

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

METROPOLITAN SCHOOL DISTRICT
OF WASHINGTON TOWNSHIP
MARION COUNTY, INDIANA

July 1, 2013 to June 30, 2014



FILED
04/06/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Joseph Licata	07-01-13 to 06-30-16
Superintendent of Schools	Dr. Nikki Woodson	07-01-13 to 06-30-16
President of the School Board	William Turner Dr. Jay Hill Anthony Dzwonar	07-01-13 to 06-30-14 07-01-14 to 06-30-15 07-01-15 to 06-30-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF WASHINGTON TOWNSHIP, MARION COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Metropolitan School District of Washington Township (School Corporation), which comprises the financial position and results of operations for the year ended 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 year ended 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 year ended 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 Schedule of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 18, 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

March 18, 2016



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302 WEST WASHINGTON STREET
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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 METROPOLITAN SCHOOL DISTRICT
OF WASHINGTON TOWNSHIP, 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 Metropolitan School District of Washington Township (School Corporation), which comprises the financial position and results of operations for the year ended June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated March 18, 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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002 to be material weaknesses.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002.

Metropolitan School District of Washington Township's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

March 18, 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.

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2014

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 11,354,929	\$ 72,156,291	\$ 69,863,357	\$ -	\$ 13,647,863
Referendum Tax Levy	6,177,829	4,642,877	3,936,572	-	6,884,134
Debt Service	3,644,795	7,518,507	7,455,787	-	3,707,515
Retirement/Severance Bond Debt Service	692,227	1,561,197	1,463,075	-	790,349
Capital Projects	2,748,054	9,702,963	8,701,899	(840,000)	2,909,118
School Transportation	3,267,022	7,702,401	7,681,707	-	3,287,716
School Bus Replacement	819,604	1,909,723	2,381,352	-	347,975
Rainy Day	4,018,595	-	1,403,403	840,000	3,455,192
GO Bond - 2013	-	-	322,333	2,000,000	1,677,667
2012 GO Bond	2,620,749	-	1,011,906	2,000,000	3,608,843
2011 GO Bond	1,330,802	-	423,481	-	907,321
2010 GO Bond	340,322	-	340,322	-	-
School Lunch	4,039,700	5,102,960	5,792,822	-	3,349,838
Textbook Rental	225,865	1,302,483	960,860	(35,285)	532,203
Self-Insurance	5,803,663	16,643,797	15,322,920	1,803,661	8,928,201
Joint Services and Supply - Area Vocational School	27,633	3,241,785	3,751,597	-	(482,179)
Brain Research	1,692	-	151	-	1,541
Alternative Education	48,375	4,574	4,574	-	48,375
Early Intervention Grant	13,689	43,386	34,979	-	22,096
Local/Foundation Grants	376,842	487,519	412,404	-	451,957
Local Grants #1	160,651	65,828	158,814	-	67,665
Local Grants #2	22,538	117,147	105,613	-	34,072
Adult Education	(1,127,061)	130,539	245,359	-	(1,241,881)
LPN Program	(801,762)	607,239	482,557	-	(677,080)
THNI Take One	300	-	-	-	300
Oasis Tutoring Program	(76)	-	124	-	(200)
Willoughby-Epperly	1,573	-	(1)	-	1,574
Law Enforcement	279	-	-	-	279
Autism	756	-	756	-	-
Indiana Symphony	240	-	-	-	240
Adopt a Student	828	-	828	-	-
Learning Under The Sun	24,443	43,365	37,430	-	30,378
Summer in the City	5,041	6,000	6,591	-	4,450
Cultural Arts	1,290	-	-	-	1,290
ECA Smartdata - GB	3,223	20,524	21,993	-	1,754
Welfare Activities	80,360	-	-	-	80,360
Scholarships and Awards	-	1,500	1,755	-	(255)
Paul Griesel Memorial Scholarship	5,036	-	-	-	5,036
AP/IB Testing	27,088	11,446	4,968	-	33,566

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

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2014
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
Washington Township Foundation	(16,399)	115,269	106,864	-	(7,994)
Gifted and Talented	11,117	81,380	79,955	-	12,542
Education Technology	(175,620)	2,044,229	2,606,171	-	(737,562)
Adult and Continuing Education	(247,630)	1,076,183	960,072	-	(131,519)
Medicaid Reimbursement	384,032	297,399	35,047	-	646,384
Bookstore	33,193	-	19,132	17,818	31,879
Tennis Fund	197,066	77,321	269,139	-	5,248
Tennis Maintenance	2,764	10,472	7,344	-	5,892
Non-English Speaking Programs P.L. 273-1999	7,282	152,192	133,608	-	25,866
School Technology	388,530	130,608	10,420	-	508,718
Performance Based Awards	-	-	69,348	-	(69,348)
SRO Salary/Benefit	-	-	17,092	-	(17,092)
ISTA Settlement	-	987,476	-	-	987,476
Education Fees	197,311	308,124	292,181	35,285	248,539
Title I	(206,562)	2,876,846	2,969,958	-	(299,674)
Title II-B	(11,764)	62,044	69,073	-	(18,793)
Title II, Part B Math and Science 4510	(42,742)	200,624	157,882	-	-
Title II, Part B Math and Science 4511	(41,733)	153,389	111,656	-	-
Basic Special Education	(181,637)	2,384,977	2,393,491	-	(190,151)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	8,640	-	(8,640)
Federal Assistance Educational Preschool Handicapped	(5,330)	69,434	69,353	-	(5,249)
Adult Education and Family Literacy, Title II	(36,804)	244,298	324,749	-	(117,255)
RVR (IPIC) FY 10-11	(24,223)	73,780	49,557	-	-
Vocational and Technical Board Grants	(208,335)	920,741	762,851	-	(50,445)
Refugee Children	(1,354)	28,346	28,880	-	(1,888)
Title X, Part C McKinney Vento	(19,000)	57,982	41,822	-	(2,840)
Other Federal Programs	3,034	-	1	-	3,033
21st Century Cohort V	(58,156)	501,714	475,729	-	(32,171)
21st Century Cohort IV	(4,307)	35,213	30,906	-	-
LTEC Workshop	(8,214)	16,000	7,786	-	-
Rural Schools Achievement	(36,369)	251,198	229,441	-	(14,612)
Rural Schools and Low Income Program	(15,760)	149,652	147,492	-	(13,600)
Title III, Influx	(1,440)	17,557	19,548	-	(3,431)
Insurance Reserve	1,819,048	-	15,387	(1,803,661)	-
Student Financial Aid	5,507	593,865	599,370	-	2
Prepaid Meal Account	-	994,562	-	-	994,562
Payroll Clearing	507,678	32,535,189	32,331,432	-	711,435
Totals	\$ 48,170,317	\$ 180,472,115	\$ 177,783,665	\$ 4,017,818	\$ 54,876,585

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

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
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 Investment

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 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.

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Negative Disbursements

The financial statement contains some disbursements which appear as negative entries. This is a result of the correction of errors made in the prior fiscal period.

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of disbursements exceeding receipts and timing issues related to reimbursable grant funds that are required to pay expenses prior to requesting reimbursement.

Note 9. Holding Corporation

The School Corporation has entered into a capital lease with North Central Campus 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 year 2014 totaled \$3,941,500.

Note 10. Subsequent Events

The School Corporation issued General Obligation Bonds 2014B in the amount of \$2,000,000 on December 16, 2014, and General Obligation Bonds 2015A in the amount of \$2,000,000 on June 16, 2015, for the purchase of equipment and technology, and the renovation, repair, and maintenance of equipment and facilities.

Note 11. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: health, dental, and vision insurance. 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.

