFE School Haven	Athletic Contribution	Corporation Calendar	Jim Rubush Donations	Smithville Disc Golf	Psi Iota Xi Donation
Cash and investments - beginning	\$ 1,906	\$ 3	\$ 300	\$ 42,225	\$ 1,229	\$ -	\$ 2,455	\$ 500	\$ 778	\$ 316
Receipts:										
Local sources	-	1,127,360	-	-	-	2,500	-	-	3,256	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	5,286	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	34	-	-	-	-	-	-	-	-
Total receipts	-	1,127,394	-	5,286	-	2,500	-	-	3,256	-
Disbursements:										
Instruction	-	483,454	-	-	-	-	-	-	-	-
Support services	-	519,598	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	3,881	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,003,052	-	-	-	-	-	-	3,881	-
Excess (deficiency) of receipts over disbursements	-	124,342	-	5,286	-	2,500	-	-	(625)	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	124,342	-	5,286	-	2,500	-	-	(625)	-
Cash and investments - ending	\$ 1,906	\$ 124,345	\$ 300	\$ 47,511	\$ 1,229	\$ 2,500	\$ 2,455	\$ 500	\$ 153	\$ 316

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

	Metiri Group Grant	Gate Community Foundation	Family Engagement/ Comm Founda	Community Foundation/ Social Wk	Community Foundation Preschool	Extra- Curricular Activities	Scholarship/ Oliver Deckard	Scholarship/ Ed Ellett	Scholarship/ Lisa Lagneaux	Boston Scientific Grant
Cash and investments - beginning	\$ (5,320)	\$ 4,351	\$ 25,526	\$ 55	\$ 46,417	\$ -	\$ 3,001	\$ 9,518	\$ 3,862	\$ 1,000
Receipts:										
Local sources	-	-	-	-	-	-	13	48	19	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	13	48	19	-
Disbursements:										
Instruction	-	-	-	-	-	34,336	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	500	500	-	-
Total disbursements	-	-	-	-	-	34,336	500	500	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(34,336)	(487)	(452)	19	-
Other financing sources (uses):										
Transfers in	5,320	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,320	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,320	-	-	-	-	(34,336)	(487)	(452)	19	-
Cash and investments - ending	\$ -	\$ 4,351	\$ 25,526	\$ 55	\$ 46,417	\$ (34,336)	\$ 2,514	\$ 9,066	\$ 3,881	\$ 1,000

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

	Scholarship / VFW Post 10526	Scholarship/ Joyce Gates	Construction, Remodeling, and Equipping Buildings	Miscellaneous Programs	Family Engagement Coord Grant	Coordinated School Health	Action For Healthy Kids	Gen Youth Foundation	Community Garden Fund
Cash and investments - beginning	\$ 7,427	\$ 7,473	\$ -	\$ 453	\$ -	\$ 1,747	\$ 827	\$ (1,165)	\$ 800
Receipts:									
Local sources	36	56	9,625	-	-	411	6,000	-	789
Intermediate sources	-	-	-	-	20,000	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	36	56	9,625	-	20,000	411	6,000	-	789
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	4,344	975	-	-	-
Noninstructional services	-	-	-	-	-	-	5,960	(1,165)	1,327
Facilities acquisition and construction	-	-	9,625	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,000	-	-	-	-	-	-	-
Total disbursements	-	1,000	9,625	-	4,344	975	5,960	(1,165)	1,327
Excess (deficiency) of receipts over disbursements	36	(944)	-	-	15,656	(564)	40	1,165	(538)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36	(944)	-	-	15,656	(564)	40	1,165	(538)
Cash and investments - ending	\$ 7,463	\$ 6,529	\$ -	\$ 453	\$ 15,656	\$ 1,183	\$ 867	\$ -	\$ 262

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

	Donations/ Spec Needs Field Trip	RBB Foundation Grant	GQE Remediation	Formative Assessment	High Ability 13 - 14	High Ability 14 - 15	High Ability 15 - 16	Medicaid Reimbursement	Non-English Speaking 12-13
Cash and investments - beginning	\$ 4,992	\$ 2,188	\$ 12,685	\$ -	\$ -	\$ 16,481	\$ -	\$ 62,918	\$ 1,037
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	4,435	-	-	-	-	-	-	-	-
State sources	-	-	-	16,582	-	-	36,206	147,758	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	4,435	-	-	16,582	-	-	36,206	147,758	-
Disbursements:									
Instruction	-	-	-	-	-	13,321	16,903	-	-
Support services	2,551	-	-	16,582	-	-	-	-	1,037
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	2,551	-	-	16,582	-	13,321	16,903	-	1,037
Excess (deficiency) of receipts over disbursements	1,884	-	-	-	-	(13,321)	19,303	147,758	(1,037)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(91,300)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(91,300)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,884	-	-	-	-	(13,321)	19,303	56,458	(1,037)
Cash and investments - ending	\$ 6,876	\$ 2,188	\$ 12,685	\$ -	\$ -	\$ 3,160	\$ 19,303	\$ 119,376	\$ -

