

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

METROPOLITAN SCHOOL DISTRICT  
OF LAWRENCE TOWNSHIP  
MARION COUNTY, INDIANA

July 1, 2013 to June 30, 2015



**FILED**  
09/27/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robin L. Phelps Marvin Ward (interim) Michael D. Shreves	07-01-13 to 11-20-14 11-21-14 to 04-30-15 05-01-15 to 06-30-18
Superintendent of Schools	Dr. Concetta A. Raimondi Dr. Shawn A. Smith	07-01-13 to 12-31-13 01-01-14 to 06-30-18
President of the School Board	Carol Helmus Kathy Varie Carol Helmus Reginald McGregor	07-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-16 01-01-17 to 12-31-18



INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Metropolitan School District of Lawrence Township (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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***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 and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated August 8, 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, CPA  
State Examiner

August 8, 2017



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Metropolitan School District of Lawrence Township (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 August 8, 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 certain deficiencies 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 deficiencies 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Metropolitan School District of Lawrence Township's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

August 8, 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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METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
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	\$ 9,450,444	\$ 96,956,538	\$ 92,720,965	\$ 25	\$ 13,686,042	\$ 100,221,563	\$ 98,706,885	\$ (1,799,852)	\$ 13,400,868
Debt Service	3,861,998	14,948,475	15,551,371	119,882	3,378,984	14,722,700	17,206,856	-	894,828
Retirement/Severance Bond Debt Service	380,790	2,167,643	2,237,961	-	310,472	2,166,331	2,235,917	-	240,886
Capital Projects	1,287,438	13,717,900	9,589,198	5,801	5,421,941	11,886,479	12,817,329	(646,050)	3,845,041
School Transportation	3,408,964	13,598,819	12,170,064	3,908	4,841,627	11,887,264	12,509,292	(391,191)	3,828,408
School Bus Replacement	828,262	1,488,365	1,438,589	-	878,038	848,394	866,184	(100,000)	760,248
Rainy Day	555,021	1	608,018	660,070	607,074	-	558,610	2,950,750	2,999,214
Retirement/Severance Bond	2,620,470	-	312,675	-	2,307,795	24,346	255,078	-	2,077,063
Construction	63,230	-	-	-	63,230	-	62,365	-	865
Roofing Project GO Bond 2012	1,876,094	-	1,728,411	-	147,683	-	147,683	-	-
Secondary Facilities Project	1,536,418	-	1,414,434	-	121,984	-	118,826	-	3,158
Technology/Equipment Project	681,102	-	615,834	-	65,268	-	62,498	-	2,770
CV Project GO Bond 2012	1,779,862	-	1,194,720	-	585,142	-	219,676	-	365,466
GO Bond 2014	-	-	232,194	4,000,000	3,767,806	-	3,477,760	-	290,046
CV Phase III	-	-	-	-	-	-	62,404	2,000,000	1,937,596
Roof/Equipment Upgrades	-	-	-	-	-	-	107,599	2,000,000	1,892,401
Upgrades	-	-	-	-	-	-	483,939	2,000,000	1,516,061
Early Childhood Centers	739,219	-	7,499	-	731,720	-	628,905	-	102,815
First Mortgage Bond Series 2007	413,745	-	5,994	-	407,751	-	205,594	-	202,157
School Lunch	5,448,830	8,881,273	9,008,707	-	5,321,396	9,328,186	8,169,335	-	6,480,247
Textbook Rental	2,472,708	1,481,272	1,413,768	-	2,540,212	1,284,175	1,024,652	-	2,799,735
Self-Insurance	8,823,631	14,503,016	16,227,089	-	7,099,558	20,221,629	17,230,310	-	10,090,877
Levy Excess	228,269	-	-	-	228,269	-	-	-	228,269
Child Care Program	669,220	1,932,181	1,992,510	-	608,891	2,094,294	2,348,012	-	355,173
Alternative Education	-	-	-	-	-	-	23,142	-	-
Literacy Early Intervention	-	-	-	-	-	113,135	92,475	-	20,660
Early Literacy Intervention	47,345	-	19,059	-	28,286	-	-	-	28,286
Student Life Ctr Support	(800)	8,299	10,607	-	(3,108)	10,899	11,991	-	(4,200)
United Way Grant	-	147,434	171,940	-	(24,506)	143,926	140,268	-	(20,848)
United Way - HH	-	-	-	-	-	191,095	230,215	-	(39,120)
LC Library Grant	1,484	12,500	5,025	-	8,959	-	8,259	-	700
Answers for Autism Grant	-	2,637	2,370	-	267	-	7	-	260
LN Library Grant	2,524	-	2,198	-	326	-	326	-	-
Library Grant - LN	776	-	745	-	31	-	31	-	-
Foundation Salaries	(14,369)	185,636	185,961	-	(14,694)	176,574	187,753	-	(25,873)
Legacy Foundation	-	-	-	-	-	197	17,083	-	(16,886)
Summer Servings Grant	-	-	-	-	-	3,000	1,500	-	1,500
Camp Kaleidoscope	-	-	-	-	-	20,000	-	-	20,000
Lawrence Shelter	19,678	13	13,650	-	6,041	2	5,699	-	344
Donation Accounts	33,602	12,929	17,900	-	28,631	39,039	25,940	-	41,730
Retirement Recognition	120	1,000	186	-	934	-	934	-	-
Lumina/AAEA	5,933	636	3,961	-	2,608	-	-	-	2,608
Adult and Continuing Education	(406,151)	-	-	-	(406,151)	-	-	-	(406,151)

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

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
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
AVID	20,998	58,000	65,627	-	13,371	25,000	38,371	-	-
MAC	(19,488)	58,000	38,512	-	-	25,000	32,602	-	(7,602)
MAC Jr	-	-	-	-	-	3,120	4,641	-	(1,521)
MAC Online	-	-	-	-	-	650	5,521	-	(4,871)
Training Workshops	626	-	-	-	626	-	626	-	-
Safe Routes to School	-	48,265	67,680	-	(19,415)	26,735	7,320	-	-
Preschool of the Arts	(221,247)	1,597,042	1,302,308	-	73,487	1,469,575	1,389,357	2,900	156,605
ABE Scholarship Fund	41,784	-	5,000	-	36,784	-	5,000	-	31,784
Luther Scholarship Fund	17,786	-	3,000	-	14,786	-	4,000	-	10,786
Leon Riggs Scholarship	5,538	15,000	12,555	-	7,983	-	7,975	-	8
Gordon Teter Scholarship	20,716	-	-	-	20,716	-	8,000	-	12,716
Sec 125 Flex Account	176,914	50,923	200,068	-	27,769	366,726	209,234	-	185,261
Autism Advocates Fund	7,620	-	-	-	7,620	-	3,978	-	3,642
Wellness Policy	52,784	-	1,278	-	51,506	-	465	-	51,041
3M Aero-PLTW FY11/12	-	-	-	-	-	21,600	21,600	-	-
3M-SME Grant/Prime 12/15	5,417	10,000	3,619	-	11,798	10,000	8,906	-	12,892
Employee Criminal History	2,577	17,130	20,909	-	(1,202)	16,913	16,924	-	(1,213)
Food Service Catering	-	29,567	-	-	29,567	16,185	3,608	-	42,144
Strategic Planning	7,093	29,835	33,401	-	3,527	149,000	118,954	-	33,573
Professional Development FY 09/10	3,726	-	669	-	3,057	-	820	-	2,237
Emergency Aid	24,476	-	4,705	-	19,771	-	12,874	-	6,897
Professional Development FY 08/09	3,859	-	563	-	3,296	-	3,066	-	230
High Ability 12/13	3,873	-	3,873	-	-	-	-	-	-
High Ability 13/14	-	86,245	81,441	-	4,804	-	4,804	-	-
High Ability 14/15	-	-	-	-	-	87,795	82,405	-	5,390
Education Technology	-	-	-	-	-	269,295	269,295	-	-
CSL A2727	-	297,560	297,560	-	-	-	-	-	-
CSL A1691	-	1,132,092	1,132,092	-	-	-	-	-	-
CSL A2892	-	-	1,373,800	-	(1,373,800)	1,373,800	-	-	-
CSL A2917	-	24,324	391,389	-	(367,065)	370,295	3,230	-	-
CSL	-	1,354,425	1,354,425	-	-	-	-	-	-
CSL A1828	-	-	1,343,800	-	(1,343,800)	1,343,800	-	-	-
Extra Curricular Clearing	(4,017)	85,990	94,084	-	(12,111)	81,948	82,466	-	(12,629)
School Discretionary Fund	-	112,146	42,533	-	69,613	95,196	109,838	-	54,971
Arts in Education 2009	197	-	-	-	197	-	-	-	197
Non-English Speaking Programs P.L. 273-1999	1,373	-	-	-	1,373	-	-	-	1,373
NESP 12/13	1,463	-	1,463	-	-	-	-	-	-
NESP 13/14	-	158,385	152,695	-	5,690	-	5,690	-	-
NESP 14/15	-	-	-	-	-	167,280	161,449	-	5,831
State Connectivity FY 12/13	4,665	-	3,641	-	1,024	-	1,024	-	-
State Connectivity FY 13/14	-	4,488	-	-	4,488	4,191	7,490	-	1,189
Performance Based Awards	-	-	72,961	-	(72,961)	73,423	462	-	-
Project Lead the Way	10,000	-	10,000	-	-	-	-	-	-

