B48649

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

MARION COMMUNITY SCHOOLS
GRANT COUNTY, INDIANA

July 1, 2013 to June 30, 2015

FILED
09/08/2017

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	James E. McWhirt	07-01-13 to 12-31-13
	Patricia Nauman (interim)	01-01-14 to 01-13-14
	Christopher Hoke	01-14-14 to 06-21-15
	Dr. Robert W. Schultz	06-22-15 to 06-30-18
Superintendent of Schools	Brad Lindsay	07-01-13 to 06-30-18
President of the School Board	Katie Morgan	01-01-13 to 12-31-13
	Gregg Kitts	01-01-14 to 12-31-14
	Scott Murphy	01-01-15 to 12-31-15
	Dr. Harry Hall	01-01-16 to 07-31-16
	Aaron Vermilion	08-01-16 to 12-31-17

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE MARION COMMUNITY SCHOOLS, GRANT COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015.

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 20, 2017, 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
Paul D. Joyce, CPA
State Examiner

July 20, 2017

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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 MARION COMMUNITY SCHOOLS, GRANT 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 Marion Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated July 20, 2017, 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 a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 to be a material weakness.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

Marion Community School'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
Paul D. Joyce, CPA
State Examiner

July 20, 2017

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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.

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

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	$ 20,839,313	$ 29,136,772	$ 30,803,810	$ (2,961,560)	$ 16,210,715	$ 28,727,375	$ 31,950,708	$ (3,655)	$ 12,983,727
Debt Service	637,844	1,600,518	1,704,291	-	534,071	1,630,973	1,660,186	(27,801)	477,057
Retirement/Severance Bond Debt Service	255,325	1,411,030	1,286,136	-	380,219	1,503,196	1,280,704	-	602,711
Capital Projects	3,522,047	3,456,746	4,346,375	22,198	2,654,616	3,124,256	3,839,425	10	1,939,457
School Transportation	519,741	2,160,039	2,246,655	-	433,125	2,102,011	2,052,581	-	482,555
School Bus Replacement	370,619	315,777	-	-	686,396	173,678	93,878	-	766,196
Rainy Day	-	-	-	3,000,000	3,000,000	-	-	-	3,000,000
Construction	-	-	-	-	-	-	11,503	275,000	263,497
School Lunch	1,148,987	1,964,697	2,022,288	748	1,092,144	1,946,789	1,995,720	4,668	1,047,881
Textbook Rental	8,496	327,547	385,074	-	(49,031)	310,159	267,950	27,801	20,979
Self-Insurance	991,943	2,571	-	-	994,514	2,361	-	-	996,875
Levy Excess	63,540	-	-	-	63,540	-	-	-	63,540
Alternative Education	-	34,096	34,096	-	-	38,458	23,475	-	14,983
Safe Haven 5/14	-	10,150	10,150	-	-	-	-	-	-
In and Out Account	8,701	310,794	106,804	-	212,691	575,350	760,909	-	27,132
Central Indiana Ethanol Grant	1,015	-	878	-	137	20,000	-	-	20,137
Grant County Food Service Donation	95	-	-	-	95	-	-	-	95
Griffin Bequest	13,285	33	2,260	-	11,058	23	2,869	-	8,212
Mueller Donation - Riverview	-	500	500	-	-	535	500	-	35
Dollar General - Frances Slocum	-	40,000	2,776	-	37,224	-	25,172	-	12,052
Multiplication Marathon	-	-	-	-	-	950	950	-	-
MJ Lowe Bequest	1,314	-	456	-	858	-	243	-	615
Maurice Andrea McCulloch	766	-	-	-	766	-	-	-	766
Attendance	2,111	-	-	-	2,111	-	-	-	2,111
Scholarships and Awards	(855)	3,148	1,739	-	554	1,851	2,019	-	386
Dee Fagar Memorial	1	-	-	-	1	-	-	-	1
Anthony Swain Grant	105	-	-	-	105	-	-	-	105
Miscellaneous Scholarships	800	1,800	2,600	-	-	3,250	2,250	-	1,000
Head Start Private Donations	-	1,000	420	-	580	600	220	-	960
Charles Math Scholarship	38,981	101	1,000	-	38,082	90	1,000	-	37,172
Glen Allen Memorial	18	-	-	-	18	-	-	-	18
Dick Looten Scholarship	7,249	19	200	-	7,068	17	200	-	6,885
Seybold Scholarship	42	-	-	-	42	-	-	-	42
Mark Longenecker Scholarship	4,812	12	250	-	4,574	11	250	-	4,335
Friends of Asherwood Project	6,890	-	-	-	6,890	-	-	-	6,890
Insurance Claim Payments McCulloch	3,531	-	-	-	3,531	-	-	-	3,531
Miscellaneous Mini Grants	10,314	-	405	-	9,909	-	-	-	9,909

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

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

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Moorehead Family - Allen	-	-	-	-	-	4,201	3,641	-	560
Indiana State License Practical Nurses	338	-	169	-	169	-	-	-	169
Early Childhood Education Center	299	-	-	-	299	-	-	-	299
Wal-Mart Grant	306	-	-	-	306	-	-	-	306
Youth Grant Community Foundation	-	-	-	-	-	1,500	1,500	-	-
Dolgencorp Gray Construction Tucker	1,795	-	-	-	1,795	-	-	-	1,795
Instruction Support	-	39,654	18,939	-	20,715	-	20,715	-	-
High Ability FY13	1,598	-	1,598	-	-	-	-	-	-
High Ability 06/30/15	-	-	-	-	-	39,972	31,275	-	8,697
NESP 06/14	-	13,136	13,136	-	-	-	-	-	-
Non-English Speaking 06/30/15	-	-	-	-	-	15,299	15,299	-	-
State Connectivity	6,659	2,748	1,508	-	7,899	2,452	3,640	-	6,711
Performance Based Awards	-	-	-	-	-	31,863	31,863	-	-
Miscellaneous Programs	504,423	92,262	59,591	-	537,094	112,177	40,835	-	608,436
ISTA Settlement	-	1,076,403	1,038,103	(38,300)	-	-	-	-	-
Excellence in Performance	-	183,200	183,200	-	-	-	-	-	-
Project Lead the Way	-	20,000	2,000	-	18,000	10,000	17,808	-	10,192
Title I School Improvement Justice FY13	(51,754)	102,051	50,297	-	-	-	-	-	-
Title I School Improvement Allen 09-14	-	366,501	402,981	-	(36,480)	154,200	117,720	-	-
Title I SIG - Allen 06-15	-	-	-	-	-	380,762	475,494	-	(94,732)
Title I SIG - McCulloch 14-15	-	-	-	-	-	276,867	321,280	-	(44,413)
Title I Delinquent FY13	(8,922)	45,464	36,542	-	-	-	-	-	-
Title I Delinquent 06-14	-	104,910	107,297	-	(2,387)	36,409	34,022	-	-
Title I Delinquent 06-15	-	-	-	-	-	107,250	127,567	-	(20,317)
Title I 06-30-14	-	1,285,141	1,394,689	-	(109,548)	548,737	439,189	-	-
Title I Basic 06-15	-	-	-	-	-	1,077,956	1,274,668	-	(196,712)
Title I FY13	(166,803)	329,228	162,425	-	-	-	-	-	-
Title I Migrant FY13	(4,138)	8,072	3,934	-	-	12,457	12,457	-	-
Title I C Migrant 14-15	-	-	-	-	-	27,486	33,796	-	(6,310)
Title I C Migrant 13-14	-	42,680	48,086	-	(5,406)	6,996	1,590	-	-
Stewart Homeless Assistance Act	(2,986)	31,037	28,051	-	-	-	-	-	-
Stewart McKinney 09-15	-	-	-	-	-	9,656	11,257	-	(1,601)
Technical Assistance Grant	-	13,894	17,277	-	(3,383)	8,381	4,998	-	-
Special Education Improvement Award	(64,540)	69,965	5,425	-	-	-	-	-	-
IDEA Part B 09-15	-	-	-	-	-	582,205	718,326	-	(136,121)
IDEA FY13	(175,448)	417,768	242,320	-	-	209	209	-	-
IDEA 09-30-14	-	691,235	782,362	-	(91,127)	313,936	222,809	-	-

