

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SCHOOL TOWN OF SPEEDWAY
MARION COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
03/31/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nancy M. Johnson	07-01-11 to 12-31-14
Superintendent of Schools	Kenneth Hull	07-01-11 to 06-30-14
President of the Board of Trustees	Debra L Gonzales Dr. Terry Reed William H. Scott	07-01-11 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SCHOOL TOWN OF SPEEDWAY, MARION COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the School Town of Speedway (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

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 of 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 of 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, 2011 to June 30, 2013.

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, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 13, 2014, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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.


Paul D. Joyce, CPA
State Examiner

February 13, 2014



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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 SCHOOL TOWN OF SPEEDWAY, MARION 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 School Town of Speedway (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated February 13, 2014, 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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 item 2013-001 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School Town of Speedway'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

February 13, 2014

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FINANCIAL STATEMENT

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

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SCHOOL TOWN OF SPEEDWAY
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	\$ 2,679,508	\$ 10,893,030	\$ 9,794,935	\$ -	\$ 3,777,603	\$ 11,357,069	\$ 10,765,136	\$ -	\$ 4,369,536
Referendum Tax Levy	191,398	2,471,869	2,475,697	(181,710)	5,860	3,119,416	2,816,733	-	308,543
Debt Service	1,661	8,050	-	-	9,711	13,131	16,175	-	6,667
Capital Projects	907,736	2,006,528	2,342,677	-	571,587	1,833,570	2,006,896	-	398,261
School Transportation	15,774	79,226	92,000	-	3,000	88,949	78,504	-	13,445
Rainy Day	90,000	-	210,000	181,710	61,710	210,000	-	-	271,710
Construction	-	-	-	-	-	-	541,209	896,261	355,052
School Lunch	96,032	784,880	737,634	-	143,278	808,627	720,902	-	231,003
Textbook Rental	223,786	187,678	274,060	-	137,404	185,462	104,535	16,175	234,506
Self-Insurance	2,057,763	193,626	-	-	2,251,389	-	-	-	2,251,389
Educational License Plates	11,025	225	-	-	11,250	244	-	-	11,494
Early Intervention Grant	-	28,994	28,994	-	-	8,320	8,320	-	-
Non-English Speaking Programs P.L. 273-1999	-	13,392	13,392	-	-	14,612	14,612	-	-
School Technology	141,610	32,905	119,295	-	55,220	20,103	10,850	-	64,473
AAE - Lumina Grant	-	4,532	4,532	-	-	-	-	-	-
Health & Hospital Corp Grant	65,268	-	5,117	-	60,151	-	6,200	-	53,951
State High Ability Grant	-	30,180	30,180	-	-	31,182	31,182	-	-
Title I	(3,397)	442,778	457,586	-	(18,205)	442,200	452,828	-	(28,833)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	1,853	238,257	256,984	-	(16,874)	335,077	331,016	-	(12,813)
Improving Teaching Quality, No Child Left, Title II, Part A	-	52,007	52,007	-	-	49,094	49,094	-	-
Title III, Language Instruction	-	16,293	16,293	-	-	24,990	24,990	-	-
Title I - Grants to LEAs	(484)	1,866	1,382	-	-	-	-	-	-
Special Education - Part B	165	12,267	12,432	-	-	-	-	-	-
Education Jobs	-	358,134	358,134	-	-	7,313	7,313	-	-
Payroll Withholdings	34,353	3,151,427	3,149,604	-	36,176	3,389,617	3,386,334	-	39,459
Totals	\$ 6,514,051	\$ 21,008,144	\$ 20,432,935	\$ -	\$ 7,089,260	\$ 21,938,976	\$ 21,372,829	\$ 912,436	\$ 8,567,843

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

SCHOOL TOWN OF SPEEDWAY
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, 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. Receipts are recorded when received and disbursements are recorded when paid.

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 may include the following sources:

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

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

SCHOOL TOWN OF SPEEDWAY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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

E. Disbursements

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

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

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

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

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

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

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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 may include the following:

SCHOOL TOWN OF SPEEDWAY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money 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 money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

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

Note 3. Property Taxes

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

SCHOOL TOWN OF SPEEDWAY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, 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 an agent 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
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

SCHOOL TOWN OF SPEEDWAY
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the grant funding being on a reimbursement basis. The expenses in each of these funds are tracked on a separate basis to insure the proper billings can occur. By this very nature, these procedures create a negative balance.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are 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 supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