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

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	GO Bond - 2013	2012 GO Bond	2011 GO Bond
Cash and investments - beginning	\$ 11,354,929	\$ 6,177,829	\$ 3,644,795	\$ 692,227	\$ 2,748,054	\$ 3,267,022	\$ 819,604	\$ 4,018,595	\$ -	\$ 2,620,749	\$ 1,330,802
Receipts:											
Local sources	317,679	4,642,877	7,518,507	1,561,197	9,647,008	7,701,269	1,409,723	-	-	-	-
State sources	71,838,612	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	500,000	-	-	-	-
Other	-	-	-	-	55,955	1,132	-	-	-	-	-
Total receipts	<u>72,156,291</u>	<u>4,642,877</u>	<u>7,518,507</u>	<u>1,561,197</u>	<u>9,702,963</u>	<u>7,702,401</u>	<u>1,909,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:											
Current:											
Instruction	49,960,506	3,295,652	-	-	29,243	-	-	380,875	-	-	-
Support services	18,775,917	640,920	-	-	4,375,476	7,681,707	2,381,352	992,058	-	147	-
Noninstructional services	626,934	-	-	-	-	-	-	26,766	-	-	-
Facilities acquisition and construction	-	-	-	-	4,297,180	-	-	3,704	312,946	1,011,759	423,481
Debt services	-	-	7,243,284	1,463,075	-	-	-	-	9,387	-	-
Nonprogrammed charges	-	-	212,503	-	-	-	-	-	-	-	-
Interfund loans	500,000	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>69,863,357</u>	<u>3,936,572</u>	<u>7,455,787</u>	<u>1,463,075</u>	<u>8,701,899</u>	<u>7,681,707</u>	<u>2,381,352</u>	<u>1,403,403</u>	<u>322,333</u>	<u>1,011,906</u>	<u>423,481</u>
Excess (deficiency) of receipts over disbursements	<u>2,292,934</u>	<u>706,305</u>	<u>62,720</u>	<u>98,122</u>	<u>1,001,064</u>	<u>20,694</u>	<u>(471,629)</u>	<u>(1,403,403)</u>	<u>(322,333)</u>	<u>(1,011,906)</u>	<u>(423,481)</u>
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	2,000,000	2,000,000	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	840,000	-	-	-
Transfers out	-	-	-	-	(840,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(840,000)</u>	<u>-</u>	<u>-</u>	<u>840,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,292,934</u>	<u>706,305</u>	<u>62,720</u>	<u>98,122</u>	<u>161,064</u>	<u>20,694</u>	<u>(471,629)</u>	<u>(563,403)</u>	<u>1,677,667</u>	<u>988,094</u>	<u>(423,481)</u>
Cash and investments - ending	<u>\$ 13,647,863</u>	<u>\$ 6,884,134</u>	<u>\$ 3,707,515</u>	<u>\$ 790,349</u>	<u>\$ 2,909,118</u>	<u>\$ 3,287,716</u>	<u>\$ 347,975</u>	<u>\$ 3,455,192</u>	<u>\$ 1,677,667</u>	<u>\$ 3,608,843</u>	<u>\$ 907,321</u>

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

	2010 GO Bond	School Lunch	Textbook Rental	Self- Insurance	Joint Services and Supply - Area Vocational School	Brain Research	Alternative Education	Early Intervention Grant	Local/ Foundation Grants	Local Grants #1	Local Grants #2
Cash and investments - beginning	\$ 340,322	\$ 4,039,700	\$ 225,865	\$ 5,803,663	\$ 27,633	\$ 1,692	\$ 48,375	\$ 13,689	\$ 376,842	\$ 160,651	\$ 22,538
Receipts:											
Local sources	-	854,877	590,269	16,643,797	3,241,785	-	-	-	487,519	65,828	117,147
State sources	-	27,021	499,711	-	-	-	4,574	43,386	-	-	-
Federal sources	-	4,221,062	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	212,503	-	-	-	-	-	-	-	-
Total receipts	-	5,102,960	1,302,483	16,643,797	3,241,785	-	4,574	43,386	487,519	65,828	117,147
Disbursements:											
Current:											
Instruction	-	-	6,799	-	2,561,575	-	4,574	23,554	43,406	136,697	31,215
Support services	36	301,382	954,061	-	1,165,334	151	-	11,425	368,998	24,649	20,352
Noninstructional services	-	5,245,236	-	-	-	-	-	-	-	(3,345)	722
Facilities acquisition and construction	340,286	246,204	-	-	24,688	-	-	-	-	813	53,324
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	15,322,920	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	340,322	5,792,822	960,860	15,322,920	3,751,597	151	4,574	34,979	412,404	158,814	105,613
Excess (deficiency) of receipts over disbursements	(340,322)	(689,862)	341,623	1,320,877	(509,812)	(151)	-	8,407	75,115	(92,986)	11,534
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	1,803,661	-	-	-	-	-	-	-
Transfers out	-	-	(35,285)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(35,285)	1,803,661	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(340,322)	(689,862)	306,338	3,124,538	(509,812)	(151)	-	8,407	75,115	(92,986)	11,534
Cash and investments - ending	\$ -	\$ 3,349,838	\$ 532,203	\$ 8,928,201	\$ (482,179)	\$ 1,541	\$ 48,375	\$ 22,096	\$ 451,957	\$ 67,665	\$ 34,072

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

	Adult Education	LPN Program	THNI Take One	Oasis Tutoring Program	Willoughby- Epperly	Law Enforcement	Autism	Indiana Symphony	Adopt a Student	Learning Under The Sun	Summer in the City
Cash and investments - beginning	\$ (1,127,061)	\$ (801,762)	\$ 300	\$ (76)	\$ 1,573	\$ 279	\$ 756	\$ 240	\$ 828	\$ 24,443	\$ 5,041
Receipts:											
Local sources	130,539	607,239	-	-	-	-	-	-	-	43,365	6,000
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total receipts	130,539	607,239	-	-	-	-	-	-	-	43,365	6,000
Disbursements:											
Current:											
Instruction	280,921	482,708	-	-	(1)	-	-	-	-	37,280	6,591
Support services	(35,562)	(151)	-	-	-	-	756	-	828	150	-
Noninstructional services	-	-	-	124	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	245,359	482,557	-	124	(1)	-	756	-	828	37,430	6,591
Excess (deficiency) of receipts over disbursements	(114,820)	124,682	-	(124)	1	-	(756)	-	(828)	5,935	(591)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(114,820)	124,682	-	(124)	1	-	(756)	-	(828)	5,935	(591)
Cash and investments - ending	\$ (1,241,881)	\$ (677,080)	\$ 300	\$ (200)	\$ 1,574	\$ 279	\$ -	\$ 240	\$ -	\$ 30,378	\$ 4,450

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

	Cultural Arts	ECA Smartdata - GB	Welfare Activities	Scholarships and Awards	Paul Griesel Memorial Scholarship	AP/IB Testing	Washington Township Foundation	Gifted and Talented	Education Technology	Adult and Continuing Education
Cash and investments - beginning	\$ 1,290	\$ 3,223	\$ 80,360	\$ -	\$ 5,036	\$ 27,088	\$ (16,399)	\$ 11,117	\$ (175,620)	\$ (247,630)
Receipts:										
Local sources	-	20,524	-	1,500	-	10,000	115,269	-	-	-
State sources	-	-	-	-	-	1,446	-	81,380	2,044,229	1,076,183
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	20,524	-	1,500	-	11,446	115,269	81,380	2,044,229	1,076,183
Disbursements:										
Current:										
Instruction	-	20,416	-	-	-	4,968	-	70,985	-	757,177
Support services	-	1,577	-	1,755	-	-	106,864	-	42	187,375
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	8,970	2,606,129	15,520
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	21,993	-	1,755	-	4,968	106,864	79,955	2,606,171	960,072
Excess (deficiency) of receipts over disbursements	-	(1,469)	-	(255)	-	6,478	8,405	1,425	(561,942)	116,111
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,469)	-	(255)	-	6,478	8,405	1,425	(561,942)	116,111
Cash and investments - ending	\$ 1,290	\$ 1,754	\$ 80,360	\$ (255)	\$ 5,036	\$ 33,566	\$ (7,994)	\$ 12,542	\$ (737,562)	\$ (131,519)