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

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

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Special Education Preschool 09-15	-	-	-	-	-	19,385	25,158	-	(5,773)
IDEA Preschool 09-30-14	-	32,175	39,418	-	(7,243)	19,273	12,030	-	-
IDEA Preschool FY13	(8,234)	21,445	13,211	-	-	-	-	-	-
Adult Education and Family Literacy, Title II	-	-	-	-	-	126,541	154,488	-	(27,947)
Title II Adult Basic Education FY13	(16,486)	29,206	12,720	-	-	-	-	-	-
Title II Adult Basic Education Innovation FY13	1,133	1,000	2,133	-	-	-	-	-	-
Adult Basic Education 06-14	-	129,727	144,865	-	(15,138)	24,997	9,859	-	-
TPSID	-	-	1,094	-	(1,094)	14,575	13,481	-	-
In Partnerships/Post Secondary	-	-	-	-	-	31,924	43,584	-	(11,660)
Carl Perkins FY13	(10,174)	120,604	110,430	-	-	-	-	-	-
Carl Perkins 06/30/15	-	-	-	-	-	74,709	98,446	-	(23,737)
Carl Perkins 06-30-14	-	99,892	124,187	-	(24,295)	62,315	38,020	-	-
Medicaid Reimbursement - Federal	76,172	73,442	81,978	-	67,636	37,071	81,704	-	23,003
Head Start FY13	(71,481)	516,372	444,891	-	-	-	-	-	-
Head Start T&TA 11-30-13	-	14,547	14,547	-	-	-	-	-	-
Head Start 11-30-14	-	364,383	509,829	-	(145,446)	666,383	520,937	-	-
Head Start T&TA 11-30-14	-	3,710	6,373	-	(2,663)	15,669	13,006	-	-
Head Start 11-30-15	-	-	-	-	-	454,967	520,169	-	(65,202)
Head Start T&TA 11-30-15	-	-	-	-	-	7,116	7,116	-	-
School Renovation	277	-	-	-	277	-	-	-	277
Improving Teaching Quality, No Child Left, Title II, Part A	-	184,285	214,536	-	(30,251)	143,716	115,430	-	(1,965)
Title II Improving Teacher Quality 12/14	(36,402)	75,450	37,446	-	1,602	6,058	7,660	-	-
Title II Improving Teacher Quality 09-16	-	-	-	-	-	15,426	44,520	-	(29,094)
Title II Improving Teacher Quality 11/13	6,640	-	6,640	-	-	-	-	-	-
Title III - Language Instruction	-	20,421	20,475	-	(54)	54	-	-	-
Title III Language Instruction FY13	(620)	620	-	-	-	-	-	-	-
Title III Language Instruction 2014-15	-	-	-	-	-	14,235	20,363	-	(6,128)
Title III WIDA 9-30-14	-	-	-	-	-	576	576	-	-
TAP Grant Year 3	(61,167)	840,490	779,323	-	-	-	-	-	-
TIF/TAP Year 4 2013-2014	-	573,102	648,181	-	(75,079)	683,567	608,488	-	-
TAP Year 5	-	-	-	-	-	604,578	733,686	-	(129,108)
McKinney - Vento Education for Homeless	702	16,655	18,418	-	(1,061)	26,846	25,083	-	702
School Lunch Clearing	-	-	-	-	-	7,736	924	-	6,812
Payroll Clearing	473,185	7,392,803	7,410,617	-	455,371	7,233,246	7,370,312	-	318,305
Totals	$ 28,851,402	$ 56,223,028	$ 58,200,405	$ 23,086	$ 26,897,111	$ 54,213,867	$ 58,399,710	$ 276,023	$ 22,987,291

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for the expenditures made by the School Corporation were not received by June 30, 2014 and 2015.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Marion High School Building Corporation (the lessor). The lessor was organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2014 and 2015 totaled $1,620,000 and $1,624,500 respectively.

Note 9. Other Postemployment Benefits

The School Corporation provides the following severance benefits to eligible employees:

Teachers - Years of Service

Teachers with a minimum of 10 years of service with the School Corporation receive $200 per year of service. Such payments are made to the eligible employee's 403(b) account with MetLife.

Teachers - Unused Sick Leave

Teachers with a minimum of 10 years of service with the School Corporation receive $20 per day of accumulated personal illness leave up to a maximum 139 days. Such payments are made to the eligible employee's 403(b) account with MetLife.

Classified Employees - Retirement Benefit

Employees with a minimum of 10 years of service with the School Corporation will receive a retirement benefit at the time they retire, provided they are at least age 50 at the time of their retirement. Said retirement benefit will be 17 percent of the salary schedule in effect on June 30, 2011, with an additional 1 percent for each year of service over 10.

The retirement benefit for eligible employees will not increase for any years of service after June 30, 2011. Any changes in the salary structure that take place following June 30, 2011, will not be used to calculate these retirement benefits.

Employees with less than 10 years of service to the School Corporation before July 1, 2011, and employees hired, on or after, April 13, 2011, will not be eligible for these benefits.

Such payments will be made to the eligible employee's 403(b) account.

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://www.doe.in.gov/finance/school-financial-reports. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the 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 School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	$ 20,839,313	$ 637,844	$ 255,325	$ 3,522,047	$ 519,741	$ 370,619	$ -	$ -	$ 1,148,987	$ 8,496
Receipts:										
Local sources	590,118	1,600,518	1,411,030	3,456,746	2,156,935	315,777	-	-	275,495	105,382
Intermediate sources	31	-	-	-	-	-	-	-	-	-
State sources	28,477,103	-	-	-	2,104	-	-	-	8,284	222,165
Federal sources	65,042	-	-	-	-	-	-	-	1,677,896	-
Other receipts	4,478	-	-	-	1,000	-	-	-	3,022	-
Total receipts	29,136,772	1,600,518	1,411,030	3,456,746	2,160,039	315,777	-	-	1,964,697	327,547
Disbursements:										
Instruction	16,767,710	-	-	-	-	-	-	-	-	-
Support services	12,782,345	-	-	2,207,108	2,246,655	-	-	-	161,869	385,074
Noninstructional services	510,647	-	-	-	-	-	-	-	1,860,419	-
Facilities acquisition and construction	743,108	-	-	2,139,267	-	-	-	-	-	-
Debt service	-	1,704,291	1,286,136	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	30,803,810	1,704,291	1,286,136	4,346,375	2,246,655	-	-	-	2,022,288	385,074
Excess (deficiency) of receipts over disbursements	(1,667,038)	(103,773)	124,894	(889,629)	(86,616)	315,777	-	-	(57,591)	(57,527)
Other financing sources (uses):										
Sale of capital assets	140	-	-	22,198	-	-	-	-	748	-
Transfers in	38,300	-	-	-	-	-	3,000,000	-	-	-
Transfers out	(3,000,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(2,961,560)	-	-	22,198	-	-	3,000,000	-	748	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,628,598)	(103,773)	124,894	(867,431)	(86,616)	315,777	3,000,000	-	(56,843)	(57,527)
Cash and investments - ending	$ 16,210,715	$ 534,071	$ 380,219	$ 2,654,616	$ 433,125	$ 686,396	$ 3,000,000	$ -	$ 1,092,144	$ (49,031)