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

	Non-English Speaking 15-16	School Technology	Performance Based Awards	STEM Program Grant	David C. Ford, Part 2	Title I 13-14	Title I 15-16	STEM Program	Special Education Technical Assistance
Cash and investments - beginning	\$ -	\$ (779)	\$ 1,732	\$ -	\$ 5,413	\$ 16,326	\$ -	\$ -	\$ 88,325
Receipts:									
Local sources	-	-	-	-	-	-	-	-	(89,549)
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	1,934	36,754	118,036	-	-	-	-	-	-
Federal sources	-	-	-	-	-	81,059	179,241	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	250,000	-	-	-	-	-
Total receipts	1,934	36,754	118,036	250,000	-	81,059	179,241	-	(89,549)
Disbursements:									
Instruction	-	-	118,036	-	-	86,827	141,419	5,292	(1,225)
Support services	609	-	-	-	-	10,559	51,963	-	-
Noninstructional services	-	-	-	-	-	-	33,016	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	609	-	118,036	-	-	97,386	226,398	5,292	(1,225)
Excess (deficiency) of receipts over disbursements	1,325	36,754	-	250,000	-	(16,327)	(47,157)	(5,292)	(88,324)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	250,000	-
Transfers out	-	-	-	(250,000)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(250,000)	-	-	-	250,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,325	36,754	-	-	-	(16,327)	(47,157)	244,708	(88,324)
Cash and investments - ending	\$ 1,325	\$ 35,975	\$ 1,732	\$ -	\$ 5,413	\$ (1)	\$ (47,157)	\$ 244,708	\$ 1

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

	PL 101-476 IDEA 12-13	PL 101-476 IDEA 13-14	PL 101-476 IDEA 14-15	PL 101-476 IDEA 15-16	PL 99-457 Preschool 12-13	PL 99-457 Preschool 13-14	Preschool FY15 Part B 619	Preschool FY16 Part B 619	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ -	\$ (68,964)	\$ (461,711)	\$ -	\$ (575)	\$ 343	\$ (25,026)	\$ -	\$ 83,863
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	119,346	720,258	754,560	-	1,267	25,570	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	6,507	4,037	-	-	-	-	-
Total receipts	-	119,346	726,765	758,597	-	1,267	25,570	-	-
Disbursements:									
Instruction	-	27,933	265,198	715,317	(575)	1,610	22,042	29,757	3,940
Support services	-	22,449	4,014	142,376	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	50,382	269,212	857,693	(575)	1,610	22,042	29,757	3,940
Excess (deficiency) of receipts over disbursements	-	68,964	457,553	(99,096)	575	(343)	3,528	(29,757)	(3,940)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(79,922)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(79,922)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	68,964	457,553	(99,096)	575	(343)	3,528	(29,757)	(83,862)
Cash and investments - ending	\$ -	\$ -	\$ (4,158)	\$ (99,096)	\$ -	\$ -	\$ (21,498)	\$ (29,757)	\$ 1

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

	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title II 13-14	Title II 14-15	HUSSC Program	Special Education - Part B	Prepaid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ 35,084	\$ -	\$ (2,852)	\$ -	\$ 1,008	\$ 6,234	\$ -	\$ 340,510	\$ 4,842,333
Receipts:									
Local sources	-	-	-	-	-	-	-	-	10,717,984
Intermediate sources	-	-	-	-	-	-	-	-	24,435
State sources	-	-	-	-	-	-	-	-	17,840,007
Federal sources	(85,217)	31,961	12,313	-	-	-	-	-	2,331,823
Temporary loans	-	-	-	-	-	-	-	-	2,290,876
Other receipts	-	-	-	-	-	-	97,749	4,380,342	4,824,370
Total receipts	(85,217)	31,961	12,313	-	-	-	97,749	4,380,342	38,029,495
Disbursements:									
Instruction	40,805	-	-	-	-	6,234	-	-	14,073,836
Support services	-	45,849	4,098	4,676	-	-	-	-	8,710,591
Noninstructional services	-	-	-	-	1,007	-	-	-	1,393,272
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,090,712
Debt service	-	-	-	-	-	-	-	-	7,563,030
Nonprogrammed charges	-	-	-	-	-	-	-	4,496,660	4,498,660
Total disbursements	40,805	45,849	4,098	4,676	1,007	6,234	-	4,496,660	37,330,101
Excess (deficiency) of receipts over disbursements	(126,022)	(13,888)	8,215	(4,676)	(1,007)	(6,234)	97,749	(116,318)	699,394
Other financing sources (uses):									
Transfers in	91,062	-	-	-	-	-	-	-	426,542
Transfers out	-	-	-	-	-	-	-	-	(426,542)
Total other financing sources (uses)	91,062	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34,960)	(13,888)	8,215	(4,676)	(1,007)	(6,234)	97,749	(116,318)	699,394
Cash and investments - ending	\$ 124	\$ (13,888)	\$ 5,363	\$ (4,676)	\$ 1	\$ -	\$ 97,749	\$ 224,192	\$ 5,541,727