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

	Medicaid Reimbursement	Bookstore	Tennis Fund	Tennis Maintenance	Non-English Speaking Programs P.L. 273-1999	School Technology	Performance Based Awards	SRO Salary/Benefit	ISTA Settlement	Education Fees	Title I
Cash and investments - beginning	\$ 384,032	\$ 33,193	\$ 197,066	\$ 2,764	\$ 7,282	\$ 388,530	\$ -	\$ -	\$ -	\$ 197,311	\$ (206,562)
Receipts:											
Local sources	-	-	77,321	10,472	-	127,231	-	-	-	308,124	-
State sources	297,399	-	-	-	152,192	3,377	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	2,876,846
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	987,476	-	-
Total receipts	<u>297,399</u>	<u>-</u>	<u>77,321</u>	<u>10,472</u>	<u>152,192</u>	<u>130,608</u>	<u>-</u>	<u>-</u>	<u>987,476</u>	<u>308,124</u>	<u>2,876,846</u>
Disbursements:											
Current:											
Instruction	-	-	-	-	133,608	10,420	69,348	-	-	292,181	1,739,726
Support services	35,047	19,132	6,407	-	-	-	-	17,092	-	-	1,117,451
Noninstructional services	-	-	262,732	6,047	-	-	-	-	-	-	32,580
Facilities acquisition and construction	-	-	-	1,297	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	80,201
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>35,047</u>	<u>19,132</u>	<u>269,139</u>	<u>7,344</u>	<u>133,608</u>	<u>10,420</u>	<u>69,348</u>	<u>17,092</u>	<u>-</u>	<u>292,181</u>	<u>2,969,958</u>
Excess (deficiency) of receipts over disbursements	<u>262,352</u>	<u>(19,132)</u>	<u>(191,818)</u>	<u>3,128</u>	<u>18,584</u>	<u>120,188</u>	<u>(69,348)</u>	<u>(17,092)</u>	<u>987,476</u>	<u>15,943</u>	<u>(93,112)</u>
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	17,818	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	35,285	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>17,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,285</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>262,352</u>	<u>(1,314)</u>	<u>(191,818)</u>	<u>3,128</u>	<u>18,584</u>	<u>120,188</u>	<u>(69,348)</u>	<u>(17,092)</u>	<u>987,476</u>	<u>51,228</u>	<u>(93,112)</u>
Cash and investments - ending	<u>\$ 646,384</u>	<u>\$ 31,879</u>	<u>\$ 5,248</u>	<u>\$ 5,892</u>	<u>\$ 25,866</u>	<u>\$ 508,718</u>	<u>\$ (69,348)</u>	<u>\$ (17,092)</u>	<u>\$ 987,476</u>	<u>\$ 248,539</u>	<u>\$ (299,674)</u>

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
 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 II-B	Title II, Part B Math and Science 4510	Title II, Part B Math and Science 4511	Basic Special Education	(IDEA, Part B) LEA Capacity Building (Silver) Grants	Federal Assistance Educational Preschool Handicapped	Adult Education and Family Literacy, Title II	RVR (IPIC) FY 10-11	Vocational and Technical Board Grants	Refugee Children	Title X, Part C McKinney Vento
Cash and investments - beginning	\$ (11,764)	\$ (42,742)	\$ (41,733)	\$ (181,637)	\$ -	\$ (5,330)	\$ (36,804)	\$ (24,223)	\$ (208,335)	\$ (1,354)	\$ (19,000)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	62,044	198,170	151,421	2,384,977	-	69,434	209,506	73,780	920,741	28,346	57,982
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other	-	2,454	1,968	-	-	-	34,792	-	-	-	-
Total receipts	<u>62,044</u>	<u>200,624</u>	<u>153,389</u>	<u>2,384,977</u>	<u>-</u>	<u>69,434</u>	<u>244,298</u>	<u>73,780</u>	<u>920,741</u>	<u>28,346</u>	<u>57,982</u>
Disbursements:											
Current:											
Instruction	17,794	100,088	62,174	1,762,425	8,317	67,132	72,463	49,557	475,661	20,908	7,990
Support services	51,259	48,458	45,816	619,643	323	-	176,673	-	122,634	-	33,832
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	11,423	-	-	75,613	-	164,556	7,972	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	20	9,336	3,666	-	-	2,221	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>69,073</u>	<u>157,882</u>	<u>111,656</u>	<u>2,393,491</u>	<u>8,640</u>	<u>69,353</u>	<u>324,749</u>	<u>49,557</u>	<u>762,851</u>	<u>28,880</u>	<u>41,822</u>
Excess (deficiency) of receipts over disbursements	<u>(7,029)</u>	<u>42,742</u>	<u>41,733</u>	<u>(8,514)</u>	<u>(8,640)</u>	<u>81</u>	<u>(80,451)</u>	<u>24,223</u>	<u>157,890</u>	<u>(534)</u>	<u>16,160</u>
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(7,029)</u>	<u>42,742</u>	<u>41,733</u>	<u>(8,514)</u>	<u>(8,640)</u>	<u>81</u>	<u>(80,451)</u>	<u>24,223</u>	<u>157,890</u>	<u>(534)</u>	<u>16,160</u>
Cash and investments - ending	<u>\$ (18,793)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (190,151)</u>	<u>\$ (8,640)</u>	<u>\$ (5,249)</u>	<u>\$ (117,255)</u>	<u>\$ -</u>	<u>\$ (50,445)</u>	<u>\$ (1,888)</u>	<u>\$ (2,840)</u>

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

	Other Federal Programs	21st Century Cohort V	21st Century Cohort IV	LTEC Workshop	Rural Schools Achievement	Rural Schools and Low Income Program	Title III, Influx	Insurance Reserve	Student Financial Aid	Prepaid Meal Account	Payroll Clearing	Totals
Cash and investments - beginning	\$ 3,034	\$ (58,156)	\$ (4,307)	\$ (8,214)	\$ (36,369)	\$ (15,760)	\$ (1,440)	\$ 1,819,048	\$ 5,507	\$ -	\$ 507,678	\$ 48,170,317
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	994,562	-	57,251,628
State sources	-	-	-	-	-	-	-	-	-	-	-	76,069,510
Federal sources	-	501,714	35,213	16,000	251,198	149,652	17,557	-	519,129	-	-	12,744,772
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	500,000
Other	-	-	-	-	-	-	-	-	74,736	-	32,535,189	33,906,205
Total receipts	-	501,714	35,213	16,000	251,198	149,652	17,557	-	593,865	994,562	32,535,189	180,472,115
Disbursements:												
Current:												
Instruction	-	473,291	23,620	-	110,601	123,131	19,548	-	170,000	-	-	63,945,124
Support services	1	-	7,286	7,786	118,087	22,501	-	-	-	-	-	40,407,027
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	6,197,796
Facilities acquisition and construction	-	-	-	-	-	486	-	-	-	-	-	9,606,351
Debt services	-	-	-	-	-	-	-	-	-	-	-	8,715,746
Nonprogrammed charges	-	2,438	-	-	753	1,374	-	15,387	429,370	-	32,331,432	48,411,621
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	500,000
Total disbursements	1	475,729	30,906	7,786	229,441	147,492	19,548	15,387	599,370	-	32,331,432	177,783,665
Excess (deficiency) of receipts over disbursements	(1)	25,985	4,307	8,214	21,757	2,160	(1,991)	(15,387)	(5,505)	994,562	203,757	2,688,450
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	4,000,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	17,818
Transfers in	-	-	-	-	-	-	-	-	-	-	-	2,678,946
Transfers out	-	-	-	-	-	-	-	(1,803,661)	-	-	-	(2,678,946)
Total other financing sources (uses)	-	-	-	-	-	-	-	(1,803,661)	-	-	-	4,017,818
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	25,985	4,307	8,214	21,757	2,160	(1,991)	(1,819,048)	(5,505)	994,562	203,757	6,706,268
Cash and investments - ending	\$ 3,033	\$ (32,171)	\$ -	\$ -	\$ (14,612)	\$ (13,600)	\$ (3,431)	\$ -	\$ 2	\$ 994,562	\$ 711,435	\$ 54,876,585

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 5,343,596</u>	<u>\$ 755,717</u>

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
North Central Campus School Building Corp, Bonds of 2006	Building Renovations; HVAC; Roofing	\$ 1,491,000	12/22/06	07/15/26
North Central Campus School Building Corp, Bonds of 2008	Building Renovations; HVAC; Roofing	<u>2,467,500</u>	01/07/09	07/15/28
Total governmental activities		<u>3,958,500</u>		
Total of annual lease payments		<u>\$ 3,958,500</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	GO Bonds 2013		\$ 1,500,000	\$ 1,008,875
General obligation bonds	GO Bonds 2012 Spring		500,000	502,875
General obligation bonds	GO Bonds 2012 Fall		500,000	501,625
General obligation bonds	GO Bonds 2014 Spring		2,000,000	517,778
General obligation bonds	Pension Bond		5,790,000	1,463,751
Notes and loans payable	Common School Loan 2012b		1,020,080	215,530
Notes and loans payable	Common School Loan 2012a		816,064	211,667
Notes and loans payable	STAA Loan 2011		175,360	45,484
Notes and loans payable	Common School Loan 2013a		<u>1,024,857</u>	<u>113,836</u>
Total governmental activities			<u>13,326,361</u>	<u>4,581,421</u>
Totals			<u>\$ 13,326,361</u>	<u>\$ 4,581,421</u>

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
 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.