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

	Self-Insurance	Levy Excess	Alternative Education	Safe Haven 5/14	In and Out Account	Central Indiana Ethanol Grant	Grant County Food Service Donation	Griffin Bequest	Mueller Donation - Riverview	Dollar General - Frances Slocum
Cash and investments - beginning	$ 991,943	$ 63,540	$ -	$ -	$ 8,701	$ 1,015	$ 95	$ 13,285	$ -	$ -
Receipts:										
Local sources	2,571	-	-	-	56,517	-	-	33	500	40,000
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	34,096	10,150	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	254,277	-	-	-	-	-
Total receipts	2,571	-	34,096	10,150	310,794	-	-	33	500	40,000
Disbursements:										
Instruction	-	-	34,096	-	-	-	-	-	500	-
Support services	-	-	-	10,150	106,804	878	-	2,260	-	2,776
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	34,096	10,150	106,804	878	-	2,260	500	2,776
Excess (deficiency) of receipts over disbursements	2,571	-	-	-	203,990	(878)	-	(2,227)	-	37,224
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,571	-	-	-	203,990	(878)	-	(2,227)	-	37,224
Cash and investments - ending	$ 994,514	$ 63,540	$ -	$ -	$ 212,691	$ 137	$ 95	$ 11,058	$ -	$ 37,224

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

	Multiplication Marathon	MJ Lowe Bequest	Maurice Andrea McCulloch	Attendance	Scholarships and Awards	Dee Fagar Memorial	Anthony Swain Grant	Miscellaneous Scholarships	Head Start Private Donations	Charles Math Scholarship
Cash and investments - beginning	$ -	$ 1,314	$ 766	$ 2,111	$ (855)	$ 1	$ 105	$ 800	$ -	$ 38,981
Receipts:										
Local sources	-	-	-	-	3,148	-	-	1,800	1,000	101
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	3,148	-	-	1,800	1,000	101
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	420	-
Support services	-	456	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	1,739	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	2,600	-	1,000
Total disbursements	-	456	-	-	1,739	-	-	2,600	420	1,000
Excess (deficiency) of receipts over disbursements	-	(456)	-	-	1,409	-	-	(800)	580	(899)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(456)	-	-	1,409	-	-	(800)	580	(899)
Cash and investments - ending	$ -	$ 858	$ 766	$ 2,111	$ 554	$ 1	$ 105	$ -	$ 580	$ 38,082

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

	Glen Allen Memorial	Dick Looten Scholarship	Seybold Scholarship	Mark Longenecker Scholarship	Friends of Asherwood Project	Insurance Claim Payments McCulloch	Miscellaneous Mini Grants	Moorehead Family - Allen	Indiana State License Practical Nurses	Early Childhood Education Center
Cash and investments - beginning	$ 18	$ 7,249	$ 42	$ 4,812	$ 6,890	$ 3,531	$ 10,314	$ -	$ 338	$ 299
Receipts:										
Local sources	-	19	-	12	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	19	-	12	-	-	-	-	-	-
Disbursements:										
Instruction	-	-	-	-	-	-	405	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	200	-	250	-	-	-	-	169	-
Total disbursements	-	200	-	250	-	-	405	-	169	-
Excess (deficiency) of receipts over disbursements	-	(181)	-	(238)	-	-	(405)	-	(169)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(181)	-	(238)	-	-	(405)	-	(169)	-
Cash and investments - ending	$ 18	$ 7,068	$ 42	$ 4,574	$ 6,890	$ 3,531	$ 9,909	$ -	$ 169	$ 299

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

	Wal-Mart Grant	Youth Grant Community Foundation	Dolgencorp Gray Construction Tucker	Instruction Support	High Ability FY13	High Ability 06/30/15	NESP 06/14	Non-English Speaking 06/30/15	State Connectivity	Performance Based Awards
Cash and investments - beginning	$ 306	$ -	$ 1,795	$ -	$ 1,598	$ -	$ -	$ -	$ 6,659	$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	39,654	-	-	13,136	-	2,748	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	39,654	-	-	13,136	-	2,748	-
Disbursements:										
Instruction	-	-	-	10,480	1,598	-	13,136	-	-	-
Support services	-	-	-	8,459	-	-	-	-	1,508	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	18,939	1,598	-	13,136	-	1,508	-
Excess (deficiency) of receipts over disbursements	-	-	-	20,715	(1,598)	-	-	-	1,240	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	20,715	(1,598)	-	-	-	1,240	-
Cash and investments - ending	$ 306	$ -	$ 1,795	$ 20,715	$ -	$ -	$ -	$ -	$ 7,899	$ -

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

	Miscellaneous Programs	ISTA Settlement	Excellence in Performance	Project Lead the Way	Title I School Improvement Justice FY13	Title I School Improvement Allen 09-14	Title I SIG - Allen 06-15	Title I SIG - McCulloch 14-15	Title I Delinquent FY13	Title I Delinquent 06-14
Cash and investments - beginning	$ 504,423	$ -	$ -	$ -	$ (51,754)	$ -	$ -	$ -	$ (8,922)	$ -
Receipts:										
Local sources	-	1,076,403	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	183,200	20,000	-	-	-	-	-	-
Federal sources	92,262	-	-	-	102,051	366,501	-	-	45,464	104,910
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	92,262	1,076,403	183,200	20,000	102,051	366,501	-	-	45,464	104,910
Disbursements:										
Instruction	-	-	171,450	2,000	33,086	72,784	-	-	36,542	77,145
Support services	59,591	1,038,103	11,750	-	17,211	316,049	-	-	-	30,152
Noninstructional services	-	-	-	-	-	14,148	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	59,591	1,038,103	183,200	2,000	50,297	402,981	-	-	36,542	107,297
Excess (deficiency) of receipts over disbursements	32,671	38,300	-	18,000	51,754	(36,480)	-	-	8,922	(2,387)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(38,300)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(38,300)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32,671	-	-	18,000	51,754	(36,480)	-	-	8,922	(2,387)
Cash and investments - ending	$ 537,094	$ -	$ -	$ 18,000	$ -	$ (36,480)	$ -	$ -	$ -	$ (2,387)

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

	Title I Delinquent 06-15	Title I 06-30-14	Title I Basic 06-15	Title I FY13	Title I Migrant FY13	Title I C Migrant 14-15	Title I C Migrant 13-14	Stewart Homeless Assistance Act	Stewart McKinney 09-15	Technical Assistance Grant
Cash and investments - beginning	$ -	$ -	$ -	$ (166,803)	$ (4,138)	$ -	$ -	$ (2,986)	$ -	$ -
Receipts:										
Local sources	-	1,605	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	1,283,536	-	329,228	8,072	-	42,680	31,037	-	13,894
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,285,141	-	329,228	8,072	-	42,680	31,037	-	13,894
Disbursements:										
Instruction	-	813,036	-	72,160	3,934	-	45,900	-	-	-
Support services	-	568,972	-	89,765	-	-	1,979	28,051	-	11,697
Noninstructional services	-	12,681	-	500	-	-	207	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	5,580
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,394,689	-	162,425	3,934	-	48,086	28,051	-	17,277
Excess (deficiency) of receipts over disbursements	-	(109,548)	-	166,803	4,138	-	(5,406)	2,986	-	(3,383)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(109,548)	-	166,803	4,138	-	(5,406)	2,986	-	(3,383)
Cash and investments - ending	$ -	$ (109,548)	$ -	$ -	$ -	$ -	$ (5,406)	$ -	$ -	$ (3,383)

