

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

FRANKLIN TOWNSHIP COMMUNITY  
SCHOOL CORPORATION  
MARION COUNTY, INDIANA

July 1, 2012 to June 30, 2014



**FILED**  
09/07/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Chad Blacklock	07-01-12 to 12-31-16
Superintendent of Schools	Dr. Walter D. Bourke Dr. Flora Reichanadter	07-01-12 to 07-31-12 08-01-12 to 06-30-16
President of the School Board	C. Scott Veerkamp	07-01-12 to 12-31-16



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AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE FRANKLIN TOWNSHIP COMMUNITY  
SCHOOL CORPORATION, MARION COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Franklin Township Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012, to June 30, 2014, and the related notes to the financial statement.

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

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012, to June 30, 2014.

***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, 2012, to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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


*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

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

July 14, 2016



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

TO: THE OFFICIALS OF THE FRANKLIN TOWNSHIP COMMUNITY  
SCHOOL CORPORATION, MARION COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Franklin Township Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012, to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated July 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.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.



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

**Compliance and Other Matters**

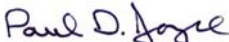
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

**Franklin Township Community School Corporation's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

July 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.

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2013 and 2014

Fund	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 2,869,938	\$ 53,031,378	\$ 50,786,462	\$ -	\$ 5,114,854	\$ 55,283,894	\$ 51,659,027	\$ -	\$ 8,739,721
Debt Service	2,798,534	20,377,226	20,476,401	-	2,699,359	20,636,127	19,894,496	(147,000)	3,293,990
Retirement/Severance Bond Debt Service	23,124	602,744	529,717	-	96,151	571,283	674,380	7,000	54
Capital Projects	3,047,684	3,389,250	3,438,006	1,755	3,000,683	2,965,310	4,424,165	603	1,542,431
School Transportation	2,506,914	2,392,259	3,595,230	977	1,304,920	3,586,625	3,726,064	848	1,166,329
School Bus Replacement	984,168	258,683	-	-	1,242,851	458,160	858,226	-	842,785
Rainy Day	16,606,198	-	-	-	16,606,198	-	-	-	16,606,198
Retirement/Severance Bond	82,362	-	-	-	82,362	-	-	-	82,362
Construction - 2006 Bond	1,582,814	856	-	-	1,583,670	857	-	-	1,584,527
Construction - Freshman Academy	183	-	-	-	183	-	-	-	183
School Lunch	1,858,318	4,119,529	3,941,306	-	2,036,541	4,598,811	4,134,614	-	2,500,738
Textbook Rental	600,942	940,874	1,194,568	-	347,248	932,052	1,012,151	140,000	407,149
Repair and Replacement	179,846	-	-	-	179,846	-	-	-	179,846
Kitley INT/ Environmental Grant	315	-	-	-	315	-	-	-	315
Law Enforcement Continuing Education	1,241	933	689	-	1,485	1,284	-	-	2,769
Plummer Scholarship	11,615	37	-	-	11,652	37	-	-	11,689
McKinzie Scholarship	10,793	33	-	-	10,826	34	-	-	10,860
Southerland Scholarship	22,708	73	500	-	22,281	72	500	-	21,853
Burton Scholarship	44,824	143	500	-	44,467	145	500	-	44,112
Marion County Health Department Wellness Grant	15,055	-	10,240	-	4,815	-	3,436	-	1,379
Financial Literacy Grant	2,000	-	-	-	2,000	-	-	-	2,000
Autism Advocates of Indiana Grant	389	-	-	-	389	-	-	-	389
National City Bank Grant	291	-	110	-	181	-	-	-	181
Drug Free Marion County Grant	1,003	-	-	-	1,003	-	-	-	1,003
Fast Track Program Donations	12,879	8,924	12,597	-	9,206	10,091	6,684	-	12,613
Thompson Crossing Language Library	1,017	-	-	-	1,017	-	-	-	1,017
Library Collection Development 11/12	892	-	892	-	-	-	-	-	-
Advancing Academic Excellence (2011-12)	126	-	126	-	-	-	-	-	-
Trademark Royalty	378	1,199	-	-	1,577	279	-	-	1,856
Library Collection Development 12/13	-	11,500	11,391	-	109	-	109	-	-
Teacher of the Year Donations	-	1,250	332	-	918	1,000	1,573	-	345
Lifetouch School Picture Fund	-	10,000	-	-	10,000	-	4,798	-	5,202
Library Collection Dev 13/14	-	-	-	-	-	12,500	12,470	-	30
Answers for Autism Grant	-	-	-	-	-	2,430	-	-	2,430
Southside Special Serv / Reimbursement	(118,232)	625,557	639,846	-	(132,521)	576,273	570,625	-	(126,873)

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2013 and 2014  
(Continued)