	Ending Balance
Governmental activities:	
Land	\$ 2,305,122
Infrastructure	8,984,400
Buildings	92,027,268
Improvements other than buildings	201,871
Machinery, equipment, and vehicles	37,847,070
Total governmental activities	141,365,731
Total capital assets	\$ 141,365,731

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF WASHINGTON TOWNSHIP, MARION COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Metropolitan School District of Washington Township'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 year ended 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 year ended 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 2014-005, 2014-007, 2014-008, 2014-010, 2014-12, 2014-13, and 2014-14. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or 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 2014-004, 2014-005, 2014-007, 2014-008, 2014-009, 2014-010, 2014-011, 2014-012, 2014-013, and 2014-014, to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-003 and 2014-006 to be a significant deficiency.

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

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

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


Paul D. Joyce, CPA
State Examiner

March 18, 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.

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 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
<u>Department of Agriculture</u>				
Child Nutrition Cluster				
School Breakfast Program	IN Dept of Education	10.553	FY 2014	\$ 1,070,096
National School Lunch Program	IN Dept of Education	10.555	FY 2014	3,196,010
Summer Food Service Program for Children	IN Dept of Education	10.559	FY 2014	177,270
Total - Child Nutrition Cluster				4,443,376
Fresh Fruit and Vegetable Program	IN Dept of Education	10.582	FY 2014	56,244
Total - Department of Agriculture				4,499,620
<u>Department of Labor</u>				
WIA Cluster				
WIA Youth Activities		17.259		
River Valley Resources	Indianapolis Private Industry Council		S1307-WO-10-Y	16,297
River Valley Resources	River Valley Resources, Inc		S1805-WO-13-Y	57,482
Total - WIA Youth Activities				73,779
Total - WIA Cluster				73,779
Total - Department of Labor				73,779
<u>Department of Education</u>				
Special Education Cluster				
Special Education_Grants to States	IN Dept of Education	84.027		
Special Education - Grants to States			14213-060-PN01	489,982
Special Education - Grants to States			14214-060-PN01	1,894,995
Total - Special Education_Grants to States				2,384,977
Special Education_Preschool Grants	IN Dept of Education	84.173		
Special Education - Preschool Grants			45713-060-PN01	28,746
Special Education - Preschool Grants			45714-060-PN01	40,688
Total - Special Education_Preschool Grants				69,434
Total - Special Education Cluster				2,454,411
Student Financial Assistance Cluster				
Federal Pell Grant Program				
Federal Pell Grant Program	Direct	84.063		
			P063P124146	22,163
			P063Q124146	30
			P063P134146	172,863
			P063Q134146	235
Total - Federal PELL Grant Program				195,291
Federal Direct Student Loans				
Federal Direct Loan Program	Direct	84.268		
			P268K134146	32,921
			P268K144146	290,917
Total - Federal Direct Student Loans				323,838
Total - Student Financial Assistance Cluster				519,129

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

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 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
<u>Department of Education (continued)</u>				
Adult Education - Basic Grants to States	IN Dept of Education	84.002		
Adult Education - Basic Grants to States			C1-4-AE-3-833	209,506
Title I Grants to Local Educational Agencies	IN Dept of Education	84.010		
Title I Grants			13-5370	882,413
Title I Grants			14-5370	1,994,433
Total - Title I Grants to Local Educational Agencies				2,876,846
Career and Technical Education - Basic Grants to States	IN Dept of Education	84.048		
Carl Perkins			12-4700-5370	307,426
Carl Perkins			13-4700-5370	613,315
Total - Career and Technical Education - Basic Grants to States				920,741
Education for Homeless Children and Youth	IN Dept of Education	84.196		
McKinney Vento			A58-3-13SS-1027	32,917
McKinney Vento			A58-4-14SS-1803	25,065
Total - Education for Homeless Children and Youth				57,982
Twenty-First Century Community Learning Centers	IN Dept of Education	84.287		
21st Century Community Learning Centers			Cohort IV Year 4	35,213
21st Century Community Learning Centers			Cohort V Year 3	86,173
21st Century Community Learning Centers			Cohort V Year 4	415,541
Total - 21st Century Community Learning Centers				536,927
English Language Acquisition State Grants	IN Dept of Education	84.365		
English Language Acquisition State Grants			01113-065-PN-01	43,741
English Language Acquisition State Grants			01114-050-PN-01	105,911
Immigrant Influx			01113-062-FLUX	17,557
Total - English Language Acquisition State Grants				167,209
Mathematics and Science Partnerships	IN Dept of Education	84.366		
Mathematics and Science Partnerships			A58-1-11CI-271	151,421
Mathematics and Science Partnerships			A58-1-11CI-272	198,170
Mathematics and Science Partnerships			A58-3-13CI-1267	62,044
Total - Mathematics and Science Partnerships				411,635
Improving Teacher Quality State Grants	IN Dept of Education	84.367		
Improving Teacher Quality State Grants			13-5370	119,423
Improving Teacher Quality State Grants			14-5370	131,775
Learning Technology			A58-3-13IT1172	16,000
Total - Improving Teacher Quality State Grants				267,198
Total - Department of Education				8,421,584
<u>Department of Health and Human Services</u>				
Refugee and Entrant Assistance_Discretionary Grants	IN Dept of Education	93.576		
Refugee and Entrant Assistance - Targeted Assistance Grants			700REFSCHLIMF12	24,742
Refugee and Entrant Assistance - Targeted Assistance Grants			700REFSCHLIMF13	3,604
Total - Refugee and Entrant Assistance - Targeted Assistance Grants				28,346
Total - Department of Health and Human Services				28,346
Total federal awards expended				\$ 13,023,329

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

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School 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.

Note 2. Noncash Assistance

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

Program Title	Federal CFDA Number	2014
National School Lunch Program	10.555	\$ 278,557

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
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?	no
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Special Education Cluster
	Student Financial Assistance Cluster
84.010	Title I Grants to Local Educational Agencies
84.048	Career and Technical Education - Basic Grants to States
84.287	Twenty-First Century Community Learning Centers
84.366	Mathematics and Science Partnerships

Dollar threshold used to distinguish between Type A and Type B programs: \$380,985

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

Section II - Financial Statement Findings

FINDING 2014-001 - FINANCIAL TRANSACTIONS AND REPORTING

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the financial statement. Procedures were not in place to ensure the compiled information was reviewed for accuracy and completeness. The School Corporation should have proper controls in place over the preparation of the financial statement to ensure accurate reporting of all fund activity. Without a proper system of internal control in place that operates effectively, material misstatements of the financial statement could remain undetected.

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Federal PELL Grant Programs and Federal Direct Student Loan Programs, which make up the activity of the Student Financial Aid fund, were not included in the School Corporation's financial statement. These programs were administered at the J. Everett Light Career Center (JELCC). The grant monies were deposited directly from the federal government into separate bank accounts for the Federal PELL Grant Programs and Direct Student Loan Programs. Receipts and disbursements were not recorded in the financial records of the School Corporation to coincide with the activity of these bank accounts. Checks were written from the Federal PELL Grant Programs and Federal Direct Student Loan Programs bank accounts and deposited into the bank account of the JELCC; the money was receipted into the extra-curricular records of the JELCC at that time.