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

	Special Education Improvement Award	IDEA Part B 09-15	IDEA FY13	IDEA 09-30-14	Special Education Preschool 09-15	IDEA Preschool 09-30-14	IDEA Preschool FY13	Adult Education and Family Literacy, Title II	Title II Adult Basic Education FY13	Title II Adult Basic Education Innovation FY13
Cash and investments - beginning	$ (64,540)	$ -	$ (175,448)	$ -	$ -	$ -	$ (8,234)	$ -	$ (16,486)	$ 1,133
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	32,175	21,445	-	-	-
Federal sources	69,965	-	417,768	691,235	-	-	-	-	29,206	1,000
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	69,965	-	417,768	691,235	-	32,175	21,445	-	29,206	1,000
Disbursements:										
Instruction	-	-	183,353	586,389	-	-	-	-	4,424	2,133
Support services	2,228	-	58,967	152,049	-	39,418	13,211	-	2,665	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	3,197	-	-	43,924	-	-	-	-	5,631	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,425	-	242,320	782,362	-	39,418	13,211	-	12,720	2,133
Excess (deficiency) of receipts over disbursements	64,540	-	175,448	(91,127)	-	(7,243)	8,234	-	16,486	(1,133)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	64,540	-	175,448	(91,127)	-	(7,243)	8,234	-	16,486	(1,133)
Cash and investments - ending	$ -	$ -	$ -	$ (91,127)	$ -	$ (7,243)	$ -	$ -	$ -	$ -

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

	Adult Basic Education 06-14	TPSID	In Partnerships/ Post Secondary	Carl Perkins FY13	Carl Perkins 6/30/2015	Carl Perkins 06-30-14	Medicaid Reimbursement - Federal	Head Start FY13	Head Start T&TA 11-30-13	Head Start 11-30-14
Cash and investments - beginning	$ -	$ -	$ -	$ (10,174)	$ -	$ -	$ 76,172	$ (71,481)	$ -	$ -
Receipts:										
Local sources	-	-	-	-	-	-	1,078	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	120,604	-	99,892	-	-	-	-
Federal sources	129,727	-	-	-	-	-	72,364	516,372	14,547	364,383
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	129,727	-	-	120,604	-	99,892	73,442	516,372	14,547	364,383
Disbursements:										
Instruction	124,408	475	-	-	-	27,515	4,554	223,981	-	268,546
Support services	20,457	619	-	63,191	-	96,654	77,424	146,746	14,547	168,253
Noninstructional services	-	-	-	-	-	18	-	74,164	-	73,030
Facilities acquisition and construction	-	-	-	47,239	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	144,865	1,094	-	110,430	-	124,187	81,978	444,891	14,547	509,829
Excess (deficiency) of receipts over disbursements	(15,138)	(1,094)	-	10,174	-	(24,295)	(8,536)	71,481	-	(145,446)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,138)	(1,094)	-	10,174	-	(24,295)	(8,536)	71,481	-	(145,446)
Cash and investments - ending	$ (15,138)	$ (1,094)	$ -	$ -	$ -	$ (24,295)	$ 67,636	$ -	$ -	$ (145,446)

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

	Head Start T&TA 11-30-14	Head Start 11-30-15	Head Start T&TA 11-30-15	School Renovation	Improving Teaching Quality, No Child Left Title II, Part A	Title II Improving Teacher Quality 12/14	Title II Improving Teacher Quality 09-16	Title II Improving Teacher Quality 11/13	Title III - Language Instruction	Title III Language Instruction FY13
Cash and investments - beginning	$ -	$ -	$ -	$ 277	$ -	$ (36,402)	$ -	$ 6,640	$ -	$ (620)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	3,710	-	-	-	184,285	75,450	-	-	20,421	420
Other receipts	-	-	-	-	-	-	-	-	-	200
Total receipts	3,710	-	-	-	184,285	75,450	-	-	20,421	620
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	10,868	-
Support services	6,373	-	-	-	214,536	37,446	-	6,640	9,607	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,373	-	-	-	214,536	37,446	-	6,640	20,475	-
Excess (deficiency) of receipts over disbursements	(2,663)	-	-	-	(30,251)	38,004	-	(6,640)	(54)	620
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,663)	-	-	-	(30,251)	38,004	-	(6,640)	(54)	620
Cash and investments - ending	$ (2,663)	$ -	$ -	$ 277	$ (30,251)	$ 1,602	$ -	$ -	$ (54)	$ -

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

	Title III Language Instruction 2014-15	Title III WIDA 9-30-14	TAP Grant Year 3	TIF/TAP Year 4 2013-2014	TAP Year 5	McKinney - Vento Education for Homeless	School Lunch Clearing	Payroll Clearing	Totals
Cash and investments - beginning	$ -	$ -	$ (61,167)	$ -	$ -	$ 702	$ -	$ 473,185	$ 28,851,402
Receipts:									
Local sources	-	-	-	-	-	-	-	-	11,096,788
Intermediate sources	-	-	-	-	-	-	-	-	31
State sources	-	-	-	-	-	-	-	-	29,286,756
Federal sources	-	-	840,490	573,102	-	16,655	-	-	8,183,673
Other receipts	-	-	-	-	-	-	-	7,392,803	7,655,780
Total receipts	-	-	840,490	573,102	-	16,655	-	7,392,803	56,223,028
Disbursements:									
Instruction	-	-	698,286	621,891	-	-	-	-	20,913,205
Support services	-	-	81,037	26,290	-	18,418	-	-	21,346,438
Noninstructional services	-	-	-	-	-	-	-	-	2,547,553
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,987,946
Debt service	-	-	-	-	-	-	-	-	2,990,427
Nonprogrammed charges	-	-	-	-	-	-	-	7,410,617	7,414,836
Total disbursements	-	-	779,323	648,181	-	18,418	-	7,410,617	58,200,405
Excess (deficiency) of receipts over disbursements	-	-	61,167	(75,079)	-	(1,763)	-	(17,814)	(1,977,377)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	23,086
Transfers in	-	-	-	-	-	-	-	-	3,038,300
Transfers out	-	-	-	-	-	-	-	-	(3,038,300)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	23,086
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	61,167	(75,079)	-	(1,763)	-	(17,814)	(1,954,291)
Cash and investments - ending	$ -	$ -	$ -	$ (75,079)	$ -	$ (1,061)	$ -	$ 455,371	$ 26,897,111

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	$ 16,210,715	$ 534,071	$ 380,219	$ 2,654,616	$ 433,125	$ 686,396	$ 3,000,000	$ -	$ 1,092,144	$ (49,031)
Receipts:										
Local sources	495,699	1,630,973	1,503,196	3,124,056	2,101,501	173,678	-	-	252,461	68,281
Intermediate sources	22	-	-	-	-	-	-	-	-	-
State sources	27,046,887	-	-	-	510	-	-	-	7,787	241,878
Federal sources	67,391	-	-	-	-	-	-	-	1,682,304	-
Other receipts	1,117,376	-	-	200	-	-	-	-	4,237	-
Total receipts	28,727,375	1,630,973	1,503,196	3,124,256	2,102,011	173,678	-	-	1,946,789	310,159
Disbursements:										
Instruction	16,471,732	-	-	-	-	-	-	-	-	-
Support services	12,393,628	-	-	2,132,868	2,052,581	93,878	-	-	151,277	267,950
Noninstructional services	584,364	-	-	-	-	-	-	-	1,844,443	-
Facilities acquisition and construction	2,500,984	-	-	1,706,557	-	-	-	11,503	-	-
Debt service	-	1,660,186	1,280,704	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	31,950,708	1,660,186	1,280,704	3,839,425	2,052,581	93,878	-	11,503	1,995,720	267,950
Excess (deficiency) of receipts over disbursements	(3,223,333)	(29,213)	222,492	(715,169)	49,430	79,800	-	(11,503)	(48,931)	42,209
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	275,000	-	-
Sale of capital assets	1,013	-	-	10	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	4,668	27,801
Transfers out	(4,668)	(27,801)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(3,655)	(27,801)	-	10	-	-	-	275,000	4,668	27,801
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,226,988)	(57,014)	222,492	(715,159)	49,430	79,800	-	263,497	(44,263)	70,010
Cash and investments - ending	$ 12,983,727	$ 477,057	$ 602,711	$ 1,939,457	$ 482,555	$ 766,196	$ 3,000,000	$ 263,497	$ 1,047,881	$ 20,979