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

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
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
Title I 2012/2013	(321,564)	987,665	666,101	-	-	-	-	-	-
Title I 2013/2014	-	2,558,831	3,206,871	-	(648,040)	920,115	272,075	-	-
Title I 2014/2015	-	-	-	-	-	3,279,171	3,658,208	-	(379,037)
School Improvement 13/14	-	-	-	-	-	1,188	1,188	-	-
IDEA Part B FY 2012	(5,454)	6,784	1,330	-	-	-	-	-	-
IDEA Part B FY 2013	(351,757)	895,323	543,566	-	-	714	714	-	-
IDEA Part B FY 2014	-	2,640,428	3,243,030	-	(602,602)	868,855	268,629	-	(2,376)
IDEA Part B FY 2015	-	-	-	-	-	2,942,991	3,238,095	-	(295,104)
SPED Improvement Award 13	-	61,198	61,198	-	-	-	-	-	-
TA Grant FY02014	-	33,913	40,207	-	(6,294)	43,899	37,605	-	-
SPED Preschool 11/12	-	5,582	5,582	-	-	-	-	-	-
SPED Preschool 12/13	1,214	17,071	18,285	-	-	-	-	-	-
SPED Preschool 13/14	-	68,518	84,564	-	(16,046)	39,892	23,846	-	-
SPED Preschool 14/15	-	-	-	-	-	78,342	86,617	-	(8,275)
Health Insurance	26,217	-	9,000	-	17,217	-	9,750	-	7,467
McKinney Vento 12/13	(11,638)	11,638	-	-	-	-	-	-	-
McKinney Vento 13/14	-	6,365	6,876	-	(511)	37,135	36,624	-	-
McKinney Vento 14/15	-	-	-	-	-	1,986	1,986	-	-
CTE Tech Resource 2013	(6,016)	14,987	8,971	-	-	-	-	-	-
Perkins 12/13	(26,344)	72,187	45,843	-	-	-	-	-	-
Perkins 13/14	-	97,961	162,970	-	(65,009)	142,064	77,055	-	-
Perkins 14/15	-	-	-	-	-	141,160	167,174	-	(26,014)
REMS MSDLT 10-12	(12,063)	37,023	24,960	-	-	-	-	-	-
Magnet Schools 12/13	(284,399)	2,012,701	1,793,370	-	(65,068)	343,646	278,578	-	-
Title II A 11/12	(5,193)	18,506	13,313	-	-	-	-	-	-
Title II A 12/13	(30,640)	229,167	232,315	-	(33,788)	44,114	10,326	-	-
Title II A 13/14	-	702	17,235	-	(16,533)	303,846	290,264	-	(2,951)
Title II A 14/15	-	-	-	-	-	202,337	215,886	-	(13,549)
Title II A E Learning Regional	-	-	-	-	-	6,250	14,000	-	(7,750)
Title III 12/13	(8,252)	85,659	77,407	-	-	-	-	-	-
Title III LEP 13/15	-	130,336	172,017	-	(41,681)	121,463	79,782	-	-
Title III LEP 14/15	-	-	-	-	-	197,421	223,296	-	(25,875)
Title III WIDA 2014	-	-	-	-	-	5,174	5,174	-	-
Title III Supplemental PD 2014	-	-	1,191	-	(1,191)	9,998	8,807	-	-
College Success Grant	1,819	-	186	-	1,633	-	-	-	1,633
ST - Proj Learning Tree	-	-	-	-	-	2,000	1,900	-	100
Misc Clearing Account	3,087	245,843	178,952	-	69,978	116,206	190,900	-	(4,716)
Foundation Grants	(2,901)	3,331	3,331	-	(2,901)	2,099	3,989	-	(4,790)
Health Ins - Cobra	89,791	1,355,863	1,668,474	-	(222,820)	1,287,441	967,095	-	97,525
PR Clearing	3,754,508	33,446,817	31,984,093	-	5,217,232	34,188,691	38,431,704	-	974,220
<b>Totals</b>	<b>\$ 49,795,005</b>	<b>\$ 220,260,383</b>	<b>\$ 221,290,492</b>	<b>\$ 4,789,686</b>	<b>\$ 53,554,582</b>	<b>\$ 226,732,094</b>	<b>\$ 231,484,593</b>	<b>\$ 6,016,557</b>	<b>\$ 54,818,641</b>

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

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

School Corporation, as used herein, shall include, but is not limited to, 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.

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

*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.

*Temporary loans.* Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

*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 services.* 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.

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

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

*F. Other Financing Sources and Uses*

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

*Proceeds of long-term debt.* 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.

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

**Note 4. Deposits and Investments**

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, 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

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

*Funding Policy and Annual Pension Cost*

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

**B. Teachers' Retirement Fund**

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of disbursements exceeding receipts and timing issues related to reimbursable grant funds for which expenses are required to be paid before reimbursement is requested.

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

**Note 8. *Holding Corporation***

The School Corporation has entered into capital leases with the School Building Corporation of Lawrence Township (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the fiscal years 2014 and 2015 totaled \$11,731,000 and \$11,860,216, respectively.

**Note 9. *Subsequent Events***

The School Corporation issued First Mortgage Bonds Series 2016A-1, Taxable First Mortgage Bonds Series 2016A-2, First Mortgage Bonds Series 2016B-1, Taxable First Mortgage Bonds Series 2016B-2, First Mortgage Bonds Series 2016C, and First Mortgage Bonds Series 2016D in the principal amounts of \$5,625,000, \$2,500,000, \$5,345,000, \$2,500,000, \$6,935,000, and \$7,040,000, respectively. The bonds were sold on May 24, 2016, through a negotiated sale with the bonds closing on June 22, 2016.

The School Corporation also refunded First Mortgage Series Bonds Series 2007 with First Mortgage Refunding Bonds Series 2016. The bonds were priced on October 19, 2016, through a negotiated sale and closed on November 29, 2016, which resulted in a net savings of \$3,730,952.

In addition, the School Corporation issued General Obligation Qualified Zone Academy Bonds Series 2016 (taxable) in the amount of \$2,000,000. The bonds were sold on November 3, 2016, through a competitive sale. The bond closing was on November 29, 2016.

The School Corporation issued First Mortgage Bonds Series 2017A, First Mortgage Bonds Series 2017B, and First Mortgage Bonds Series 2017C in the principal amounts of \$5,000,000, \$5,500,000, and \$9,500,000, respectively. The bonds were sold on May 18, 2017, through a competitive sale with the expected closing date on or around June 19, 2017.

The School Corporation also refunded General Obligation Taxable Pension Bonds Series 2006 with Taxable General Obligation Pension Bonds Series 2017. The bonds were sold on May 16, 2017, through a competitive sale and expected to close on or around June 16, 2017, and result in a projected net savings of \$1,111,287.

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

The School Corporation provides to eligible retirees and their spouses the following benefits: medical insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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## OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://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.

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	Roofing Project GO Bond 2012
Cash and investments - beginning	\$ 9,450,444	\$ 3,861,998	\$ 380,790	\$ 1,287,438	\$ 3,408,964	\$ 828,262	\$ 555,021	\$ 2,620,470	\$ 63,230	\$ 1,876,094
Receipts:										
Local sources	1,121,515	14,948,475	2,167,643	13,647,775	10,058,287	1,488,365	1	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	95,762,542	-	-	-	-	-	-	-	-	-
Federal sources	47,841	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	3,519,625	-	-	-	-	-
Other receipts	24,640	-	-	70,125	20,907	-	-	-	-	-
Total receipts	96,956,538	14,948,475	2,167,643	13,717,900	13,598,819	1,488,365	1	-	-	-
Disbursements:										
Instruction	69,006,094	-	-	-	-	-	-	-	-	-
Support services	23,243,395	-	-	4,127,843	8,950,826	1,438,589	608,018	312,675	-	-
Noninstructional services	471,476	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	5,461,355	-	-	-	-	-	1,728,411
Debt services	-	15,551,371	2,237,961	-	3,219,238	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	92,720,965	15,551,371	2,237,961	9,589,198	12,170,064	1,438,589	608,018	312,675	-	1,728,411
Excess (deficiency) of receipts over disbursements	4,235,573	(602,896)	(70,318)	4,128,702	1,428,755	49,776	(608,017)	(312,675)	-	(1,728,411)
Other financing sources (uses):										
Proceeds of long-term debt	-	119,882	-	-	-	-	-	-	-	-
Sale of capital assets	25	-	-	5,801	3,908	-	660,070	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	25	119,882	-	5,801	3,908	-	660,070	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,235,598	(483,014)	(70,318)	4,134,503	1,432,663	49,776	52,053	(312,675)	-	(1,728,411)
Cash and investments - ending	\$ 13,686,042	\$ 3,378,984	\$ 310,472	\$ 5,421,941	\$ 4,841,627	\$ 878,038	\$ 607,074	\$ 2,307,795	\$ 63,230	\$ 147,683

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

	Secondary Facilities Project	Technology/ Equipment Project	CV Project GO Bond 2012	GO Bond 2014	CV Phase III	Roof Equipment Upgrades	Upgrades	Early Childhood Centers	First Mortgage Bond Series 2007	School Lunch
Cash and investments - beginning	\$ 1,536,418	\$ 681,102	\$ 1,779,862	\$ -	\$ -	\$ -	\$ -	\$ 739,219	\$ 413,745	\$ 5,448,830
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,174,349
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	58,199
Federal sources	-	-	-	-	-	-	-	-	-	6,648,725
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-	8,881,273
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	174,818
Noninstructional services	-	-	-	-	-	-	-	-	-	8,616,607
Facilities acquisition and construction	1,414,434	615,834	1,194,720	232,194	-	-	7,499	5,994	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	217,282
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,414,434	615,834	1,194,720	232,194	-	-	7,499	5,994	-	9,008,707
Excess (deficiency) of receipts over disbursements	(1,414,434)	(615,834)	(1,194,720)	(232,194)	-	-	(7,499)	(5,994)	-	(127,434)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	4,000,000	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	4,000,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,414,434)	(615,834)	(1,194,720)	3,767,806	-	-	(7,499)	(5,994)	-	(127,434)
Cash and investments - ending	\$ 121,984	\$ 65,268	\$ 585,142	\$ 3,767,806	\$ -	\$ -	\$ -	\$ 731,720	\$ 407,751	\$ 5,321,396

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

	Textbook Rental	Self- Insurance	Levy Excess	Child Care Program	Alternative Education	Literacy Early Intervention	Early Literacy Intervention	Student Life Ctr Support	United Way Grant	United Way - HH
Cash and investments - beginning	\$ 2,472,708	\$ 8,823,631	\$ 228,269	\$ 669,220	\$ -	\$ -	\$ 47,345	\$ (800)	\$ -	\$ -
Receipts:										
Local sources	565,314	14,503,016	-	1,932,181	-	-	-	8,299	147,434	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	915,958	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,481,272	14,503,016	-	1,932,181	-	-	-	8,299	147,434	-
Disbursements:										
Instruction	-	-	-	1,829,852	-	-	19,059	10,607	152,940	-
Support services	1,413,768	-	-	162,658	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	16,227,089	-	-	-	-	-	-	19,000	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,413,768	16,227,089	-	1,992,510	-	-	19,059	10,607	171,940	-
Excess (deficiency) of receipts over disbursements	67,504	(1,724,073)	-	(60,329)	-	-	(19,059)	(2,308)	(24,506)	-
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	67,504	(1,724,073)	-	(60,329)	-	-	(19,059)	(2,308)	(24,506)	-
Cash and investments - ending	\$ 2,540,212	\$ 7,099,558	\$ 228,269	\$ 608,891	\$ -	\$ -	\$ 28,286	\$ (3,108)	\$ (24,506)	\$ -

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

	LC Library Grant	Answers for Autism Grant	LN Library Grant	Library Grant - LN	Foundation Salaries	Legacy Foundation	Summer Servings Grant	Camp Kaleidoscope	Lawrence Shelter	Donation Accounts
Cash and investments - beginning	\$ 1,484	\$ -	\$ 2,524	\$ 776	\$ (14,369)	\$ -	\$ -	\$ -	\$ 19,678	\$ 33,602
Receipts:										
Local sources	12,500	2,637	-	-	185,636	-	-	-	13	12,929
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	12,500	2,637	-	-	185,636	-	-	-	13	12,929
Disbursements:										
Instruction	-	2,370	-	-	-	-	-	-	13,650	9,707
Support services	5,025	-	2,198	745	-	-	-	-	-	7,208
Noninstructional services	-	-	-	-	185,961	-	-	-	-	985
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,025	2,370	2,198	745	185,961	-	-	-	13,650	17,900
Excess (deficiency) of receipts over disbursements	7,475	267	(2,198)	(745)	(325)	-	-	-	(13,637)	(4,971)
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	7,475	267	(2,198)	(745)	(325)	-	-	-	(13,637)	(4,971)
Cash and investments - ending	\$ 8,959	\$ 267	\$ 326	\$ 31	\$ (14,694)	\$ -	\$ -	\$ -	\$ 6,041	\$ 28,631

