

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

FORT WAYNE COMMUNITY SCHOOLS
ALLEN COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
07/12/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sherry Nidlinger	07-01-13 to 06-30-16
Superintendent of Schools	Dr. Wendy Robinson	07-01-13 to 06-30-16
President of the School Board	Mark GiaQuinta	01-01-13 to 12-31-16



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE FORT WAYNE COMMUNITY SCHOOLS, ALLEN COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Fort Wayne Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free 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, 2013 to June 30, 2015.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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


Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of 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 April 14, 2016, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

April 14, 2016



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 FORT WAYNE COMMUNITY SCHOOLS, ALLEN 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 Fort Wayne Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated April 14, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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*.

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

April 14, 2016

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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.

FORT WAYNE COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 16,903,276	\$ 206,444,377	\$ 200,690,628	\$ 530,279	\$ 23,187,304	\$ 204,693,615	\$ 203,496,179	\$ 311,553	\$ 24,696,293
Racial Balance	3,836,450	5,548,485	5,107,742	-	4,277,193	5,707,830	5,030,389	-	4,954,634
Debt Service	3,200,818	14,083,674	12,773,333	-	4,511,159	14,433,690	13,735,515	-	5,209,334
Retirement/Severance Bond Debt Service	-	3,523,456	3,214,591	-	308,865	3,216,892	3,517,668	-	8,089
Referendum Debt Exempt Capital	716,229	5,732,917	4,501,750	-	1,947,396	6,186,332	5,432,000	-	2,701,728
Capital Projects	8,405,671	17,530,476	20,240,615	4,050	5,699,582	17,903,042	17,268,458	-	6,334,166
School Transportation	2,689,819	16,494,353	17,364,840	63,452	1,882,784	17,695,452	16,638,635	12,423	2,952,024
School Bus Replacement	-	1,790,087	1,790,087	-	-	1,803,243	1,599,897	-	203,346
North Side Project	12,555	-	-	-	12,555	-	12,555	-	-
Wayne New Tech	1,750	-	1,750	-	-	-	-	-	-
Wayne New Tech QZAB	21,617	-	21,402	-	215	-	215	-	-
2012 Bond Construction	3,909,119	-	2,718,662	(239,056)	951,401	-	569,235	-	382,166
2013 Bond Construction	58,515,356	205,649	30,920,718	(424,696)	27,375,591	96,696	18,310,925	(401,925)	8,759,437
2014 Bond Construction	-	-	21,500	37,126,920	37,105,420	141,550	16,167,684	-	21,079,286
Food Service	8,384,436	16,443,157	15,588,611	(1,120,090)	8,118,892	16,667,728	16,029,515	(597,499)	8,159,606
Textbook Rental	5,393,231	2,319,996	2,563,099	572,261	5,722,389	2,207,736	3,561,433	657,372	5,026,064
Self Insurance	35,457,640	40,385,113	44,784,233	-	31,058,520	41,718,744	48,588,604	-	24,188,660
Levy Excess	-	-	-	-	-	6,123	-	-	6,123
Regional Vocational	853,021	4,211,595	4,318,263	81,256	827,609	4,432,999	4,432,523	72,248	900,333
Museum of Art	40,026	179,065	116,664	-	102,427	178,039	188,744	-	91,722
Educational License Plates	36,489	2,175	-	-	38,664	2,044	300	-	40,408
Alternative Education	335,788	137,182	310,463	45,270	207,777	166,803	304,784	-	69,796
Donations	305,745	331,505	224,302	-	412,948	219,693	177,506	-	455,135
Donations Grant	53,429	57,000	84,326	-	26,103	37,112	55,620	-	7,595
CFAB Reimbursable	-	270	55,538	-	(55,268)	55,248	74,113	-	(74,133)
Access Channel	315,266	214,460	186,548	-	343,178	262,990	174,613	-	431,555
League (Knight Grant)	3,357	-	40	-	3,317	-	1,578	-	1,739
Scholarships	171,182	9,822	12,500	-	168,504	25,836	9,500	-	184,840
Unemployment	180,000	-	-	-	180,000	-	-	-	180,000
Drivers Education	37,379	65,640	64,611	-	38,408	60,905	73,949	-	25,364
Common School	(529,745)	4,602,515	4,357,206	-	(284,436)	913,206	628,770	-	-
(STAA) School Technology Advancement	(238,462)	945,272	706,810	-	-	718,382	718,382	-	-
Adult and Continuing Education	848,237	968,146	919,632	15,278	912,029	820,366	949,879	5,953	788,469
Neighborhood Connection	10,975	190,498	137,618	-	63,855	98,922	85,896	-	76,881

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

FORT WAYNE COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Medicaid Reimbursement - State	28,555	329,998	-	(315,612)	42,941	325,567	-	(364,838)	3,670
Secured Schools Safety Grant	-	-	-	-	-	50,000	98,627	-	(48,627)
Non-English Speaking Programs	-	233,449	172,877	-	60,572	257,332	226,248	-	91,656
School Technology	642,081	248,789	622,944	-	267,926	495,889	542,934	-	220,881
Excellence in Performance	(71,186)	1,600,000	1,528,814	-	-	138,072	138,072	-	-
Career Center Building	23,753	-	1,722	72,500	94,531	-	14,687	72,500	152,344
Food Service Equipment	2,043,582	14,084	674,132	1,144,640	2,528,174	10,621	1,357,899	615,031	1,795,927
Warehouse	528,473	1,314,025	1,464,657	1,091	378,932	1,360,961	1,388,171	464	352,186
Gifted and Talented	6,634	142,041	144,935	-	3,740	150,192	91,906	-	62,026
Indiana Literacy Early Program	-	-	-	-	-	30,000	-	-	30,000
High Ability Building Blocks	(2,479)	2,479	-	-	-	-	-	-	-
DieselWise Indiana	-	-	-	-	-	305,703	305,703	-	-
Arts in Education	1,662	1,716	2,216	-	1,162	-	1,550	-	(388)
CTE Technology Resources	-	15,000	15,000	-	-	-	-	-	-
Title I Delinquent	(53,534)	406,722	402,674	-	(49,486)	330,777	334,314	-	(53,023)
Title I Distinguished School Award	-	25,000	25,000	-	-	-	-	-	-
Title I	(1,269,110)	10,830,251	10,858,417	-	(1,297,276)	10,931,926	11,492,706	100,000	(1,758,056)
Stewart Homeless Assistance Act	(10,135)	41,054	37,028	-	(6,109)	48,836	46,476	-	(3,749)
Special Education Improvement Grant	-	49,053	49,053	-	-	-	-	-	-
Technology Skills for Special Education	-	86,117	86,117	-	-	129,555	129,555	-	-
Special Education Basic	(1,253,727)	7,688,304	7,454,155	-	(1,019,578)	6,865,356	7,019,054	-	(1,173,276)
Special Education Preschool	(51,877)	289,366	283,553	-	(46,064)	250,360	260,634	-	(56,338)
English Language Civics Grant	-	-	-	-	-	47,989	83,813	-	(35,824)
Vocational Education	(84,236)	786,950	917,210	-	(214,496)	1,155,421	1,011,323	-	(70,398)
Medicaid Reimbursement - Federal	1,786,606	766,012	281,302	(19,205)	2,252,111	466,745	792,620	(21,862)	1,904,374
Fort Wayne Freedom Studies	(17,999)	186,133	200,312	-	(32,178)	156,311	124,133	-	-
(TIF) Teacher Incentive Fund	(70,740)	5,365,957	5,467,415	-	(172,198)	6,781,222	6,638,871	-	(29,847)
Improving Teacher Quality, No Child Left, Title II, Part A	(167,202)	1,329,765	1,269,103	-	(106,540)	2,053,221	1,939,703	(100,000)	(93,022)
Title III - Language Instruction	(37,161)	254,123	263,787	-	(46,825)	306,823	303,776	-	(43,778)
School Counseling Grant	-	-	-	-	-	64,918	95,398	-	(30,480)
Payroll	1,269,835	201,797,549	193,410,823	-	9,656,561	205,184,285	202,324,756	-	12,516,090
Totals	<u>\$ 153,112,449</u>	<u>\$ 576,220,822</u>	<u>\$ 599,431,328</u>	<u>\$ 37,538,338</u>	<u>\$ 167,440,281</u>	<u>\$ 578,369,300</u>	<u>\$ 614,597,993</u>	<u>\$ 361,420</u>	<u>\$ 131,573,008</u>

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

FORT WAYNE COMMUNITY SCHOOLS
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. 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 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.