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

	Self-Insurance	Levy Excess	Alternative Education	Safe Haven 5/14	In and Out Account	Central Indiana Ethanol Grant	Grant County Food Service Donation	Griffin Bequest	Mueller Donation - Riverview	Dollar General - Frances Slocum
Cash and investments - beginning	$ 994,514	$ 63,540	$ -	$ -	$ 212,691	$ 137	$ 95	$ 11,058	$ -	$ 37,224
Receipts:										
Local sources	2,361	-	-	-	46,962	20,000	-	23	535	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	38,458	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	528,388	-	-	-	-	-
Total receipts	2,361	-	38,458	-	575,350	20,000	-	23	535	-
Disbursements:										
Instruction	-	-	23,475	-	-	-	-	-	500	3,400
Support services	-	-	-	-	751,826	-	-	2,869	-	21,772
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	9,083	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	23,475	-	760,909	-	-	2,869	500	25,172
Excess (deficiency) of receipts over disbursements	2,361	-	14,983	-	(185,559)	20,000	-	(2,846)	35	(25,172)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,361	-	14,983	-	(185,559)	20,000	-	(2,846)	35	(25,172)
Cash and investments - ending	$ 996,875	$ 63,540	$ 14,983	$ -	$ 27,132	$ 20,137	$ 95	$ 8,212	$ 35	$ 12,052

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

	Multiplication Marathon	MJ Lowe Bequest	Maurice Andrea McCulloch	Attendance	Scholarships and Awards	Dee Fagar Memorial	Anthony Swain Grant	Miscellaneous Scholarships	Head Start Private Donations	Charles Math Scholarship
Cash and investments - beginning	$ -	$ 858	$ 766	$ 2,111	$ 554	$ 1	$ 105	$ -	$ 580	$ 38,082
Receipts:										
Local sources	950	-	-	-	1,851	-	-	3,250	600	90
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	950	-	-	-	1,851	-	-	3,250	600	90
Disbursements:										
Instruction	950	-	-	-	-	-	-	-	220	-
Support services	-	243	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	2,019	-	-	1,500	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	750	-	1,000
Total disbursements	950	243	-	-	2,019	-	-	2,250	220	1,000
Excess (deficiency) of receipts over disbursements	-	(243)	-	-	(168)	-	-	1,000	380	(910)
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	-	(243)	-	-	(168)	-	-	1,000	380	(910)
Cash and investments - ending	$ -	$ 615	$ 766	$ 2,111	$ 386	$ 1	$ 105	$ 1,000	$ 960	$ 37,172

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

	Glen Allen Memorial	Dick Looten Scholarship	Seybold Scholarship	Mark Longenecker Scholarship	Friends of Asherwood Project	Insurance Claim Payments McCulloch	Miscellaneous Mini Grants	Moorehead Family - Allen	Indiana State License Practical Nurses	Early Childhood Education Center
Cash and investments - beginning	$ 18	$ 7,068	$ 42	$ 4,574	$ 6,890	$ 3,531	$ 9,909	$ -	$ 169	$ 299
Receipts:										
Local sources	-	17	-	11	-	-	-	4,201	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	17	-	11	-	-	-	4,201	-	-
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	3,641	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	200	-	250	-	-	-	-	-	-
Total disbursements	-	200	-	250	-	-	-	3,641	-	-
Excess (deficiency) of receipts over disbursements	-	(183)	-	(239)	-	-	-	560	-	-
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	-	(183)	-	(239)	-	-	-	560	-	-
Cash and investments - ending	$ 18	$ 6,885	$ 42	$ 4,335	$ 6,890	$ 3,531	$ 9,909	$ 560	$ 169	$ 299

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

	Wal-Mart Grant	Youth Grant Community Foundation	Dolgencorp Gray Construction Tucker	Instruction Support	High Ability FY13	High Ability 06/30/15	NESP 06/14	Non-English Speaking 06/30/15	State Connectivity	Performance Based Awards
Cash and investments - beginning	$ 306	$ -	$ 1,795	$ 20,715	$ -	$ -	$ -	$ -	$ 7,899	$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	1,500	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	39,972	-	15,299	2,452	31,863
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,500	-	-	-	39,972	-	15,299	2,452	31,863
Disbursements:										
Instruction	-	-	-	10,606	-	29,053	-	15,299	-	31,863
Support services	-	-	-	10,109	-	2,222	-	-	3,640	-
Noninstructional services	-	1,500	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,500	-	20,715	-	31,275	-	15,299	3,640	31,863
Excess (deficiency) of receipts over disbursements	-	-	-	(20,715)	-	8,697	-	-	(1,188)	-
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	-	-	-	(20,715)	-	8,697	-	-	(1,188)	-
Cash and investments - ending	$ 306	$ -	$ 1,795	$ -	$ -	$ 8,697	$ -	$ -	$ 6,711	$ -

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

	Miscellaneous Programs	ISTA Settlement	Excellence in Performance	Project Lead the Way	Title I School Improvement Justice FY13	Title I School Improvement Allen 09-14	Title I SIG - Allen 06-15	Title I SIG - McCulloch 14-15	Title I Delinquent FY13	Title I Delinquent 06-14
Cash and investments - beginning	$ 537,094	$ -	$ -	$ 18,000	$ -	$ (36,480)	$ -	$ -	$ -	$ (2,387)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	10,000	-	-	-	-	-	-
Federal sources	112,177	-	-	-	-	154,200	380,762	276,867	-	36,409
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	112,177	-	-	10,000	-	154,200	380,762	276,867	-	36,409
Disbursements:										
Instruction	-	-	-	17,808	-	67,398	88,408	108,572	-	27,275
Support services	40,835	-	-	-	-	44,318	363,394	212,708	-	6,747
Noninstructional services	-	-	-	-	-	6,004	23,692	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	40,835	-	-	17,808	-	117,720	475,494	321,280	-	34,022
Excess (deficiency) of receipts over disbursements	71,342	-	-	(7,808)	-	36,480	(94,732)	(44,413)	-	2,387
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	71,342	-	-	(7,808)	-	36,480	(94,732)	(44,413)	-	2,387
Cash and investments - ending	$ 608,436	$ -	$ -	$ 10,192	$ -	$ -	$ (94,732)	$ (44,413)	$ -	$ -