The School Corporation has the responsibility to account for all financial transactions related to federal grants and should reflect all grant activity and balances in their financial statement. A similar finding was reported in the prior Report B43470. Adjustments to the financial statement to include the activity and balances of the financial aid programs were proposed, accepted by the School Corporation, and made to the financial statement presented in this report.

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

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

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content presented by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

FINDING 2014-002 - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation did not have procedures in place to ensure the SEFA was accurate and complete. The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted the following errors:

- The National School Lunch Program (CFDA #10.555) expenditures were overstated by \$27,020 due to the inclusion of the state matching reimbursement.
- The Fresh Fruit and Vegetable Program (CFDA #10.582) was incorrectly included within the Child Nutrition Cluster.
- The Federal Pell Grant Program (CFDA #84.063) expenditures were understated by \$124,221 and not identified by individual project numbers.
- The Federal Direct Student Loans (CFDA 84.268) expenditures were understated by \$194,446 and not identified by individual project numbers.
- The Improving Teacher Quality State Grants (CFDA 84.367) expenditures were overstated by \$9,594 due to inclusion of expenditures reimbursed in subsequent fiscal year.
- The WIA Youth Activities (CFDA #17.259), Adult Education - Basic Grants to States (CFDA #84.002), Education for Homeless Children and Youth (CFDA #84.196), and Refugee and Entrant Assistance_Discretionary Grants (CFDA #93.576) presented project numbers that were incorrect.

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

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

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

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

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

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

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-003 - ACTIVITIES ALLOWED; ALLOWABLE COSTS/COST PRINCIPLES; CASH MANAGEMENT; SUSPENSION AND DEBARMENT; PERIOD OF AVAILABILITY; AND REPORTING

Federal Agency: Department of Education

Federal Program: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14213-060-PN01, 14214-060-PN01,
45713-060-PN01, 45714-060-PN01

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed; Allowable Costs/Cost Principles; Cash Management; Suspension and Debarment; Period of Availability; and Reporting. The following items were identified in our audit as significant deficiencies.

***Activities Allowed; Allowable Costs/Cost Principles; Cash Management;
Period of Availability; and Reporting***

The School Corporation has implemented a control procedure whereby the reimbursement request is prepared by someone in the business office and approved by a business office official. Both the preparer and the approver indicate their role with a signature or other mark of approval. For 60 percent of the reimbursement reports submitted after the implementation of the control, there was no documentation indicating an approval was performed. The control was not operating properly.

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As a further control over Activities Allowed or Unallowed and Allowable Costs/Cost Principles, the School Corporation has implemented a system where grant specific transactions are approved by the Grant Manager. The exception for this is payroll expenses for School Corporation employees who spend all their time on grant activities. In these cases, time and effort certifications are done every six months rather than approved for each payroll expense. These controls were generally operating effectively, except that payments to part-time employees, who spent all of their time on grant activities (such as instructor assistants), were not approved by either method.

Suspension and Debarment

The Grant Administrator stated vendors were routinely verified on the federal System for Award Management (SAM) website, but was unable to document the inquiries.

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

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

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

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

We recommended that the School Corporation's management monitor the proper operation of the implemented controls and establish controls as needed, including segregation of duties, related to the grant agreement and compliance requirements listed above.

FINDING 2014-004 - LEVEL OF EFFORT

Federal Agency: Department of Education

Federal Programs: Title I Grants to Local Educational Agencies (Title I), Career and Technical Education-Basic Grants to States (CTE), Twenty-First Century Community Learning Centers (21st Century)

CFDA Number: 84.010, 84.048, 84.287

Federal Award Number and Year (or Other Identifying Number): 13-5370, 14-5370 (Title I), 12-4700-5370, 13-4700-5370 (CTE), Cohort IV Year 4, Cohort V Year 3, and Cohort V Year 4 (21st Century)

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(Continued)

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Level of Effort compliance requirement. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

The School Corporation has not separated incompatible activities within the managing of the federal award programs over the Level of Effort requirement. This was identified in our audit as a material weakness.

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

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

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

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

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

FINDING 2014-005 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 14-5370
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirements which allowed the following noncompliance to occur.

The School Corporation received grant reimbursement payments from the Indiana Department of Education (IDOE) for severance payments to three retiring teachers. The severance costs were reimbursed as direct costs of the Grant No. 14-5370. The retirement payments were made on June 20, 2014, and totaled \$20,777. The retiring teachers' benefits were paid as described in the Article VI of the teacher's contract and

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allowed for the retirees to receive \$57 per day for unused accumulated illness leave and unused personal business leave at the conclusion of the contract year in which the retirement is effective. Severance payments were not an allowable direct grant cost.

The severance payouts were paid as follows:

- Employee 1: Paid \$8,351 for 146.5 days sick leave at \$57 per day upon retirement.
- Employee 2: Paid \$6,583 for 115.5 days sick leave at \$57 per day upon retirement.
- Employee 3: Paid \$5,843 for 102.5 days sick leave at \$57 per day upon retirement.

Charging the severance payments as direct grant costs when the costs were only allowed as part of the indirect cost reimbursement, is deemed to not be an allowable cost of the grant. The \$20,777 reimbursed as a direct costs is considered a questioned cost. No other such payments were found during the audit period.

OMB Circular A-87, Attachment B, Part 8(g) states:

"Severance Pay.

- (1) Payments in addition to regular salaries and wages made to workers whose employment is being terminated are allowable to the extent that, in each case, they are required by (a) law, (b) employer employee agreement, or (c) established written policy.
- (2) Severance payments (but not accruals) associated with normal turnover are allowable. Such payments shall be allocated to all activities of the governmental unit as an indirect cost.
- (3) Abnormal or mass severance pay will be considered on a case by case basis and is allowable only if approved by the cognizant Federal agency."

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

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

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

The failure to establish internal controls enabled material noncompliance to go undetected. The School Corporation did not comply with the requirements for Allowable Costs/Cost Principles requirements by charging severance pay directly to the program. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

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(Continued)

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the above grant agreement and compliance requirements. Additionally, we recommended that the School Corporation's management contact the Department of Education regarding the resolution of the identified noncompliance.

FINDING 2014-006 - ACTIVITIES ALLOWED, ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education
Federal Program: Career and Technical Education- Basic Grants to States
CFDA Number: 84.048
Federal Award Number and Year (or Other Identifying Number): 12-4700-5370, 13-4700-5370
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed and Allowable Costs/Cost Principles. The following item was identified as a significant deficiency.

The School Corporation has implemented an internal control over Activities Allowed and Allowable Costs whereby individual transactions are approved by the Grant Manager. However, 22 percent of transactions tested had no such approval.

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

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

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

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

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

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(Continued)

FINDING 2014-007 - CASH MANAGEMENT, PERIOD OF AVAILABILITY, AND REPORTING

Federal Agency: Department of Education

Federal Program: Career and Technical Education - Basic Grants to States

CFDA Number: 84.048

Federal Award Number and Year (or Other Identifying Number): 12-4700-5370, 13-4700-5370

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Period of Availability, and Reporting. Grant activities related to these requirements were not adequately monitored resulting in noncompliance and questioned costs related to some expenditures claimed outside of the grant period and errors in reporting and claiming of reimbursements. The lack of an effective internal control system over these requirements is identified as a material weakness.

In an effort to close out the Grant No. 12-4700-5370 (2012/2013 cohort) in a timely manner, the School Corporation claimed the grant's remaining unreimbursed amount of \$159,466 for the grant on the reimbursement request dated August 13, 2013, claiming reimbursements for expenses incurred in June and July of 2013. The reimbursement request was prepared and submitted incorrectly as it included the following errors: disbursements outside the period specified on the request; disbursements pending payment; and misrepresented disbursement classification amounts. Additionally, adjustment entries were made moving disbursements posted to the 2012/2013 cohort to the Grant No. 13-4700-5370 (2013/2014 cohort) in an effort to not exceed the total grant award amount for the 2012/2013 cohort.