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Federal sources, which include distributions from the federal government, 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.

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

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.

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

Proceeds of long-term debt, 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.

FORT WAYNE COMMUNITY SCHOOLS
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 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

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of disbursements exceeding receipts. Most of the deficit balances are from grant funds that have made expenditures but have not yet received reimbursement.

FORT WAYNE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporations*

The School Corporation has entered into a capital lease with FWCS Building Corp, FWCS Food Service Center Building Corp, and North Side High School Building Corp (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 fiscal years 2014 and 2015 totaled \$9,933,056 and \$12,694,700, respectively.

Note 9. *Subsequent Events*

The Board of School Trustees resolution passed and adopted December 12, 2011, approved the 2012 FWCS School Building Basic Renewal/Restoration and Safety Project. The resolution authorized the issuance of bonds, the total maximum original aggregate principal amount not to exceed \$119,346,311. As part of the original authorization, and in addition to the bonds previously issued, \$8,740,000 Series 2015 Bonds were issued December 30, 2015, and \$1,865,000 Series 2016 Bonds were issued January 5, 2016.

Note 10. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses postemployment life insurance benefits to employees who retired from the School Corporation before the pension buyout July 1, 2004, and who retired on or after attaining age 55 with at least 15 years of service. The School Corporation pays 100 percent of the life insurance premium for eligible retirees. The life insurance benefit ends when retirees are 70 years old. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

FORT WAYNE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014

	General	Racial Balance	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	North Side Project
Cash and investments - beginning	\$ 16,903,276	\$ 3,836,450	\$ 3,200,818	\$ -	\$ 716,229	\$ 8,405,671	\$ 2,689,819	\$ -	\$ 12,555
Receipts:									
Local sources	2,973,245	5,548,485	14,083,674	3,523,456	5,732,917	17,530,476	16,350,866	1,779,163	-
Intermediate sources	56	-	-	-	-	-	-	-	-
State sources	203,462,532	-	-	-	-	-	-	-	-
Federal sources	6,174	-	-	-	-	-	140,260	-	-
Interfund loans	-	-	-	-	-	-	-	10,924	-
Other	2,370	-	-	-	-	-	3,227	-	-
Total receipts	206,444,377	5,548,485	14,083,674	3,523,456	5,732,917	17,530,476	16,494,353	1,790,087	-
Disbursements:									
Current:									
Instruction	142,602,120	4,442,318	-	-	-	-	-	-	-
Support services	55,140,063	665,424	-	-	-	9,540,632	17,364,840	1,643,985	-
Noninstructional services	1,566,901	-	-	-	-	-	-	-	-
Facilities acquisition and construction	656,675	-	-	-	-	10,699,983	-	-	-
Debt services	724,869	-	12,773,333	2,978,763	4,501,750	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	235,828	-	-	-	146,102	-
Total disbursements	200,690,628	5,107,742	12,773,333	3,214,591	4,501,750	20,240,615	17,364,840	1,790,087	-
Excess (deficiency) of receipts over disbursements	5,753,749	440,743	1,310,341	308,865	1,231,167	(2,710,139)	(870,487)	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	139,884	-	-	-	-	4,050	63,452	-	-
Transfers in	998,569	-	-	-	-	-	-	-	-
Transfers out	(608,174)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	530,279	-	-	-	-	4,050	63,452	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,284,028	440,743	1,310,341	308,865	1,231,167	(2,706,089)	(807,035)	-	-
Cash and investments - ending	\$ 23,187,304	\$ 4,277,193	\$ 4,511,159	\$ 308,865	\$ 1,947,396	\$ 5,699,582	\$ 1,882,784	\$ -	\$ 12,555

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

	Wayne New Tech	Wayne New Tech QZAB	2012 Bond Construction	2013 Bond Construction	2014 Bond Construction	Food Service	Textbook Rental	Self Insurance	Levy Excess
Cash and investments - beginning	\$ 1,750	\$ 21,617	\$ 3,909,119	\$ 58,515,356	\$ -	\$ 8,384,436	\$ 5,393,231	\$ 35,457,640	\$ -
Receipts:									
Local sources	-	-	-	205,649	-	3,411,159	681,141	40,003,183	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	85,276	1,638,855	-	-
Federal sources	-	-	-	-	-	12,944,377	-	-	-
Interfund loans	-	-	-	-	-	-	-	381,930	-
Other	-	-	-	-	-	2,345	-	-	-
Total receipts	-	-	-	205,649	-	16,443,157	2,319,996	40,385,113	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	205,105	-	272,450	2,563,099	1,710,578	-
Noninstructional services	-	-	-	-	-	15,066,161	-	-	-
Facilities acquisition and construction	1,750	21,402	2,718,162	30,593,130	-	-	-	1,551	-
Debt services	-	-	500	122,483	21,500	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	250,000	-	43,061,180	-
Interfund loans	-	-	-	-	-	-	-	10,924	-
Total disbursements	1,750	21,402	2,718,662	30,920,718	21,500	15,588,611	2,563,099	44,784,233	-
Excess (deficiency) of receipts over disbursements	(1,750)	(21,402)	(2,718,662)	(30,715,069)	(21,500)	854,546	(243,103)	(4,399,120)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	37,126,920	-	-	-	-
Sale of capital assets	-	-	-	-	-	750	9,357	-	-
Transfers in	-	-	-	-	-	-	562,904	-	-
Transfers out	-	-	(239,056)	(424,696)	-	(1,120,840)	-	-	-
Total other financing sources (uses)	-	-	(239,056)	(424,696)	37,126,920	(1,120,090)	572,261	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,750)	(21,402)	(2,957,718)	(31,139,765)	37,105,420	(265,544)	329,158	(4,399,120)	-
Cash and investments - ending	\$ -	\$ 215	\$ 951,401	\$ 27,375,591	\$ 37,105,420	\$ 8,118,892	\$ 5,722,389	\$ 31,058,520	\$ -