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

	Title I Delinquent 06-15	Title I 06-30-14	Title I Basic 06-15	Title I FY13	Title I Migrant FY13	Title I C Migrant 14-15	Title I C Migrant 13-14	Stewart Homeless Assistance Act	Stewart McKinney 09-15	Technical Assistance Grant
Cash and investments - beginning	$ -	$ (109,548)	$ -	$ -	$ -	$ -	$ (5,406)	$ -	$ -	$ (3,383)
Receipts:										
Local sources	-	-	1,506	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	107,250	548,737	1,076,450	-	12,457	27,486	6,996	-	9,656	8,381
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	107,250	548,737	1,077,956	-	12,457	27,486	6,996	-	9,656	8,381
Disbursements:										
Instruction	90,852	361,499	676,162	-	12,457	31,399	1,590	-	-	-
Support services	36,715	77,473	572,711	-	-	2,397	-	-	11,257	4,228
Noninstructional services	-	217	25,795	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	770
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	127,567	439,189	1,274,668	-	12,457	33,796	1,590	-	11,257	4,998
Excess (deficiency) of receipts over disbursements	(20,317)	109,548	(196,712)	-	-	(6,310)	5,406	-	(1,601)	3,383
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	(20,317)	109,548	(196,712)	-	-	(6,310)	5,406	-	(1,601)	3,383
Cash and investments - ending	$ (20,317)	$ -	$ (196,712)	$ -	$ -	$ (6,310)	$ -	$ -	$ (1,601)	$ -

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

	Special Education Improvement Award	IDEA Part B 09-15	IDEA FY13	IDEA 09-30-14	Special Education Preschool 09-15	IDEA Preschool 09-30-14	IDEA Preschool FY13	Adult Education and Family Literacy, Title II	Title II Adult Basic Education FY13	Title II Adult Basic Education Innovation FY13
Cash and investments - beginning	$ -	$ -	$ -	$ (91,127)	$ -	$ (7,243)	$ -	$ -	$ -	$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	19,385	19,273	-	126,541	-	-
Federal sources	-	582,205	209	313,936	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	582,205	209	313,936	19,385	19,273	-	126,541	-	-
Disbursements:										
Instruction	-	603,131	209	164,638	4,992	-	-	135,017	-	-
Support services	-	115,195	-	56,371	20,166	12,030	-	19,471	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,800	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	718,326	209	222,809	25,158	12,030	-	154,488	-	-
Excess (deficiency) of receipts over disbursements	-	(136,121)	-	91,127	(5,773)	7,243	-	(27,947)	-	-
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	-	(136,121)	-	91,127	(5,773)	7,243	-	(27,947)	-	-
Cash and investments - ending	$ -	$ (136,121)	$ -	$ -	$ (5,773)	$ -	$ -	$ (27,947)	$ -	$ -

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

	Adult Basic Education 06-14	TPSID	In Partnerships/ Post Secondary	Carl Perkins FY13	Carl Perkins 6/30/2015	Carl Perkins 06-30-14	Medicaid Reimbursement - Federal	Head Start FY13	Head Start T&TA 11-30-13	Head Start 11-30-14
Cash and investments - beginning	$ (15,138)	$ (1,094)	$ -	$ -	$ -	$ (24,295)	$ 67,636	$ -	$ -	$ (145,446)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	43,445	62,315	-	-	-	-
Federal sources	24,997	14,575	31,924	-	31,264	-	37,071	-	-	666,383
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	24,997	14,575	31,924	-	74,709	62,315	37,071	-	-	666,383
Disbursements:										
Instruction	9,310	9,961	33,767	-	18,499	28,130	10,171	-	-	324,809
Support services	549	-	9,817	-	79,947	9,890	71,533	-	-	142,721
Noninstructional services	-	-	-	-	-	-	-	-	-	53,407
Facilities acquisition and construction	-	3,520	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,859	13,481	43,584	-	98,446	38,020	81,704	-	-	520,937
Excess (deficiency) of receipts over disbursements	15,138	1,094	(11,660)	-	(23,737)	24,295	(44,633)	-	-	145,446
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	15,138	1,094	(11,660)	-	(23,737)	24,295	(44,633)	-	-	145,446
Cash and investments - ending	$ -	$ -	$ (11,660)	$ -	$ (23,737)	$ -	$ 23,003	$ -	$ -	$ -

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

	Head Start T&TA 11-30-14	Head Start 11-30-15	Head Start T&TA 11-30-15	School Renovation	Improving Teaching Quality, No Child Left Title II, Part A	Title II Improving Teacher Quality 12/14	Title II Improving Teacher Quality 09-16	Title II Improving Teacher Quality 11/13	Title III - Language Instruction	Title III Language Instruction FY13
Cash and investments - beginning	$ (2,663)	$ -	$ -	$ 277	$ (30,251)	$ 1,602	$ -	$ -	$ (54)	$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	15,669	454,967	7,116	-	143,716	6,058	15,426	-	54	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	15,669	454,967	7,116	-	143,716	6,058	15,426	-	54	-
Disbursements:										
Instruction	-	294,441	-	-	-	-	-	-	-	-
Support services	13,006	156,642	7,116	-	115,430	7,660	44,520	-	-	-
Noninstructional services	-	69,086	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,006	520,169	7,116	-	115,430	7,660	44,520	-	-	-
Excess (deficiency) of receipts over disbursements	2,663	(65,202)	-	-	28,286	(1,602)	(29,094)	-	54	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,663	(65,202)	-	-	28,286	(1,602)	(29,094)	-	54	-
Cash and investments - ending	$ -	$ (65,202)	$ -	$ 277	$ (1,965)	$ -	$ (29,094)	$ -	$ -	$ -

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

	Title III Language Instruction 2014-15	Title III WIDA 9-30-14	TAP Grant Year 3	TIF/TAP Year 4 2013-2014	TAP Year 5	McKinney - Vento Education for Homeless	School Lunch Clearing	Payroll Clearing	Totals
Cash and investments - beginning	$ -	$ -	$ -	$ (75,079)	$ -	$ (1,061)	$ -	$ 455,371	$ 26,897,111
Receipts:									
Local sources	-	-	-	-	-	-	-	-	9,432,202
Intermediate sources	-	-	-	-	-	-	-	-	1,522
State sources	-	-	-	-	-	-	-	-	27,706,065
Federal sources	14,235	576	-	683,567	604,578	26,846	-	-	8,182,895
Other receipts	-	-	-	-	-	-	7,736	7,233,246	8,891,183
Total receipts	14,235	576	-	683,567	604,578	26,846	7,736	7,233,246	54,213,867
Disbursements:									
Instruction	20,310	-	-	521,447	733,686	-	-	-	20,983,036
Support services	53	576	-	87,041	-	25,083	-	-	20,256,104
Noninstructional services	-	-	-	-	-	-	-	-	2,612,027
Facilities acquisition and construction	-	-	-	-	-	-	-	-	4,234,217
Debt service	-	-	-	-	-	-	-	-	2,940,890
Nonprogrammed charges	-	-	-	-	-	-	924	7,370,312	7,373,436
Total disbursements	20,363	576	-	608,488	733,686	25,083	924	7,370,312	58,399,710
Excess (deficiency) of receipts over disbursements	(6,128)	-	-	75,079	(129,108)	1,763	6,812	(137,066)	(4,185,843)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	275,000
Sale of capital assets	-	-	-	-	-	-	-	-	1,023
Transfers in	-	-	-	-	-	-	-	-	32,469
Transfers out	-	-	-	-	-	-	-	-	(32,469)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	276,023
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,128)	-	-	75,079	(129,108)	1,763	6,812	(137,066)	(3,909,820)
Cash and investments - ending	$ (6,128)	$ -	$ -	$ -	$ (129,108)	$ 702	$ 6,812	$ 318,305	$ 22,987,291