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 152,919</u>	<u>\$ 254,571</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Richland-Bean Blossom School Building Corporation	Elementary Schools Building Lease	\$ 2,704,000	7/15/2008	1/15/2024
Edgewood High School Building Corporation	EHS Building Remodel	1,901,478	7/15/2013	7/15/2020
Pitney Bowes	Postal Machine	3,060	1/30/2014	1/30/2019
Star Equipment Finance	Sharp Copiers	<u>55,897</u>	6/1/2014	5/31/2019
Total governmental activities		<u>4,664,435</u>		
Total of annual lease payments		<u>\$ 4,664,435</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	QSCB EHS 2009 Bond	\$ 952,000	\$ 115,030
Tax anticipation warrants	2016 Advance Funding Tax Warrant	1,947,575	1,947,575
General obligation bonds	School Severance 2013 A Ref	<u>865,000</u>	<u>244,985</u>
Total governmental activities		<u>3,764,575</u>	<u>2,307,590</u>
Totals		<u>\$ 3,764,575</u>	<u>\$ 2,307,590</u>

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2016

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

	Ending Balance
Governmental activities:	
Land	\$ 1,022,639
Buildings	71,303,795
Improvements other than buildings	3,677,333
Machinery, equipment, and vehicles	3,006,922
Books and other	<u>1,230,739</u>
Total governmental activities	<u>80,241,428</u>
Total capital assets	<u>\$ 80,241,428</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 RICHLAND-BEAN BLOSSOM COMMUNITY  
SCHOOL CORPORATION, MONROE COUNTY, INDIANA

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

We have audited the Richland-Bean Blossom Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Basis for Qualified Opinion on Special Education Cluster (IDEA)***

As described in item 2016-007 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Special Education Cluster (IDEA) regarding Matching, Level of Effort, Earmarking. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

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

***Qualified Opinion on Special Education Cluster (IDEA)***

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of the Special Education Cluster (IDEA) regarding Matching, Level of Effort, Earmarking, described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Special Education Cluster (IDEA) for the period of July 1, 2014 to June 30, 2016.

**Unmodified Opinion of Each of the Other Major Federal Programs**

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

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-003 and 2016-005. Our opinion on each major program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**

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

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

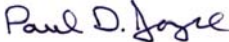
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a

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

reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007 to be material weaknesses.

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

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

  
Paul D. Joyce, CPA  
State Examiner

March 28, 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.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster School Breakfast Program	Indiana Department of Education	10.553	FY 2014-2015 FY 2015-2016	\$ - -	\$ 100,032 -	\$ - -	\$ - 102,982
Total - School Breakfast Program				-	100,032	-	102,982
National School Lunch Program	Indiana Department of Education	10.555	FY 2014-2015 FY 2014-2015 FY 2014-2015 FY 2015-2016	- - - -	441,703 - 57,906 -	- - - -	- 432,389 - 63,629
Commodities							
Total - National School Lunch Program				-	499,609	-	496,018
Total - Child Nutrition Cluster				-	599,641	-	599,000
Total - Department of Agriculture				-	599,641	-	599,000
<u>Department of Education</u>							
Special Education Cluster (IDEA) Special Education_Grants to States	Indiana Department of Education	84.027	14213-065-PN01 14214-065-PN01 14215-065-PN01 14216-063-PN01 99914-065-TA01	- - - - -	114 170,156 238,814 - 16,509	- - - - -	- 6,175 338,521 362,189 11,209
Total - Special Education_Grants to States				-	425,593	-	718,094
Special Education_Preschool Grants	Indiana Department of Education	84.173	45714-065-PN01 45715-065-PN01	- -	1,137 -	- -	1,600 13,041
Total - Special Education_Preschool Grants				-	1,137	-	14,641
Total - Special Education Cluster (IDEA)				-	426,730	-	732,735