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

	Regional Vocational	Museum of Art	Educational License Plates	Alternative Education	Donations	Donations Grant	CFAB Reimbursable	Access Channel
Cash and investments - beginning	\$ 853,021	\$ 40,026	\$ 36,489	\$ 335,788	\$ 305,745	\$ 53,429	\$ -	\$ 315,266
Receipts:								
Local sources	4,211,145	179,065	-	-	327,621	57,000	270	214,460
Intermediate sources	-	-	2,175	-	-	-	-	-
State sources	-	-	-	137,182	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	450	-	-	-	3,884	-	-	-
Total receipts	<u>4,211,595</u>	<u>179,065</u>	<u>2,175</u>	<u>137,182</u>	<u>331,505</u>	<u>57,000</u>	<u>270</u>	<u>214,460</u>
Disbursements:								
Current:								
Instruction	3,367,634	-	-	310,463	134,582	79,106	-	-
Support services	790,073	-	-	-	85,821	-	55,538	186,548
Noninstructional services	-	116,664	-	-	3,899	5,220	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	160,556	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>4,318,263</u>	<u>116,664</u>	<u>-</u>	<u>310,463</u>	<u>224,302</u>	<u>84,326</u>	<u>55,538</u>	<u>186,548</u>
Excess (deficiency) of receipts over disbursements	<u>(106,668)</u>	<u>62,401</u>	<u>2,175</u>	<u>(173,281)</u>	<u>107,203</u>	<u>(27,326)</u>	<u>(55,268)</u>	<u>27,912</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	153,756	-	-	-	-	-	-	-
Transfers in	-	-	-	45,270	-	-	-	-
Transfers out	(72,500)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>81,256</u>	<u>-</u>	<u>-</u>	<u>45,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(25,412)</u>	<u>62,401</u>	<u>2,175</u>	<u>(128,011)</u>	<u>107,203</u>	<u>(27,326)</u>	<u>(55,268)</u>	<u>27,912</u>
Cash and investments - ending	<u>\$ 827,609</u>	<u>\$ 102,427</u>	<u>\$ 38,664</u>	<u>\$ 207,777</u>	<u>\$ 412,948</u>	<u>\$ 26,103</u>	<u>\$ (55,268)</u>	<u>\$ 343,178</u>

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

	League (Knight Grant)	Scholarships	Unemployment	Drivers Education	Common School	(STAA) School Technology Advancement	Adult and Continuing Education	Neighborhood Connection
Cash and investments - beginning	\$ 3,357	\$ 171,182	\$ 180,000	\$ 37,379	\$ (529,745)	\$ (238,462)	\$ 848,237	\$ 10,975
Receipts:								
Local sources	-	9,822	-	65,640	-	-	968,146	190,498
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	4,602,515	945,272	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	9,822	-	65,640	4,602,515	945,272	968,146	190,498
Disbursements:								
Current:								
Instruction	40	-	-	62,649	-	-	916,715	137,618
Support services	-	-	-	1,962	4,357,206	706,810	2,917	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	12,500	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	40	12,500	-	64,611	4,357,206	706,810	919,632	137,618
Excess (deficiency) of receipts over disbursements	(40)	(2,678)	-	1,029	245,309	238,462	48,514	52,880
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	15,278	-
Transfers in	-	-	108,717	-	-	-	-	-
Transfers out	-	-	(108,717)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	15,278	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(40)	(2,678)	-	1,029	245,309	238,462	63,792	52,880
Cash and investments - ending	\$ 3,317	\$ 168,504	\$ 180,000	\$ 38,408	\$ (284,436)	\$ -	\$ 912,029	\$ 63,855

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

	Medicaid Reimbursement - State	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Excellence in Performance	Career Center Building	Food Service Equipment	Warehouse
Cash and investments - beginning	\$ 28,555	\$ -	\$ -	\$ 642,081	\$ (71,186)	\$ 23,753	\$ 2,043,582	\$ 528,473
Receipts:								
Local sources	-	-	-	248,789	-	-	14,084	1,314,025
Intermediate sources	-	-	-	-	-	-	-	-
State sources	329,998	-	233,449	-	1,600,000	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>329,998</u>	<u>-</u>	<u>233,449</u>	<u>248,789</u>	<u>1,600,000</u>	<u>-</u>	<u>14,084</u>	<u>1,314,025</u>
Disbursements:								
Current:								
Instruction	-	-	172,877	-	1,528,814	-	-	-
Support services	-	-	-	622,944	-	-	-	1,464,657
Noninstructional services	-	-	-	-	-	-	674,132	-
Facilities acquisition and construction	-	-	-	-	-	1,722	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>172,877</u>	<u>622,944</u>	<u>1,528,814</u>	<u>1,722</u>	<u>674,132</u>	<u>1,464,657</u>
Excess (deficiency) of receipts over disbursements	<u>329,998</u>	<u>-</u>	<u>60,572</u>	<u>(374,155)</u>	<u>71,186</u>	<u>(1,722)</u>	<u>(660,048)</u>	<u>(150,632)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	23,800	1,091
Transfers in	-	-	-	-	-	72,500	1,120,840	-
Transfers out	(315,612)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(315,612)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,500</u>	<u>1,144,640</u>	<u>1,091</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>14,386</u>	<u>-</u>	<u>60,572</u>	<u>(374,155)</u>	<u>71,186</u>	<u>70,778</u>	<u>484,592</u>	<u>(149,541)</u>
Cash and investments - ending	<u>\$ 42,941</u>	<u>\$ -</u>	<u>\$ 60,572</u>	<u>\$ 267,926</u>	<u>\$ -</u>	<u>\$ 94,531</u>	<u>\$ 2,528,174</u>	<u>\$ 378,932</u>

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

	Gifted and Talented	Indiana Literacy Early Program	High Ability Building Blocks	DieselWise Indiana	Arts in Education	CTE Technology Resources	Title I Delinquent	Title I Distinguished School Award
Cash and investments - beginning	\$ 6,634	\$ -	\$ (2,479)	\$ -	\$ 1,662	\$ -	\$ (53,534)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	142,041	-	2,479	-	1,716	15,000	-	-
Federal sources	-	-	-	-	-	-	406,722	25,000
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	142,041	-	2,479	-	1,716	15,000	406,722	25,000
Disbursements:								
Current:								
Instruction	144,935	-	-	-	2,216	-	296,492	25,000
Support services	-	-	-	-	-	15,000	94,109	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	12,073	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	144,935	-	-	-	2,216	15,000	402,674	25,000
Excess (deficiency) of receipts over disbursements	(2,894)	-	2,479	-	(500)	-	4,048	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,894)	-	2,479	-	(500)	-	4,048	-
Cash and investments - ending	\$ 3,740	\$ -	\$ -	\$ -	\$ 1,162	\$ -	\$ (49,486)	\$ -

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

	Title I	Stewart Homeless Assistance Act	Special Education Improvement Grant	Technology Skills for Special Education	Special Education Basic	Special Education Preschool	English Language Civics Grant	Vocational Education
Cash and investments - beginning	\$ (1,269,110)	\$ (10,135)	\$ -	\$ -	\$ (1,253,727)	\$ (51,877)	\$ -	\$ (84,236)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	10,830,251	41,054	49,053	86,117	7,688,304	289,366	-	786,950
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>10,830,251</u>	<u>41,054</u>	<u>49,053</u>	<u>86,117</u>	<u>7,688,304</u>	<u>289,366</u>	<u>-</u>	<u>786,950</u>
Disbursements:								
Current:								
Instruction	7,057,522	-	48,925	86,117	5,256,364	108,440	-	792,677
Support services	3,160,257	37,028	128	-	1,988,320	167,081	-	124,533
Noninstructional services	358,204	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	282,434	-	-	-	209,471	8,032	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>10,858,417</u>	<u>37,028</u>	<u>49,053</u>	<u>86,117</u>	<u>7,454,155</u>	<u>283,553</u>	<u>-</u>	<u>917,210</u>
Excess (deficiency) of receipts over disbursements	<u>(28,166)</u>	<u>4,026</u>	<u>-</u>	<u>-</u>	<u>234,149</u>	<u>5,813</u>	<u>-</u>	<u>(130,260)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(28,166)</u>	<u>4,026</u>	<u>-</u>	<u>-</u>	<u>234,149</u>	<u>5,813</u>	<u>-</u>	<u>(130,260)</u>
Cash and investments - ending	<u>\$ (1,297,276)</u>	<u>\$ (6,109)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,019,578)</u>	<u>\$ (46,064)</u>	<u>\$ -</u>	<u>\$ (214,496)</u>