The following Cash Management and Reporting errors were observed for the 2012/2013 cohort:

- The requested amount included obligated expenses of \$6,583 that were paid after July 2013 but before the August 13, 2013 reimbursement request date but were not properly classified on the reimbursement request.
- The requested amount included obligated expenses totaling \$45,771 that were paid after the August 13, 2013 request date but before the reimbursement was received on August 30, 2013.
- The requested amount included obligated expenses totaling \$9,175 that were paid after the reimbursement was received but prior to the liquidation end date of September 30, 2013.
- The reimbursement request budget classification amounts were misrepresented for the following classifications:
 - Salary - reported YTD was \$392,013 versus actual of \$409,133 for an understatement of \$17,120.
 - Fringes - reported YTD was \$112,870 versus actual of \$117,710 for an understatement of \$4,840.
 - Travel - reported YTD was \$13,910 versus actual of \$12,993 for an overstatement of \$917.
 - Equipment - reported YTD was \$335,869 versus actual of \$314,826 for an overstatement of \$21,043.

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The following expense adjustments that were moved from the 2012/2013 cohort to the 2013/2014 cohort were noted as Period of Availability errors for the 2013/2014 cohort:

- Equipment expenses of \$3,775 charged to the School Corporation's credit card on April 22, 2013.
- Equipment expenses of \$15,281 that were paid on September 27, 2013, but obligated on May 7, 2013.
- Equipment expenses of \$6,138 that were paid on September 27, 2013, but obligated on June 12, 2013.

As these expenses were all obligated prior to the 2013/2014 cohort's period of availability of July 1, 2013 to June 30, 2014, these are all considered to be questioned costs for a total of \$25,194 for the 2013/2014 cohort. Expense adjustments from 2012/2013 cohort to the 2013/2014 totaled \$39,454.

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

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

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

34 CFR 80.21(b) states: "*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."

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 80.23(a) states:

"*General.* Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period."

Furthermore, condition 20 of the Notification of Grant Award states in part: "Submission of reimbursement form payments will be made on the 1st and 15th of each month. These requests are for money actually spent."

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The School Corporation claiming expenditures outside of the grant period in the amount of \$25,194 has been considered a questioned cost.

The failure to establish internal controls enabled material noncompliance to go undetected. The School Corporation did not comply with the Cash Management, Period of Availability, or Reporting requirements. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation. Additionally, failure to comply with grant requirements could cause the grant to be suspended or terminated or cause the School Corporation to be ineligible to receive future federal awards.

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 establish procedures to ensure future compliance with the above requirements for this grant. Additionally, we recommended the School Corporation's management contact the IDOE regarding the resolution of the identified noncompliance and questioned costs.

FINDING 2014-008 - SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Education

Federal Program: Twenty-First Century Community Learning Centers

CFDA Number: 84.287

Federal Award Number and Year (or Other Identifying Number): Cohort IV Year 4, Cohort V Year 3,
Cohort V Year 4

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Participation of Private School Children compliance requirement. The School Corporation has not separated incompatible activities within the managing of the federal award programs over these areas. This was identified in our audit as a material weakness.

One of the provisions for the Participation of Private School Children of the Twenty-First Century Community Learning Centers grant is that the School Corporation, after timely and meaningful consultation with private school officials, must provide equitable services to eligible private school children, their teachers, and their families. Eligible private school children are those who reside in a participating public school attendance area and have educational needs.

The School Corporation personnel could not provide information regarding consultation with private school officials. The current program Administrators began in December 2013 when the former Administrator left the school system. Program personnel were not familiar with activities that took place when the grant was initially awarded. The grant files did not contained written evidence that private school officials were contacted, but no such evidence was included or provided elsewhere.

Partially caused by a lack of knowledgeable, continuing grant administration over this compliance requirement, and failure of management to establish sufficient internal controls over special tests and provisions, the School Corporation did not comply with the Special Tests and Provisions - Participation for the Private School Children requirements.

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

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

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

34 CFR 76.652 states in part:

"(a) An applicant for a subgrant shall consult with appropriate representatives of students enrolled in private schools during all phases of the development and design of the project covered by the application, including consideration of:

- (1) Which children will receive benefits under the project;
- (2) How the children's needs will be identified;
- (3) What benefits will be provided;
- (4) How the benefits will be provided; and
- (5) How the project will be evaluated.

(b) A subgrantee shall consult with appropriate representatives of students enrolled in private schools before the subgrantee makes any decision that affects the opportunities of those students to participate in the project.

(c) The applicant or subgrantee shall give the appropriate representatives a genuine opportunity to express their views regarding each matter subject to the consultation requirements in this section."

The failure to comply with these requirements could cause the grant to be suspended or terminated or cause the School Corporation to be ineligible to receive future federal awards. Additionally, the failure to establish internal controls enabled material noncompliance to go undetected.

We recommended that the School Corporation's management provide oversight to ensure that sufficient procedures are established regarding Participation of Private School Children. We further recommended that these procedures begin with establishing controls, including segregation of duties, related to the grant agreement and the compliance requirement.

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FINDING 2014-009 - ACTIVITIES ALLOWED; ALLOWABLE COSTS/COST PRINCIPLES; CASH MANAGEMENT; PERIOD OF AVAILABILITY; REPORTING; AND LEVEL OF EFFORT

Federal Agency: Department of Education
Federal Program: Mathematics and Science Partnership
CFDA Number: 84.366
Federal Award Number and Year (or Other Identifying Number): A58-1-11CI-271, A58-1-11CI-272,
A58-3-13CI-1267
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed; Allowable Costs/Cost Principles; Cash Management; Period of Availability; Reporting; and Level of Effort. An effective internal control system reduces the risk of noncompliance with the grant agreement and the compliance requirements.

Activities Allowed, Allowable Costs/Cost Principals, Cash Management, Period of Availability, and Reporting

Proper monitoring of Activities Allowed or Unallowed and Allowable Costs/Cost Principles were not operating consistently. The Grant Manager approved grant specific expenses, but 19 percent of transactions tested did not have an approval. This control was adequately designed, but was not properly implemented.

During December 2013, an internal control was instituted and was found to be operating effectively.

Level of Effort

The School Corporation has not separated incompatible activities within the managing of the federal award program regarding the Level of Effort requirement.

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

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

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

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

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

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(Continued)

FINDING 2014-010 - SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Education
Federal Program: Mathematics and Science Partnership
CFDA Number: 84.366
Federal Award Number and Year (or Other Identifying Number): A58-3-13CI-1267
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Participation of Private School Children compliance requirements which allowed the following noncompliance to occur.

As part of the Mathematics and Science Partnership grant agreement, the School Corporation was required to contact non-public schools in the School Corporation area and give them the opportunity to participate in grant activities. The grant application listed schools that had been contacted, but there was no documentation of the contact for 67 percent of schools tested. The grant application required signatures from the schools indicating that they had opted out, but there were no signatures from any of the schools.

34 CFR 76.652 states in part:

"(a) An applicant for a subgrant shall consult with appropriate representatives of students enrolled in private schools during all phases of the development and design of the project covered by the application, including consideration of:

- (1) Which children will receive benefits under the project;
- (2) How the children's needs will be identified;
- (3) What benefits will be provided;
- (4) How the benefits will be provided; and
- (5) How the project will be evaluated.

(b) A subgrantee shall consult with appropriate representatives of students enrolled in private schools before the subgrantee makes any decision that affects the opportunities of those students to participate in the project.

(c) The applicant or subgrantee shall give the appropriate representatives a genuine opportunity to express their views regarding each matter subject to the consultation requirements in this section."

The Grant Director stated the practice was to contact the private schools by telephone; then, based on the response to follow up with additional contact. Because some private schools did not reply, no further contact was made with the unresponsive private schools. This practice contributed to noncompliance since there was no written documentation of the contact with the private schools' representatives.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to

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have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

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

The failure to establish internal controls enabled material noncompliance to go undetected. The School Corporation did not comply with the requirements for Special Test and Provisions requirements by not contacting non-public schools in the corporation area and give them the opportunity to participate in grant activities. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above. Additionally, we recommended the School Corporation establish procedures to ensure future compliance with the participation of private school children requirement.