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	14-5705 15-5705 16-5705	- - -	128,066 302,262 -	- - -	- 81,059 179,241
Total - Title I Grants to Local Educational Agencies				-	430,328	-	260,300
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	15-5705 16-5705	- -	57,183 -	- -	3,840 40,435
Total - Improving Teacher Quality State Grants				-	57,183	-	44,275
Total - Department of Education				-	914,241	-	1,037,310
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
Indiana MAC & IEP Medical Claims			FY 2014-2015	-	2,292	-	-
Indiana MAC & IEP Medical Claims			FY 2015-2016	-	-	-	1,466
Total - Medicaid Cluster				-	2,292	-	1,466
Total - Department of Health and Human Services				-	2,292	-	1,466
Total federal awards expended				\$ -	\$ 1,516,174	\$ -	\$ 1,637,776

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. *Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

**Note 2. *Summary of Significant Accounting Policies***

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

**Note 3. *Special Education Cooperative***

The School Corporation is a member and LEA of Forest Hills Special Education Cooperative (Cooperative). The Cooperative operates the special education programs for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented as receipts and disbursements in the financial statements of the School Corporation is not presented on the SEFA for the School Corporation. This activity is reported on the SEFA of the other member school corporation as appropriate.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2016-001**

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 2014-001.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

There were deficiencies in the internal control system of the School Corporation related to Financial Transactions and Reporting.

Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to receipts. The Treasurer wrote the receipts, posted receipts to the ledger, completed the deposit tickets, and delivered the deposits to the bank. There was no control in place to ensure receipts were posted to the correct fund or to verify that the correct amount was being deposited in the bank.

*Context*

The lack of internal controls was a systemic issue, occurring 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 over Financial Transactions and Reporting.

*Effect*

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

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to Financial Transactions and Reporting.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

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

**FINDING 2016-002**

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

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-002.

*Condition*

The School Corporation did not have an effective system of internal control in place to prevent, or detect and correct, material errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway), which is the source of the School Corporation's SEFA. One employee prepared the federal award information entered into Gateway without a control process in place to ensure its accuracy before submission.

*Context*

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster expenditures were understated by \$57,906 for fiscal year 2015 and \$107,535 for fiscal year 2016. Commodities were omitted in the amounts of \$57,906 and \$63,629, respectively, for each fiscal year.
2. The Special Education Cluster (IDEA) was overstated by \$479,496 for fiscal year 2015 and \$897,543 for fiscal year 2016.
3. Special Education Cluster (IDEA) grants, passed-through to subrecipients, were overstated by \$492,406 for fiscal year 2015.
4. The Medical Assistance Program was overstated by \$97,963 for fiscal year 2015 and \$4,379 for fiscal year 2016.
5. Four of seven program titles were incorrectly reported.

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

*Criteria*

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

"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. . . ."

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

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

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

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

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

*Effect*

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

*Recommendation*

We recommended that the School Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

*Views of Responsible Officials*

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

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

**FINDING 2016-003**

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles  
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 2014-2015, FY 2015-2016  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Allowable Costs/Cost Principles  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-008.

*Condition*

Management of 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 had not designed or implemented an effective internal control system to ensure that appropriate certifications or other documentation of personnel expenses for time worked on the School Breakfast and National School Lunch Programs were in compliance with program requirements. Required personnel activity reports or other documentation of personnel expenses for employees who worked on multiple activities or cost objectives during the audit period were not presented for audit.

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

OMB Circular A-87, Attachment B, section 8h states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

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;

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (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's management had not developed a system of internal control that would have ensured compliance with 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*

There were no questioned costs identified.

*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 2016-004**

Subject: Child Nutrition Cluster - Special Tests and Provisions - Verification  
of Free and Reduced Price Applications (NSLP)  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Number and Year (or Other Identifying Number): FY 2015-2016  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Verification of  
Free and Reduced Price Applications (NSLP)  
Audit Finding: Material Weakness

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement. There was no segregation of duties, such as an oversight, review, or approval process for the 2015-2016 school year. One person performed the verification process without any review or oversight.

*Context*

The lack of controls over the verification process applied only to the 2015-2016 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). . . ."

*Cause*

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

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

**FINDING 2016-005**

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Comparability  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 14-5705, 15-5705, 16-5705  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Comparability  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding numbers were 2014-004 and 2014-007.

*Condition*

An effective internal control system was not in place at the School Corporation to ensure compliance with the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

The School Corporation did not complete a comparability report for the 2015-2016 school year.

*Context*

The lack of controls and noncompliance applied only to the 2015-2016 school year.

*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). . . ."

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

34 CFR 76.722 states: "A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

The Title I Handbook 2014-2015 from the Indiana Department of Education states in part:

"All LEAs must complete comparability yearly and submit information to the SEA every two years for compliance with the comparability requirement. Also, Title I LEAs must develop procedures for compliance with the comparability requirement and implement those procedures annually. During a federal review it was suggested the SEA divide the LEAs so that only one half of the LEAs submit comparability reports to the SEA on a yearly basis. Thus, LEAs should be completing the report ANNUALLY, but districts actually submit every other year based on whether the corporation number ends in 0 or 5."