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

	Medicaid Reimbursement - Federal	Fort Wayne Freedom Studies	(TIF) Teacher Incentive Fund	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - Language Instruction	School Counseling Grant	Payroll	Totals
Cash and investments - beginning	\$ 1,786,606	\$ (17,999)	\$ (70,740)	\$ (167,202)	\$ (37,161)	\$ -	\$ 1,269,835	\$ 153,112,449
Receipts:								
Local sources	-	-	-	-	-	-	-	119,623,979
Intermediate sources	-	-	-	-	-	-	-	2,231
State sources	-	-	-	-	-	-	-	213,196,315
Federal sources	766,012	186,133	5,365,957	1,329,765	254,123	-	-	41,195,618
Interfund loans	-	-	-	-	-	-	-	392,854
Other	-	-	-	-	-	-	201,797,549	201,809,825
Total receipts	766,012	186,133	5,365,957	1,329,765	254,123	-	201,797,549	576,220,822
Disbursements:								
Current:								
Instruction	281,302	200,312	4,008,655	572,238	263,787	-	-	172,899,918
Support services	-	-	1,335,114	661,549	-	-	-	104,963,771
Noninstructional services	-	-	-	-	-	-	-	17,791,181
Facilities acquisition and construction	-	-	-	-	-	-	-	44,694,375
Debt services	-	-	-	-	-	-	-	21,123,198
Nonprogrammed charges	-	-	123,646	35,316	-	-	193,410,823	237,566,031
Interfund loans	-	-	-	-	-	-	-	392,854
Total disbursements	281,302	200,312	5,467,415	1,269,103	263,787	-	193,410,823	599,431,328
Excess (deficiency) of receipts over disbursements	484,710	(14,179)	(101,458)	60,662	(9,664)	-	8,386,726	(23,210,506)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	37,126,920
Sale of capital assets	-	-	-	-	-	-	-	411,418
Transfers in	-	-	-	-	-	-	-	2,908,800
Transfers out	(19,205)	-	-	-	-	-	-	(2,908,800)
Total other financing sources (uses)	(19,205)	-	-	-	-	-	-	37,538,338
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	465,505	(14,179)	(101,458)	60,662	(9,664)	-	8,386,726	14,327,832
Cash and investments - ending	\$ 2,252,111	\$ (32,178)	\$ (172,198)	\$ (106,540)	\$ (46,825)	\$ -	\$ 9,656,561	\$ 167,440,281

FORT WAYNE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Racial Balance	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	North Side Project
Cash and investments - beginning	\$ 23,187,304	\$ 4,277,193	\$ 4,511,159	\$ 308,865	\$ 1,947,396	\$ 5,699,582	\$ 1,882,784	\$ -	\$ 12,555
Receipts:									
Local sources	3,003,659	5,707,830	14,383,912	3,216,892	6,186,332	17,903,042	17,386,811	1,803,243	-
Intermediate sources	41	-	-	-	-	-	-	-	-
State sources	201,651,897	-	-	-	-	-	-	-	-
Federal sources	30,548	-	49,778	-	-	-	256,222	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	7,470	-	-	-	-	-	52,419	-	-
Total receipts	<u>204,693,615</u>	<u>5,707,830</u>	<u>14,433,690</u>	<u>3,216,892</u>	<u>6,186,332</u>	<u>17,903,042</u>	<u>17,695,452</u>	<u>1,803,243</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	140,742,904	4,546,262	-	-	-	-	-	-	-
Support services	60,367,531	484,127	-	-	-	8,434,578	16,638,635	1,588,973	-
Noninstructional services	1,599,706	-	-	-	-	-	-	-	-
Facilities acquisition and construction	786,038	-	-	-	-	8,833,880	-	-	12,555
Debt services	-	-	13,735,515	3,517,668	5,432,000	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	10,924	-
Total disbursements	<u>203,496,179</u>	<u>5,030,389</u>	<u>13,735,515</u>	<u>3,517,668</u>	<u>5,432,000</u>	<u>17,268,458</u>	<u>16,638,635</u>	<u>1,599,897</u>	<u>12,555</u>
Excess (deficiency) of receipts over disbursements	<u>1,197,436</u>	<u>677,441</u>	<u>698,175</u>	<u>(300,776)</u>	<u>754,332</u>	<u>634,584</u>	<u>1,056,817</u>	<u>203,346</u>	<u>(12,555)</u>
Other financing sources (uses):									
Sale of capital assets	162,877	-	-	-	-	-	12,423	-	-
Transfers in	788,625	-	-	-	-	-	-	-	-
Transfers out	(639,949)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>311,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,423</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,508,989</u>	<u>677,441</u>	<u>698,175</u>	<u>(300,776)</u>	<u>754,332</u>	<u>634,584</u>	<u>1,069,240</u>	<u>203,346</u>	<u>(12,555)</u>
Cash and investments - ending	<u>\$ 24,696,293</u>	<u>\$ 4,954,634</u>	<u>\$ 5,209,334</u>	<u>\$ 8,089</u>	<u>\$ 2,701,728</u>	<u>\$ 6,334,166</u>	<u>\$ 2,952,024</u>	<u>\$ 203,346</u>	<u>\$ -</u>

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

	Wayne New Tech	Wayne New Tech QZAB	2012 Bond Construction	2013 Bond Construction	2014 Bond Construction	Food Service	Textbook Rental	Self Insurance	Levy Excess
Cash and investments - beginning	\$ -	\$ 215	\$ 951,401	\$ 27,375,591	\$ 37,105,420	\$ 8,118,892	\$ 5,722,389	\$ 31,058,520	\$ -
Receipts:									
Local sources	-	-	-	81,185	141,550	2,089,222	731,174	41,707,820	6,123
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	83,968	1,476,562	-	-
Federal sources	-	-	-	-	-	14,494,538	-	-	-
Interfund loans	-	-	-	-	-	-	-	10,924	-
Other	-	-	-	15,511	-	-	-	-	-
Total receipts	-	-	-	96,696	141,550	16,667,728	2,207,736	41,718,744	6,123
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	750,639	18,149	232,054	3,561,433	1,177,469	-
Noninstructional services	-	-	-	-	-	15,547,461	-	-	-
Facilities acquisition and construction	-	215	569,235	17,559,681	16,064,000	-	-	-	-
Debt services	-	-	-	605	85,535	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	250,000	-	47,411,135	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	215	569,235	18,310,925	16,167,684	16,029,515	3,561,433	48,588,604	-
Excess (deficiency) of receipts over disbursements	-	(215)	(569,235)	(18,214,229)	(16,026,134)	638,213	(1,353,697)	(6,869,860)	6,123
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	2,501	17,423	-	-
Transfers in	-	-	-	-	-	-	639,949	-	-
Transfers out	-	-	-	(401,925)	-	(600,000)	-	-	-
Total other financing sources (uses)	-	-	-	(401,925)	-	(597,499)	657,372	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(215)	(569,235)	(18,616,154)	(16,026,134)	40,714	(696,325)	(6,869,860)	6,123
Cash and investments - ending	\$ -	\$ -	\$ 382,166	\$ 8,759,437	\$ 21,079,286	\$ 8,159,606	\$ 5,026,064	\$ 24,188,660	\$ 6,123