SCHOOL TOWN OF SPEEDWAY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Referendum Tax Levy	Debt Service	Capital Projects	School Transportation	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,679,508	\$ 191,398	\$ 1,661	\$ 907,736	\$ 15,774	\$ 90,000	\$ -	\$ 96,032	\$ 223,786
Receipts:									
Local sources	314,252	2,261,869	8,050	2,006,528	79,226	-	-	304,478	121,265
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	10,578,332	-	-	-	-	-	-	6,434	66,413
Federal sources	-	-	-	-	-	-	-	473,968	-
Interfund loans	-	210,000	-	-	-	-	-	-	-
Other	446	-	-	-	-	-	-	-	-
Total receipts	<u>10,893,030</u>	<u>2,471,869</u>	<u>8,050</u>	<u>2,006,528</u>	<u>79,226</u>	<u>-</u>	<u>-</u>	<u>784,880</u>	<u>187,678</u>
Disbursements:									
Current:									
Instruction	6,222,391	1,408,456	-	-	-	-	-	-	-
Support services	3,572,544	762,156	-	1,264,840	92,000	-	-	-	274,060
Noninstructional services	-	305,085	-	-	-	-	-	737,634	-
Facilities acquisition and construction	-	-	-	1,077,837	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	210,000	-	-	-
Total disbursements	<u>9,794,935</u>	<u>2,475,697</u>	<u>-</u>	<u>2,342,677</u>	<u>92,000</u>	<u>210,000</u>	<u>-</u>	<u>737,634</u>	<u>274,060</u>
Excess (deficiency) of receipts over disbursements	<u>1,098,095</u>	<u>(3,828)</u>	<u>8,050</u>	<u>(336,149)</u>	<u>(12,774)</u>	<u>(210,000)</u>	<u>-</u>	<u>47,246</u>	<u>(86,382)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	-	181,710	-	-	-
Transfers out	-	(181,710)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(181,710)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,710</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,098,095</u>	<u>(185,538)</u>	<u>8,050</u>	<u>(336,149)</u>	<u>(12,774)</u>	<u>(28,290)</u>	<u>-</u>	<u>47,246</u>	<u>(86,382)</u>
Cash and investments - ending	<u>\$ 3,777,603</u>	<u>\$ 5,860</u>	<u>\$ 9,711</u>	<u>\$ 571,587</u>	<u>\$ 3,000</u>	<u>\$ 61,710</u>	<u>\$ -</u>	<u>\$ 143,278</u>	<u>\$ 137,404</u>

SCHOOL TOWN OF SPEEDWAY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Self- Insurance	Educational License Plates	Early Intervention Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	AAE - Lumina Grant	Health & Hospital Corp Grant	State High Ability Grant	Title I
Cash and investments - beginning	\$ 2,057,763	\$ 11,025	\$ -	\$ -	\$ 141,610	\$ -	\$ 65,268	\$ -	\$ (3,397)
Receipts:									
Local sources	193,626	-	-	-	-	4,532	-	-	-
Intermediate sources	-	225	-	-	-	-	-	-	-
State sources	-	-	28,994	13,392	32,905	-	-	30,180	-
Federal sources	-	-	-	-	-	-	-	-	442,778
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	193,626	225	28,994	13,392	32,905	4,532	-	30,180	442,778
Disbursements:									
Current:									
Instruction	-	-	28,994	-	-	4,532	-	30,180	204,363
Support services	-	-	-	13,392	119,295	-	5,117	-	248,230
Noninstructional services	-	-	-	-	-	-	-	-	4,993
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	28,994	13,392	119,295	4,532	5,117	30,180	457,586
Excess (deficiency) of receipts over disbursements	193,626	225	-	-	(86,390)	-	(5,117)	-	(14,808)
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	193,626	225	-	-	(86,390)	-	(5,117)	-	(14,808)
Cash and investments - ending	\$ 2,251,389	\$ 11,250	\$ -	\$ -	\$ 55,220	\$ -	\$ 60,151	\$ -	\$ (18,205)