Fund	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
CTECH Vending Fund	64,870	27,371	43,882	-	48,359	29,597	21,187	-	56,769
Transportation Vending Commissions	3,535	816	693	-	3,658	781	1,224	-	3,215
Maintenance Vending Commission	399	261	370	-	290	174	464	-	-
Food Service / Pepsi Commission	994	2,000	256	-	2,738	1,153	2,738	-	1,153
High Ability Grant	17,535	-	17,535	-	-	-	-	-	-
High Ability Grant (2012-13)	-	66,909	44,077	-	22,832	-	22,832	-	-
High Ability Grant (2013-14)	-	-	-	-	-	66,552	18,423	-	48,129
Medicaid Reimbursement- State	-	20,613	572	-	20,041	6,108	2,300	-	23,849
Non English Speaking Grant	590	-	590	-	-	-	-	-	-
Non English Speaking Grant (2012-13)	-	25,281	22,412	-	2,869	-	2,869	-	-
Non English Speaking Grant (2013-14)	-	-	-	-	-	26,648	8,744	-	17,904
School Technology Fund	160,332	56,709	18,563	-	198,478	55,436	24,945	-	228,969
Education Foundation Grant/ Bryant	6,233	6,757	8,716	-	4,274	5,228	5,106	-	4,396
2012 Dieselwise Indiana Grant	-	-	73,969	-	(73,969)	74,969	1,000	-	-
Title I - 2011-12	(50,371)	155,237	104,866	-	-	-	-	-	-
Title I - 2012-13	-	660,385	754,580	-	(94,195)	219,851	125,656	-	-
Title I - 2013-14	-	-	-	-	-	626,193	692,097	-	(65,904)
Special Education Improvement Award 2013	-	-	33,325	-	(33,325)	63,653	30,328	-	-
Technology Related Assistance for Individuals With Disabilities	-	-	-	-	-	-	29	-	(29)
Medicaid Reimbursement - Federal	-	30,641	-	-	30,641	58,487	24,845	-	64,283
Title II, Part A Improving Teacher	(2,944)	6,664	3,720	-	-	-	-	-	-
Title II, Part A Impr Teacher	(5,585)	24,401	18,816	-	-	11,531	11,531	-	-
Title II Part A 2012-13	-	77,140	77,005	-	135	23,918	35,603	-	(11,550)
Title II Part A 2013-14	-	-	-	-	-	56,937	62,584	-	(5,647)
Title III, Part A 2011-12	(6,204)	18,484	12,280	-	-	1,209	1,209	-	-
Title III/ 2012-13	-	19,135	20,137	-	(1,002)	12,455	11,493	-	(40)
Title III - 2013/15	-	-	-	-	-	15,222	16,030	-	(808)
Title I - Grants to LEAs	-	830	830	-	-	-	-	-	-
Education Jobs Fund	-	32,644	32,644	-	-	-	-	-	-
Prepaid Student Meals	52,884	10,278	-	-	63,161	5,262	-	-	68,423
Miscellaneous Clearing	(11,988)	193,603	179,915	-	1,700	217,266	218,966	-	-
Payroll	140,230	12,053,910	12,069,517	-	124,623	12,528,878	12,492,362	-	161,139
<b>Totals</b>	<b>\$ 33,518,829</b>	<b>\$ 99,262,517</b>	<b>\$ 98,178,183</b>	<b>\$ 2,732</b>	<b>\$ 34,605,894</b>	<b>\$ 103,744,772</b>	<b>\$ 100,818,383</b>	<b>\$ 1,451</b>	<b>\$ 37,533,734</b>

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

Local sources, 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.

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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 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.

*F. Other Financing Sources and Uses*

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

Sale of capital assets, 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.

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

**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.



FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

*C. Additional Pension Plans*

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of timing with reimbursement grants.

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. *Holding Corporation***

The School Corporation has entered into capital leases with Franklin Township Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2013 and 2014 totaled \$21,216,228 and \$19,894,496, respectively.

**Note 9. *Subsequent Events***

The Franklin Township Multi-School Building Corporation (Building Corporation) refunded 2005 series bonds on January 29, 2015, in the amount of \$9,035,000 and issued Series 2015 A Bonds in the amount of \$8,350,000. On the same date, they also refunded the 2006 series bonds in the amount of \$32,170,000 and issued Series 2015 B Bonds in the amount of \$29,610,000. The capital lease between the Building Corporation and the School Corporation was amended January 1, 2015, due to the refunding bond issues.

**Note 10. *Other Postemployment Benefits***

The School Corporation provides to a limited number of eligible retirees and their spouses the following benefits: health and dental coverage. 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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction - 2006 Bond
Cash and investments - beginning	\$ 2,869,938	\$ 2,798,534	\$ 23,124	\$ 3,047,684	\$ 2,506,914	\$ 984,168	\$ 16,606,198	\$ 82,362	\$ 1,582,814
Receipts:									
Local sources	916,323	20,377,226	602,744	3,384,250	2,310,335	258,683	-	-	856
State sources	52,112,405	-	-	-	81,669	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	2,650	-	-	5,000	255	-	-	-	-
Total receipts	<u>53,031,378</u>	<u>20,377,226</u>	<u>602,744</u>	<u>3,389,250</u>	<u>2,392,259</u>	<u>258,683</u>	<u>-</u>	<u>-</u>	<u>856</u>
Disbursements:									
Instruction	36,384,641	-	-	-	-	-	-	-	-
Support services	13,945,834	-	-	2,708,489	3,595,230	-	-	-	-
Noninstructional services	455,987	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	729,517	-	-	-	-	-
Debt services	-	20,476,401	529,717	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>50,786,462</u>	<u>20,476,401</u>	<u>529,717</u>	<u>3,438,006</u>	<u>3,595,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,244,916</u>	<u>(99,175)</u>	<u>73,027</u>	<u>(48,756)</u>	<u>(1,202,971)</u>	<u>258,683</u>	<u>-</u>	<u>-</u>	<u>856</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	1,755	977	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,755</u>	<u>977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,244,916</u>	<u>(99,175)</u>	<u>73,027</u>	<u>(47,001)</u>	<u>(1,201,994)</u>	<u>258,683</u>	<u>-</u>	<u>-</u>	<u>856</u>
Cash and investments - ending	<u>\$ 5,114,854</u>	<u>\$ 2,699,359</u>	<u>\$ 96,151</u>	<u>\$ 3,000,683</u>	<u>\$ 1,304,920</u>	<u>\$ 1,242,851</u>	<u>\$ 16,606,198</u>	<u>\$ 82,362</u>	<u>\$ 1,583,670</u>

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

	Construction - Freshman Academy	School Lunch	Textbook Rental	Repair and Replacement	Kitley INT/ Environmental Grant	Law Enforcement Continuing Education	Plummer Scholarship	McKenzie Scholarship	Southerland Scholarship
Cash and investments - beginning	\$ 183	\$ 1,858,318	\$ 600,942	\$ 179,846	\$ 315	\$ 1,241	\$ 11,615	\$ 10,793	\$ 22,708
Receipts:									
Local sources	-	2,373,965	697,162	-	-	933	37	33	73
State sources	-	45,518	243,712	-	-	-	-	-	-
Federal sources	-	1,699,596	-	-	-	-	-	-	-
Other receipts	-	450	-	-	-	-	-	-	-
Total receipts	-	4,119,529	940,874	-	-	933	37	33	73
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	2,340	1,194,568	-	-	689	-	-	-
Noninstructional services	-	3,887,650	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	51,316	-	-	-	-	-	-	500
Total disbursements	-	3,941,306	1,194,568	-	-	689	-	-	500
Excess (deficiency) of receipts over disbursements	-	178,223	(253,694)	-	-	244	37	33	(427)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	178,223	(253,694)	-	-	244	37	33	(427)
Cash and investments - ending	\$ 183	\$ 2,036,541	\$ 347,248	\$ 179,846	\$ 315	\$ 1,485	\$ 11,652	\$ 10,826	\$ 22,281