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

	Regional Vocational	Museum of Art	Educational License Plates	Alternative Education	Donations	Donations Grant	CFAB Reimbursable	Access Channel
Cash and investments - beginning	\$ 827,609	\$ 102,427	\$ 38,664	\$ 207,777	\$ 412,948	\$ 26,103	\$ (55,268)	\$ 343,178
Receipts:								
Local sources	4,432,714	178,039	-	-	219,693	37,112	55,248	262,990
Intermediate sources	-	-	2,044	-	-	-	-	-
State sources	-	-	-	166,803	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	285	-	-	-	-	-	-	-
Total receipts	<u>4,432,999</u>	<u>178,039</u>	<u>2,044</u>	<u>166,803</u>	<u>219,693</u>	<u>37,112</u>	<u>55,248</u>	<u>262,990</u>
Disbursements:								
Current:								
Instruction	3,447,873	-	300	304,784	114,880	50,340	-	-
Support services	779,259	-	-	-	62,626	500	74,113	174,613
Noninstructional services	-	188,744	-	-	-	4,780	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	205,391	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>4,432,523</u>	<u>188,744</u>	<u>300</u>	<u>304,784</u>	<u>177,506</u>	<u>55,620</u>	<u>74,113</u>	<u>174,613</u>
Excess (deficiency) of receipts over disbursements	<u>476</u>	<u>(10,705)</u>	<u>1,744</u>	<u>(137,981)</u>	<u>42,187</u>	<u>(18,508)</u>	<u>(18,865)</u>	<u>88,377</u>
Other financing sources (uses):								
Sale of capital assets	144,748	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(72,500)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>72,248</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>72,724</u>	<u>(10,705)</u>	<u>1,744</u>	<u>(137,981)</u>	<u>42,187</u>	<u>(18,508)</u>	<u>(18,865)</u>	<u>88,377</u>
Cash and investments - ending	<u>\$ 900,333</u>	<u>\$ 91,722</u>	<u>\$ 40,408</u>	<u>\$ 69,796</u>	<u>\$ 455,135</u>	<u>\$ 7,595</u>	<u>\$ (74,133)</u>	<u>\$ 431,555</u>

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

	League (Knight Grant)	Scholarships	Unemployment	Drivers Education	Common School	(STAA) School Technology Advancement	Adult and Continuing Education	Neighborhood Connection
Cash and investments - beginning	\$ 3,317	\$ 168,504	\$ 180,000	\$ 38,408	\$ (284,436)	\$ -	\$ 912,029	\$ 63,855
Receipts:								
Local sources	-	25,836	-	60,905	-	-	820,366	98,922
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	913,206	718,382	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	25,836	-	60,905	913,206	718,382	820,366	98,922
Disbursements:								
Current:								
Instruction	1,578	-	-	70,576	-	-	948,153	85,896
Support services	-	-	-	3,373	628,770	718,382	1,726	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	9,500	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	1,578	9,500	-	73,949	628,770	718,382	949,879	85,896
Excess (deficiency) of receipts over disbursements	(1,578)	16,336	-	(13,044)	284,436	-	(129,513)	13,026
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	5,953	-
Transfers in	-	-	81,071	-	-	-	-	-
Transfers out	-	-	(81,071)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	5,953	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,578)	16,336	-	(13,044)	284,436	-	(123,560)	13,026
Cash and investments - ending	\$ 1,739	\$ 184,840	\$ 180,000	\$ 25,364	\$ -	\$ -	\$ 788,469	\$ 76,881

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

	Medicaid Reimbursement - State	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Excellence in Performance	Career Center Building	Food Service Equipment	Warehouse
Cash and investments - beginning	\$ 42,941	\$ -	\$ 60,572	\$ 267,926	\$ -	\$ 94,531	\$ 2,528,174	\$ 378,932
Receipts:								
Local sources	-	-	-	495,889	-	-	10,621	1,360,961
Intermediate sources	-	-	-	-	-	-	-	-
State sources	325,567	50,000	257,332	-	138,072	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>325,567</u>	<u>50,000</u>	<u>257,332</u>	<u>495,889</u>	<u>138,072</u>	<u>-</u>	<u>10,621</u>	<u>1,360,961</u>
Disbursements:								
Current:								
Instruction	-	-	226,248	-	138,072	-	-	-
Support services	-	98,627	-	542,934	-	-	-	1,388,171
Noninstructional services	-	-	-	-	-	-	1,357,899	-
Facilities acquisition and construction	-	-	-	-	-	14,687	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>98,627</u>	<u>226,248</u>	<u>542,934</u>	<u>138,072</u>	<u>14,687</u>	<u>1,357,899</u>	<u>1,388,171</u>
Excess (deficiency) of receipts over disbursements	<u>325,567</u>	<u>(48,627)</u>	<u>31,084</u>	<u>(47,045)</u>	<u>-</u>	<u>(14,687)</u>	<u>(1,347,278)</u>	<u>(27,210)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	15,031	464
Transfers in	-	-	-	-	-	72,500	600,000	-
Transfers out	<u>(364,838)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(364,838)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,500</u>	<u>615,031</u>	<u>464</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(39,271)</u>	<u>(48,627)</u>	<u>31,084</u>	<u>(47,045)</u>	<u>-</u>	<u>57,813</u>	<u>(732,247)</u>	<u>(26,746)</u>
Cash and investments - ending	<u>\$ 3,670</u>	<u>\$ (48,627)</u>	<u>\$ 91,656</u>	<u>\$ 220,881</u>	<u>\$ -</u>	<u>\$ 152,344</u>	<u>\$ 1,795,927</u>	<u>\$ 352,186</u>

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

	Gifted and Talented	Indiana Literacy Early Program	High Ability Building Blocks	DieselWise Indiana	Arts in Education	CTE Technology Resources	Title I Delinquent	Title I Distinguished School Award
Cash and investments - beginning	\$ 3,740	\$ -	\$ -	\$ -	\$ 1,162	\$ -	\$ (49,486)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	150,192	30,000	-	305,703	-	-	-	-
Federal sources	-	-	-	-	-	-	330,777	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	150,192	30,000	-	305,703	-	-	330,777	-
Disbursements:								
Current:								
Instruction	91,906	-	-	-	1,550	-	219,955	-
Support services	-	-	-	305,703	-	-	98,326	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	16,033	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	91,906	-	-	305,703	1,550	-	334,314	-
Excess (deficiency) of receipts over disbursements	58,286	30,000	-	-	(1,550)	-	(3,537)	-
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	58,286	30,000	-	-	(1,550)	-	(3,537)	-
Cash and investments - ending	\$ 62,026	\$ 30,000	\$ -	\$ -	\$ (388)	\$ -	\$ (53,023)	\$ -

REGIONS
 FORT WAYNE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Title I	Stewart Homeless Assistance Act	Special Education Improvement Grant	Technology Skills for Special Education	Special Education Basic	Special Education Preschool	English Language Civics Grant	Vocational Education
Cash and investments - beginning	\$ (1,297,276)	\$ (6,109)	\$ -	\$ -	\$ (1,019,578)	\$ (46,064)	\$ -	\$ (214,496)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	10,931,926	48,836	-	129,555	6,865,356	250,360	47,989	1,155,421
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>10,931,926</u>	<u>48,836</u>	<u>-</u>	<u>129,555</u>	<u>6,865,356</u>	<u>250,360</u>	<u>47,989</u>	<u>1,155,421</u>
Disbursements:								
Current:								
Instruction	7,860,484	-	-	129,555	5,247,673	160,938	83,813	891,975
Support services	2,851,389	46,476	-	-	1,771,381	88,388	-	119,348
Noninstructional services	340,433	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	440,400	-	-	-	-	11,308	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>11,492,706</u>	<u>46,476</u>	<u>-</u>	<u>129,555</u>	<u>7,019,054</u>	<u>260,634</u>	<u>83,813</u>	<u>1,011,323</u>
Excess (deficiency) of receipts over disbursements	<u>(560,780)</u>	<u>2,360</u>	<u>-</u>	<u>-</u>	<u>(153,698)</u>	<u>(10,274)</u>	<u>(35,824)</u>	<u>144,098</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	100,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>100,000</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>(460,780)</u>	<u>2,360</u>	<u>-</u>	<u>-</u>	<u>(153,698)</u>	<u>(10,274)</u>	<u>(35,824)</u>	<u>144,098</u>
Cash and investments - ending	<u>\$ (1,758,056)</u>	<u>\$ (3,749)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,173,276)</u>	<u>\$ (56,338)</u>	<u>\$ (35,824)</u>	<u>\$ (70,398)</u>