SCHOOL TOWN OF SPEEDWAY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction	Title I Grants to LEAs	Special Education Part B	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ 1,853	\$ -	\$ -	\$ (484)	\$ 165	\$ -	\$ 34,353	\$ 6,514,051
Receipts:								
Local sources	-	-	-	-	-	-	-	5,293,826
Intermediate sources	-	-	-	-	-	-	-	225
State sources	-	-	-	-	-	-	-	10,756,650
Federal sources	238,257	52,007	16,293	1,866	12,267	358,134	-	1,595,570
Interfund loans	-	-	-	-	-	-	-	210,000
Other	-	-	-	-	-	-	3,151,427	3,151,873
Total receipts	<u>238,257</u>	<u>52,007</u>	<u>16,293</u>	<u>1,866</u>	<u>12,267</u>	<u>358,134</u>	<u>3,151,427</u>	<u>21,008,144</u>
Disbursements:								
Current:								
Instruction	256,984	52,007	-	-	12,432	274,944	-	8,495,283
Support services	-	-	16,293	1,188	-	83,190	-	6,452,305
Noninstructional services	-	-	-	194	-	-	-	1,047,906
Facilities acquisition and construction	-	-	-	-	-	-	-	1,077,837
Nonprogrammed charges	-	-	-	-	-	-	3,149,604	3,149,604
Interfund loans	-	-	-	-	-	-	-	210,000
Total disbursements	<u>256,984</u>	<u>52,007</u>	<u>16,293</u>	<u>1,382</u>	<u>12,432</u>	<u>358,134</u>	<u>3,149,604</u>	<u>20,432,935</u>
Excess (deficiency) of receipts over disbursements	<u>(18,727)</u>	<u>-</u>	<u>-</u>	<u>484</u>	<u>(165)</u>	<u>-</u>	<u>1,823</u>	<u>575,209</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	181,710
Transfers out	-	-	-	-	-	-	-	(181,710)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(18,727)</u>	<u>-</u>	<u>-</u>	<u>484</u>	<u>(165)</u>	<u>-</u>	<u>1,823</u>	<u>575,209</u>
Cash and investments - ending	<u>\$ (16,874)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,176</u>	<u>\$ 7,089,260</u>

SCHOOL TOWN OF SPEEDWAY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Referendum Tax Levy	Debt Service	Capital Projects	School Transportation	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 3,777,603	\$ 5,860	\$ 9,711	\$ 571,587	\$ 3,000	\$ 61,710	\$ -	\$ 143,278	\$ 137,404
Receipts:									
Local sources	238,807	3,119,416	13,131	1,833,570	88,949	-	-	268,993	113,110
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	11,113,780	-	-	-	-	-	-	6,372	72,352
Federal sources	-	-	-	-	-	-	-	533,262	-
Interfund loans	-	-	-	-	-	210,000	-	-	-
Other	4,482	-	-	-	-	-	-	-	-
Total receipts	<u>11,357,069</u>	<u>3,119,416</u>	<u>13,131</u>	<u>1,833,570</u>	<u>88,949</u>	<u>210,000</u>	<u>-</u>	<u>808,627</u>	<u>185,462</u>
Disbursements:									
Current:									
Instruction	6,933,559	1,495,081	-	-	-	-	-	-	-
Support services	3,829,271	767,357	-	1,224,963	78,504	-	-	-	104,535
Noninstructional services	2,306	344,295	-	-	-	-	-	720,902	-
Facilities acquisition and construction	-	-	-	781,933	-	-	541,209	-	-
Debt services	-	-	16,175	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	210,000	-	-	-	-	-	-	-
Total disbursements	<u>10,765,136</u>	<u>2,816,733</u>	<u>16,175</u>	<u>2,006,896</u>	<u>78,504</u>	<u>-</u>	<u>541,209</u>	<u>720,902</u>	<u>104,535</u>
Excess (deficiency) of receipts over disbursements	<u>591,933</u>	<u>302,683</u>	<u>(3,044)</u>	<u>(173,326)</u>	<u>10,445</u>	<u>210,000</u>	<u>(541,209)</u>	<u>87,725</u>	<u>80,927</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	896,261	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	16,175
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>896,261</u>	<u>-</u>	<u>16,175</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>591,933</u>	<u>302,683</u>	<u>(3,044)</u>	<u>(173,326)</u>	<u>10,445</u>	<u>210,000</u>	<u>355,052</u>	<u>87,725</u>	<u>97,102</u>
Cash and investments - ending	<u>\$ 4,369,536</u>	<u>\$ 308,543</u>	<u>\$ 6,667</u>	<u>\$ 398,261</u>	<u>\$ 13,445</u>	<u>\$ 271,710</u>	<u>\$ 355,052</u>	<u>\$ 231,003</u>	<u>\$ 234,506</u>

SCHOOL TOWN OF SPEEDWAY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Self- Insurance	Educational License Plates	Early Intervention Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	AAE - Lumina Grant	Health & Hospital Corp Grant	State High Ability Grant	Title I
Cash and investments - beginning	\$ 2,251,389	\$ 11,250	\$ -	\$ -	\$ 55,220	\$ -	\$ 60,151	\$ -	\$ (18,205)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	244	-	-	-	-	-	-	-
State sources	-	-	8,320	14,612	20,103	-	-	31,182	-
Federal sources	-	-	-	-	-	-	-	-	442,200
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	244	8,320	14,612	20,103	-	-	31,182	442,200
Disbursements:									
Current:									
Instruction	-	-	8,320	-	-	-	-	31,182	203,436
Support services	-	-	-	14,612	10,850	-	6,200	-	245,896
Noninstructional services	-	-	-	-	-	-	-	-	3,496
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	8,320	14,612	10,850	-	6,200	31,182	452,828
Excess (deficiency) of receipts over disbursements	-	244	-	-	9,253	-	(6,200)	-	(10,628)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	244	-	-	9,253	-	(6,200)	-	(10,628)
Cash and investments - ending	\$ 2,251,389	\$ 11,494	\$ -	\$ -	\$ 64,473	\$ -	\$ 53,951	\$ -	\$ (28,833)