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

	Retirement Recognition	Lumina/AAEA	Adult and Continuing Education	AVID	MAC	MAC Jr	MAC Online	Training Workshops	Safe Routes to School	Preschool of the Arts
Cash and investments - beginning	\$ 120	\$ 5,933	\$ (406,151)	\$ 20,998	\$ (19,488)	\$ -	\$ -	\$ 626	\$ -	\$ (221,247)
Receipts:										
Local sources	1,000	636	-	58,000	58,000	-	-	-	-	1,596,562
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	48,265	-
Federal sources	-	-	-	-	-	-	-	-	-	480
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,000</u>	<u>636</u>	<u>-</u>	<u>58,000</u>	<u>58,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,265</u>	<u>1,597,042</u>
Disbursements:										
Instruction	-	3,961	-	-	-	-	-	-	67,680	1,277,806
Support services	186	-	-	65,627	38,512	-	-	-	-	24,502
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>186</u>	<u>3,961</u>	<u>-</u>	<u>65,627</u>	<u>38,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,680</u>	<u>1,302,308</u>
Excess (deficiency) of receipts over disbursements	<u>814</u>	<u>(3,325)</u>	<u>-</u>	<u>(7,627)</u>	<u>19,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,415)</u>	<u>294,734</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>814</u>	<u>(3,325)</u>	<u>-</u>	<u>(7,627)</u>	<u>19,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,415)</u>	<u>294,734</u>
Cash and investments - ending	<u>\$ 934</u>	<u>\$ 2,608</u>	<u>\$ (406,151)</u>	<u>\$ 13,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626</u>	<u>\$ (19,415)</u>	<u>\$ 73,487</u>

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

	ABE Scholarship Fund	Luther Scholarship Fund	Leon Riggs Scholarship	Gordon Teter Scholarship	Sec 125 Flex Account	Autism Advocates Fund	Wellness Policy	3M Aero-PLTW FY11/12	3M-SME Grant/Prime 12/15	Employee Criminal History
Cash and investments - beginning	\$ 41,784	\$ 17,786	\$ 5,538	\$ 20,716	\$ 176,914	\$ 7,620	\$ 52,784	\$ -	\$ 5,417	\$ 2,577
Receipts:										
Local sources	-	-	15,000	-	50,923	-	-	-	-	17,130
Intermediate sources	-	-	-	-	-	-	-	-	10,000	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	15,000	-	50,923	-	-	-	10,000	17,130
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	3,619	-
Support services	-	-	-	-	200,068	-	-	-	-	20,909
Noninstructional services	-	-	-	-	-	-	1,278	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	5,000	3,000	12,555	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,000	3,000	12,555	-	200,068	-	1,278	-	3,619	20,909
Excess (deficiency) of receipts over disbursements	(5,000)	(3,000)	2,445	-	(149,145)	-	(1,278)	-	6,381	(3,779)
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	(5,000)	(3,000)	2,445	-	(149,145)	-	(1,278)	-	6,381	(3,779)
Cash and investments - ending	\$ 36,784	\$ 14,786	\$ 7,983	\$ 20,716	\$ 27,769	\$ 7,620	\$ 51,506	\$ -	\$ 11,798	\$ (1,202)

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

	Food Service Catering	Strategic Planning	Professional Development FY 09/10	Emergency Aid	Professional Development FY 08/09	High Ability 12/13	High Ability 13/14	High Ability 14/15	Education Technology	CSL A2727
Cash and investments - beginning	\$ -	\$ 7,093	\$ 3,726	\$ 24,476	\$ 3,859	\$ 3,873	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	29,567	29,835	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	297,560
State sources	-	-	-	-	-	-	86,245	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>29,567</u>	<u>29,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,245</u>	<u>-</u>	<u>-</u>	<u>297,560</u>
Disbursements:										
Instruction	-	-	-	-	-	3,873	81,441	-	-	-
Support services	-	33,401	669	4,705	563	-	-	-	-	297,560
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>33,401</u>	<u>669</u>	<u>4,705</u>	<u>563</u>	<u>3,873</u>	<u>81,441</u>	<u>-</u>	<u>-</u>	<u>297,560</u>
Excess (deficiency) of receipts over disbursements	<u>29,567</u>	<u>(3,566)</u>	<u>(669)</u>	<u>(4,705)</u>	<u>(563)</u>	<u>(3,873)</u>	<u>4,804</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>29,567</u>	<u>(3,566)</u>	<u>(669)</u>	<u>(4,705)</u>	<u>(563)</u>	<u>(3,873)</u>	<u>4,804</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 29,567</u>	<u>\$ 3,527</u>	<u>\$ 3,057</u>	<u>\$ 19,771</u>	<u>\$ 3,296</u>	<u>\$ -</u>	<u>\$ 4,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	CSL A1691	CSL A2892	CSL A2917	CSL	CSL A1828	Extra Curricular Clearing	School Discretionary Fund	Arts in Education 2009	Non-English Speaking Programs P.L. 273-1999	NESP 12/13
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,017)	\$ -	\$ 197	\$ 1,373	\$ 1,463
Receipts:										
Local sources	-	-	-	-	-	85,990	112,146	-	-	-
Intermediate sources	1,132,092	-	24,324	1,354,425	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,132,092</u>	<u>-</u>	<u>24,324</u>	<u>1,354,425</u>	<u>-</u>	<u>85,990</u>	<u>112,146</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:										
Instruction	-	-	-	-	-	79,783	-	-	-	1,463
Support services	1,132,092	1,373,800	391,389	1,354,425	1,343,800	14,301	681	-	-	-
Noninstructional services	-	-	-	-	-	-	41,852	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>1,132,092</u>	<u>1,373,800</u>	<u>391,389</u>	<u>1,354,425</u>	<u>1,343,800</u>	<u>94,084</u>	<u>42,533</u>	<u>-</u>	<u>-</u>	<u>1,463</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(1,373,800)</u>	<u>(367,065)</u>	<u>-</u>	<u>(1,343,800)</u>	<u>(8,094)</u>	<u>69,613</u>	<u>-</u>	<u>-</u>	<u>(1,463)</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(1,373,800)</u>	<u>(367,065)</u>	<u>-</u>	<u>(1,343,800)</u>	<u>(8,094)</u>	<u>69,613</u>	<u>-</u>	<u>-</u>	<u>(1,463)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (1,373,800)</u>	<u>\$ (367,065)</u>	<u>\$ -</u>	<u>\$ (1,343,800)</u>	<u>\$ (12,111)</u>	<u>\$ 69,613</u>	<u>\$ 197</u>	<u>\$ 1,373</u>	<u>\$ -</u>

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

	NESP 13/14	NESP 14/15	State Connectivity FY 12/13	State Connectivity FY 13/14	Performance Based Awards	Project Lead the Way	Title I 2012/2013	Title I 2013/2014	Title I 2014/2015	School Improvement 13/14
Cash and investments - beginning	\$ -	\$ -	\$ 4,665	\$ -	\$ -	\$ 10,000	\$ (321,564)	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	158,385	-	-	4,488	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	987,665	2,558,383	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	448	-	-
Total receipts	158,385	-	-	4,488	-	-	987,665	2,558,831	-	-
Disbursements:										
Instruction	152,695	-	-	-	72,961	10,000	217,176	1,872,986	-	-
Support services	-	-	3,641	-	-	-	351,698	1,203,364	-	-
Noninstructional services	-	-	-	-	-	-	6,615	48,649	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	90,612	81,872	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	152,695	-	3,641	-	72,961	10,000	666,101	3,206,871	-	-
Excess (deficiency) of receipts over disbursements	5,690	-	(3,641)	4,488	(72,961)	(10,000)	321,564	(648,040)	-	-
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	5,690	-	(3,641)	4,488	(72,961)	(10,000)	321,564	(648,040)	-	-
Cash and investments - ending	\$ 5,690	\$ -	\$ 1,024	\$ 4,488	\$ (72,961)	\$ -	\$ -	\$ (648,040)	\$ -	\$ -

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

	IDEA Part B FY 2012	IDEA Part B FY 2013	IDEA Part B FY 2014	IDEA Part B FY 2015	SPED Improvement Award 13	TA Grant FY02014	SPED Preschool 11/12	SPED Preschool 12/13	SPED Preschool 13/14	SPED Preschool 14/15
Cash and investments - beginning	\$ (5,454)	\$ (351,757)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,214	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	6,784	895,323	2,640,428	-	61,198	33,913	5,582	17,071	68,518	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	6,784	895,323	2,640,428	-	61,198	33,913	5,582	17,071	68,518	-
Disbursements:										
Instruction	1,330	543,566	3,243,030	-	61,198	40,207	5,582	18,285	84,564	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,330	543,566	3,243,030	-	61,198	40,207	5,582	18,285	84,564	-
Excess (deficiency) of receipts over disbursements	5,454	351,757	(602,602)	-	-	(6,294)	-	(1,214)	(16,046)	-
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	5,454	351,757	(602,602)	-	-	(6,294)	-	(1,214)	(16,046)	-
Cash and investments - ending	\$ -	\$ -	\$ (602,602)	\$ -	\$ -	\$ (6,294)	\$ -	\$ -	\$ (16,046)	\$ -

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

	Health Insurance	McKinney Vento 12/13	McKinney Vento 13/14	McKinney Vento 14/15	CTE Tech Resource 2013	Perkins 12/13	Perkins 13/14	Perkins 14/15	REMS MSDLT 10-12	Magnet Schools 12/13
Cash and investments - beginning	\$ 26,217	\$ (11,638)	\$ -	\$ -	\$ (6,016)	\$ (26,344)	\$ -	\$ -	\$ (12,063)	\$ (284,399)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	3,039
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	11,638	6,365	-	14,987	72,187	97,961	-	37,023	2,009,662
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	11,638	6,365	-	14,987	72,187	97,961	-	37,023	2,012,701
Disbursements:										
Instruction	-	-	-	-	8,971	45,843	150,970	-	24,960	1,705,941
Support services	-	-	6,876	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	46,871
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	9,000	-	-	-	-	-	12,000	-	-	40,558
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,000	-	6,876	-	8,971	45,843	162,970	-	24,960	1,793,370
Excess (deficiency) of receipts over disbursements	(9,000)	11,638	(511)	-	6,016	26,344	(65,009)	-	12,063	219,331
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	(9,000)	11,638	(511)	-	6,016	26,344	(65,009)	-	12,063	219,331
Cash and investments - ending	\$ 17,217	\$ -	\$ (511)	\$ -	\$ -	\$ -	\$ (65,009)	\$ -	\$ -	\$ (65,068)