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

	Medicaid Reimbursement - Federal	Fort Wayne Freedom Studies	(TIF) Teacher Incentive Fund	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - Language Instruction	School Counseling Grant	Payroll	Totals
Cash and investments - beginning	\$ 2,252,111	\$ (32,178)	\$ (172,198)	\$ (106,540)	\$ (46,825)	\$ -	\$ 9,656,561	\$ 167,440,281
Receipts:								
Local sources	-	-	-	-	-	-	-	122,408,091
Intermediate sources	-	-	-	-	-	-	-	2,085
State sources	-	-	-	-	-	-	-	206,267,684
Federal sources	466,745	156,311	6,781,222	2,053,221	306,823	64,918	-	44,420,546
Interfund loans	-	-	-	-	-	-	-	10,924
Other	-	-	-	-	-	-	205,184,285	205,259,970
Total receipts	<u>466,745</u>	<u>156,311</u>	<u>6,781,222</u>	<u>2,053,221</u>	<u>306,823</u>	<u>64,918</u>	<u>205,184,285</u>	<u>578,369,300</u>
Disbursements:								
Current:								
Instruction	792,620	109,241	4,712,292	379,168	302,308	-	-	171,661,344
Support services	-	-	1,726,306	1,502,226	-	95,398	-	106,331,623
Noninstructional services	-	-	-	-	1,468	-	-	19,040,491
Facilities acquisition and construction	-	-	-	-	-	-	-	43,840,291
Debt services	-	-	-	-	-	-	-	22,771,323
Nonprogrammed charges	-	14,892	200,273	58,309	-	-	202,324,756	250,941,997
Interfund loans	-	-	-	-	-	-	-	10,924
Total disbursements	<u>792,620</u>	<u>124,133</u>	<u>6,638,871</u>	<u>1,939,703</u>	<u>303,776</u>	<u>95,398</u>	<u>202,324,756</u>	<u>614,597,993</u>
Excess (deficiency) of receipts over disbursements	<u>(325,875)</u>	<u>32,178</u>	<u>142,351</u>	<u>113,518</u>	<u>3,047</u>	<u>(30,480)</u>	<u>2,859,529</u>	<u>(36,228,693)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	361,420
Transfers in	-	-	-	-	-	-	-	2,282,145
Transfers out	(21,862)	-	-	(100,000)	-	-	-	(2,282,145)
Total other financing sources (uses)	<u>(21,862)</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,420</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(347,737)</u>	<u>32,178</u>	<u>142,351</u>	<u>13,518</u>	<u>3,047</u>	<u>(30,480)</u>	<u>2,859,529</u>	<u>(35,867,273)</u>
Cash and investments - ending	<u>\$ 1,904,374</u>	<u>\$ -</u>	<u>\$ (29,847)</u>	<u>\$ (93,022)</u>	<u>\$ (43,778)</u>	<u>\$ (30,480)</u>	<u>\$ 12,516,090</u>	<u>\$ 131,573,008</u>

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FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 5,029,207</u>	<u>\$ 374,758</u>

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Capital One Public Funding LLC	2012 HP Computer Lease	\$ 61,662	11/15/2012	11/15/2016
FWCS Building Corp	FWCS Building Corp Lease 2014	1,479,000	6/30/2014	12/31/2033
FWCS Building Corp	FWCS Building Corp Lease 2013	4,178,000	6/30/2014	12/31/2032
FWCS Food Service Center Building Corp	Food Service Center Lease 2005	1,281,944	7/15/2006	1/15/2018
North Side High School Building Corp.	North Side High School Lease 2007	<u>7,490,000</u>	12/31/2007	12/31/2017
Total of annual lease payments		<u>\$ 14,490,606</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	FWCS Pension Bonds of 2004	\$ 20,266,653	\$ 3,518,611
General obligation bonds	FWCS GO QZAB 2009	1,400,000	164,605
General obligation bonds	FWCS GO QZAB 2010	2,000,000	106,500
Notes and loans payable	All Common School Fund Loans	<u>7,891,562</u>	<u>4,673,235</u>
Totals		<u>\$ 31,558,215</u>	<u>\$ 8,462,951</u>

FORT WAYNE COMMUNITY SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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

	Ending Balance
Governmental activities:	
Land	\$ 10,226,902
Buildings	295,079,049
Improvements other than buildings	25,590,129
Machinery, equipment, and vehicles	36,916,158
Construction in progress	53,096,209
Total capital assets	\$ 420,908,447

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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 FORT WAYNE COMMUNITY SCHOOLS, ALLEN COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Fort Wayne Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2013 to June 30, 2015. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002, 2015-003, and 2015-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance


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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001, 2015-002, 2015-003, 2015-004, and 2015-005 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

FORT WAYNE COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 13-14 FY 14-15	\$ 2,699,830 -	\$ - 3,499,345
Total - School Breakfast Program				<u>2,699,830</u>	<u>3,499,345</u>
National School Lunch Program	Indiana Department of Education	10.555	FY 13-14 FY 14-15	10,646,146 -	- 11,467,312
Total - National School Lunch Program				<u>10,646,146</u>	<u>11,467,312</u>
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 13-14 FY 14-15	290,632 -	- 273,108
Total - Summer Food Service Program for Children				<u>290,632</u>	<u>273,108</u>
Total - Child Nutrition Cluster				<u>13,636,608</u>	<u>15,239,765</u>
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 13-14 FY 14-15	55,018 -	- 51,943
Total - Child and Adult Care Food Program				<u>55,018</u>	<u>51,943</u>
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582	FY 13-14 FY 14-15	403,421 -	- 340,412
Total - Fresh Fruit and Vegetable Program				<u>403,421</u>	<u>340,412</u>
Total - Department of Agriculture				<u>14,095,047</u>	<u>15,632,120</u>

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

FORT WAYNE COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2014 and 2015
 (Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>Environmental Protection Agency</u>					
State Clean Diesel Grant Program	Indiana Department of Environmental Management	66.040			
			EDS # A305-4-192	-	123,168
			EDS # A305-4-14	-	<u>182,535</u>
Total - Environmental Protection Agency				-	<u>305,703</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Part A, Compensatory Education			13-0235	1,966,322	-
Part A, Compensatory Education			14-0235	8,863,929	2,014,976
Part A, Compensatory Education			15-0235	-	8,916,950
Part D, Delinquent			13-0235	94,379	-
Part D, Delinquent			14-0235	312,343	90,877
Part D, Delinquent			15-0235	-	239,900
Distinguished Schools			14-0235	<u>25,000</u>	-
Total - Title I, Part A Cluster				<u>11,261,973</u>	<u>11,262,703</u>
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027			
Part B, IDEA			142-13-018-PN01	2,286,916	148,409
Part B, IDEA			142-14-018-PN01	5,401,388	1,874,539
Part B, IDEA			142-15-018-PN01	-	4,842,408
Technical Assistance			EDS # A58-3-13DL-1377	49,053	-
			99614-018-TA01	<u>86,117</u>	<u>129,555</u>
Total - Special Education - Grants to States				<u>7,823,474</u>	<u>6,994,911</u>
Special Education - Preschool Grants					
Preschool	Indiana Department of Education	84.173			
Preschool			457-13-018-PN01	94,184	-
Preschool			457-14-018-PN01	195,182	93,920
Preschool			457-15-018-PN01	-	<u>156,440</u>
Total - Special Education - Preschool Grants				<u>289,366</u>	<u>250,360</u>
Total - Special Education Cluster (IDEA)				<u>8,112,840</u>	<u>7,245,271</u>
Fund for the Improvement of Education					
Fort Wayne Freedom Studies	Direct Grant	84.215			
			U215X100316-10/11	624	7,385