SCHOOL TOWN OF SPEEDWAY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Improving Teaching Quality No Child Left Title II, Part A	Title III Language Instruction	Title I Grants to LEAs	Special Education Part B	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (16,874)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,176	\$ 7,089,260
Receipts:								
Local sources	-	-	-	-	-	-	-	5,675,976
Intermediate sources	-	-	-	-	-	-	-	244
State sources	-	-	-	-	-	-	-	11,266,721
Federal sources	335,077	49,094	24,990	-	-	7,313	-	1,391,936
Interfund loans	-	-	-	-	-	-	-	210,000
Other	-	-	-	-	-	-	3,389,617	3,394,099
Total receipts	<u>335,077</u>	<u>49,094</u>	<u>24,990</u>	<u>-</u>	<u>-</u>	<u>7,313</u>	<u>3,389,617</u>	<u>21,938,976</u>
Disbursements:								
Current:								
Instruction	331,016	49,094	-	-	-	5,536	-	9,057,224
Support services	-	-	24,990	-	-	1,777	-	6,308,955
Noninstructional services	-	-	-	-	-	-	-	1,070,999
Facilities acquisition and construction	-	-	-	-	-	-	-	1,323,142
Debt services	-	-	-	-	-	-	-	16,175
Nonprogrammed charges	-	-	-	-	-	-	3,386,334	3,386,334
Interfund loans	-	-	-	-	-	-	-	210,000
Total disbursements	<u>331,016</u>	<u>49,094</u>	<u>24,990</u>	<u>-</u>	<u>-</u>	<u>7,313</u>	<u>3,386,334</u>	<u>21,372,829</u>
Excess (deficiency) of receipts over disbursements	<u>4,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,283</u>	<u>566,147</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	896,261
Sale of capital assets	-	-	-	-	-	-	-	16,175
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>912,436</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,283</u>	<u>1,478,583</u>
Cash and investments - ending	\$ <u>(12,813)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>39,459</u>	\$ <u>8,567,843</u>

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2013

<u>School Corporation</u>	<u>Accounts Receivable</u>
Governmental activities - Unreimbursed Textbooks	<u>\$ 59,369</u>

SCHOOL TOWN OF SPEEDWAY
 SCHEDULE OF LEASES AND DEBT
 June 30, 2013

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Energy savings project	\$ 900,000	\$ 229,650

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SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF CAPITAL ASSETS
June 30, 2013

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,200,135
Buildings	58,308,449
Machinery, equipment, and vehicles	<u>975,801</u>
Total capital assets	<u>\$ 60,484,385</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF THE SCHOOL TOWN OF SPEEDWAY, MARION COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the School Town of Speedway'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, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Education Jobs Fund

As described in item 2013-004 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Activities Allowed or Unallowed that are applicable to its Education Jobs Fund. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

Qualified Opinion on Education Jobs Fund

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Education Jobs Fund for the period of July 1, 2011 to June 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2011 to June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or

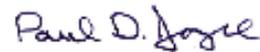
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

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 2013-003 and 2013-004 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002 to be significant deficiencies.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plans. 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

February 13, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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.

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast Program			FY2012	\$ 96,583	\$ -
School Breakfast Program			FY2013	-	103,517
Total - School Breakfast Program				<u>96,583</u>	<u>103,517</u>
National School Lunch Program					
School Lunch Program	Indiana Department of Education	10.555			
School Lunch Program			FY2012	415,232	-
			FY2013	-	469,995
Total - National School Lunch Program				<u>415,232</u>	<u>469,995</u>
Summer Food Service Program for Children					
Summer Food Service Program	Indiana Department of Education	10.559			
Summer Food Service Program			FY2012	6,481	-
Summer Food Service Program			FY2013	-	8,555
Total - Summer Food Service Program for Children				<u>6,481</u>	<u>8,555</u>
Total - Child Nutrition Cluster				<u>518,296</u>	<u>582,067</u>
Total for Department of Agriculture				<u>518,296</u>	<u>582,067</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I, Part A			12 5400	\$ 442,778	\$ -
Title I, Part A			13 5400	-	442,200
Total - Title I Grants to Local Educational Agencies				<u>442,778</u>	<u>442,200</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act					
Title I ARRA	Indiana Department of Education	84.389			
			12 5400	1,866	-
Total - ARRA - Title I Grants to Local Educational Agencies, Recovery Act				<u>1,866</u>	<u>-</u>
Total - Title I, Part A Cluster				<u>444,644</u>	<u>442,200</u>
Special Education Cluster					
Special Education - Grants To States	Indiana Department of Education	84.027			
Special Education Part B 611			14212-063-PN01	233,390	-
Special Education Part B 611			14213-063-PN01	-	329,122
Total - Special Education - Grants To States				<u>233,390</u>	<u>329,122</u>