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

	Title II A 11/12	Title II A 12/13	Title II A 13/14	Title II A 14/15	Title II A E Learning Regional	Title III 12/13	Title III LEP 13/15	Title III LEP 14/15	Title III WIDA 2014
Cash and investments - beginning	\$ (5,193)	\$ (30,640)	\$ -	\$ -	\$ -	\$ (8,252)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	655	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	18,506	228,512	702	-	-	85,659	130,336	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>18,506</u>	<u>229,167</u>	<u>702</u>	<u>-</u>	<u>-</u>	<u>85,659</u>	<u>130,336</u>	<u>-</u>	<u>-</u>
Disbursements:									
Instruction	-	-	-	-	-	77,407	172,017	-	-
Support services	13,313	232,315	17,235	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>13,313</u>	<u>232,315</u>	<u>17,235</u>	<u>-</u>	<u>-</u>	<u>77,407</u>	<u>172,017</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>5,193</u>	<u>(3,148)</u>	<u>(16,533)</u>	<u>-</u>	<u>-</u>	<u>8,252</u>	<u>(41,681)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>5,193</u>	<u>(3,148)</u>	<u>(16,533)</u>	<u>-</u>	<u>-</u>	<u>8,252</u>	<u>(41,681)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (33,788)</u>	<u>\$ (16,533)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,681)</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Title III Supplemental PD 2014	College Success Grant	ST - Proj Learning Tree	Misc Clearing Account	Foundation Grants	Health Ins - Cobra	PR Clearing	Totals
Cash and investments - beginning	\$ -	\$ 1,819	\$ -	\$ 3,087	\$ (2,901)	\$ 89,791	\$ 3,754,508	\$ 49,795,005
Receipts:								
Local sources	-	-	-	-	-	-	-	65,034,852
Intermediate sources	-	-	-	-	-	-	-	2,818,401
State sources	-	-	-	-	-	-	-	97,034,082
Federal sources	-	-	-	-	-	-	-	16,685,449
Temporary loans	-	-	-	-	-	-	-	3,519,625
Other receipts	-	-	-	245,843	3,331	1,355,863	33,446,817	35,167,974
Total receipts	-	-	-	245,843	3,331	1,355,863	33,446,817	220,260,383
Disbursements:								
Instruction	1,191	186	-	-	-	-	-	81,074,971
Support services	-	-	-	-	-	-	-	48,573,398
Noninstructional services	-	-	-	-	-	-	-	9,373,423
Facilities acquisition and construction	-	-	-	-	-	-	-	10,707,312
Debt services	-	-	-	-	-	-	-	21,008,570
Nonprogrammed charges	-	-	-	-	-	-	-	16,717,968
Interfund loans	-	-	-	178,952	3,331	1,668,474	31,984,093	33,834,850
Total disbursements	1,191	186	-	178,952	3,331	1,668,474	31,984,093	221,290,492
Excess (deficiency) of receipts over disbursements	(1,191)	(186)	-	66,891	-	(312,611)	1,462,724	(1,030,109)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	4,119,882
Sale of capital assets	-	-	-	-	-	-	-	669,804
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	4,789,686
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,191)	(186)	-	66,891	-	(312,611)	1,462,724	3,759,577
Cash and investments - ending	\$ (1,191)	\$ 1,633	\$ -	\$ 69,978	\$ (2,901)	\$ (222,820)	\$ 5,217,232	\$ 53,554,582

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 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	Retirement/ Severance Bond	Construction	Roofing Project GO Bond 2012
Cash and investments - beginning	\$ 13,686,042	\$ 3,378,984	\$ 310,472	\$ 5,421,941	\$ 4,841,627	\$ 878,038	\$ 607,074	\$ 2,307,795	\$ 63,230	\$ 147,683
Receipts:										
Local sources	1,113,483	14,722,700	2,166,331	11,760,197	9,338,364	848,394	-	24,346	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	98,864,715	-	-	-	-	-	-	-	-	-
Federal sources	78,514	-	-	95,508	-	-	-	-	-	-
Temporary loans	-	-	-	-	2,539,368	-	-	-	-	-
Other receipts	164,851	-	-	30,774	9,532	-	-	-	-	-
Total receipts	100,221,563	14,722,700	2,166,331	11,886,479	11,887,264	848,394	-	24,346	-	-
Disbursements:										
Instruction	73,430,353	-	-	-	-	-	-	-	-	-
Support services	24,861,660	-	-	7,870,648	9,327,465	866,184	277,825	255,078	-	-
Noninstructional services	411,897	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	4,946,681	-	-	-	-	62,365	147,683
Debt services	2,975	17,206,856	2,235,917	-	3,181,827	-	280,785	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	98,706,885	17,206,856	2,235,917	12,817,329	12,509,292	866,184	558,610	255,078	62,365	147,683
Excess (deficiency) of receipts over disbursements	1,514,678	(2,484,156)	(69,586)	(930,850)	(622,028)	(17,790)	(558,610)	(230,732)	(62,365)	(147,683)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	148	-	-	3,950	8,809	-	750	-	-	-
Transfers in	-	-	-	-	-	-	2,950,000	-	-	-
Transfers out	(1,800,000)	-	-	(650,000)	(400,000)	(100,000)	-	-	-	-
Total other financing sources (uses)	(1,799,852)	-	-	(646,050)	(391,191)	(100,000)	2,950,750	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(285,174)	(2,484,156)	(69,586)	(1,576,900)	(1,013,219)	(117,790)	2,392,140	(230,732)	(62,365)	(147,683)
Cash and investments - ending	\$ 13,400,868	\$ 894,828	\$ 240,886	\$ 3,845,041	\$ 3,828,408	\$ 760,248	\$ 2,999,214	\$ 2,077,063	\$ 865	\$ -

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Secondary Facilities Project	Technology/ Equipment Project	CV Project GO Bond 2012	GO Bond 2014	CV Phase III	Roof Equipment Upgrades	Upgrades	Early Childhood Centers	First Mortgage Bond Series 2007	School Lunch
Cash and investments - beginning	\$ 121,984	\$ 65,268	\$ 585,142	\$ 3,767,806	\$ -	\$ -	\$ -	\$ 731,720	\$ 407,751	\$ 5,321,396
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,130,646
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	55,343
Federal sources	-	-	-	-	-	-	-	-	-	7,142,197
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-	9,328,186
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	195,321
Noninstructional services	-	-	-	-	-	-	-	-	-	7,721,710
Facilities acquisition and construction	118,826	62,498	219,676	3,477,760	62,404	107,599	483,939	628,905	205,594	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	252,304
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	118,826	62,498	219,676	3,477,760	62,404	107,599	483,939	628,905	205,594	8,169,335
Excess (deficiency) of receipts over disbursements	(118,826)	(62,498)	(219,676)	(3,477,760)	(62,404)	(107,599)	(483,939)	(628,905)	(205,594)	1,158,851
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	2,000,000	2,000,000	2,000,000	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	2,000,000	2,000,000	2,000,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(118,826)	(62,498)	(219,676)	(3,477,760)	1,937,596	1,892,401	1,516,061	(628,905)	(205,594)	1,158,851
Cash and investments - ending	\$ 3,158	\$ 2,770	\$ 365,466	\$ 290,046	\$ 1,937,596	\$ 1,892,401	\$ 1,516,061	\$ 102,815	\$ 202,157	\$ 6,480,247

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Textbook Rental	Self- Insurance	Levy Excess	Child Care Program	Alternative Education	Literacy Early Intervention	Early Literacy Intervention	Student Life Ctr Support	United Way Grant	United Way - HH
Cash and investments - beginning	\$ 2,540,212	\$ 7,099,558	\$ 228,269	\$ 608,891	\$ -	\$ -	\$ 28,286	\$ (3,108)	\$ (24,506)	\$ -
Receipts:										
Local sources	497,292	20,221,629	-	2,094,294	-	-	-	10,899	143,926	191,095
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	786,883	-	-	-	23,142	113,135	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>1,284,175</u>	<u>20,221,629</u>	<u>-</u>	<u>2,094,294</u>	<u>23,142</u>	<u>113,135</u>	<u>-</u>	<u>10,899</u>	<u>143,926</u>	<u>191,095</u>
Disbursements:										
Instruction	-	-	-	2,195,396	23,142	92,475	-	11,991	140,268	210,415
Support services	1,024,652	-	-	152,616	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	17,230,310	-	-	-	-	-	-	-	19,800
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>1,024,652</u>	<u>17,230,310</u>	<u>-</u>	<u>2,348,012</u>	<u>23,142</u>	<u>92,475</u>	<u>-</u>	<u>11,991</u>	<u>140,268</u>	<u>230,215</u>
Excess (deficiency) of receipts over disbursements	<u>259,523</u>	<u>2,991,319</u>	<u>-</u>	<u>(253,718)</u>	<u>-</u>	<u>20,660</u>	<u>-</u>	<u>(1,092)</u>	<u>3,658</u>	<u>(39,120)</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>259,523</u>	<u>2,991,319</u>	<u>-</u>	<u>(253,718)</u>	<u>-</u>	<u>20,660</u>	<u>-</u>	<u>(1,092)</u>	<u>3,658</u>	<u>(39,120)</u>
Cash and investments - ending	<u>\$ 2,799,735</u>	<u>\$ 10,090,877</u>	<u>\$ 228,269</u>	<u>\$ 355,173</u>	<u>\$ -</u>	<u>\$ 20,660</u>	<u>\$ 28,286</u>	<u>\$ (4,200)</u>	<u>\$ (20,848)</u>	<u>\$ (39,120)</u>

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	LC Library Grant	Answers for Autism Grant	LN Library Grant	Library Grant - LN	Foundation Salaries	Legacy Foundation	Summer Servings Grant	Camp Kaleidoscope	Lawrence Shelter	Donation Accounts
Cash and investments - beginning	\$ 8,959	\$ 267	\$ 326	\$ 31	\$ (14,694)	\$ -	\$ -	\$ -	\$ 6,041	\$ 28,631
Receipts:										
Local sources	-	-	-	-	176,574	197	3,000	20,000	2	39,039
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	176,574	197	3,000	20,000	2	39,039
Disbursements:										
Instruction	-	7	-	-	-	17,083	-	-	5,699	14,902
Support services	8,259	-	326	31	-	-	-	-	-	8,246
Noninstructional services	-	-	-	-	187,753	-	1,500	-	-	1,792
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,000
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,259	7	326	31	187,753	17,083	1,500	-	5,699	25,940
Excess (deficiency) of receipts over disbursements	(8,259)	(7)	(326)	(31)	(11,179)	(16,886)	1,500	20,000	(5,697)	13,099
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	(8,259)	(7)	(326)	(31)	(11,179)	(16,886)	1,500	20,000	(5,697)	13,099
Cash and investments - ending	\$ 700	\$ 260	\$ -	\$ -	\$ (25,873)	\$ (16,886)	\$ 1,500	\$ 20,000	\$ 344	\$ 41,730