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

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>					
Fund for the Improvement of Education (continued)					
Fort Wayne Freedom Studies			U215X100316-11/12	85,339	12,007
Fort Wayne Freedom Studies			U215X100316-12/13	99,460	136,919
School Counseling Grant			5215E140161-14/15	-	64,918
Total - Fund for the Improvement of Education				<u>185,423</u>	<u>221,229</u>
Teacher Incentive Fund					
Rewarding Educators and Academic Leaders	Direct Grant	84.374	S374A120057-12/13	4,788,485	-
Rewarding Educators and Academic Leaders			S374A120057-13/14	577,472	5,857,717
Rewarding Educators and Academic Leaders			S374A120057-14/15	-	923,505
Total - Teacher Incentive Fund				<u>5,365,957</u>	<u>6,781,222</u>
Adult Education - Basic Grants to States					
EL Civics	Indiana Department of Workforce Development	84.002	C1-3-ELC-2-56	9,959	-
EL Civics			C1-4-ELC-3-56	32,194	19,157
EL Civics			C1-5-ELC-4-56	-	39,238
Total - Adult Education - Basic Grants to States				<u>42,153</u>	<u>58,395</u>
Career and Technical Education - Basic Grants to States					
Perkins	Indiana Department of Education	84.048	13-4700-0235	184,285	-
Perkins			13-4700-0235	602,665	412,174
Perkins			14-4700-0235	-	743,247
Tech Prep			A58-13CI-1569	15,000	-
Total - Career and Technical Education - Basic Grants to States				<u>801,950</u>	<u>1,155,421</u>
Education for Homeless Children and Youth					
Refugee Children School Impact	Indiana Department of Health	84.196	FY13	22,606	-
Refugee Children School Impact			FY14	18,448	25,052
Refugee Children School Impact			FY15	-	23,784
Total - Education for Homeless Children and Youth				<u>41,054</u>	<u>48,836</u>
Advanced Placement Program					
	Indiana Department of Education	84.330	2013-14	11,830	-
			2014-15	-	9,355
Total - Advanced Placement Program				<u>11,830</u>	<u>9,355</u>

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

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>					
English Language Acquisition State Grants	Indiana Department of Education	84.365			
Title III			2011-12	12,719	-
Title III			2012-13	179,804	49,869
Title III			2013-14	38,488	229,653
Title III			2014-15	-	418
				<u>231,011</u>	<u>279,940</u>
Total - English Language Acquisition State Grants					
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
Title II, Part A			11-0235	485,066	-
Title II Part A			12-0235	844,699	809,111
Title II Part A			13-0235	-	1,244,110
				<u>1,329,765</u>	<u>2,053,221</u>
Total - Improving Teacher Quality State Grants					
				<u>27,383,956</u>	<u>29,115,593</u>
Total - Department of Education					
<u>Department of Health and Human Services</u>					
Medicaid Cluster					
Medical Assistance Program	Indiana Department of Education	93.778			
			2013-2014	906,302	-
			2014-2015	-	723,487
				<u>906,302</u>	<u>723,487</u>
Total - Medicaid Cluster					
Refugee and Entrant Assistance - Discretionary Grants	Indiana Department of Health	93.576			
School Impact			2012-13	22,713	-
School Impact			2013-14	399	24,596
School Impact			2014-15	-	2,287
				<u>23,112</u>	<u>26,883</u>
Total - Refugee and Entrant Assistance - Discretionary Grants					
				<u>929,414</u>	<u>750,370</u>
Total - Department of Health and Human Services					
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036			
			FY 14-15	-	52,957
				<u>-</u>	<u>52,957</u>
Total - Department of Homeland Security					
				<u>-</u>	<u>52,957</u>
Total federal awards expended				<u>\$ 42,408,417</u>	<u>\$ 45,856,743</u>

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

FORT WAYNE COMMUNITY SCHOOLS
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 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 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Subrecipients

Of the federal expenditures presented in the SEFA, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2014 and 2015:

Program Title	Federal CFDA Number	2014	2015
Career and Technical Education - Basic Grants to States	84.048	\$ 74,575	\$ 80,572

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2014 and 2015. This noncash assistance is also included in the federal expenditures presented in the SEFA.

Program Title	Federal CFDA Number	2014	2015
Child Nutrition Cluster: Food Commodities: National School Lunch Program	10.555	\$ 1,150,670	\$ 1,137,581

FORT WAYNE COMMUNITY SCHOOLS
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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.367	Child Nutrition Cluster
84.374	Improving Teacher Quality State Grants Teacher Incentive Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$2,647,955

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

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-001 - ELIGIBILITY AND SPECIAL TESTS AND PROVISIONS

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 Number): FY 13-14, FY 14-15
Pass-Through Entity: Indiana Department of Education

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, such as an oversight or approval process, related to the following compliance requirements that have a direct and material effect to the programs: Eligibility and Special Tests and Provisions - Verification of Free and Reduced Price Applications.

Eligibility

The School Corporation has not designed or implemented adequate policies and procedures to ensure that eligibility for free and reduced price meals was accurately determined. One person was exclusively responsible for entering applications into NutriKids, the computer program that determines eligibility. While other employees provided assistance in eligibility determination, there was no segregation of duties, such as an oversight, review, or approval process, over Eligibility compliance requirements.

Special Tests and Provisions - Verification of Free and Reduced Price Applications

The School Corporation has not designed or implemented adequate policies and procedures to ensure that the verifications of free and reduced price applications were in compliance with the requirements, accurate, or subjected to review. One person was exclusively responsible for completing the verification of free and reduced price applications. While other employees provided some assistance during the verification process, there was no segregation of duties, such as an oversight, review, or approval process, over compliance with the Verification of Free and Reduced Applications (NSLP) requirements.

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 compliance requirement of a federal program will be prevented, or 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 programs. 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. Non-compliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

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

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2015-002 - CASH MANAGEMENT

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Number): FY 13-14, FY 14-15

Pass-Through Entity: Indiana Department of Education

Internal Controls

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, such as an oversight or approval process, related to the grant agreement and the Cash Management compliance requirement.

The School Corporation has not designed or implemented adequate policies and procedures relating to the School Lunch fund monthly cash balances. The Nutrition Services Director was the only person responsible for ensuring that the School Lunch fund's net cash resources were limited to the average expenditures for three months. An oversight, review, or approval process has not been established.

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 compliance requirement of a federal program will be prevented, or 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 programs. 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."

Compliance

The average expenditures for three months for the fiscal 2014 and 2015 school years were \$4,345,896 and \$4,496,853, respectively. The School Lunch fund's net cash resources were maintained at an amount in excess of average expenditures for three months throughout the entire audit period. The Nutrition Services Director indicated the School Corporation was aware of the matter and has been developing a plan to spend down the excess cash balances; however, there was no official plan in place to ensure the reduction of the balance.