MARION COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Marion High School Building Corporation	2012 MHS	$ 1,266,000	07/15/2012	01/15/2028
Marion High School Building Corporation	2014 Justice	354,500	07/15/2015	01/15/2021
Total of annual lease payments		$ 1,620,500		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	2004 Amended Pension Bond	$ 8,400,501	$ 641,280

MARION COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2015

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

	Ending Balance
Governmental activities:	
Land	$ 327,308
Buildings	38,448,165
Improvements other than buildings	29,683,855
Machinery, equipment, and vehicles	8,198,952
Other	1,185,793
Total capital assets	$ 77,844,073

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SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE MARION COMMUNITY SCHOOLS, GRANT COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

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

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

Report on Internal Control over Compliance

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

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

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

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

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

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

July 20, 2017

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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast			FY 2013/2014	$ -	$ 298,518	$ -	$ -
School Breakfast			FY 2014/2015	-	-	-	329,320
Total - School Breakfast Program				-	298,518	-	329,320
National School Lunch Program	Indiana Department of Education	10.555					
School Lunch			FY 2013/2014	-	1,243,983	-	-
School Lunch			FY 2014/2015	-	-	-	1,276,194
School Snack			FY 2013/2014	-	53,284	-	-
School Snack			FY 2014/2015	-	-	-	4,982
School Lunch - Commodities			FY 2013/2014	-	135,447	-	-
School Lunch - Commodities			FY 2014/2015	-	-	-	144,411
Total - National School Lunch Program				-	1,432,714	-	1,425,587
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Program			FY 2013/2014	-	28,597	-	-
Summer Food Program			FY 2014/2015	-	-	-	20,097
Total - Summer Food Service Program for Children				-	28,597	-	20,097
Total - Child Nutrition Cluster				-	1,759,829	-	1,775,004
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582					
Fresh Fruit/Veg			FY 2013/2014	-	53,513	-	-
			FY 2014/2015	-	-	-	51,710
Total - Fresh Fruit and Vegetable Program				-	53,513	-	51,710
Total - Department of Agriculture				-	1,813,342	-	1,826,714
Department of Education							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
Idea Part B FY 2013			14213-021-PN01	-	417,768	-	209
Idea Part B FY 2014			14214-021-PN01	-	691,235	-	313,936
Idea Part B FY 2015			14215-021-PN01	-	-	-	582,205
Improvement Award 2013			99914-021-TA01	-	69,965	-	-
Part B-TA			99914-021-TA01	-	13,894	-	8,381
Total - Special Education_Grants to States				-	1,192,862	-	904,731
Special Education_ Preschool Grants	Indiana Department of Education	84.173					
Preschool Grant FY 2013			45713-021-PN01	-	21,445	-	-
Preschool Grant FY 2014			45714-021-PN01	-	32,175	-	19,273
Preschool Grant FY 2015			45715-021-PN01	-	-	-	19,385
Total - Special Education_Preschool Grants				-	53,620	-	38,658
Total - Special Education Cluster (IDEA)				-	1,246,482	-	943,389

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
Department of Education (continued)							
Adult Education - Basic Grants to States	Indiana Department of Workforce Development	84.002					
Adult Basic Education FY 2013			AE-MCS-2012-02	-	29,206	-	-
Adult Basic Education FY 2014			AE-MCS-2013-01	-	129,727	-	24,997
Adult Basic Education FY 2015			AE-MCS-2014-01	-	-	-	126,541
Total - Adult Education - Basic Grants to States				-	158,933	-	151,538
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I / Basic Grant FY 2012			12-2865	-	102,051	-	-
Title I / Basic Grant FY 2013			13-2865	-	329,228	-	-
Title I / Basic Grant FY 2014			14-2865	-	1,283,536	-	548,737
Title I / Basic Grant FY 2015			15-2865	-	-	-	1,076,450
Title I / D Grant FY 2013			13-2865	-	45,464	-	-
Title I / D Grant FY 2014			14-2865	-	104,910	-	36,409
Title I / D Grant FY 2015			15-2865	-	-	-	107,250
Total - Title I Grants to Local Educational Agencies				-	1,865,189	-	1,768,846
Migrant Education _ State Grant Program	Indiana Department of Education	84.011					
Title I Migrant Education FY 2013			38212-007-PN01	-	8,072	-	12,457
Title I Migrant Education FY 2014			38213-004-PN01	-	42,680	-	6,996
Title I Migrant Education FY 2015			38213-005-PN01	-	-	-	27,486
Total - Migrant Education _ State Grant Program				-	50,752	-	46,939
Career and Technical Education -- Basic Grants to States	Indiana Department of Education	84.048					
Perkins FY 2013			13-4700-2865	-	120,604	-	-
Perkins FY 2014			14-4700-2865	-	99,892	-	62,315
Perkins FY 2015			15-4700-2865	-	-	-	74,709
Total - Career and Technical Education -- Basic Grants to States				-	220,496	-	137,024
Education of Homeless Children and Youth	Indiana Department of Education	84.196					
Education of Homeless Children and Youth FY 2013			A58-3-13SS-1021	-	31,037	-	-
Education of Homeless Children and Youth FY 2014			A58-4-14SS-1792	-	16,655	-	26,846
Education of Homeless Children and Youth FY 2015			A58-5-15SS-2344	-	-	-	9,656
Total - Education of Homeless Children and Youth				-	47,692	-	36,502
Teacher and School Leader Incentive Grants	Indiana Department of Education	84.374					
TAP FY 2013			Year 3	-	840,490	-	-
TAP FY 2014			Year 4	-	573,102	-	683,567
TAP FY 2015			Year 5	-	-	-	604,578
Total - Teacher and School Leader Incentive Grants				-	1,413,592	-	1,288,145
School Improvement Grants Cluster							
School Improvement Grants	Indiana Department of Education	84.377					
School Improvement Grant Allen FY 2014			FY 2013-2014	-	366,501	-	154,200
School Improvement Grant Allen FY 2015			FY 2014/2015	-	-	-	380,762
School Improvement Grant McCulloch FY 2015			FY 2014/2015	-	-	-	276,867
Total - School Improvement Grants Cluster				-	366,501	-	811,829

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-14	Total Federal Awards Expended 06-30-14	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15
Department of Education (continued)							
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III LEP FY 2013			01113-022-PN01	-	420	-	-
Title III LEP FY 2014			01114-052-PN01	-	20,421	-	54
Title III LEP 2014			01113-320-PN01	-	-	-	576
Title III LEP FY 2015			01115-025-PN01	-	-	-	14,235
Total - English Language Acquisition State Grants				-	20,841	-	14,865
Supporting Effective Instruction State Grant	Indiana Department of Education	84.367					
Title II FY 2012			12-2865	-	75,450	-	6,058
Title II FY 2013			13-2865	-	184,285	-	143,716
Title II FY 2014			14-2865	-	-	-	15,426
Total - Supporting Effective Instruction State Grant				-	259,735	-	165,200
Transition Programs for Students with Intellectual Disabilities into Higher Education	Indiana University	84.407					
Post Secondary Education Project			P407A100048	-	-	-	46,499
Total - Transition Programs for Students with Intellectual Disabilities into Higher Education				-	-	-	46,499
Total - Department of Education				-	5,650,213	-	5,410,776
Department of Health and Human Services							
Head Start	Direct	93.600					
Head Start FY 2013			05CH4199/48	-	530,919	-	-
Head Start FY 2014			05CH4199/49	-	368,092	-	682,052
Head Start FY 2015			05CH4199/50	-	-	-	462,083
Total - Department of Health and Human Services				-	899,011	-	1,144,135
Total of Federal Awards Expended				$ -	$ 8,362,566	$ -	$ 8,381,625

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

MARION COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

Note 2. Summary of Significant Accounting Policies

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

MARION COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Special Education Cluster (IDEA)
84.374	Teacher and School Leader Incentive Grants
	School Improvement Grants Cluster
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs: $502,326

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2015-001

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

Condition

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). One person prepared and submitted the SEFA without oversight, review, or approval process or other control to ensure its accuracy.