FINDING 2014-011 - ELIGIBILITY, REPORTING, AND SPECIAL TEST AND PROVISIONS

Federal Agency: Department of Education

Federal Program: Federal Pell Grant Program, Federal Direct Loan Program

CFDA Number: 84.063, 84.268

Federal Award Number and Year (or Other Identifying Number): P063P124146, P063Q124146,
P063P134146, P063Q134146,
P268K134146, P268K144146

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Eligibility; Reporting; and Special Test and Provisions (Disbursements To or On Behalf of Students, Enrollment Reporting, and Borrower Data Transmission and Reconciliation).

Eligibility

The Student Financial Aid (SFA) Administrator determines eligibility and amounts of aid awarded to eligible student using the software from the SFA Management Company. There was no documented evidence of a review or other control to ensure that the eligibility was determined correctly and the aid awarded was the correct amounts.

Reporting

The SFA Management Company prepares and completes the Pell Payment Data report through the Common Origination and Disbursement Report. There was no documented evidence of a review or any other control that would ensure the required reports were submitted timely and accurately.

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(Continued)

Special Tests and Provisions - Disbursements To or On Behalf of Students

The SFA Administrator brings the Institutional Student Information Record (ISIR) and the promissory notes into the files; there is no review or control established that ensures the promissory notes or the ISIR's have been completed prior to disbursing aid. The SFA Administrator also confirms that first time borrowers are not paid prior to 30 days after the start of the term; there is no review or control established to ensure that first time borrowers are not being paid prior to the 30 days.

Special Tests and Provisions - Enrollment Reporting

The SFA Management Company prepares and completes the Enrollment Report once every three months. The SFA Management Company then submits the report to the Indiana Department of Education. There was no documented evidence of a review or any other control that would ensure the enrollment reports were submitted timely and accurately.

Special Tests and Provisions - Borrower Data Transmission and Reconciliation

The SFA Management Company prepares and completes the Loan Disbursement Data from the Common Origination and Disbursement Report and a monthly reconciliation. There was no documented evidence of a review or any other control that would ensure the Common Origination and Disbursements Reports were submitted timely and accurately and the Direct Loan reconciliations were completed accurately and monthly.

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

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

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

The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

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

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(Continued)

FINDING 2014-012 - CASH MANAGEMENT

Federal Agency: Department of Education

Federal Program: Federal Pell Grant Program, Federal Direct Loan Program

CFDA Number: 84.063, 84.268

Federal Award Number and Year (or Other Identifying Number): P063P124146, P063Q124146,
P063P134146, P063Q134146,
P268K134146, P268K144146

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Cash Management compliance requirements which allowed the following noncompliance to occur.

The School Corporation was required to disburse all funds received from drawdowns from the G5 system to the students for tuition and refunds within three days. For our sample of five drawdowns, no documentation was provided that could be used to verify that the funds were disbursed within three days of receipt for any of the selected drawdowns.

34 CFR Section 668.162(b) states in part:

"Under the advance payment method-(1) An institution submits a request for funds to the Secretary. The institution's request for funds may not exceed the amount of funds the institution needs immediately for disbursements the institution has made or will make to eligible students and parents;

- (2) If the Secretary accepts that request, the Secretary initiates an electronic funds transfer (EFT) of that amount to a bank account designated by the institution; and (3) The institution must disburse the funds requested as soon as administratively feasible but no later than three business days following the date the institution received those funds. . . ."

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

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

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

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

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
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 Cash Management compliance requirement. We also recommended that the School Corporation establish procedures to ensure future compliance in disbursing grant funds within the time frame established under the Cash Management requirements.

FINDING 2014-013 - SPECIAL TESTS AND PROVISIONS - VERIFICATION

Federal Agency: Department of Education

Federal Program: Federal Pell Grant Program, Federal Direct Loan Program

CFDA Number: 84.063, 84.268

Federal Award Number and Year (or Other Identifying Number): P063P124146, P063Q124146,
P063P134146, P063Q134146,
P268K134146, P268K144146

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Verification compliance requirement which allowed the following noncompliance to occur:

The School Corporation personnel could not provide documentation showing verification of the Free Application for Federal Student Aid (FAFSA) information for the four students tested from the population of fifteen students selected by the Secretary which represents a 27 percent error rate.

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

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

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

34 CFR 668.54(a) states in part: "(1) . . . an institution must require an applicant whose FAFSA information is selected for verification by the Secretary, to verify the information specified by the Secretary . . ."

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirement listed above and establish procedures to ensure future compliance of the above requirement including the retaining of all verification documentation.

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2014-014 - SPECIAL TESTS AND PROVISIONS - RETURN OF TITLE IV FUNDS

Federal Agency: Department of Education

Federal Program: Federal Pell Grant Program, Federal Direct Loan Program

CFDA Number: 84.063, 84.268

Federal Award Number and Year (or Other Identifying Number): P063P124146, P063Q124146,
P063P134146, P063Q134146,
P268K134146, P268K144146

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Special Test and Provision - Return of Title IV Funds compliance requirements. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs. An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis.

The School Corporation had incorrectly reported the term start and end dates for the winter and spring terms on three of the four (75 percent) Return of Title IV fund calculations for FY 14. The error in term dates caused the School Corporation to incorrectly calculate the Return of Title IV Funds. The School Corporation should return an additional \$317 to the Indiana Department of Education.

34 CFR Section 668.22 (f)(2)(i) states:

"The total number of calendar days in a payment period or period of enrollment includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a payment period or period of enrollment and the number of calendar days completed in that period"

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

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

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

The failure to establish internal controls enabled material noncompliance to go undetected. The School Corporation did not comply with the Special Tests and Provisions requirement for Return of IV Funds. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP
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 the Special Test and Provision - Return of Title IV Funds compliance requirement and establish procedures to ensure future compliance in completing the Return of Title IV Funds calculations.

AUDITEE PREPARED DOCUMENT

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



Metropolitan School District of
WASHINGTON TOWNSHIP
"Superior Schools in a Supportive Community"

Nikki C. Woodson, Ph.D., Superintendent

January 30, 2016

Amended – March 17, 2016

**CORRECTIVE ACTION PLAN – RESPONSE TO FINDINGS
FEDERAL AWARDS
JULY 1, 2013 TO JUNE 30, 2014**

Section II - Financial Statement Findings

FINDING 2014-001 - FINANCIAL TRANSACTIONS AND REPORTING

A proper system of internal control is now in place. It will prevent the omission of any federal program dollars from the financial statements.

The two programs, PELL Grant and Direct Student Loans, were associated with a program MSD Washington Township (MSDWT) no longer offers and the majority of that activity ceased as of June 30, 2014. The record keeping for those programs was done at the J. Everett Light Career Center. There are no longer any programs in operation that are not part of the MSDWT financial records (excluding extracurricular accounts).

The State board of Accounts has confirmed that while a weakness in internal control did allow for the omission of these two programs from the financial statements, the amounts were not material.

FINDING 2014-002 - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A proper system of internal control is now in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The procedures in place will ensure that the SEFA is reviewed for accuracy and completeness. This will include a review of revenue/expense classification, clusters, project numbers and insuring that all sources of federal funding are reported.

Section III – Federal Award Findings and Questioned Costs

FINDING 2014-003 - ACTIVITIES ALLOWED; ALLOWABLE COSTS/COST PRINCIPLES; CASH MANAGEMENT; SUSPENSION AND DEBARMENT; PERIOD OF AVAILABILITY; AND REPORTING

-60-

Federal Agency: Department of Education

Federal Program: Special Education - Grants to States, Special Education - Preschool Grants

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number): 14213-060-PN01, 14214-060-PN01, 45713-060-PN01, and 45714-060-PN01

Pass-Through Entity: Indiana Department of Education

Activities Allowed; Allowable Costs/ Cost Principles; Cash Management; Period of Availability; and Reporting

- (1) The School Corporation has implemented a control procedure whereby the reimbursement request submitted to IDOE is prepared by the Coordinator of Grant Accounting and approved by the Controller. Both parties will document their respective roles by signing and dating the reimbursement request.
- (2) Payments to part-time employees who spend all of their time on grant activities (such as instructor assistants) will also complete bi-annual time and effort certifications similar to full time employees.