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

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Education (continued)</u>					
Special Education Cluster (continued)					
Special Education - Preschool Grants	Indiana Department of Education	84.173			
Special Education Preschool 619			45712-063-PN01	4,866	-
Special Education Preschool 619			45713-063-PN01	-	5,956
				<u>4,866</u>	<u>5,956</u>
Total - Special Education - Preschool Grants				<u>4,866</u>	<u>5,956</u>
ARRA - Special Education - Grants to State, Recovery Act	Indiana Department of Education	84.391			
ARRA Special Education Part B 611			12 5400	12,267	-
				<u>12,267</u>	<u>-</u>
Total - ARRA - Special Education - Grants to State, Recovery Act				<u>12,267</u>	<u>-</u>
Total - Special Education Cluster				<u>250,523</u>	<u>335,078</u>
Education Jobs Fund	Indiana Department of Education	84.410			
Education Jobs Fund			12 5400	358,134	-
Education Jobs Fund			13 5400	-	7,313
				<u>358,134</u>	<u>7,313</u>
Total - Education Jobs Fund				<u>358,134</u>	<u>7,313</u>
English Language Acquisition State Grants	Indiana Department of Education	84.365			
English Language Acquisition State Grants (Title III)			0112-065-PN01	16,293	-
English Language Acquisition State Grants (Title III)			0113-068-PN01	-	24,990
				<u>16,293</u>	<u>24,990</u>
Total - English Language Acquisition State Grants				<u>16,293</u>	<u>24,990</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
Improving Teacher Quality State Grants (Title III)			11 5400	52,007	-
Improving Teacher Quality State Grants (Title III)			12 5400	-	49,094
				<u>52,007</u>	<u>49,094</u>
Total - Improving Teacher Quality State Grants				<u>52,007</u>	<u>49,094</u>
Total - Department of Education				<u>1,121,601</u>	<u>858,675</u>
Total federal awards expended				<u>\$ 1,639,897</u>	<u>\$ 1,440,742</u>

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

SCHOOL TOWN OF SPEEDWAY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School Town of Speedway (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	FY 2012	FY 2013
School Breakfast Program	10.553	\$ 8,260	\$ 8,809
National School Lunch Program	10.555	36,068	39,996

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	yes
Type of auditor's report issued on compliance for major programs:	Unmodified for all programs except for Education Jobs Fund which is Qualified.
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.410	Child Nutrition Cluster Special Education Cluster Education Jobs Fund

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 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions. We believe the following deficiencies constitute material weaknesses:

1. Lack of Segregation of Duties: During the audit it was observed that one individual was responsible for the receipting of cash, posting of the receipts into the financial system, reconciliation of the bank statements, and preparation of the financial statement. Control

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

2. **Insufficient Monitoring of Controls:** It was observed during the audit that the School Corporation did not have controls in place to detect errors in the postings of transfers. Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate valuation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation does not have a process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2013-002 - SPECIAL TESTS AND PROVISIONS - PAID LUNCH EQUITY

Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program
CFDA Number: 10.555
Federal Award Number: FY 2012, FY 2013
Pass-Through Entity: Indiana Department of Education

Background

The Healthy, Hunger-Free Kids Act of 2010 requires School Food Authorities (SFAs) participating in the National School Lunch Program to provide the same level of financial support for lunches served to students who are not eligible for free or reduced price lunches as is provided for lunches served to students eligible for free lunches. The U.S. Department of Agriculture (USDA) provided guidance concerning how to compute the required increase in their Memo SP 39-2011-Revised dated October 24, 2011.

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Department of Education Information

The USDA through the Indiana Department of Education (IDOE) provides funding for school lunches served based on three categories (Free, Reduced Price, and Paid) of financial eligibility of the student's household. The funding for the three categories and the amount reimbursed for each year is listed below:

Category	2011-2012	2012-2013
Free	\$ 2.77	\$ 2.86
Reduced Price	2.37	2.46
Paid	0.26	0.27

Representatives for the School Corporation received an email from the IDOE on May 12, 2012, concerning the paid equity requirements for the 2012-2013 school year. The email states in part:

"We have calculated your required weighted average lunch price for the upcoming 2012-2013 school year to be \$2.43. You may round that price down to \$2.40. If your current weighted average price (2011-2012) is already greater than the required weighted average price for 2012-2013, you will not need to raise your paid lunch prices for the upcoming year. Otherwise, you will need to make adjustments to paid lunch prices until you meet this required weighted average price for 2012-2013."