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

	Burton Scholarship	Marion County Health Department Wellness Grant	Financial Literacy Grant	Autism Advocates of Indiana Grant	National City Bank Grant	Drug Free Marion County Grant	Fast Track Program Donations	Thompson Crossing Language Library	Library Collection Development 11/12
Cash and investments - beginning	\$ 44,824	\$ 15,055	\$ 2,000	\$ 389	\$ 291	\$ 1,003	\$ 12,879	\$ 1,017	\$ 892
Receipts:									
Local sources	143	-	-	-	-	-	8,924	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	143	-	-	-	-	-	8,924	-	-
Disbursements:									
Instruction	-	-	-	-	-	-	12,597	-	-
Support services	-	10,240	-	-	110	-	-	-	892
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	500	-	-	-	-	-	-	-	-
Total disbursements	500	10,240	-	-	110	-	12,597	-	892
Excess (deficiency) of receipts over disbursements	(357)	(10,240)	-	-	(110)	-	(3,673)	-	(892)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(357)	(10,240)	-	-	(110)	-	(3,673)	-	(892)
Cash and investments - ending	\$ 44,467	\$ 4,815	\$ 2,000	\$ 389	\$ 181	\$ 1,003	\$ 9,206	\$ 1,017	\$ -



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

	Advancing Academic Excellence (2011-12)	Trademark Royalty	Library Collection Development 12/13	Teacher of the Year Donations	Lifetouch School Picture Fund	Library Collection Dev 13/14	Answers for Autism Grant	Southside Special Serv/ Reimbursement	CTECH Vending Fund
Cash and investments - beginning	\$ 126	\$ 378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (118,232)	\$ 64,870
Receipts:									
Local sources	-	1,199	11,500	1,250	10,000	-	-	625,557	27,371
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	1,199	11,500	1,250	10,000	-	-	625,557	27,371
Disbursements:									
Instruction	126	-	-	-	-	-	-	120,477	-
Support services	-	-	11,391	332	-	-	-	519,369	43,882
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	126	-	11,391	332	-	-	-	639,846	43,882
Excess (deficiency) of receipts over disbursements	(126)	1,199	109	918	10,000	-	-	(14,289)	(16,511)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(126)	1,199	109	918	10,000	-	-	(14,289)	(16,511)
Cash and investments - ending	\$ -	\$ 1,577	\$ 109	\$ 918	\$ 10,000	\$ -	\$ -	\$ (132,521)	\$ 48,359

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

	Transportation Vending Commissions	Maintenance Vending Commission	Food Service/ Pepsi Commission	High Ability Grant	High Ability Grant (2012-13)	High Ability Grant (2013-14)	Medicaid Reimbursement - State	Non English Speaking Grant
Cash and investments - beginning	\$ 3,535	\$ 399	\$ 994	\$ 17,535	\$ -	\$ -	\$ -	\$ 590
Receipts:								
Local sources	816	261	2,000	-	-	-	-	-
State sources	-	-	-	-	66,909	-	20,613	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>816</u>	<u>261</u>	<u>2,000</u>	<u>-</u>	<u>66,909</u>	<u>-</u>	<u>20,613</u>	<u>-</u>
Disbursements:								
Instruction	-	-	-	17,535	44,077	-	-	590
Support services	693	370	256	-	-	-	572	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>693</u>	<u>370</u>	<u>256</u>	<u>17,535</u>	<u>44,077</u>	<u>-</u>	<u>572</u>	<u>590</u>
Excess (deficiency) of receipts over disbursements	<u>123</u>	<u>(109)</u>	<u>1,744</u>	<u>(17,535)</u>	<u>22,832</u>	<u>-</u>	<u>20,041</u>	<u>(590)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
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>123</u>	<u>(109)</u>	<u>1,744</u>	<u>(17,535)</u>	<u>22,832</u>	<u>-</u>	<u>20,041</u>	<u>(590)</u>
Cash and investments - ending	<u>\$ 3,658</u>	<u>\$ 290</u>	<u>\$ 2,738</u>	<u>\$ -</u>	<u>\$ 22,832</u>	<u>\$ -</u>	<u>\$ 20,041</u>	<u>\$ -</u>

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

	Non English Speaking Grant (2012-13)	Non English Speaking Grant (2013-14)	School Technology Fund	Education Foundation Grant/ Bryant	2012 Dieselwise Indiana Grant	Title I- 2011-12	Title I- 2012-13	Title I- 2013-14
Cash and investments - beginning	\$ -	\$ -	\$ 160,332	\$ 6,233	\$ -	\$ (50,371)	\$ -	\$ -
Receipts:								
Local sources	-	-	48,738	6,757	-	-	-	-
State sources	25,281	-	7,971	-	-	-	-	-
Federal sources	-	-	-	-	-	155,237	660,385	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	25,281	-	56,709	6,757	-	155,237	660,385	-
Disbursements:								
Instruction	22,412	-	-	8,716	-	26,339	446,310	-
Support services	-	-	5,781	-	73,969	74,439	307,184	-
Noninstructional services	-	-	-	-	-	4,088	1,086	-
Facilities acquisition and construction	-	-	12,782	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	22,412	-	18,563	8,716	73,969	104,866	754,580	-
Excess (deficiency) of receipts over disbursements	2,869	-	38,146	(1,959)	(73,969)	50,371	(94,195)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,869	-	38,146	(1,959)	(73,969)	50,371	(94,195)	-
Cash and investments - ending	\$ 2,869	\$ -	\$ 198,478	\$ 4,274	\$ (73,969)	\$ -	\$ (94,195)	\$ -

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

	Special Education Improvement Award 2013	Technology Related Assistance for Individuals with Disabilities	Medicaid Reimbursement - Federal	Title II, Part A Improving Teacher	Title II, Part A Impr Teacher	Title II Part A 2012-13	Title II Part A 2013-14	Title III; Part A 2011-12
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (2,944)	\$ (5,585)	\$ -	\$ -	\$ (6,204)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	30,641	6,664	24,401	77,140	-	18,484
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	30,641	6,664	24,401	77,140	-	18,484
Disbursements:								
Instruction	33,325	-	-	2	-	-	-	12,280
Support services	-	-	-	3,718	18,816	77,005	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	33,325	-	-	3,720	18,816	77,005	-	12,280
Excess (deficiency) of receipts over disbursements	(33,325)	-	30,641	2,944	5,585	135	-	6,204
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(33,325)	-	30,641	2,944	5,585	135	-	6,204
Cash and investments - ending	\$ (33,325)	\$ -	\$ 30,641	\$ -	\$ -	\$ 135	\$ -	\$ -