Suspension and Debarment

Our vendors have been compared to the Suspension and Debarment list from the federal System for Award Management (SAM) website. None of the vendors MSDWT uses are on the list. This comparison has been performed within the Business Office and will not be left to Grant Administrators. All new vendors will be checked as they are added to our Financial Management System and the entire list will be checked on a quarterly basis.

FINDING 2014-004 – LEVEL OF EFFORT

Federal Agency: Department of Education

Federal Programs: Title I Grants to Local Educational Agencies (Title I); Career and Technical Education- Basic Grants to States (CTE); Twenty-First Century Community Learning Centers (21st Century)

CFDA Number: 84.010, 84.048, 84.287

Federal Award Number and Year (or Other Identifying Number): 13-5370, 14-5370 (Title I); 12-4700-5370, 13-4700-5370 (CTE); Cohort IV Year 4, Cohort V Year 3, and Cohort V Year 4 (21st Century)

MSDWT will implement a system for documenting our awareness and tracking of information relevant to the Level of Effort compliance requirement. This will be done by a person knowledgeable of this requirement and the documentation will also show that it has been reviewed by another knowledgeable individual.

FINDING 2014-005 – ALLOWABLE COSTS/ COST PRINCIPLES

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 14-5370
Pass-Through Entity: Indiana Department of Education

MSDWT will no longer charge severance payments for retiring teachers directly to the Title I Grant. We will seek advice from IDOE with regard to resolving the identified noncompliance.

FINDING 2014-006 - ACTIVITIES ALLOWED, ALLOWABLE COSTS/ COST PRINCIPLES

Federal Agency: Department of Education
Federal Program: Career and Technical Education- Basic Grants to States
CFDA Number: 84.048
Federal Award Number and Year (or Other Identifying Number): 12-4700-5370, 13-4700-5370
Pass-Through Entity: Indiana Department of Education

MSDWT will establish a more effective internal control system including segregation of duties, related to the grant agreement. We will review our current system of internal control over activities allowed and allowable costs to insure that all transactions are approved by the grant manager.

FINDING 2014-007 - CASH MANAGEMENT, PERIOD OF AVAILABILITY, AND REPORTING

Federal Agency: Department of Education
Federal Program: Career and Technical Education - Basic Grants to States
CFDA Number: 84.048
Federal Award Number and Year (or Other Identifying Number): 12-4700-5370, 13-4700-5370
Pass-Through Entity: Indiana Department of Education

MSDWT is revising its system of internal control. These revisions are being designed to prevent expenditures from occurring outside of the grant period and to eliminate any errors in reporting and claiming of reimbursements. Compliance with Cash Management, Reporting and dates dealing with Period of Availability and seeking reimbursement only for actual expenses will be strictly adhered to. In addition, we will seek advice from IDOE with regard to resolving the identified noncompliance.

FINDING 2014-008 - SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Education
Federal Program: Twenty-First Century Community Learning Centers
CFDA Number: 84.287
Federal Award Number and Year (or Other Identifying Number): Cohort IV Year 4, Cohort V Year 3, and Cohort V Year 4
Pass-Through Entity: Indiana Department of Education

Should MSDWT again be the recipient of a Twenty-First Century grant, we will provide oversight to insure that sufficient procedures are established regarding the Participation of Private School Children, so as to comply with this requirement.

FINDING 2014-009 - ACTIVITIES ALLOWED; ALLOWABLE COSTS/COST PRINCIPLES; CASH MANAGEMENT; PERIOD OF AVAILABILITY; REPORTING; AND LEVEL OF EFFORT

Federal Agency: Department of Education

Federal Program: Mathematics and Science Partnership

CFDA Number: 84.366

Federal Award Number and Year (or Other Identifying Number): A58-1-11CI-271, A58-1-11CI-272, A58-3-13CI-1267

Pass-Through Entity: Indiana Department of Education

Activities Allowed, Allowable Costs/Cost Principals, Cash Management, Period of Availability, and Reporting

“In December 2013, an internal control was instituted that required a knowledgeable second person participating overseeing these compliance requirements. Once this control was implemented, it was found to be operating effectively.”

No corrective action required per the above comment.

Level of Effort

MSDWT will implement a system for documenting our awareness and tracking of information relevant to the Level of Effort compliance requirement. This will be done by a person knowledgeable of this requirement and the documentation will also show that it has been reviewed by another knowledgeable individual.

FINDING 2014-010 - SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Education

Federal Program: Mathematics and Science Partnership

CFDA Number: 84.366

Federal Award Number and Year (or Other Identifying Number): A58-3-13CI-1267

Pass-Through Entity: Indiana Department of Education

MSDWT will put procedures in place that document all efforts made to contact and communicate with private schools. Email communications will be printed and placed in the grant file. A telephone log documenting attempts to communicate with private schools will also be kept so that evidence exists that every effort is being made to offer private schools an opportunity to participate. We will seek out signatures from schools indicating they wish to opt out with the understanding that they may not be obtainable.

AMENDED CORECTIVE ACTION PLAN – MARCH 17, 2016

SUPPLEMENTAL FINDINGS ON FINANCILA AID PROGRAMS

FINDINGS 2014-11, 12, 13 & 14 are related to the Federal Pell Grant Program and the Federal Direct Student Loan Program. MSDWT is a public K-12 school district and not a post-secondary institution. MSDWT/JEL was offering only one post-secondary program, Licensed Practical Nursing (LPN).

MSDWT/JEL has phased out the LPN program as of June 30, 2014, and voluntarily withdrew from participation in all Federal Student Aid programs. Therefore, no corrective action plan can be developed or implemented since MSDWT/JEL no longer offers any qualifying post-secondary programs and no longer participates in any Federal Student Aid program.

FINDING 2014-011 - ELIGIBILITY; REPORTING; AND SPECIAL TEST AND PROVISIONS

Federal Agency: Department of Education
Federal Program: Federal Pell Grant Program, Federal Direct Loan Program
CFDA Number: 84.063, 84.268
Federal Award Number and Year (or Other Identifying Number): P063P124146, P063Q124146, P063P134146, P063Q134146, P268K134146, P268K144146

FINDING 2014-012 - CASH MANAGEMENT

Federal Agency: Department of Education
Federal Program: Federal Pell Grant Program, Federal Direct Loan Program
CFDA Number: 84.063, 84.268
Federal Award Number and Year (or Other Identifying Number): P063P124146, P063Q124146, P063P134146, P063Q134146, P268K134146, P268K144146

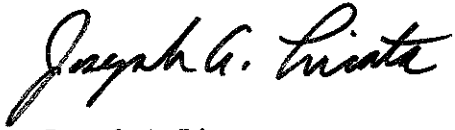
FINDING 2014-013 - SPECIAL TESTS AND PROVISIONS - VERIFICATION

Federal Agency: Department of Education
Federal Program: Federal Pell Grant Program, Federal Direct Loan Program
CFDA Number: 84.063, 84.268
Federal Award Number and Year (or Other Identifying Number): P063P124146, P063Q124146, P063P134146, P063Q134146, P268K134146, P268K144146

FINDING 2014-014 - SPECIAL TESTS AND PROVISIONS- RETURN OF TITLE IV FUNDS

Federal Agency: Department of Education
Federal Program: Federal Pell Grant Program, Federal Direct Loan Program
CFDA Number: 84.063, 84.268
Federal Award Number and Year (or Other Identifying Number): P063P124146, P063Q124146, P063P134146, P063Q134146, P268K134146, P268K144146

Respectfully,

A handwritten signature in black ink that reads "Joseph A. Licata". The signature is written in a cursive style with a large initial 'J'.

Joseph A. Licata
Chief Business Officer

CC: Dr. Nikki Woodson, Superintendent
Mr. Anthony Dzwonar, President, Board of Education

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.