The email also included the following statement: "Using your meal prices reported for past years in CNP Web along with your October 2011 participation data, we calculated your weighted average lunch price for the 2011-2012 school year at \$2.28." Based on the information from the Indiana Department of Education the School Corporation is required to increase the weighted average school lunch price to at least \$2.35 per meal served.

Weighted Average Lunch Prices Calculations

Using the meal prices charged by the School Corporation, the State Board of Accounts (SBOA) calculated the actual weighted average lunch prices, as follows based on the formula provided in the USDA Memo SP-39-2011-Revised:

A Each Price Charged for Paid Reimbursable Lunches	B Number of Paid Lunches Claimed at each price and total number of paid lunches claimed (From Oct of the prior year)	C Revenue Generated by Each Paid Lunch Price (Column a x Column B) and total revenue for paid lunches	D Determine Weighted Average Price
2011-12			
2.05 (Elementary)	4,004	8,208.20	
2.50 (Other)	<u>4,345</u>	<u>10,862.50</u>	
	8,349	19,070.70	2.28
2012-13			
2.10 (Elementary)	3,955	8,305.50	
2.50 (Other)	<u>3,996</u>	<u>9,990.00</u>	
	7,951	18,295.50	2.30

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Based on the above calculation, the School Corporation's actual prices charged resulted in a Weighted Average Price of \$2.30 which is less than the weighted average lunch price for 2012-2013 as required by the 7 CFR 210.14(e) and communicated to them by the IDOE. The IDOE informed the School Corporation that the required weighted average lunch price for the upcoming 2012-2013 school year should be \$2.43 and stated the price could be rounded down to \$2.40. The School Corporation was unaware the meal prices established were below those needed to meet the required Weighted Average Price federal compliance requirement.

7CFR 210.14(e)(3) states:

"Average lunch price is lower than the reimbursement difference. When the average price from the prior school year is lower than the difference in reimbursement rates as determined in paragraph (e)(1)(iii) of this section, the school food authority shall establish an average price for the current school year that is not less than the average price charged in the previous school year as adjusted by a percentage equal to the sum obtained by adding:

- (i) 2 percent; and
- (ii) The percentage change in the Consumers Price Index for All Urban Consumers used to increase the Federal reimbursement rate under section 11 of the Act for the most recent school year for which data are available. The percentage to be used is found in the annual notice published in the FEDERAL REGISTER announcing the national average payment rates, from the prior year."

7CFR 210.14(e)(4)(i) states in part: "Price Adjustments. . . . The maximum annual average price increase required under this paragraph shall not exceed ten cents."

USDA Memo SP 39-2011 dated October 24, 2011, addresses the issue of failure to properly increase the average weighted price in a year stating that the SFA should increase the weighted average price of the paid lunches by the shortfall in the prior year plus the required increase in the current year.

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.
- (c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs."

The IDOE may require subsequent period actions to be taken by the School Corporation because of the future effects of failing to properly calculate the required average paid lunch price or which failed to add funds from nonfederal sources.

We recommended that the School Corporation contact the IDOE in order to determine what corrective action they may want to impose. Additionally, we recommended that the School Corporation design and implement an internal control system to effectively provide reasonable assurance for compliance with the requirement for Paid Lunch Equity requirements.

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

***FINDING 2013-003 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS
THAT HAVE A DIRECT AND MATERIAL EFFECT TO THE CHILD NUTRITION CLUSTER***

Federal Agency: Department of Agriculture

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

CFDA Number: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 2012, FY 2013

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the programs. This includes the following compliance requirements: Activities Allowed or Unallowed, Cash Management, Period of Availability, Program Income, and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

The Food Service Supervisor is the only individual involved in the generation, preparation, and submission of Child Nutrition meal counts for reimbursement from the Indiana Department of Education (IDOE).

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the programs.

SCHOOL TOWN OF SPEEDWAY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

**FINDING 2013-004 - ACTIVITIES ALLOWED OR UNALLOWED
 AND ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Education
 Federal Program: Education Jobs Fund
 CFDA Number: 84.410
 Federal Award Number and Year (or Other Identifying Number): 12 5400 FY2012
 Pass-Through Entity: Indiana Department of Education

The Education Jobs Fund program requires that grant funds be used to pay the salaries of teachers and other employees who provide school-level educational and related services. Using grant funds to pay for administrative expenditures related to the operation of the superintendent's office or the LEA's board of education, or expenditures for fiscal services, LEA program planners and researchers, and human resource services is prohibited.