The 2016 Comparability of Services - Title I guidance document from Indiana Department of Education states in part:

"All LEAs must complete comparability yearly and submit information to the State Education Agency (SEA) every two years for compliance with the comparability requirement. Also, Title I LEAs must develop procedures for compliance with the comparability requirement and implement those procedures annually. During a federal review it was suggested the SEA divide the LEAs so that only one half of the LEAs submit comparability reports to the SEA on a yearly basis. Therefore, during 2016-2017 only LEAs whose corporation number ends in five (5) must submit reports by October 15, 2016."

*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 question costs identified.

*Recommendation*

We recommended that the School Corporation's management development and implement controls to ensure compliance and comply with the Special Tests and Provisions - Comparability compliance requirement.

*Views of Responsible Officials*

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

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2016-006***

Subject: Special Education Cluster (IDEA) - Internal Controls

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-065-PN01, 14214-065-PN01,  
14215-065-PN01, 14216-063-PN01,  
45714-065-PN01, 45715-065-PN01,  
99914-065-TA01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management; Matching, Level of Effort, Earmarking;  
Reporting; Activities Allowed or Unallowed; Allowable  
Costs/Cost Principles; Period of Performance

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediate prior audit regarding Cash Management, Reporting, and Period of Performance. The prior audit finding number was 2014-003.

*Condition*

The School Corporation was a member of the Forest Hills Special Education Cooperative (Cooperative). The Cooperative operated the Special Education program and managed the special education grant funds. The School Corporation serves as the Local Educational Agency (LEA) for the Cooperative.

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Cash Management, Matching, Level of Effort, Earmarking, Reporting, Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance compliance requirements.

*Cash Management, Earmarking, and Reporting*

The School Corporation had not designed or implemented adequate policies or procedures to ensure that required reports were accurately prepared. One employee was solely responsible for preparing and submitting all required reports. There was no segregation of duties, such as an oversight, review, or approval process.

*Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance*

The School Corporation had not designed or implemented adequate policies or procedures to ensure that expenditures were properly charged to the applicable federal grants. Adjustments made to Special Education Cluster (IDEA) programs are not reviewed by someone other than the individual making the adjustments. There was no segregation of duties, such as an oversight, review, or approval process.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

The lack of effective controls was a systemic issue during fiscal year 2015.

*Criteria*

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

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

*Cause*

The School Corporation's management had not developed a system of internal control 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 listed above.

*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.

**FINDING 2016-007**

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): 14213-065-PN01, 14214-065-PN01,  
14215-065-PN01, 14216-063-PN01,  
99914-065-TA01, 45714-065-PN01,  
45715-065-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Modified Opinion

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

The School Corporation had not designed or implemented adequate internal controls to ensure compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation was the LEA of a Special Education Cooperative (Cooperative). The Director of the Cooperative prepared the Level of Effort - Maintenance of Effort (MOE) calculation worksheets, based on information prepared by the School Corporation Treasurer and submitted them on behalf of the School Corporation during the audit period. The documentation to support the amounts reported for state and local expenditures in the MOE calculations was not retained and available for audit. There was no evidence of an oversight, review, or approval process to ensure the documentation for the calculation of MOE was retained or that the calculations made were accurate.

*Context*

It could not be determined whether the MOE calculations were performed correctly for either year of the audit period due to supporting documentation not being retained and available for audit. There was no evidence of an oversight, review, or approval process for either year.

*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). . . ."

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

*Cause*

The School Corporation's management had not developed a system of internal controls, including segregation of duties, that would have ensured that the documentation to support the MOE calculations was retained and available for audit.

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish a system of internal controls that would have ensured that records were retained and available for audit prevented the determination of the School Corporation's compliance with the Matching, Level of Effort, Earmarking requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls, including segregation of duties, over the Matching, Level of Effort, Earmarking requirements that would have ensured that records were retained and available for audit.

*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.



# Richland-Bean Blossom

## Community School Corporation

600 South Edgewood Drive, Ellettsville, Indiana 47429

• Phone: (812) 876-7100 • Fax: (812) 876-7020 • Web: www.rbbcsk.k12.in.us

**SUPERINTENDENT**

Dr. Mike Wilcox  
mwilcox@rbbschools.net

**ASSISTANT SUPERINTENDENT**

Dr. Jerry Sanders  
jsanders@rbbschools.net

**SCHOOL BOARD**

Mr. Jimmie D. Durnil  
Mr. Dana Robert Kerr  
Mr. Larry Thrasher  
Mrs. Debra Merry  
Mr. Randall C. Wright

**VISION**

Living, learning and leading together.