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

	Title III/ 2012-13	Title III - 2013/15	Title I - Grants to LEAs	Education Jobs Fund	Prepaid Student Meals	Miscellaneous Clearing	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 52,884	\$ (11,988)	\$ 140,230	\$ 33,518,829
Receipts:								
Local sources	-	-	-	-	-	-	-	31,667,136
State sources	-	-	-	-	-	-	-	52,604,078
Federal sources	19,135	-	830	32,644	-	-	-	2,725,157
Other receipts	-	-	-	-	10,278	193,603	12,053,910	12,266,146
Total receipts	<u>19,135</u>	<u>-</u>	<u>830</u>	<u>32,644</u>	<u>10,278</u>	<u>193,603</u>	<u>12,053,910</u>	<u>99,262,517</u>
Disbursements:								
Instruction	20,137	-	-	32,644	-	-	-	37,182,208
Support services	-	-	-	-	-	-	-	22,596,169
Noninstructional services	-	-	830	-	-	-	-	4,349,641
Facilities acquisition and construction	-	-	-	-	-	-	-	742,299
Debt services	-	-	-	-	-	-	-	21,006,118
Nonprogrammed charges	-	-	-	-	-	179,915	12,069,517	12,301,748
Total disbursements	<u>20,137</u>	<u>-</u>	<u>830</u>	<u>32,644</u>	<u>-</u>	<u>179,915</u>	<u>12,069,517</u>	<u>98,178,183</u>
Excess (deficiency) of receipts over disbursements	<u>(1,002)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,278</u>	<u>13,688</u>	<u>(15,607)</u>	<u>1,084,334</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	2,732
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,732</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,002)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,278</u>	<u>13,688</u>	<u>(15,607)</u>	<u>1,087,066</u>
Cash and investments - ending	<u>\$ (1,002)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,161</u>	<u>\$ 1,700</u>	<u>\$ 124,623</u>	<u>\$ 34,605,894</u>

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction - 2006 Bond
Cash and investments - beginning	\$ 5,114,854	\$ 2,699,359	\$ 96,151	\$ 3,000,683	\$ 1,304,920	\$ 1,242,851	\$ 16,606,198	\$ 82,362	\$ 1,583,670
Receipts:									
Local sources	1,375,044	20,636,127	571,283	2,844,253	3,501,986	458,160	-	-	857
State sources	53,904,888	-	-	-	44,954	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	3,962	-	-	121,057	39,685	-	-	-	-
Total receipts	<u>55,283,894</u>	<u>20,636,127</u>	<u>571,283</u>	<u>2,965,310</u>	<u>3,586,625</u>	<u>458,160</u>	<u>-</u>	<u>-</u>	<u>857</u>
Disbursements:									
Instruction	36,612,308	-	-	-	-	-	-	-	-
Support services	14,572,833	-	-	3,426,861	3,726,064	858,226	-	-	-
Noninstructional services	473,886	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	997,304	-	-	-	-	-
Debt services	-	19,894,496	674,380	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>51,659,027</u>	<u>19,894,496</u>	<u>674,380</u>	<u>4,424,165</u>	<u>3,726,064</u>	<u>858,226</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,624,867</u>	<u>741,631</u>	<u>(103,097)</u>	<u>(1,458,855)</u>	<u>(139,439)</u>	<u>(400,066)</u>	<u>-</u>	<u>-</u>	<u>857</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	603	848	-	-	-	-
Transfers in	-	-	7,000	-	-	-	-	-	-
Transfers out	-	(147,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(147,000)</u>	<u>7,000</u>	<u>603</u>	<u>848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,624,867</u>	<u>594,631</u>	<u>(96,097)</u>	<u>(1,458,252)</u>	<u>(138,591)</u>	<u>(400,066)</u>	<u>-</u>	<u>-</u>	<u>857</u>
Cash and investments - ending	<u>\$ 8,739,721</u>	<u>\$ 3,293,990</u>	<u>\$ 54</u>	<u>\$ 1,542,431</u>	<u>\$ 1,166,329</u>	<u>\$ 842,785</u>	<u>\$ 16,606,198</u>	<u>\$ 82,362</u>	<u>\$ 1,584,527</u>

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

	Construction - Freshman Academy	School Lunch	Textbook Rental	Repair and Replacement	Kitley INT/ Environmental Grant	Law Enforcement Continuing Education	Plummer Scholarship	McKenzie Scholarship	Southerland Scholarship
Cash and investments - beginning	\$ 183	\$ 2,036,541	\$ 347,248	\$ 179,846	\$ 315	\$ 1,485	\$ 11,652	\$ 10,826	\$ 22,281
Receipts:									
Local sources	-	2,320,425	682,044	-	-	1,284	37	34	72
State sources	-	45,455	250,008	-	-	-	-	-	-
Federal sources	-	2,232,481	-	-	-	-	-	-	-
Other receipts	-	450	-	-	-	-	-	-	-
Total receipts	-	4,598,811	932,052	-	-	1,284	37	34	72
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	1,979	1,012,151	-	-	-	-	-	-
Noninstructional services	-	3,781,650	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	350,985	-	-	-	-	-	-	500
Total disbursements	-	4,134,614	1,012,151	-	-	-	-	-	500
Excess (deficiency) of receipts over disbursements	-	464,197	(80,099)	-	-	1,284	37	34	(428)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	140,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	140,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	464,197	59,901	-	-	1,284	37	34	(428)
Cash and investments - ending	\$ 183	\$ 2,500,738	\$ 407,149	\$ 179,846	\$ 315	\$ 2,769	\$ 11,689	\$ 10,860	\$ 21,853