We noted several deficiencies in the internal control and compliance related to the Educational Jobs Fund federal program. The following deficiencies were noted:

1. The School Corporation failed to obtain an understanding of the requirements of the program.

The grant administrator was aware that the activities in question were funded, but because the complete grant guidelines were not reviewed the administrator did not realize that the activities were prohibited. The grant information sent to the unit by the Indiana Department of Education (IDOE) gave an overall description of the grant, but referred administrators to a website for more in-depth information. The grant administrator assumed that the employees in question were school-level employees because their office was located in the high school and they were able to interact with students, and did not investigate further. The grant was used for salaries in two pay periods and the administrative salaries were included in one of them.

2. Management of the School Corporation has not established an effective internal control system over compliance with Activities Allowed or Unallowed and Allowable Costs/Cost Principles requirements for this program. The failure to establish an effective internal control system resulted in a material noncompliance in the funding of salaries for administrative positions which were prohibited by the program.

The following grant disbursements for administrative salary payments were unallowable activities:

Employee Number	Job Title	Department	Amount
115	Curriculum Director	Speedway Public Schools	\$ 4,755.50
119	Superintendent	Speedway Public Schools	6,596.16
1326	Secretary, Office of the Superintendent	Speedway Public Schools	1,357.50
1350	Treasurer	Speedway Public Schools	2,852.00
1307	Deputy Treasurer	Speedway Public Schools	1,663.50
1398	Facilities Manager	Speedway Public Schools	2,961.50
Total			<u>\$ 20,186.16</u>

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

We consider the total payments described above of \$20,186.16 to be questioned costs. The questioned cost represents 5.5 percent for the total expenditures for the program.

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.

(c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs."

Furthermore, Initial Guidance for State on the Education Jobs Fund Program, U.S. Department of Education, Washington, D.C. 20202, April 15, 2011, states in part (from questions D3 and D4):

"An LEA may use the funds to pay the salaries of teachers and other employees who provide school-level educational and related services. In addition to teachers, employees supported with program funds may include, among others, principals, assistant principals, academic coaches, in-service teacher trainers, classroom aides, counselors, librarians, secretaries, social workers, psychologists, interpreters, physical therapists, speech therapists, occupational therapists, information technology personnel, nurses, athletic coaches, security officers, custodians, maintenance workers, bus drivers, and cafeteria workers.

The statute prohibits LEAs from using Ed Jobs funds for general administrative expenses as that term is defined by the National Center for Education Statistics (NCES) in its Common Core of Data. These prohibited expenses are administrative expenditures related to the operation of the superintendent's office or the LEA's board of education, including the salaries and benefits of LEA-level administrative employees.

The statute also prohibits LEAs from using Ed Jobs funds for other LEA-level support services expenditures as that term is defined in the Common Core of Data. These prohibited activities include the payment of expenditures for fiscal services, LEA program planners and researchers, and human resource services."

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

"C. *Basic Guidelines*

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

d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items. . . ."

Noncompliance with the grant agreement or the compliance requirements that have a direct and material effect on the program could result in the loss of federal funds to the School Corporation.

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

We recommended that the School Corporation contact the Indiana Department of Education to resolve this finding. We also recommended that an internal control system, including segregation of duties, be designed and implemented to effectively provide reasonable assurance for compliance with the requirements for Activities Allowed or Unallowed and Allowable Costs/Cost Principles.

SPEEDWAY PUBLIC SCHOOLS

5335 West 25th Street
SPEEDWAY, IN 46224

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Member

DEBRA L. GONZALES
Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2011-1

ADMINISTRATION

KENNETH E. HULL
Superintendent
of Schools

Original SBA Audit Report Number: B40155

Fiscal Year FY2011

PATTI S. BOCK
Director
of Curriculum

Auditee Contact Person Nancy M. Johnson

TIMOTHY D.
McROBERTS
Principal
Howard J. Lacy II
Speedway High School

Title of Contact Person Treasurer

Phone Number 317-244-0236

JOHN W. DIZNEY
Principal
Speedway Junior
High School

Status of Finding: Complete 7/1/11

KATHRYN K. RICHARDS
Director of Sp. Ed.
Principal
Carl G. Fisher
Elementary School

Reimbursement forms are required by the Indiana Department of Education and West Central Joint Services after expenditures have been incurred, cash draws are not allowed.