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Retirement Recognition	Lumina/AAEA	Adult and Continuing Education	AVID	MAC	MAC Jr	MAC Online	Training Workshops	Safe Routes to School	Preschool of the Arts
Cash and investments - beginning	\$ 934	\$ 2,608	\$ (406,151)	\$ 13,371	\$ -	\$ -	\$ -	\$ 626	\$ (19,415)	\$ 73,487
Receipts:										
Local sources	-	-	-	25,000	25,000	3,120	650	-	-	1,469,575
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	26,735	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	25,000	25,000	3,120	650	-	26,735	1,469,575
Disbursements:										
Instruction	-	-	-	-	-	-	-	626	7,320	1,355,289
Support services	934	-	-	38,371	32,602	4,641	5,521	-	-	34,068
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	934	-	-	38,371	32,602	4,641	5,521	626	7,320	1,389,357
Excess (deficiency) of receipts over disbursements	(934)	-	-	(13,371)	(7,602)	(1,521)	(4,871)	(626)	19,415	80,218
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	2,900
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	2,900
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(934)	-	-	(13,371)	(7,602)	(1,521)	(4,871)	(626)	19,415	83,118
Cash and investments - ending	\$ -	\$ 2,608	\$ (406,151)	\$ -	\$ (7,602)	\$ (1,521)	\$ (4,871)	\$ -	\$ -	\$ 156,605

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	ABE Scholarship Fund	Luther Scholarship Fund	Leon Riggs Scholarship	Gordon Teter Scholarship	Sec 125 Flex Account	Autism Advocates Fund	Wellness Policy	3M Aero-PLTW FY11/12	3M-SME Grant/Prime 12/15	Employee Criminal History
Cash and investments - beginning	\$ 36,784	\$ 14,786	\$ 7,983	\$ 20,716	\$ 27,769	\$ 7,620	\$ 51,506	\$ -	\$ 11,798	\$ (1,202)
Receipts:										
Local sources	-	-	-	-	366,726	-	-	21,600	-	16,913
Intermediate sources	-	-	-	-	-	-	-	-	10,000	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	366,726	-	-	21,600	10,000	16,913
Disbursements:										
Instruction	-	-	-	-	-	3,978	-	-	8,906	-
Support services	-	-	-	-	209,234	-	-	-	-	16,924
Noninstructional services	-	-	-	-	-	-	465	21,600	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	5,000	4,000	7,975	8,000	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,000	4,000	7,975	8,000	209,234	3,978	465	21,600	8,906	16,924
Excess (deficiency) of receipts over disbursements	(5,000)	(4,000)	(7,975)	(8,000)	157,492	(3,978)	(465)	-	1,094	(11)
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	(5,000)	(4,000)	(7,975)	(8,000)	157,492	(3,978)	(465)	-	1,094	(11)
Cash and investments - ending	\$ 31,784	\$ 10,786	\$ 8	\$ 12,716	\$ 185,261	\$ 3,642	\$ 51,041	\$ -	\$ 12,892	\$ (1,213)

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Food Service Catering	Strategic Planning	Professional Development FY 09/10	Emergency Aid	Professional Development FY 08/09	High Ability 12/13	High Ability 13/14	High Ability 14/15	Education Technology	CSL A2727
Cash and investments - beginning	\$ 29,567	\$ 3,527	\$ 3,057	\$ 19,771	\$ 3,296	\$ -	\$ 4,804	\$ -	\$ -	\$ -
Receipts:										
Local sources	16,185	149,000	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	87,795	269,295	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	16,185	149,000	-	-	-	-	-	87,795	269,295	-
Disbursements:										
Instruction	-	-	-	-	-	-	4,804	82,405	-	-
Support services	-	118,954	820	12,874	3,066	-	-	-	269,295	-
Noninstructional services	3,608	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,608	118,954	820	12,874	3,066	-	4,804	82,405	269,295	-
Excess (deficiency) of receipts over disbursements	12,577	30,046	(820)	(12,874)	(3,066)	-	(4,804)	5,390	-	-
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	12,577	30,046	(820)	(12,874)	(3,066)	-	(4,804)	5,390	-	-
Cash and investments - ending	\$ 42,144	\$ 33,573	\$ 2,237	\$ 6,897	\$ 230	\$ -	\$ -	\$ 5,390	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	CSL A1691	CSL A2892	CSL A2917	CSL	CSL A1828	Extra Curricular Clearing	School Discretionary Fund	Arts in Education 2009	Non-English Speaking Programs P.L. 273-1999	NESP 12/13
Cash and investments - beginning	\$ -	\$ (1,373,800)	\$ (367,065)	\$ -	\$ (1,343,800)	\$ (12,111)	\$ 69,613	\$ 197	\$ 1,373	\$ -
Receipts:										
Local sources	-	-	-	-	-	81,948	95,196	-	-	-
Intermediate sources	-	1,373,800	370,295	-	1,343,800	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,373,800	370,295	-	1,343,800	81,948	95,196	-	-	-
Disbursements:										
Instruction	-	-	-	-	-	65,011	-	-	-	-
Support services	-	-	3,230	-	-	17,455	50	-	-	-
Noninstructional services	-	-	-	-	-	-	109,788	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	3,230	-	-	82,466	109,838	-	-	-
Excess (deficiency) of receipts over disbursements	-	1,373,800	367,065	-	1,343,800	(518)	(14,642)	-	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,373,800	367,065	-	1,343,800	(518)	(14,642)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,629)	\$ 54,971	\$ 197	\$ 1,373	\$ -

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	NESP 13/14	NESP 14/15	State Connectivity FY 12/13	State Connectivity FY 13/14	Performance Based Awards	Project Lead the Way	Title I 2012/2013	Title I 2013/2014	Title I 2014/2015	School Improvement 13/14
Cash and investments - beginning	\$ 5,690	\$ -	\$ 1,024	\$ 4,488	\$ (72,961)	\$ -	\$ -	\$ (648,040)	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	167,280	-	4,191	73,423	-	-	-	-	-
Federal sources	-	-	-	-	-	-	920,115	3,279,171	-	1,188
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	167,280	-	4,191	73,423	-	920,115	3,279,171	-	1,188
Disbursements:										
Instruction	5,690	161,449	-	-	462	-	84,847	1,967,541	-	-
Support services	-	-	1,024	7,490	-	-	186,733	1,574,191	-	1,188
Noninstructional services	-	-	-	-	-	-	495	31,382	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	85,094	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,690	161,449	1,024	7,490	462	-	272,075	3,658,208	-	1,188
Excess (deficiency) of receipts over disbursements	(5,690)	5,831	(1,024)	(3,299)	72,961	-	648,040	(379,037)	-	-
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	(5,690)	5,831	(1,024)	(3,299)	72,961	-	648,040	(379,037)	-	-
Cash and investments - ending	\$ -	\$ 5,831	\$ -	\$ 1,189	\$ -	\$ -	\$ -	\$ -	\$ (379,037)	\$ -

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	IDEA Part B FY 2012	IDEA Part B FY 2013	IDEA Part B FY 2014	IDEA Part B FY 2015	SPED Improvement Award 13	TA Grant FY02014	SPED Preschool 11/12	SPED Preschool 12/13	SPED Preschool 13/14	SPED Preschool 14/15
Cash and investments - beginning	\$ -	\$ -	\$ (602,602)	\$ -	\$ -	\$ (6,294)	\$ -	\$ -	\$ (16,046)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	714	868,855	2,942,991	-	43,899	-	-	39,892	78,342
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	714	868,855	2,942,991	-	43,899	-	-	39,892	78,342
Disbursements:										
Instruction	-	714	268,629	3,151,749	-	37,605	-	-	23,846	86,617
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	86,346	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	714	268,629	3,238,095	-	37,605	-	-	23,846	86,617
Excess (deficiency) of receipts over disbursements	-	-	600,226	(295,104)	-	6,294	-	-	16,046	(8,275)
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	-	-	600,226	(295,104)	-	6,294	-	-	16,046	(8,275)
Cash and investments - ending	\$ -	\$ -	\$ (2,376)	\$ (295,104)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,275)

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2015  
 (Continued)

	Health Insurance	McKinney Vento 12/13	McKinney Vento 13/14	McKinney Vento 14/15	CTE Tech Resource 2013	Perkins 12/13	Perkins 13/14	Perkins 14/15	REMS MSDLT 10-12	Magnet Schools 12/13
Cash and investments - beginning	\$ 17,217	\$ -	\$ (511)	\$ -	\$ -	\$ -	\$ (65,009)	\$ -	\$ -	\$ (65,068)
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	37,135	1,986	-	-	142,064	141,160	-	343,646
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	37,135	1,986	-	-	142,064	141,160	-	343,646
Disbursements:										
Instruction	-	-	-	-	-	-	77,055	156,489	-	278,578
Support services	-	-	36,624	1,986	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	9,750	-	-	-	-	-	-	10,685	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,750	-	36,624	1,986	-	-	77,055	167,174	-	278,578
Excess (deficiency) of receipts over disbursements	(9,750)	-	511	-	-	-	65,009	(26,014)	-	65,068
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	(9,750)	-	511	-	-	-	65,009	(26,014)	-	65,068
Cash and investments - ending	\$ 7,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (26,014)	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 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 II A 11/12	Title II A 12/13	Title II A 13/14	Title II A 14/15	Title II A E Learning Regional	Title III 12/13	Title III LEP 13/15	Title III LEP 14/15	Title III WIDA 2014
Cash and investments - beginning	\$ -	\$ (33,788)	\$ (16,533)	\$ -	\$ -	\$ -	\$ (41,681)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	44,114	303,846	202,337	6,250	-	121,463	197,421	5,174
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	44,114	303,846	202,337	6,250	-	121,463	197,421	5,174
Disbursements:									
Instruction	-	-	-	-	-	-	79,782	223,296	5,174
Support services	-	10,326	273,089	198,607	14,000	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	17,175	17,279	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	10,326	290,264	215,886	14,000	-	79,782	223,296	5,174
Excess (deficiency) of receipts over disbursements	-	33,788	13,582	(13,549)	(7,750)	-	41,681	(25,875)	-
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	-	33,788	13,582	(13,549)	(7,750)	-	41,681	(25,875)	-
Cash and investments - ending	\$ -	\$ -	\$ (2,951)	\$ (13,549)	\$ (7,750)	\$ -	\$ -	\$ (25,875)	\$ -