**MISSION**

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3/27/18

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Finding 2014-003**

Fiscal Year in which the finding initially occurred: July 1, 2013 to June 30, 2014

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education

Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent

Contact Phone Number: (812) 876-7100

**Status of Audit Finding:**

During the 2015-2016 school year the School Corporation has worked to implement Internal Controls which include Segregation of Duties, Cash Management and Period of Availability. The Director of Special Education or any authorized individuals review and approve any adjustments or reimbursement requests. Monthly reports are currently being sent to the Special Education Director or any authorized individual for a cash flow review.

  
Signature

  
Signature

Superintendent \_\_\_\_\_  
Title

Treasurer \_\_\_\_\_  
Title

3/28/18  
Date

3-28-18.  
Date



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2014-004

Fiscal Year in which the finding initially occurred: July 1, 2013 to June 30, 2014

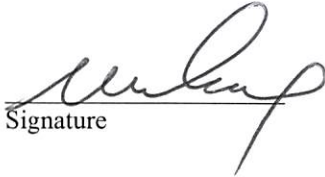
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education

Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent

Contact Phone Number: (812) 876-7100

Status of Audit Finding:

As of the 2015-2016 school year, the School Corporation began to implement an internal control system over Title I grants to local education agencies which include Activities Allowed and Un-allowed, Allowable Cost/Cost Principles, Cash Management, Reporting, and Special Test and Provisions - Comparability. The Treasurer and Superintendent or any authorized individuals with a knowledge and understanding of the grants will continue to review and approve any positions and expenditures for all grants.

  
Signature

Superintendent  
Title

3/28/18  
Date

  
Signature

Treasurer  
Title

3-28-18  
Date



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jsanders@rbbschools.net

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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### Finding 2014-005

Fiscal Year in which the finding initially occurred: July 1, 2013 to June 30, 2014

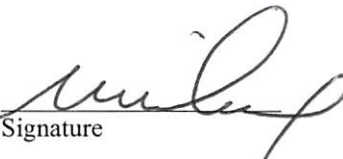
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education

Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent

Contact Phone Number: (812) 876-7100

#### Status of Audit Finding:

As of the 2015-2016 school year, the School Corporation has implemented policies and procedures to ensure only allowable and properly documented costs are paid from the program. The Treasurer and Superintendent or any authorized individuals with a knowledge and understanding of the grants will continue to review any costs paid from the Title I program to comply with the grant guidelines. Expenditure reports will continue to be sent monthly to the Superintendent and any authorized individual for review.

  
Signature

Superintendent  
Title

3/28/18  
Date

  
Signature

Treasurer  
Title

3-28-18  
Date



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### ASSISTANT SUPERINTENDENT

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jsanders@rbbschools.net

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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### Finding 2014-006

Fiscal Year in which the finding initially occurred: July 1, 2013 to June 30, 2014

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education

Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent

Contact Phone Number: (812) 876-7100

#### Status of Audit Finding:

As of the 2015-2016 school year, the School Corporation has implemented policies and procedures in regards to proper records retention to ensure compliance with Cash Management and Reporting requirements.

  
Signature

Superintendent  
Title

3/28/18  
Date

  
Signature

Treasurer  
Title

3-28-18  
Date



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mwilcox@rbbschools.net

3/27/18

### ASSISTANT SUPERINTENDENT

Dr. Jerry Sanders  
jsanders@rbbschools.net

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### SCHOOL BOARD

Mr. Jimmie D. Durnil  
Mr. Dana Robert Kerr  
Mr. Larry Thrasher  
Mrs. Debra Merry  
Mr. Randall C. Wright

### Finding 2014-007

Fiscal Year in which the finding initially occurred: July 1, 2013 to June 30, 2014

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education

Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent

Contact Phone Number: (812) 876-7100

### VISION

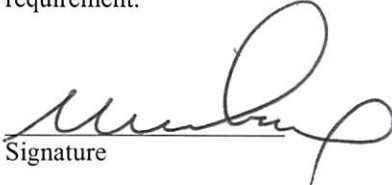
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### Status of Audit Finding:

As of the 2015-2016 school year, the School Corporation began to implement Internal Controls and procedures in regards to the grant agreement and Special Tests and Provisions compliance requirements for comparability. The school corporation will complete a comparability report yearly and submit information to the SEA every two years for compliance with the comparability requirement.