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

	Burton Scholarship	Marion County Health Department Wellness Grant	Financial Literacy Grant	Autism Advocates of Indiana Grant	National City Bank Grant	Drug Free Marion County Grant	Fast Track Program Donations	Thompson Crossing Language Library	Library Collection Development 11/12
Cash and investments - beginning	\$ 44,467	\$ 4,815	\$ 2,000	\$ 389	\$ 181	\$ 1,003	\$ 9,206	\$ 1,017	\$ -
Receipts:									
Local sources	145	-	-	-	-	-	10,091	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	145	-	-	-	-	-	10,091	-	-
Disbursements:									
Instruction	-	-	-	-	-	-	6,684	-	-
Support services	-	3,436	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	500	-	-	-	-	-	-	-	-
Total disbursements	500	3,436	-	-	-	-	6,684	-	-
Excess (deficiency) of receipts over disbursements	(355)	(3,436)	-	-	-	-	3,407	-	-
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	(355)	(3,436)	-	-	-	-	3,407	-	-
Cash and investments - ending	\$ 44,112	\$ 1,379	\$ 2,000	\$ 389	\$ 181	\$ 1,003	\$ 12,613	\$ 1,017	\$ -



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

	Advancing Academic Excellence (2011-12)	Trademark Royalty	Library Collection Development 12/13	Teacher of the Year Donations	Lifetouch School Picture Fund	Library Collection Dev 13/14	Answers for Autism Grant	Southside Special Serv/ Reimbursement	CTECH Vending Fund
Cash and investments - beginning	\$ -	\$ 1,577	\$ 109	\$ 918	\$ 10,000	\$ -	\$ -	\$ (132,521)	\$ 48,359
Receipts:									
Local sources	-	279	-	1,000	-	12,500	2,430	576,273	29,597
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	279	-	1,000	-	12,500	2,430	576,273	29,597
Disbursements:									
Instruction	-	-	-	-	-	-	-	82,288	1,812
Support services	-	-	109	1,573	4,798	12,470	-	488,337	19,375
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	109	1,573	4,798	12,470	-	570,625	21,187
Excess (deficiency) of receipts over disbursements	-	279	(109)	(573)	(4,798)	30	2,430	5,648	8,410
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	-	279	(109)	(573)	(4,798)	30	2,430	5,648	8,410
Cash and investments - ending	\$ -	\$ 1,856	\$ -	\$ 345	\$ 5,202	\$ 30	\$ 2,430	\$ (126,873)	\$ 56,769

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

	Transportation Vending Commissions	Maintenance Vending Commission	Food Service/ Pepsi Commission	High Ability Grant	High Ability Grant (2012-13)	High Ability Grant (2013-14)	Medicaid Reimbursement - State	Non English Speaking Grant
Cash and investments - beginning	\$ 3,658	\$ 290	\$ 2,738	\$ -	\$ 22,832	\$ -	\$ 20,041	\$ -
Receipts:								
Local sources	781	174	1,153	-	-	-	-	-
State sources	-	-	-	-	-	66,552	6,108	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>781</u>	<u>174</u>	<u>1,153</u>	<u>-</u>	<u>-</u>	<u>66,552</u>	<u>6,108</u>	<u>-</u>
Disbursements:								
Instruction	-	-	-	-	22,832	18,423	-	-
Support services	1,224	464	608	-	-	-	2,300	-
Noninstructional services	-	-	2,130	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>1,224</u>	<u>464</u>	<u>2,738</u>	<u>-</u>	<u>22,832</u>	<u>18,423</u>	<u>2,300</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(443)</u>	<u>(290)</u>	<u>(1,585)</u>	<u>-</u>	<u>(22,832)</u>	<u>48,129</u>	<u>3,808</u>	<u>-</u>
Other financing sources (uses):								
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>(443)</u>	<u>(290)</u>	<u>(1,585)</u>	<u>-</u>	<u>(22,832)</u>	<u>48,129</u>	<u>3,808</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,215</u>	<u>\$ -</u>	<u>\$ 1,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,129</u>	<u>\$ 23,849</u>	<u>\$ -</u>

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

	Non English Speaking Grant (2012-13)	Non English Speaking Grant (2013-14)	School Technology Fund	Education Foundation Grant/ Bryant	2012 Dieselwise Indiana Grant	Title I- 2011-12	Title I- 2012-13	Title I- 2013-14
Cash and investments - beginning	\$ 2,869	\$ -	\$ 198,478	\$ 4,274	\$ (73,969)	\$ -	\$ (94,195)	\$ -
Receipts:								
Local sources	-	-	48,164	5,228	-	-	-	-
State sources	-	26,648	7,272	-	74,969	-	-	-
Federal sources	-	-	-	-	-	-	219,851	626,193
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	26,648	55,436	5,228	74,969	-	219,851	626,193
Disbursements:								
Instruction	2,869	8,744	-	5,106	-	-	37,303	387,802
Support services	-	-	14,922	-	1,000	-	82,700	302,463
Noninstructional services	-	-	-	-	-	-	5,653	1,832
Facilities acquisition and construction	-	-	10,023	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	2,869	8,744	24,945	5,106	1,000	-	125,656	692,097
Excess (deficiency) of receipts over disbursements	(2,869)	17,904	30,491	122	73,969	-	94,195	(65,904)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,869)	17,904	30,491	122	73,969	-	94,195	(65,904)
Cash and investments - ending	\$ -	\$ 17,904	\$ 228,969	\$ 4,396	\$ -	\$ -	\$ -	\$ (65,904)

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

	Special Education Improvement Award 2013	Technology Related Assistance for Individuals with Disabilities	Medicaid Reimbursement - Federal	Title II, Part A Improving Teacher	Title II, Part A Impr Teacher	Title II Part A 2012-13	Title II Part A 2013-14	Title III; Part A 2011-12
Cash and investments - beginning	\$ (33,325)	\$ -	\$ 30,641	\$ -	\$ -	\$ 135	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	63,653	-	58,487	-	11,531	23,918	56,937	1,209
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>63,653</u>	<u>-</u>	<u>58,487</u>	<u>-</u>	<u>11,531</u>	<u>23,918</u>	<u>56,937</u>	<u>1,209</u>
Disbursements:								
Instruction	30,081	29	-	-	-	-	-	1,209
Support services	247	-	24,845	-	11,531	35,603	62,584	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>30,328</u>	<u>29</u>	<u>24,845</u>	<u>-</u>	<u>11,531</u>	<u>35,603</u>	<u>62,584</u>	<u>1,209</u>
Excess (deficiency) of receipts over disbursements	<u>33,325</u>	<u>(29)</u>	<u>33,642</u>	<u>-</u>	<u>-</u>	<u>(11,685)</u>	<u>(5,647)</u>	<u>-</u>
Other financing sources (uses):								
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>33,325</u>	<u>(29)</u>	<u>33,642</u>	<u>-</u>	<u>-</u>	<u>(11,685)</u>	<u>(5,647)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (29)</u>	<u>\$ 64,283</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,550)</u>	<u>\$ (5,647)</u>	<u>\$ -</u>