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 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 Supplemental PD 2014	College Success Grant	ST - Proj Learning Tree	Misc Clearing Account	Foundation Grants	Health Ins - Cobra	PR Clearing	Totals
Cash and investments - beginning	\$ (1,191)	\$ 1,633	\$ -	\$ 69,978	\$ (2,901)	\$ (222,820)	\$ 5,217,232	\$ 53,554,582
Receipts:								
Local sources	-	-	-	-	-	-	-	67,773,321
Intermediate sources	-	-	-	-	-	-	-	3,097,895
State sources	-	-	-	-	-	-	-	100,471,937
Federal sources	9,998	-	2,000	-	-	-	-	17,049,980
Temporary loans	-	-	-	-	-	-	-	2,539,368
Other receipts	-	-	-	116,206	2,099	1,287,441	34,188,691	35,799,593
Total receipts	9,998	-	2,000	116,206	2,099	1,287,441	34,188,691	226,732,094
Disbursements:								
Instruction	8,807	-	1,900	-	-	-	-	84,290,300
Support services	-	-	-	-	-	-	-	47,921,608
Noninstructional services	-	-	-	-	-	-	-	8,491,990
Facilities acquisition and construction	-	-	-	-	-	-	-	10,523,930
Debt services	-	-	-	-	-	-	-	22,908,360
Nonprogrammed charges	-	-	-	-	-	-	-	17,754,718
Interfund loans	-	-	-	190,900	3,989	967,095	38,431,704	39,593,687
Total disbursements	8,807	-	1,900	190,900	3,989	967,095	38,431,704	231,484,593
Excess (deficiency) of receipts over disbursements	1,191	-	100	(74,694)	(1,890)	320,346	(4,243,013)	(4,752,499)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	6,000,000
Sale of capital assets	-	-	-	-	-	-	-	16,557
Transfers in	-	-	-	-	-	-	-	2,950,000
Transfers out	-	-	-	-	-	-	-	(2,950,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	6,016,557
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,191	-	100	(74,694)	(1,890)	320,346	(4,243,013)	1,264,058
Cash and investments - ending	\$ -	\$ 1,633	\$ 100	\$ (4,716)	\$ (4,790)	\$ 97,525	\$ 974,220	\$ 54,818,641

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
SCHEDULE OF LEASES AND DEBT  
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
School Building Corporation of Lawrence Township	First Mortgage Refunding Bonds Series 2014	\$ 2,960,000	6/30/2014	12/31/2024
School Building Corporation of Lawrence Township	First Mortgage Refunding Bonds Series 2013A	1,230,000	12/31/2013	12/31/2018
School Building Corporation of Lawrence Township	First Mortgage Refunding Bonds Series 2012	1,627,500	6/30/2012	12/31/2022
School Building Corporation of Lawrence Township	First Mortgage Refunding Bonds Series 2008	2,091,000	6/30/2008	12/31/2019
School Building Corporation of Lawrence Township	First Mortgage Bonds Series 2007	<u>4,105,000</u>	12/31/2007	12/31/2024
Total governmental activities		<u>12,013,500</u>		
Total of annual lease payments		<u>\$ 12,013,500</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	2006 GO Pension Bonds	\$ 8,065,000	\$ 967,475
General obligation bonds	2012 GO Pension Bonds	8,560,000	1,268,250
General obligation bonds	2015B GO for Construction and Renovation	2,000,000	75,867
General obligation bonds	2015C GO for Construction and Renovation	2,000,000	75,867
General obligation bonds	2014 GO for Construction and Renovation	4,000,000	1,060,000
General obligation bonds	2015A GO For Construction and Renovation	2,000,000	75,867
General obligation bonds	2012 GO for Construction and Renovations	2,450,000	1,937,250
Tax anticipation warrants	2015 Transportation Tax Warrants	2,539,368	2,559,274
Notes and loans payable	Common School Loan A1507	565,449	287,671
Notes and loans payable	Common School Loan A1574	185,376	63,491
Notes and loans payable	Common School Loan A1464	430,506	290,592
Notes and loans payable	Common School Loan A1451	287,004	289,157
Notes and loans payable	Common School Loan A1596	848,172	290,499
Notes and loans payable	Common School Loan A1746	1,236,420	286,437
Notes and loans payable	Common School Loan A1691	1,100,880	560,760
Notes and loans payable	Common School Loan A1792	1,083,544	281,044
Notes and loans payable	Common School Loan A1767	355,157	82,278
Notes and loans payable	Common School Loan A1828	1,343,800	-
Notes and loans payable	Common School Loan A1634	963,270	284,164
Notes and loans payable	Common School Loan A1667	<u>208,292</u>	<u>61,446</u>
Total governmental activities		<u>40,222,238</u>	<u>10,797,389</u>
Totals		<u>\$ 40,222,238</u>	<u>\$ 10,797,389</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

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

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

We have audited the Metropolitan School District of Lawrence Township's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the 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.

***Basis for Qualified Opinion on Child Nutrition Cluster***

As described in items 2015-003, 2015-005, 2015-006, 2015-008, 2015-009, and 2015-014 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management, Equipment and Real Property Management, Procurement and Suspension and Debarment, Special Tests and Provisions - Verification of Free and Reduced Price

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

Applications (NSLP), Special Tests and Provisions - Paid Lunch Equity, and Allowable Costs/Cost Principles that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

***Qualified Opinion on Child Nutrition Cluster***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on their Child Nutrition Cluster for the period of July 1, 2013 to June 30, 2015.

***Unmodified Opinion on Special Education Cluster (IDEA)***

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 its Special Education Cluster (IDEA) as identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs 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 2015-010, 2015-011, 2015-012, and 2015-013. 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.

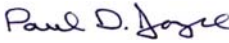
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a

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

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, 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, 2015-008, 2015-009, 2015-010, 2015-011, 2015-012, 2015-013, and 2015-014 to be material weaknesses.

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

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

  
Paul D. Joyce, CPA  
State Examiner

August 8, 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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METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
 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
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education						
080-4292		10.553	FY2014	\$ -	\$ 1,907,596	\$ -	\$ -
080-4292		10.553	FY2015	-	-	-	1,943,373
Total - School Breakfast Program				-	1,907,596	-	1,943,373
National School Lunch Program							
080-4291/4297	Indiana Department of Education	10.555	FY2014	-	4,699,101	-	-
080-4291/4297		10.555	FY2015	-	-	-	4,985,626
Non-cash assistance - commodities				-	466,864	-	547,858
Total - National School Lunch Program				-	5,165,965	-	5,533,484
Summer Food Service Program for Children							
080-4294	Indiana Department of Education	10.559	FY2014	-	42,028	-	-
080-4294		10.559	FY2015	-	-	-	81,217
Total - Summer Food Service Program for Children				-	42,028	-	81,217
Total - Child Nutrition Cluster				-	7,115,589	-	7,558,074
Child and Adult Care Food Program							
080-4296	Indiana Department of Education	10.558	FY2015	-	-	-	131,982
Urban and Community Forestry Program							
6915 -Project Learning Tree	American Forest Foundation	10.675		-	-	-	1,900
Total - Department of Agriculture				-	7,115,589	-	7,691,956
<u>Department of Education</u>							
Special Education Cluster							
Special Education_Grants to States	Indiana Department of Education						
5233 - SPED Part B 11/12		84.027	14212-036-PN01	-	6,784	-	-
5251- SPED Part B 12/13		84.027	14213-036-PN01	-	895,323	-	-
5251- SPED Part B 12/13		84.027	14213-036-PN01	-	-	-	714
5252 - SPED Part B 13/14		84.027	14214-036-PN01	-	2,640,428	-	-
5252 - SPED Part B 14/15		84.027	14214-036-PN01	-	-	-	868,855
5253 - SPED Part B 14/15		84.027	14215-036-PN01	-	-	-	2,942,991
5256 - TA Grant		84.027	9914-036-TA01	-	33,913	-	-
5256 - TA Grant		84.027	9914-036-TA01	-	-	-	43,899
5255 - SEI Grant		84.027	A58-3-13DL-1414	-	61,198	-	-
Total - Special Education_Grants to States				-	3,637,646	-	3,856,459

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

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
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
<b>Department of Education (continued)</b>							
<b>Special Education Cluster (continued)</b>							
Special Education_Preschool Grants	Indiana Department of Education						
5422 - SPED Preschool 11/12 (619)		84.173	45712-036-PN01	-	5,582	-	-
5423 - SPED Preschool 12/13 (619)		84.173	45713-036-PN01	-	17,071	-	-
5424 - SPED Preschool 13/14 (619)		84.173	45714-036-PN01	-	68,518	-	-
5424 - SPED Preschool 13/14 (619)		84.173	45714-036-PN01	-	-	-	39,892
5425 - SPED Preschool FY2015		84.173	45715-036-PN01	-	-	-	78,342
<b>Total - Special Education_Preschool Grants</b>				<b>-</b>	<b>91,171</b>	<b>-</b>	<b>118,234</b>
<b>Total - Special Education Cluster</b>				<b>-</b>	<b>3,728,817</b>	<b>-</b>	<b>3,974,693</b>
<b>Title I, Part A Cluster</b>							
Title I Grants to Local Educational Agencies	Indiana Department of Education						
4146 - Title I 12/13		84.010	Dec-30	-	987,665	-	-
4147 - Title I 13/14		84.010	13-5330	-	2,558,383	-	-
4147 - Title I 13/14		84.010	13-5330	-	-	-	920,115
4148 - Title I 14/15		84.010	14-5330	-	-	-	3,279,171
4199 - Title I School Improvement 13/14		84.010	84.010A	-	-	-	1,188
<b>Total - Title I, Part A Cluster</b>				<b>-</b>	<b>3,546,048</b>	<b>-</b>	<b>4,200,474</b>
<b>Career and Technical Education -- Basic Grants to States</b>							
Career and Technical Education -- Basic Grants to States	Indiana Department of Education						
6224 - Perkins 12/13		84.048	12-4700-5300	-	72,187	-	-
6225 - Perkins 13/14		84.048	13-4700-5300	-	97,961	-	-
6225 - Perkins 13/14		84.048	13-4700-5300	-	-	-	142,064
6226 - Perkins 14/15		84.048	14-4700-5300	-	-	-	141,160
6215 - CTE Tech Resource		84.048		-	14,987	-	-
<b>Total - Career and Technical Education -- Basic Grants to States</b>				<b>-</b>	<b>185,135</b>	<b>-</b>	<b>283,224</b>
<b>Magnet Schools Assistance</b>							
Magnet Schools Assistance	Direct Grant						
6680 - Magnet Grant		84.165	U165A100092	-	2,009,662	-	-
6680 - Magnet Grant		84.165	U165A100092	-	-	-	343,646
<b>Total - Magnet Schools Assistance</b>				<b>-</b>	<b>2,009,662</b>	<b>-</b>	<b>343,646</b>
<b>Safe and Drug-Free Schools and Communities_National Programs</b>							
Safe and Drug-Free Schools and Communities_National Programs	Direct Grant						
6610 - REMS Grant		84.184	Q184E100026	-	37,023	-	-
<b>Education for Homeless Children and Youth</b>							
Education for Homeless Children and Youth	Indiana Department of Education						
5996 - McKinney Vento 12/13		84.196	A58-3-13SS-1024	-	11,638	-	-
5997 - McKinney Vento 13/14		84.196	A58-4-14SS-1800	-	6,365	-	-
5997 - McKinney Vento 13/14		84.196	A58-4-14SS-1800	-	-	-	37,135
5998 - McKinney Vento 14/15		84.196	A58-5-15SS-2320	-	-	-	1,986
<b>Total - Education for Homeless Children and Youth</b>				<b>-</b>	<b>18,003</b>	<b>-</b>	<b>39,121</b>
<b>Advanced Placement Program</b>							
Advanced Placement Program	Indiana Department of Education						
010-4390		84.330	A58-414CI-2153	-	-	-	2,700