### MISSION

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Signature

  
Signature

Superintendent \_\_\_\_\_  
Title

Treasurer \_\_\_\_\_  
Title

3/28/18  
Date

3-28-18  
Date



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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### Finding 2014-008

Fiscal Year in which the finding initially occurred: July 1, 2013 to June 30, 2014

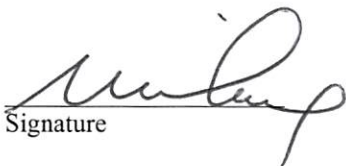
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education

Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent

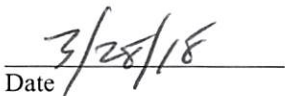
Contact Phone Number: (812) 876-7100

#### Status of Audit Finding:

During the 2015-2016 School Year the School Corporation began the process of implementing policies and procedures in regards to an internal control systems to ensure that appropriate certifications for time and effort records are in compliance with program requirements. This has also included segregation of duties and Semi-annual time and effort certifications that will be completed for employees paid solely from the School Breakfast and National School Lunch Programs.

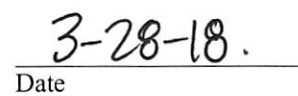
  
Signature

\_\_\_\_\_  
Superintendent  
Title

  
\_\_\_\_\_  
Date

  
Signature

\_\_\_\_\_  
Treasurer  
Title

  
\_\_\_\_\_  
Date



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Corrective Action Plan

**FINDING 2016-001**

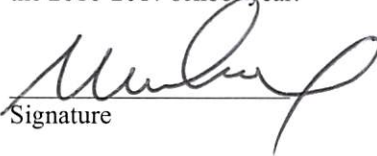
Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent  
Contact Phone Number: (812) 876-7100

Views of Responsible Official: Richland-Bean Blossom C.S.C. concurs with finding 2016-001.

**Description of Corrective Action Plan:**

During the 2015-2016 School Year the School Corporation began to establish an Internal Control process for segregation of duties in activities related to receipts, deposits and all financial practices.

Anticipated Completion Date: Implementation of Corrective Action Plan should take full effect as of the 2016-2017 school year.

  
Signature

Superintendent  
Title

3/28/18  
Date

  
Signature

Treasurer  
Title

3-28-18  
Date



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Corrective Action Plan

**FINDING 2016-002**

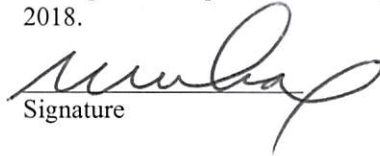
Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent  
Contact Phone Number: (812) 876-7100

Views of Responsible Official: Richland-Bean Blossom C.S.C. concurs with finding 2016-002.

**Description of Corrective Action Plan:**

The School Corporation will establish effective internal controls over the federal award information entered into the Indiana Gateway for government units (Gateway), which is a financial reporting system used to compile the School Corporation's SEFA. The Corporation Treasurer will prepare the federal award information entered into Gateway and the Superintendent or another authorized individual will review the information entered prior to submission.

Anticipated Completion Date: Implementation of Corrective Action Plan should take full effect in 2018.

  
Signature

\_\_\_\_\_  
Superintendent  
Title

3/28/18  
Date

  
Signature

\_\_\_\_\_  
Treasurer  
Title

3-28-18  
Date



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Corrective Action Plan

**FINDING 2016-003**

Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent  
Contact Phone Number: (812) 876-7100

Views of Responsible Official: Richland-Bean Blossom C.S.C. concurs with finding 2016-003.

**Description of Corrective Action Plan:**

During the 2016-2017 School Year the School Corporation began the process of implementing policies and procedures in regards to an Internal Control system to ensure that appropriate certifications for time and effort records are in compliance with program requirements. This has also included segregation of duties and semi-annual time and effort certifications that will be completed for employees paid solely from the School Breakfast and National School Lunch Programs.

Anticipated Completion Date: Implementation for Correction Action Plan should take full effect as of the 2016-2017 school year.

  
Signature

Superintendent  
Title

3/28/18  
Date

  
Signature

Treasurer  
Title

3/28/18  
Date



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Corrective Action Plan

**FINDING 2016-004**

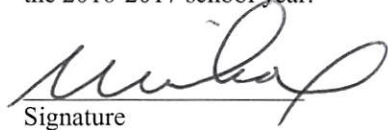
Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent  
Contact Phone Number: (812) 876-7100

Views of Responsible Official: Richland-Bean Blossom C.S.C. concurs with finding 2016-004.

**Description of Corrective Action Plan:**

During the 2016-2017 school year the School Corporation began the process of implementing an effective Internal Control system, which included segregation of duties, related to the grant agreement and the Special Tests and Provisions-Verification of Free and Reduced Priced Applications (NSLP) compliance requirements.

Anticipated Completion Date: Implementation of Corrective Action Plan should take full effect as of the 2016-2017 school year.