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

	Title III/ 2012-13	Title III - 2013/15	Title I - Grants to LEAs	Education Jobs Fund	Prepaid Student Meals	Miscellaneous Clearing	Payroll	Totals
Cash and investments - beginning	\$ (1,002)	\$ -	\$ -	\$ -	\$ 63,161	\$ 1,700	\$ 124,623	\$ 34,605,894
Receipts:								
Local sources	-	-	-	-	-	-	-	33,079,421
State sources	-	-	-	-	-	-	-	54,426,854
Federal sources	12,455	15,222	-	-	-	-	-	3,321,937
Other receipts	-	-	-	-	5,262	217,266	12,528,878	12,916,560
Total receipts	<u>12,455</u>	<u>15,222</u>	<u>-</u>	<u>-</u>	<u>5,262</u>	<u>217,266</u>	<u>12,528,878</u>	<u>103,744,772</u>
Disbursements:								
Instruction	11,493	16,030	-	-	-	-	-	37,245,013
Support services	-	-	-	-	-	-	-	24,668,703
Noninstructional services	-	-	-	-	-	-	-	4,265,151
Facilities acquisition and construction	-	-	-	-	-	-	-	1,007,327
Debt services	-	-	-	-	-	-	-	20,568,876
Nonprogrammed charges	-	-	-	-	-	218,966	12,492,362	13,063,313
Total disbursements	<u>11,493</u>	<u>16,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,966</u>	<u>12,492,362</u>	<u>100,818,383</u>
Excess (deficiency) of receipts over disbursements	<u>962</u>	<u>(808)</u>	<u>-</u>	<u>-</u>	<u>5,262</u>	<u>(1,700)</u>	<u>36,516</u>	<u>2,926,389</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	1,451
Transfers in	-	-	-	-	-	-	-	147,000
Transfers out	-	-	-	-	-	-	-	(147,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,451</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>962</u>	<u>(808)</u>	<u>-</u>	<u>-</u>	<u>5,262</u>	<u>(1,700)</u>	<u>36,516</u>	<u>2,927,840</u>
Cash and investments - ending	<u>\$ (40)</u>	<u>\$ (808)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,423</u>	<u>\$ -</u>	<u>\$ 161,139</u>	<u>\$ 37,533,734</u>

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Franklin Township Multi-School Building Corporation	2003 Bond Issue	\$ 935,000	7/10/2003	1/10/2015
Franklin Township Multi-School Building Corporation	2007 Bond Issue	5,480,000	7/15/2007	1/15/2029
Franklin Township Multi-School Building Corporation	2011 Bond Issue	7,117,000	7/10/2011	1/10/2022
Franklin Township Multi-School Building Corporation	2007 Bond Issue - Central Nine Career Center	142,541	1/15/2008	7/15/2018
Franklin Township Multi-School Building Corporation	2009 Bond Issue - Central Nine Career Center	132,250	1/15/2010	7/15/2020
Franklin Township Multi-School Building Corporation	Unrefunded 2005 Bond Issue	451,000	12/31/2012	12/31/2036
Franklin Township Multi-School Building Corporation	2012 A Series Bond Issue	1,060,000	12/31/2012	12/31/2036
Franklin Township Multi-School Building Corporation	Unrefunded 2006 Bond Issue	1,614,000	12/31/2012	12/31/2034
Franklin Township Multi-School Building Corporation	2012 B Series Bond Issue	<u>2,653,000</u>	12/31/2012	12/21/2034
Total of annual lease payments		<u>\$ 19,584,791</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Retirement/Severance Bonds	<u>\$ 2,394,590</u>	<u>\$ 677,750</u>

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2014

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 7,752,563
Buildings	280,220,913
Improvements other than buildings	2,878,451
Machinery, equipment, and vehicles	<u>10,812,861</u>
Total capital assets	<u><u>\$ 301,664,788</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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Fax: (317) 232-4711  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE FRANKLIN TOWNSHIP COMMUNITY  
SCHOOL CORPORATION, MARION COUNTY, INDIANA

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

We have audited the Franklin Township Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012, to June 30, 2014. 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, 2012, to June 30, 2014.

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 2014-003 and 2014-004. 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 on 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 2014-002, 2014-003, 2014-004, and 2014-005 to be material weaknesses.

The School Corporation's response to the internal control over compliance finding 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.

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

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

July 14, 2016

#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2013 and 2014

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 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast Program			FY 2012/2013	\$ 320,820	\$ -
School Breakfast Program			FY 2013/2014	-	412,897
Total - School Breakfast Program				320,820	412,897
National School Lunch Program	Indiana Department of Education	10.555			
National School Lunch Program			FY 2012/2013	1,607,625	-
National School Lunch Program			FY 2013/2014	-	2,025,708
Total - National School Lunch Program				1,607,625	2,025,708
Special Milk Program for Children	Indiana Department of Education	10.556			
Special Milk Program for Children			FY 2012/2013	1,439	-
Special Milk Program for Children			FY 2013/2014	-	2,034
Total - Special Milk Program for Children				1,439	2,034
Summer Food Service Program for Children	Indiana Department of Education	10.559			
Summer Food Service Program for Children			FY 2012/2013	41,454	-
Summer Food Service Program for Children			FY 2013/2014	-	42,936
Total - Summer Food Service Program for Children				41,454	42,936
Total - Child Nutrition Cluster				1,971,338	2,483,575
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY2012	125	-
Total - Department of Agriculture				1,971,463	2,483,575
<u>Environmental Protection Agency</u>					
State Clean Diesel Grant Program					
Dieselwise Indiana Grant	Indiana Department of Environmental Management	66.040	FY2012	-	74,969
Total - Environmental Protection Agency				-	74,969
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027			
FY 2012 Federal Part B 611			14212-053-PN01	585,457	4,280
FY 2013 Federal Part B 611			14213-053-PN01	1,022,365	555,645
FY 2014 Federal Part B 611			14214-053-PN01	-	1,017,644
FY 2014 Federal Technical Assistance			99914-053-PN01	-	3,054
Total - Special Education_Grants to States				1,607,822	1,580,623