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

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
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
<u>Department of Education (continued)</u>							
English Language Acquisition State Grants	Indiana Department of Education						
6882 - Title III 12/13		84.365	01113-061-PN01	-	85,659	-	-
6883 - Title III 13/14		84.365	01114-044-PN01	-	130,336	-	-
6883 - Title III 13/14		84.365	01114-044-PN01	-	-	-	121,463
6884 - Title III 14/15		84.365	01115-065-PN01	-	-	-	197,421
6889 - Title III Supplemental		84.365	A58-4-14OT-2053	-	-	-	9,998
6888- Title III Supplemental - WIDA		84.365	01113-357-PN01	-	-	-	5,174
Total - English Language Acquisition State Grants				-	215,995	-	334,056
Improving Teacher Quality State Grants	Indiana Department of Education						
6844 - Title IIA 11/12		84.367	Nov-30	13,314	18,506	-	-
6845 - Title IIA 12/13		84.367	Dec-30	43,817	228,512	-	-
6845 - Title IIA 12/13		84.367	Dec-30	-	-	53,869	44,114
6846 - Title IIA 13/14		84.367	13-5330	3,988	702	-	-
6846 - Title IIA 13/14		84.367	13-5330	-	-	39,215	303,846
6847 - Title IIA 14/15		84.367	14-5330	-	-	5,307	202,337
6848 - Title IIA e Learning Grant		84.367	A58-5-15CI-2479	-	-	-	6,250
Total - Improving Teacher Quality State Grants				61,119	247,720	98,391	556,547
College Access Challenge Grant Program	Indiana Department of Education						
6911 - College Success /LN		84.378	P378A110012 2011	-	186	-	-
Total - Department of Education				61,119	9,988,589	98,391	9,734,461
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778					
010-4540				-	47,841	-	74,614
Assistance Programs for Chronic Disease Prevention and Control	Indiana State Department of Health						
010-4599		93.945	EDS A-70-5-071087	-	-	-	1,200
Total - Department of Health and Human Services				-	47,841	-	74,614
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security						
035-4270		97.036	PA-05-IN-4173	-	-	-	95,508
Total - Department of Homeland Security				-	-	-	95,508
Total federal awards expended				\$ 61,119	\$ 17,152,019	\$ 98,391	\$ 17,597,739

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

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
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.

METROPOLITAN SCHOOL DISTRICT OF LAWRENCE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

\_\_\_\_\_ Name of Federal Program or Cluster \_\_\_\_\_

Child Nutrition Cluster  
Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs: \$1,042,493

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2015-001 - FINANCIAL TRANSACTIONS AND REPORTING**

*Condition*

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. Internal control procedures were not in place to ensure the cash and investment balances and receipt activity were accurate and complete.

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

*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. . . ."

*Cause*

Management of the School Corporation had not established a proper system of internal control.

*Effect*

The failure to establish proper controls could have enabled material misstatements or irregularities to remain undetected.

*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 - ACTIVITIES ALLOWED AND UNALLOWED**

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed and Unallowed compliance requirement.

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

The School Corporation indicated that their control was that timesheets were reviewed and signed by the employee's direct supervisor, then submitted to the Food and Nutrition Service office where it was reviewed and approved prior to submission to the Business Service office for processing and payment. However, two timesheets had not been signed by the direct supervisor and no evidence of the review from the Food and Nutrition Services office prior to submission to the Business Service office was documented.

In addition, controls had not been fully implemented or established regarding vendor transactions. The Food and Nutrition Services Director was to review vendor transactions prior to submission to the Business Services office for processing. Twenty-five out of forty vendor transactions tested had no tangible evidence that they were reviewed or approved by the Food and Nutrition Services Director before submission to the Business Services office for processing.

*Context*

The lack of documentation of controls over Activities Allowed and Unallowed was a systemic issue throughout the audit period.

*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. . . ."

*Cause*

Management of the School Corporation had not properly developed or fully implemented a system of internal controls.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Activities Allowed and Unallowed compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management fully implement and document controls in place related to the grant agreement and the Activities Allowed and Unallowed compliance requirement.

*Views of Responsible Officials*

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

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

***FINDING 2015-003 - 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): FY2014, FY2015  
Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement. The procedures established to ensure that the School Lunch fund cash balances were maintained in compliance with the Cash Management compliance requirement were not effective. In addition, there were no procedures established to ensure the amounts being entered for federal reimbursement were accurate prior to submission.

The School Lunch fund balances (Net Cash Resources) for the School Corporation exceeded its 3 months average expenditures in all 24 months of the audit period. The 3 months averages of expenditures of the School Lunch fund for the fiscal year 2014 and for the fiscal year 2015 were \$2,252,177 and \$2,042,334, respectively. Cash balances (Net Cash Resources) in the School Lunch fund ranged from \$4,175,137 to \$6,480,248 for the 24-month audit period.

*Context*

All month-end cash balances (Net Cash Resources) for the fiscal year 2014 and for the fiscal year 2015 were examined and all 24 months' balances exceeded the School Corporation's 3 months average expenditures. A plan to spend a portion of the excess balance was not established until after the end of the audit period.

*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 section 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; . . ."

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

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Cash Management compliance requirement.

*Effect*

The failure to establish an effective internal control system allowed material noncompliance to occur. Noncompliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and 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 2015-004 - ELIGIBILITY**

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement.

The School Corporation used a computer-based system to determine a household's eligibility based on information provided by the parent or guardian. However, there were no controls in place to ensure that the system parameters had been accurately defined to match the Federal Income Guidelines, nor that the system had calculated and determined the benefits correctly.

In addition, the School Corporation processed some paper Free and Reduced Applications. The applications were entered into their computer-based system with no control to ensure the information was entered correctly.

*Context*

The system which determined eligibility of Free and Reduced Applications was not verified to ensure it followed the Federal Income Guidelines. Paper applications entered into the system were not reviewed to ensure they were entered accurately.

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

*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. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Eligibility compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Eligibility compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Eligibility 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 2015-005 - EQUIPMENT AND REAL PROPERTY MANAGEMENT***

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management compliance requirement.

The School Corporation did not maintain equipment or property records for equipment purchased with monies from the Child Nutrition programs.

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

*Context*

The lack of controls and noncompliance were systemic problems during the period audited.

*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 3016.32 states in part:

". . . (b) . . . Other grantees and subgrantees will follow paragraphs (c) through (e) of this section. . . ."

(d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Equipment and Real Property Management compliance requirement.

*Effect*

The failure to establish an effective internal control system allowed noncompliance to occur. Noncompliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and the Equipment and Real Property 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.

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

***FINDING 2015-006 - PROCUREMENT AND SUSPENSION AND DEBARMENT***

Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children  
CFDA Numbers: 10.553, 10.555, 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015  
Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not obtain bids for produce vendors. Total purchases for produce exceeded \$150,000, an amount for which Indiana Code requires that a formal bidding process be followed. Produce purchases from one vendor totaled \$744,496 and were not procured in accordance with state policies and procedures.

No documentation was maintained that indicated that the School Corporation verified that vendors with whom the School Corporation entered into contracts were not suspended or debarred.

*Context*

The above-mentioned purchase of produce for \$744,496 was the only instance where the School Corporation did not follow procurement requirements during the audit period. Contracts initiated through the School Corporation did not contain documentation to substantiate that the School Corporation verified the vendor was not suspended or debarred.

*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 3016.36(b)(1) states: "Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."

Indiana Code 5-22-7-2(a) states: "A purchasing agent shall issue an invitation for bids."

2 CFR 180.300 states:

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

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

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

*Cause*

The School Corporation had not developed a system of internal controls that would have ensured that they complied with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system allowed noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and the Procurement and Suspension and Debarment 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 2015-007 - REPORTING***

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation indicated that their control was that reports were reviewed prior to submission by someone other than the person preparing the reports. There was no audit evidence to document that the control was properly implemented or effective.

*Context*

There was no audit evidence to document that required reports submitted by the School Corporation were reviewed for accuracy prior to submission.

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

*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. . . ."

*Cause*

Management of the School Corporation had not properly developed or implemented a system of internal controls.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish and document controls in place related to the grant agreement and the Reporting 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 2015-008 - SPECIAL TESTS AND PROVISIONS - VERIFICATION  
OF FREE AND REDUCED PRICE APPLICATIONS (NSLP)**

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): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Three of the thirty-nine households tested contained instances in which an error in the frequency of pay used led to income being calculated incorrectly, causing an inappropriate change to eligibility status.

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

*Context*

The lack of controls and noncompliance were systemic issues during the audit period.

*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 245.6(f)(7) states in part: "*Eligibility changes*. Based on the verification activities, the local educational agency shall make appropriate modifications to the eligibility determinations made initially. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

*Effect*

The School Corporation's failure to establish an effective internal control system enabled non-compliance to go undetected. Noncompliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) requirements.

*Views of Responsible Officials*

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

**FINDING 2015-009 - SPECIAL TESTS AND PROVISIONS - PAID LUNCH EQUITY**

Federal Agency: Department of Agriculture

Federal Program: National School Lunch Program

CFDA Number: 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

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

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

The School Corporation did not meet the requirements for compliance with Paid Lunch Equity for the 2013-2014 and 2014-2015 school years. The School Corporation did not correctly increase school lunch prices to ensure that the average weighted paid price met the required weighted average paid price for paid lunch equity.

*Context*

The lack of controls and noncompliance were systemic problems during the period audited.

*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(e)(3) states in part:

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

- (i) 2 percent; and
- (ii) The percentage change in the Consumers Price Index for All Urban Consumers used to increase the Federal reimbursement rate under section 11 of the Act for the most recent school year for which data are available. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Special Tests and Provisions - Paid Lunch Equity requirement.

*Effect*

The failure to establish an effective internal control system allowed noncompliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

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

*Recommendation*

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and Special Tests and Provisions - Paid Lunch Equity 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 2015-010 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-036-PN01, 14213-036-PN01,  
14214-036-PN01, 14215-036-PN01,  
A58-3-13DL-1414, 99914-036-TA01,  
45712-036-PN01, 45713-036-PN01,  
45714-036-PN01, 45715-036-PN01

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements relating to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. Semi-Annual Certifications were not maintained by the School Corporation for employees who worked solely on Special Education programs for the 2013-2014 and 2014-2015 school years.

*Context*

The lack of controls and noncompliance were systemic problems throughout the audit period.

*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(3) states:

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

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

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Allowable Costs/Cost Principles compliance requirement.

*Effect*

The failure to establish an effective internal control system allowed noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and 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.

**FINDING 2015-011 - MATCHING, LEVEL OF EFFORT, EARMARKING**

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-036-PN01, 14213-036-PN01,  
14214-036-PN01, 14215-036-PN01,  
A58-3-13DL-1414, 99914-036-TA01,  
45712-036-PN01, 45713-036-PN01,  
45714-036-PN01, 45715-036-PN01

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the level of effort and earmarking requirements.