During the audit of the SEFA, there were the following errors:

1. The SEFA was underreported by $4,225,812 for the 2013-2014 school year. The Department of Agriculture grants and the School Improvement Grants were properly accounted for in the School Corporation records, but were not reported properly on the SEFA.

2. The SEFA was underreported by $2,520,998 for the 2014-2015 school year.

These errors were due to some grants being omitted from the School Corporation's original SEFA and others were incorrectly reported. The omitted grants were properly accounted for in the School Corporation records.

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

Criteria

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

> "Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.
>
> An integral part of the control activity component is segregation of duties. . . .
>
> There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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

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

> "<u>Schedule of expenditures of Federal awards.</u> The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:
>
> (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.

(3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

(4) Include notes that describe the significant accounting policies used in preparing the schedule.

(5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.

(6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Cause

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

Effect

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002

Subject: School Breakfast Program and National School Lunch Program - Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2013/2014, FY 2014/2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Other Matter

Condition

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

The School Corporation failed to comply with the Cash Management requirement that they limit their net cash resources in the School Lunch fund to an amount that did not exceed three months average expenditures for its nonprofit school food service.

Context

The balance in the School Lunch fund exceeded the three months average expenditures throughout the audit period; therefore, this was a systemic issue.

Criteria

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

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

7 CFR 210.14(b) states: "*Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . with respect to participating schools under its jurisdiction: . . .

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

Cause

The School Corporation had not developed a system of internal controls to ensure compliance with Cash Management requirements.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirement could have resulted in the loss of federal fund to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Cash Management compliance requirement.

Views of Responsible Officials

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

FINDING 2015-003

Subject: School Improvement Grants - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: School Improvement Grants
CFDA Number: 84.377
Federal Award Number and Year (or Other Identifying Number): FY2014/2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matter

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation had not implemented adequate controls to ensure that Personnel Activity Reports were prepared.

Context

The School Corporation was unable to present Personnel Activity Reports for audit.

Criteria

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

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

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

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

(a) More than one Federal award,

(b) A Federal award and a non-Federal award,

(c) An indirect cost activity and a direct cost activity,

(d) Two or more indirect activities which are allocated using different allocation bases, or

(e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after the fact distribution of the actual activity of each employee,

(b) They must account for the total activity for which each employee is compensated,

(c) They must be prepared at least monthly and must coincide with one or more pay periods, and

(d) They must be signed by the employee.

(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

(i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;

(ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and

(iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances."

Cause

The School Corporation did not retrieve these forms from the school buildings where they were prepared.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the Allowable Costs/Cost Principles requirements that have a direct and material effect to the program could have resulted in the loss of federal fund to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENT

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

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July 17, 2017

FINDING 2015-001

Contact Person Responsible for Corrective Action: Robert Schultz
Contact Phone Number: 765-662-2546, ext. 143

The Marion Community Schools acknowledges inaccuracies in reporting expenditures of federal awards as submitted through gateway during the period of the audit.

Description of Correction Action Plan:

The primary cause of underreporting federal awards was misunderstanding on the part of MCS personnel regarding the School Lunch Fund and funds channeled through the University of Indianapolis (a program called TAP). MCS personnel inappropriately did not consider either of those sources of revenue to be federal grants and therefore neglected to report them.

For the 2014-15 reporting period, MCS personnel inappropriately used calendar year totals rather than fiscal year totals, also contributing to the inaccuracy.

Understanding all the items above is the first step in avoiding future inaccuracies. Also, grant reporting will pass through (at a minimum) three (3) separate personnel:

- The staff member responsible for monitoring the grant will review all required reporting data prior to submission.
- A member of the business staff will prepare the data for submission after reviewing the information provided in the preceding step.
- A third MCS staff member will submit the date through Gateway. The submission process will also be monitored by a separate MCS staff member.

Anticipated Completion Date:

All items detailed above have already been implemented and will be utilized at the next submission.

Robert W. Schultz
Assistant Superintendent and Chief Financial Officer
July 17, 2017

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District Offices, Marion High School, 750 W. 26th St., Marion, IN 46953

July 17, 2017

FINDING 2015-002

Contact Person Responsible for Corrective Action: Robert Schultz
Contact Phone Number: 765-662-2546, ext. 143

The Marion Community Schools acknowledges the monthly cash balance in the School Lunch Fund exceeded the threshold of 3 months average expenditures throughout the period of the audit.

Description of Correction Action Plan:

Due to the age and condition of food preparation and serving equipment in throughout Marion Community Schools, renovations are being planned for all buildings. Replacement of older equipment, as well as purchase of newer, more efficient preparation equipment, is planned for all 7 corporation buildings. New serving lines are being planned at Marion High School, McCulloch Middle School, and Justice Intermediate School.

Implementation of "Breakfast in the Classroom" at Allen Elementary, Frances Slocum Elementary, Kendall Elementary, Riverview Elementary, Justice Middle School, and McCulloch Middle School will necessitate the purchase of portable coolers and carts to facilitate implementation of that program. Additionally, renovations to the overall cafeterias at Marion High School, McCulloch and Justice Intermediate School will improve and modernize overall appearance and expand ways to serve students by adding "grab and go" lines, deli lines, salad bar stations and other improvements as space allows. These changes have already begun at Marion High School, and will continue throughout the 2017-18 school year.

In addition to these physical changes, the corporation is reviewing food service wage structures and a recommendation for salary increases will be presented to the Board of School Trustees prior to the beginning of the 2017-18 school year.

From January, 2017 through June, 2017, 3 months expenditures from the MCS School Lunch Fund averaged $617,695. The plans detailed above will reduce the monthly cash balance to fall within that threshold.

Anticipated Completion Date:

Some items are already in the process of being implemented. Because renovation work in school cafeterias cannot be completed when students are present, work will be planned over school breaks and in the summer of 2018. The entire plan will be in effect prior to the beginning of the 2018-19 school year.

Robert W. Schultz
Assistant Superintendent and Chief Financial Officer
July 17, 2017

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District Offices, Marion High School, 750 W. 26th St., Marion, IN 46953

July 17, 2017

FINDING 2015-003

Contact Person Responsible for Corrective Action: Robert Schultz
Contact Phone Number: 765-662-2546, ext. 143

The Marion Community Schools acknowledges the inability to produce an appropriate Time and Effort logs for the McCulloch School Improvement Grant for FY 2015.

Description of Correction Action Plan:

Although the Time and Effort logs were properly prepared at McCulloch Middle School, they were not collected and maintained by the School Corporation Grants Office as required. The following steps have been implemented to ensure future compliance with this requirement:

- Personnel at the building level will ensure Time and Effort logs are completed and contact the Corporation Grants Office when they are ready to submit.
- After submitting Time and Effort logs building staff will contact the Corporation Grants Office to ensure they were received.
- The Corporation Grants Office will contact each building periodically throughout the year to ensure Time and Effort logs are being completed.
- When Time and Effort logs are due the Corporation Grants Office will contact each impacted building to request delivery.
- Once received, the Corporation Grants Office will maintain Time and Effort logs in accordance with federal records retention guidelines and have them available for future audits.

Anticipated Completion Date:

Procedures detailed above have already been implemented and will continue.

Robert W. Schultz
Assistant Superintendent and Chief Financial Officer
July 17, 2017

OTHER REPORTS

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