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2013 and 2014  
 (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 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
Special Education Cluster (IDEA) (continued)					
Special Education_Preschool Grants	Indiana Department of Education	84.173			
FY 2012 Federal Part B 619			45712-053-PN01	12,703	-
FY 2013 Federal Part B 619			45713-053-PN01	34,246	13,800
FY 2014 Federal Part B 619			45714-053-PN01	-	32,434
Total - Special Education_Preschool Grants				<u>46,949</u>	<u>46,234</u>
Total - Special Education Cluster (IDEA)				<u>1,654,771</u>	<u>1,626,857</u>
Education Jobs Fund	Indiana Department of Education	84.410	FY2010	32,644	-
Total - Education Jobs Fund				<u>32,644</u>	<u>-</u>
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I Basic Grant			13-5310	155,237	219,851
Title I Basic Grant			14-5310	660,385	626,193
Total - Title I Grants to Local Educational Agencies				<u>815,622</u>	<u>846,044</u>
Title I Grants to Local Educational Agencies, Recovery Act	Indiana Department of Education	84.389			
Title I Basic Grant			FY2011	830	-
Total - Title I, Part A Cluster				<u>816,452</u>	<u>846,044</u>
English Language Acquisition State Grants	Indiana Department of Education	84.365			
Title III: Instruction for Limited English Proficient and Immigrant Students			11-5310	18,484	1,209
Title III Language Instruction for Limited English Proficient and Immigrant Students			12-5310	19,135	12,455
Title III Language Instruction for Limited English Proficient and Immigrant Students			13-5310	-	15,222
Total - English Language Acquisition State Grants				<u>37,619</u>	<u>28,886</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
Title II Part A Improving Teacher Quality State Grant			11-5310	6,664	11,531
Title II Part A Improving Teacher Quality State Grant			12-5310	24,401	23,918
Title II Part A Improving Teacher Quality State Grant			13-5310	77,140	56,937
Total - Improving Teacher Quality State Grants				<u>108,205</u>	<u>92,386</u>
Total - Department of Education				<u>2,649,691</u>	<u>2,594,173</u>
<u>Department of Health and Human Services</u>					
Medicaid Cluster					
Medical Assistance Program	Public Consulting Group	93.778	11/12	17,516	58,487
Medical Assistance Program	Public Consulting Group		12/13	13,125	-
Total - Medicaid Cluster				<u>30,641</u>	<u>58,487</u>
Total - Department of Health and Human Services				<u>30,641</u>	<u>58,487</u>
Total federal awards expended				<u>\$ 4,651,795</u>	<u>\$ 5,211,204</u>

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation 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, 2013 and 2014:

Program Title	Federal CFDA Number	2013	2014
English Language Acquisition State Grants	84.365	\$ 6,248	\$ 1,022

**Note 3. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the SEFA.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 271,867	\$ 251,093

**Note 4. Special Education Cooperative**

The School Corporation is a member of a Special Education Cooperative (Cooperative). As a result, some activity for the Special Education Cluster that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.



FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Name of Federal Program or Cluster

Child Nutrition Cluster  
Special Education Cluster

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

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2014-001 - INTERNAL CONTROLS OVER FINANCIAL REPORTING**

The School Corporation had not sufficiently documented its review and monitoring processes over financial reporting.

The failure to monitor the internal control system could have placed the School Corporation at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that misstatements could have been prevented, or detected and corrected, in a timely manner.

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

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

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

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

**FINDING 2014-002 - CASH MANAGEMENT**

Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2012/2013, FY 2013/2014  
Pass-Through Entity: Indiana Department of Education

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

The Child Nutrition Supervisor was aware of the compliance requirement related to Cash Management for the Child Nutrition Cluster; however, no formal internal control system had been established and implemented. There were no controls in place to ensure the School Corporation's cash balance did not exceed the average expenditures for three months.

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 have enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

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

**FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Education  
Federal Programs: Special Education\_Grants to States, Special Education\_Preschool Grants  
CFDA Numbers: 84.027, 84.173  
Federal Award Numbers and Years (or Other Identifying Numbers): 14212-053-PN01, 14213-053-PN01,  
14214-053-PN01, 99914-053-PN01,  
45712-053-PN01, 45713-053-PN01,  
45714-053-PN01  
Pass-Through Entity: Indiana Department of Education

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

The School Corporation was a member of Southside Special Services of Marion County (Cooperative). The Cooperative operated the Special Education program and managed the Special Education grant funds for the School Corporation.

An effective internal control system, which have included segregation of duties, had not been established to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Of the 10 pay periods tested, the Cooperative failed to maintain required certifications ranging from 16 percent to 100 percent of the total employees paid during those pay periods.

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. . . ."

OMB Circular A-87, Attachment B, item 8(h)(3) states:

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

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement listed above and that required certifications be completed for applicable employees.

***FINDING 2014-004 - CASH MANAGEMENT AND REPORTING***

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-053-PN01, 14213-053-PN01,  
14214-053-PN01, 99914-053-PN01,  
45712-053-PN01, 45713-053-PN01,  
45714-053-PN01

Pass-Through Entity: Indiana Department of Education

The School Corporation was a member of Southside Special Services of Marion County (Cooperative). The Cooperative operated the Special Education program and managed the Special Education grant funds for the School Corporation.

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

An effective internal control system, which would have included segregation of duties, had not been established to ensure compliance with the grant agreement and the Cash Management and Reporting compliance requirements.

Requests for reimbursement were prepared and filed by the Cooperative's Treasurer and reviewed by the Chief Financial Officer; however, there was no documentation of the review. Adequate policies and procedures had not been designed or implemented to ensure that required reports were accurately prepared and that the expenditures submitted for reimbursement were paid prior to the request.

Requests for reimbursement prepared by the Cooperative's Treasurer were not based on the actual amounts paid. The requests included the year to date expenses paid per the appropriation report less reimbursements already received.

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. . . ."

34 CFR 80.21 states in part:

" . . . (b) *Basic standard.* Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205. . . ."