  
Signature

Superintendent  
Title

3/28/18  
Date

  
Signature

Treasurer  
Title

3-28-18  
Date



# Richland-Bean Blossom

## Community School Corporation

600 South Edgewood Drive, Ellettsville, Indiana 47429

• Phone: (812) 876-7100 • Fax: (812) 876-7020 • Web: www.rbbcsc.k12.in.us

### SUPERINTENDENT

Dr. Mike Wilcox  
mwilcox@rbbcschools.net

### ASSISTANT

### SUPERINTENDENT

Dr. Jerry Sanders  
jsanders@rbbcschools.net

### SCHOOL BOARD

Mr. Jimmie D. Durnil  
Mr. Dana Robert Kerr  
Mr. Larry Thrasher  
Mrs. Debra Merry  
Mr. Randall C. Wright

### VISION

Living, learning and leading together.

### MISSION

Our mission is to work in cooperation with the community and families to provide students with an education that promotes responsible citizenship, develops critical thinking, communication, collaboration and creativity.

3/27/18

Corrective Action Plan

### **FINDING 2016-005**

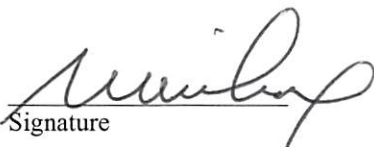
Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent  
Contact Phone Number: (812) 876-7100

Views of Responsible Official: Richland-Bean Blossom C.S.C. concurs with finding 2016-005.

### Description of Corrective Action Plan:

The School Corporation is still working to implement an Internal Control system over Title I Grants to Local Education Agencies, which will include Special Test and Provisions - Comparability. The School Corporation will complete a comparability report yearly and submit information to the SEA every two years for compliance with the comparability requirement. During 2016 a position control sheet was established to monitor all positions and accounts associated with those positions. A review process will be set in place to ensure all data is current and correct. The Treasurer and Superintendent or any authorized individuals with a knowledge and understanding of the grants will continue to review and approve all reimbursement requests for all grants.

Anticipated Completion Date: Implementation of Corrective Action Plan should take full effect in 2018.

  
Signature

  
Signature

Superintendent \_\_\_\_\_  
Title

Treasurer \_\_\_\_\_  
Title

3/28/18  
Date

3-28-18  
Date



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Dr. Mike Wilcox  
mwilcox@rbbcsk.net

**ASSISTANT SUPERINTENDENT**

Dr. Jerry Sanders  
jsanders@rbbcsk.net

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3/27/18

Corrective Action Plan

**FINDING 2016-006**

Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent  
Contact Phone Number: (812) 876-7100

Views of Responsible Official: Richland-Bean Blossom C.S.C. concurs with finding 2016-006.

**Description of Corrective Action Plan:**

During the 2015 -2016 school year, the School Corporation began the process of implementing an effective Internal Control system, which included segregation of duties, related to grant agreements, Cash Management, Matching, Level of Effort, Earmarking, Reporting, Activities Allowed and Un-allowed, Allowable Costs/Cost Principles, and Period of Performance compliance requirements. The Director of Special Education or any authorized individual will continue to review and approve any adjustments or reimbursement requests. Monthly reports will continue to be sent to the Special Education Director or any authorized individual for a cash flow review.

Anticipated Completion Date: Corrective Action Plan should be fully corrected within the 2016-2017 school year.

  
Signature

\_\_\_\_\_  
Superintendent  
Title

\_\_\_\_\_  
3/28/18  
Date

  
Signature

\_\_\_\_\_  
Treasurer  
Title

\_\_\_\_\_  
3-28-18  
Date



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mwilcox@rbbschools.net

### ASSISTANT

### SUPERINTENDENT

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jsanders@rbbschools.net

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3/27/18

Corrective Action Plan

### **FINDING 2016-007**

Contact Person Responsible for Corrective Action: Dr. Mike Wilcox, Superintendent  
Contact Phone Number: (812) 876-7100

Views of Responsible Official: Richland-Bean Blossom C.S.C. concurs with finding 2016-007.

### Description of Corrective Action Plan:

During the 2015-2016 school year the School Corporation began to establish an adequate Internal Controls to ensure compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement. The Special Education Director will work to prepare the MOE report based on the reports provided by the Corporation Treasurer. All documentation will be retained in relation to any calculations reported on the MOE report. A review process will be established to ensure the calculations reported are correct.

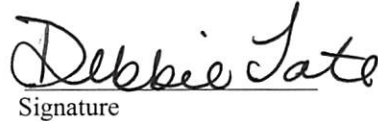
Anticipated Completion Date: Implementation of Corrective Action Plan should take full effect in 2018.

  
Signature

\_\_\_\_\_  
Superintendent

Title

3/28/18  
Date

  
Signature

\_\_\_\_\_  
Treasurer

Title

3-28-18  
Date

## OTHER REPORTS

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