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

7 CFR 210.14(b) states in part:

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

7 CFR 220.7(e)(1)(iv) states: "Limit its net cash resources to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency; . . ."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish and implement controls, including segregation with duties, related to the grant agreement and the Cash Management compliance requirement. Additionally, we recommended that the School Corporation comply with Cash Management requirements.

FINDING 2015-003 - SUSPENSION AND DEBARMENT

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Number): FY 13-14, FY 14-15

Pass-Through Entity: Indiana Department of Education

Internal Control

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 the Suspension and Debarment compliance requirement.

The School Corporation has not designed or implemented adequate policies and procedures to ensure that school food contractors were not suspended or debarred. An oversight, review, or approval process has not been established.

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 compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 programs. 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."

Compliance

During the audit period, the School Corporation accepted food service bids exceeding \$25,000 from 11 vendors. However, the School Corporation did not verify that the school food contractors were not suspended or debarred. The communications with the food supply bidders did not contain any statements regarding suspended or debarred parties. A search of the System of Award Manager Center website revealed no active exclusions for any of the 11 vendors.

2 CFR 180.300 states:

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

You do this by:

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

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirement could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish and implement controls, including segregation of duties, related to the grant agreement and compliance requirement for Suspension and Debarment. Additionally, we recommended that the School Corporation comply with Suspension and Debarment requirements.

FINDING 2015-004 - REPORTING

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Number): FY 13-14, FY 14-15

Pass-Through Entity: Indiana Department of Education

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Internal Controls

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 the Reporting compliance requirement.

The School Corporation has not designed or implemented adequate policies or procedures to ensure that the Annual Financial Report (AFR) that is required to be submitted at the end of each fiscal year or the monthly Requests for Reimbursement were accurate. The reports were not subjected to review to ensure that they were accurate. An oversight, review, or approval process has not been established.

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 compliance requirement of a federal program will be prevented, or 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 programs. 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."

Compliance

The AFR filed by the School Corporation with the Indiana Department of Education for the fiscal years ending June 30, 2014 and 2015, did not agree with the School Corporation's financial records. There was one income item reported twice and three expense items that were not in agreement with the financial records.

7 CFR 3016.20(b) states in part:

"The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant. . . .
- (6) *Source documentation.* Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc. . . ."

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish and implement controls, including segregation of duties, related to the grant agreement and compliance requirements for Reporting. Additionally, we recommended that the School Corporation comply with the Reporting requirements.

FINDING 2015-005 - CASH MANAGEMENT AND REPORTING

Federal Agency: Department of Education

Federal Program: Teacher Incentive Fund

CFDA Number: 84.374

Federal Award Numbers and Years (or Other Identifying Number): S374A120057-12/13,
S374A120057-13/14,
S374A120057-14/15

Pass-through Entity: N/A - Direct Grant

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, such as an oversight or approval process, related to the following compliance requirements that have a direct and material effect to the program: Cash Management and Reporting.

Cash Management and Reporting

The School Corporation has not designed or implemented adequate policies or procedures to ensure that costs were paid before reimbursement was requested and Requests for Reimbursements were accurately prepared. An oversight, review, or approval process had not been evidenced. One person was solely responsible for preparing and submitting all requests and reports.

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 compliance requirement of a federal program will be prevented, or 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."

FORT WAYNE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

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

AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.



FORT WAYNE COMMUNITY SCHOOLS

CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Candice Hagar, Director of Nutrition Services
Contact Phone Number: 260-467-2055

Views of Responsible Official:

We concur that one person is responsible for entering paper applications into NutriKids before they are filed for audit. Approximately 2% of the applications FWCS receives are on paper and entered by our employee and the rest are done online by applicants. NutriKids is approved by the Indiana Department of Education for use by school districts across the State to determine eligibility. NutriKids is programmed to compare the entered data for household size and income to the criteria for free and reduced meals and automatically determine eligibility. After the NutriKids program is thoroughly tested each year to confirm it is accurately applying the current eligibility criteria and arriving at the correct eligibility result, there isn't a need for each individual application to be reviewed and approved by any other means; however, we can further ensure accuracy by having a second person verify the correct input of data received on paper applications.

We concur that one person is responsible for the verification of data on the free and reduced price applications.

Description of Corrective Action Plan:

The Director of Nutrition Services will review all the applications that are received on paper and input by the responsible person to confirm the accuracy of input into NutriKids. She will document the review and approval with a signed cover sheet.

The Director of Nutrition Services will review all the verifications performed by the responsible person and document the review and approval with a signed cover sheet.

Anticipated Completion Date: May 1, 2016

Kathy Zuvial
Signature

Chief Financial Officer
Title

4-14-16
Date

Chief Financial Officer

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CORRECTIVE ACTION PLAN

FINDING 2015-002

Contact Person Responsible for Corrective Action: Candice Hagar, Director of Nutrition Services
Contact Phone Number: 260-467-2055

Views of Responsible Official:

We concur that that school lunch fund's net reserves were in excess of three months average expenditures during the audit period.

Description of Corrective Action Plan:

We will continue to develop a plan to spend down the cash reserve with the objective of ending the next fiscal year 2016-2017 in compliance with requirement. The plan will be developed by the Director of Nutrition Services and approved by the Chief Financial Officer. The Chief Operating Officer will monitor compliance with the plan.

Anticipated Completion Date: The plan will be documented by June 1, 2016 and compliance will be achieved by June 30, 2017.

Kathy Friend
Signature

Chief Financial Officer
Title

4-14-16
Date

Chief Financial Officer

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CORRECTIVE ACTION PLAN

FINDING 2015-003

Contact Person Responsible for Corrective Action: Candice Hagar, Director of Nutrition Services
Contact Phone Number: 260-467-2055

Views of Responsible Official:

We concur that we failed to verify vendors awarded contracts in excess of \$25,000 were not suspended or debarred contractors. We were not aware of the requirement.

Description of Corrective Action Plan:

The Director of Purchasing and Director of Nutrition Services have already take action to ensure the required verification is complete prior to any future contracts in excess of \$25,000.

Anticipated Completion Date: April 13, 2016

Kathy Furd
Signature

Chief Financial Officer
Title

4-14-16
Date

Chief Financial Officer

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CORRECTIVE ACTION PLAN

FINDING 2015-004

Contact Person Responsible for Corrective Action: Candice Hagar, Director of Nutrition Services
Contact Phone Number: 260-467-2055

Views of Responsible Official:

We concur that the Annual Financial Report and monthly requests for reimbursement for food service funding were not reviewed and approved by a second employee prior to submission.

Description of Corrective Action Plan:

Prior to submission of the Annual Financial Report for food service, the report will be reviewed by the Director of Fiscal Affairs to ensure it reconciles with the general ledger. Monthly requests for reimbursement will be prepared by one responsible person and reviewed by the Director of Nutrition Services prior to submission.

Anticipated Completion Date: May 1, 2016

Kathy Friend
Signature

Chief Financial Officer
Title

4-14-16
Date

Chief Financial Officer

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CORRECTIVE ACTION PLAN

FINDING 2015-005

Contact Person Responsible for Corrective Action: Stefan Pittenger, Director of Fiscal Affairs

Contact Phone Number: 260-467-2035

Views of Responsible Official:

We concur that one person was submitting cash reimbursement requests without evidence of review and approvals by another employee.

Description of Corrective Action Plan:

We have asked our Treasurer to approve the reimbursements requests prepared by the Deputy Treasurer.

Anticipated Completion Date: April 14, 2016

Kathy Farver
Signature

Chief Financial Officer
Title

4-14-16
Date

Chief Financial Officer

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OTHER REPORTS

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