(d) *Reimbursement.* Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met . . ."

31 CFR 205.12(b)(5) states: "Reimbursable funding means that a Federal Program Agency transfers Federal funds to a State after that State has already paid out the funds for Federal assistance program purposes."

34 CFR 80.20(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.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

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

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above and that reimbursement requests be based on actual expenditures.

***FINDING 2014-005 - PERIOD OF AVAILABILITY***

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-053-PN01, 14213-053-PN01,  
14214-053-PN01, 99914-053-PN01,  
45712-053-PN01, 45713-053-PN01,  
45714-053-PN01

Pass-Through Entity: Indiana Department of Education

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

The School Corporation's Chief Financial Officer regularly reviewed the expenditure reports for the grant regarding to the Period of Availability requirements; however, there was no documentation of this review.

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 have enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management document control activities related to the grant agreement and compliance requirement listed above.

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AUDITEE-PREPARED DOCUMENT

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

# Franklin Township Community School Corporation

Dr. Flora J. Reichanadter, Superintendent  
Chad B. Blacklock, CFO

Board of Education:  
Dawn A. Downer  
Carlos O. Garner  
Scott Sullivan  
C. Scott Veerkamp  
Larry J. Walker



## CORRECTIVE ACTION PLAN

### **FINDING 2014-001**

Contact Person Responsible for Corrective Action: Chad Blacklock  
Contact Phone Number: 317-862-2411

Description of Corrective Action Plan:

A process will be implemented in which the Treasurer reviews and signs off on the Form 9 information before it is submitted to the State by the Deputy Treasurer.

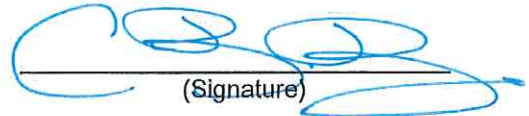
### **FINDING 2014-002**

Contact Person Responsible for Corrective Action: Chad Blacklock  
Contact Phone Number: 317-862-2411

Description of Corrective Action Plan:

Response to Finding 2014-002- Cash Management

The Franklin Township Community School Corporation's Child Nutrition program has historically held over three month's operating expenses in the Child Nutrition account. To ensure that we remain fiscally responsible, we are considering the following items in our long term planning process. Child Nutrition recently has had federal guideline changes that are increasing meal costs, decreasing revenue, and have added the requirement of professional development for all Child Nutrition staff members. Planning for food cost increases, and professional development costs has begun. Franklin Township Community Schools will be opening Acton Elementary School in the 2016-2017 school year, funds will need to be available for equipment restarts, replacements, and repairs. Along with the food, supply and labor startup costs for this kitchen. The possibility of a remodel to Franklin Central High School's serving area has also been discussed. This is the most dated facility in the district. Technology hardware upgrades for each building have been budgeted into the 2014-2015 school year budget. The Child Nutrition department also needs to be prepared for pay raises for staff, due to the changing evaluation system of the school district. The Child Nutrition Supervisor will keep the CFO informed of the status of the Child Nutrition fund balance via monthly email. If and when the balance reaches an amount over the three month's operating expenses, a meeting will be set to create a fiscally responsible plan for spending these funds, much like our current plan stated in this response. Detailed meeting notes will be kept to verify these plans, signed and dated by both the Child Nutrition Supervisor and the CFO.

  
(Signature)

CFO

(Title)

5-28-15

(Date)



# Franklin Township Community School Corporation

Dr. Flora J. Reichanadter, Superintendent  
Chad B. Blacklock, CFO

**Board of Education:**

Dawn A. Downer  
Carlos O. Garner  
Scott Sullivan  
C. Scott Veerkamp  
Larry J. Walker



## FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES

Contact Person: Chad Blacklock  
Contact Number: 317-862-2411  
Anticipated Completion Date: 06-30-16

## CORRECTIVE ACTION PLAN

Our plan to correct this finding will be for South Side Special Service to begin doing a monthly reconciliation of their payroll distribution report to their list of PARs and Certifications for the same period.

South Side Special Services will have their Payroll Specialist prepare these documents then have the Treasurer or their designee sign off on the accuracy of the report.

This report will be filed and readily available for inspection in the future.

Signed \_\_\_\_\_

A handwritten signature in blue ink, appearing to be "C. Blacklock", written over a horizontal line.

Titled \_\_\_\_\_

CFO

Date \_\_\_\_\_

6-27-16

# Franklin Township Community School Corporation

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Dr. Flora J. Reichanadter, Superintendent  
Chad B. Blacklock, CFO

**Board of Education:**

Dawn A. Downer  
Carlos O. Garner  
Scott Sullivan  
C. Scott Veerkamp  
Larry J. Walker



## FINDING 2014-004 – CASH MANAGEMENT AND REPORTING

Contact Person: Chad Blacklock  
Contact Number: 317-862-2411  
Anticipated Completion Date: 06-30-16

### CORRECTIVE ACTION PLAN

Our plan to correct this finding will be for South Side Special Service to begin doing keeping detailed expenditure reports that reconcile with the reimbursement reports submitted for federal grant reimbursement.

South Side Special Services will have their Treasurer prepare these documents and then have the Executive Director or their designee sign off on the accuracy of the report.

This report will be filed and readily available for inspection in the future.

Signed \_\_\_\_\_

A handwritten signature in blue ink, appearing to be "C. Blacklock", written over a horizontal line.

Titled \_\_\_\_\_

CFO

Date \_\_\_\_\_

6-27-16

# Franklin Township Community School Corporation

Dr. Flora J. Reichanadter, Superintendent  
Chad B. Blacklock, CFO

Board of Education:  
Dawn A. Downer  
Carlos O. Garner  
Scott Sullivan  
C. Scott Veerkamp  
Larry J. Walker




## ***FINDING 2014 - 005 – PERIOD OF AVAILABILITY***

Contact Person: Chad Blacklock  
Contact Number: 317-862-2411  
Anticipated Completion Date: already completed

### CORRECTIVE ACTION PLAN

Since the conclusion of the audit period for 7/1/12-6/30/14, this finding has been corrected by having the deputy treasurer prepare the reimbursement reports using detailed expenditure for the time period involved.

The CFO or his designee then reviews and signs off before submitting for reimbursement.

Signed   
Titled CFO  
Date 6-27-16

#### 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/>.