ANTHONY V. GAGLIANO
Principal
Arthur C. Newby
Elementary School

JAY L. BEDWELL
Principal
James A. Allison
Elementary School

BRENDA L. WOLFE
Principal
Frank H. Wheeler
Elementary School

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Member

ADMINISTRATION

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Superintendent
of Schools

PATTI S. BOCK
Assistant
Superintendent

TIMOTHY D.
McROBERTS
Principal
Howard J. Lacy II
Speedway High School

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Arthur C. Newby
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JAY L. BEDWELL
Principal
James A. Allison
Elementary School

BRENDA L. WOLFE
Principal
Frank H. Wheeler
Elementary School

FINDING 2013-001 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS

Agency: School Town of Speedway

Auditee Contact Person: Nancy Johnson

Title of Contact Person: Corporation Treasurer

Expected Completion Date: Implementation of the Corrective Action Plan will begin upon submission

1. The local education agency (LEA) will segregate the duties of receipting funds, depositing funds, and recording funds into the financial software between the Treasurer and Deputy Treasurer.

2. The LEA will amend its internal control practice to include notations of reviewers at the time such documents are reviewed. Examples of such notations shall be provided to the governing body on a regular basis or at the random request of the governing body.



Corporation Treasurer



Date

SPEEDWAY PUBLIC SCHOOLS

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SPEEDWAY, IN 46224

BOARD OF TRUSTEES

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Member

TERRY E. REED
Member

FEDERAL FINDING 2013-002 – SPECIAL TESTS & PROVISIONS-PAID LUNCH EQUITY

Federal Agency: U.S. Department of Agriculture

Federal Program: National School Lunch Program

CFDA Number: 10.555

Auditee Contact Person: Nancy Johnson

Title of Contact Person: Corporation Treasurer

Expected Completion Date: Implementation of the Corrective Action plan will begin upon submission

ADMINISTRATION

KENNETH E. HULL
Superintendent
of Schools

PATTI S. BOCK
Assistant
Superintendent

TIMOTHY D.
McROBERTS
Principal
Howard J. Lacy II
Speedway High School

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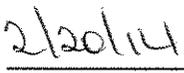
JAY L. BEDWELL
Principal
James A. Allison
Elementary School

BRENDA L. WOLFE
Principal
Frank H. Wheeler
Elementary School

The local education agency (LEA,) in its role as a school food authority (SFA), will submit a copy of Finding 2013-002 to the Indiana Department of Education (IDOE) and will seek the direction of the IDOE to correct this matter. The SFA will follow the direction of the IDOE and will set the paid lunch price at the level recommended by the IDOE.



Corporation Treasurer



Date

SPEEDWAY PUBLIC SCHOOLS

5335 West 25th Street
SPEEDWAY, IN 46224

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**FEDERAL FINDING 2013-003 – INTERNAL CONTROLS OVER COMPLIANCE
REQUIREMENTS THAT HAVE A DIRECT & MATERIAL EFFECT TO THE CHILD NUTRITION
CLUSTER**

Federal Agency: U.S. Department of Agriculture

Federal Program: Child Nutrition Cluster

CFDA Number: 10.553, 10.555, 10.559

Auditee Contact Person: Nancy Johnson

Title of Contact Person: Corporation Treasurer

Expected Completion Date: Implementation of the Corrective Action plan
will begin upon submission

ADMINISTRATION

KENNETH E. HULL
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of Schools

PATTI S. BOCK
Assistant
Superintendent

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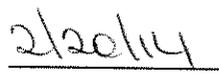
JAY L. BEDWELL
Principal
James A. Allison
Elementary School

BRENDA L. WOLFE
Principal
Frank H. Wheeler
Elementary School

The local education agency (LEA), in its role as a school food authority (SFA) shall establish internal controls designed to segregate duties regarding the generation, preparation and submission of Child Nutrition meal counts for reimbursement from the Indiana Department of Education.



Corporation Treasurer



Date

SPEEDWAY PUBLIC SCHOOLS

5335 West 25th Street
SPEEDWAY, IN 46224

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BRENDA L. WOLFE
Principal
Frank H. Wheeler
Elementary School

FINDING 2013-004 – ACTIVITIES ALLOWED OR UNALLOWED

Federal Agency: Department of Education

Federal Program: Education Jobs Fund

CFDA Number: 84.410

Auditee Contact Person: Nancy Johnson

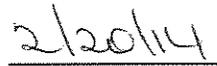
Title of Contact Person: Corporation Treasurer

Expected Completion Date: Implementation of the Corrective Action plan
will begin upon submission

The local education agency (LEA) will submit a copy of Finding 2013-004 to the Indiana Department of Education (IDOE) and will seek the direction of the IDOE to resolve this finding. The LEA will improve its practice in the review and implementation of federal grants.



Corporation Treasurer



Date

SCHOOL TOWN OF SPEEDWAY
EXIT CONFERENCE

The contents of this report were discussed on February 13, 2014, with Nancy M. Johnson, Treasurer; Kenneth Hull, Superintendent of Schools; William H. Scott, President of the Board of Trustees; and Terry E Reed, Board of Trustees member.