Maintenance of effort calculations for the School Corporation were documented within the Special Education grant applications; however, the School Corporation could not provide supporting documentation for their calculations. Additionally, the child count totals reported on the applications did not always agree to the child count reports provided by the School Corporation.

Earmarking requirements were not met by the School Corporation during the audit period. The School Corporation exceeded the maximum 15 percent of federal funds in combination with other funds for early intervening services. During fiscal year 2014, the School Corporation exceeded the budget for early intervening services by \$3,101. The School Corporation paid two employees from early intervening service monies for the period of January 3, 2014 to May 30, 2014; however, neither of these employees had performed activities related to early intervening services.

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

*Context*

There were no controls in place at the School Corporation to ensure the level of effort and earmarking requirements were met.

*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. . . ."

34 CFR 300.203 states in part:

"(b) *Standard.* (1) Except as provided in paragraph (b)(2) of this section, the SEA must determine that an LEA complies with paragraph (a) of this section for purposes of establishing the LEA's eligibility for an award for a fiscal year if the LEA budgets, for the education of children with disabilities, at least the same total or per capita amount from either of the following sources as the LEA spent for that purpose from the same source for the most recent prior year for which information is available:

- (i) Local funds only.
- (ii) The combination of State and local funds.

(2) An LEA that relies on paragraph (b)(1)(i) of this section for any fiscal year must ensure that the amount of local funds it budgets for the education of children with disabilities in that year is at least the same, either in total or per capita, as the amount it spent for that purpose in the most recent fiscal year for which information is available and the standard in paragraph (b)(1)(i) of this section was used to establish its compliance with this section. . . ."

34 CFR 74.53(b) states in part:

"Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Secretary. . . ."

34 CFR 300.226 states in part:

"(a) *General.* An LEA may not use more than 15 percent of the amount the LEA receives under Part B of the Act for any fiscal year, less any amount reduced by the LEA pursuant to §300.205, if any, in combination with other amounts (which may include amounts other than education funds), to develop and implement coordinated, early intervening services, which may include interagency financing structures, for students in kindergarten through grade 12 (with a particular emphasis on students in kindergarten through grade three) who are not currently identified as needing special education or related services, but who need additional academic and behavioral support to succeed in a general education environment. . . ."

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

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the level of effort and earmarking requirements.

*Effect*

The failure to establish an effective internal control system allowed noncompliance with the grant agreement and the level of effort and earmarking requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and the level of effort and earmarking requirements.

*Views of Responsible Officials*

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

***FINDING 2015-012 - PROCUREMENT AND SUSPENSION AND DEBARMENT***

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-036-PN01, 14213-036-PN01,  
14214-036-PN01, 14215-036-PN01,  
A58-3-13DL-1414, 99914-036-TA01,  
45712-036-PN01, 45713-036-PN01,  
45714-036-PN01, 45715-036-PN01

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have any internal control procedures in place to ensure that procurement procedures were followed when selecting vendors. In addition, the School Corporation did not have any procedures in place to verify that vendors were not suspended or debarred. The School Corporation entered into one contract related to the federal award during the audit period. No documentation was provided for audit to substantiate that the School Corporation verified that the vendor was not suspended or debarred.

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

*Context*

The lack of controls was a systemic problem during the audit period. Only one contract related to the federal award was entered into during the audit period that required the School Corporation to ensure the vendor was not suspended or debarred.

*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. . . ."

2 CFR 180.300 states:

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

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

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

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

***FINDING 2015-013 - REPORTING***

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-036-PN01, 14213-036-PN01,  
14214-036-PN01, 14215-036-PN01,  
A58-3-13DL-1414, 99914-036-TA01,  
45712-036-PN01, 45713-036-PN01,  
45714-036-PN01, 45715-036-PN01

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation's internal control was that the reports were to be reviewed by the Director of Special Education prior to submission to Indiana Department of Education. During the audit period, the originally reviewed and signed Quarterly Monitoring Reports for Coordinated Early Intervening Services (CEIS) and Non-Public Schools were not properly retained and eliminated any evidence of the internal control review process. In addition, not all of the quarterly reports for audit period were available to review. Of the quarterly reports required during the audit period, two Quarterly Monitoring Reports for CEIS and two Quarterly Proportionate Share Monitoring Reports were selected for testing. One of the Quarterly Monitoring Reports for CEIS selected did not have evidence of being reviewed by the Director of Special Education and supporting documentation for the report was not available, and the other report selected was not properly retained and unable to be reviewed. Of the two Quarterly Proportionate Share Monitoring Reports for Non-Public Schools reviewed, one of the did not contain any evidence of being reviewed by the Director of Special Education, and the other did not have the IDEA, Part B and IDEA Preschool sections completed.

Additionally, the School Corporation indicated that the Annual Child Count and Data Collection Reports were reviewed and approved by the Superintendent of Schools prior to submission. Although copies of the reports were available, the originally reviewed and signed Child Count Reports were not properly retained and eliminated any evidence of the internal control review process. Two of the Child Count Reports filed during the audit period were reviewed for audit, neither of which contained any evidence of being reviewed by the Superintendent of Schools, nor was the supporting Data Collection Report for each provided by the unit.

*Context*

Reports were not always reviewed for accuracy and supporting documentation was not retained.

*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. . . ."

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

34 CFR 80.20(b) states in part:

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

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Reporting compliance requirement.

*Effect*

The failure to establish an effective internal control system allowed noncompliance with the grant agreement and the Reporting compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and Reporting 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 2015-014 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY2014, FY2015

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

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

The School Corporation indicated that their control was that timesheets were reviewed and signed by the employee's direct supervisor, then submitted to the Food and Nutrition Service office where it was reviewed and approved prior to submission to the Business Service office for processing and payment. However, two timesheets had not been signed by the direct supervisor and no evidence of the review from the Food and Nutrition Services office prior to submission to the Business Service office was documented.

Semi-Annual Certifications were not maintained by the School Corporation for employees who worked solely on the Child Nutrition programs for the 2013-2014 and 2014-2015 school years.

In addition, controls had not been fully implemented or established regarding vendor transactions. The Food and Nutrition Services Director was to review vendor transactions prior to submission to the Business Services office for processing. Twenty-five out of forty vendor transactions tested had no tangible evidence that they were reviewed or approved by the Food and Nutrition Services Director before submission to the Business Services office for processing.

*Context*

Internal controls over Allowable Costs/Cost Principles were not fully implemented or effective during the audit period and resulted in the noncompliance noted above.

*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. . . ."

2 CFR 225, Attachment B, Paragraph 8(a) states:

"General. Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under Federal awards, including but not necessarily limited to wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of this and other appendices under 2 CFR Part 225, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non-Federal activities;
- (2) Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and
- (3) Is determined and supported as provided in subsection h."

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

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

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

*Cause*

Management had not developed a system of internal controls that that would have ensured that the School Corporation complied with the Allowable Costs/Cost Principles compliance requirement.

*Effect*

The failure to establish an effective internal control system allowed noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and 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.

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AUDITEE-PREPARED DOCUMENT

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



## CORRECTIVE ACTION PLAN

### ***FINDING 2015-001 - FINANCIAL TRANSACTIONS AND REPORTING***

Contact Person Responsible for Corrective Action: Michael D. Shreves  
Contact Phone Number: 317-423-8380

#### Views of Responsible Official:

Finding 2015-001 indicates deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The area in question is the proper approval of bank reconciliations and claim reports. While these were being reviewed by the appropriate personnel, no signatures were obtained documenting such review. Moving forward, proper signatures documenting the review process will be obtained.

#### Description of Corrective Action Plan:

Effective June 1, 2017, proper signatures will be obtained to document the review process.

### ***FINDING 2015-002 - ACTIVITIES ALLOWED AND UNALLOWED***

Contact Person Responsible for Corrective Action: Michael D. Shreves  
Contact Phone Number: 317-423-8380

#### Views of Responsible Official:

Finding 2015-002 indicates that timesheets in the Food Services department were not being reviewed or signed by appropriate personnel. It also indicates that vendor payments were not being correctly reviewed or approved prior to submission to the Business Services Office for processing. These were being reviewed, but no formal documentation was being done to indicate such.

#### Description of Corrective Action Plan:

Effective with the beginning of the 2016-17 school year, all Food Services employees clocked in and out via an electronic time clock system. A supervisor must review all of the entries in the time clock system and digitally approve them before it can be submitted to the Payroll office for processing. Finally, effective June 1, 2017, all vendor payments will be formally documented that they have been reviewed prior to forwarding them to the Business Services Office for processing.



**FINDING 2015-003 - CASH MANAGEMENT**

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-003 indicates that no procedures were in place to ensure amounts being entered for federal reimbursement were accurate prior to submission. Amounts entered for federal reimbursement were being reviewed prior to submission, however, they were not being documented by way of a signature. It also indicates that the School Lunch Fund balance exceeded the three-month average expenditures as allowed with no formal plan to spend the excess balance during the audit period. A plan has been established, but it was not established during the audit period.

Description of Corrective Action Plan:

Effective with the 2017-18 school year, signatures will be obtained documenting the verification of the amounts being submitted for federal reimbursement. A formal plan was established in the summer of 2015 that outlines how the District plans to spend the excess cash balance in the School Lunch Fund.

**FINDING 2015-004 - ELIGIBILITY**

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-004 indicates that there were no controls in place to ensure compliance with the Federal Income Guidelines when approving Free or Reduced Lunch Applications that were filed electronically. It also indicates that paper applications that were filed did not get reviewed for accuracy when entered into the electronic system. Controls were in place to ensure compliance with the electronic system, however they were not formally documented.

Description of Corrective Action Plan:

Effective with the 2017-18 school year, a formal sign-off process will be utilized to verify that the proper parameters were accurately defined in the electronic system to ensure they match the Federal Income Guidelines and that the system had calculated and determined the benefits correctly. Furthermore, if a paper application is input, a person other than the person who input the data will verify its accuracy and sign off accordingly.



***FINDING 2015-005 - EQUIPMENT AND REAL PROPERTY MANAGEMENT***

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-15 indicates that proper records were not kept for equipment purchased with Child Nutrition program funds. Property records were maintained and fixed asset audits are conducted every 2 years. However, in the records, the property was not identified as being purchased with the Child Nutrition Funds.

Description of Corrective Action Plan:

Effective with the fixed asset audit that will be completed as of June 30, 2017, items purchased with Child Nutrition program funds will be identified as such.

***FINDING 2015-006 - PROCUREMENT, SUSPENSION AND DEBARMENT***

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-006 indicates that no documentation was maintained to indicate that the School Corporation verified that vendors, who the School Corporation entered into contracts with, were not suspended or debarred.

Description of Corrective Action Plan:

Effective July 1, 2017, the School Corporation will verify and document that vendors have not been suspended or debarred prior to entering into a contract with them.



***FINDING 2015-007 - REPORTING***

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-007 indicates that controls were not in place to ensure compliance with Reporting and compliance requirements on submitted reports. A review process was in place, but it was not documented by the person conducting the reviews signature.

Description of Corrective Action Plan:

Effective with the 2017-18 school year, all reports submitted will be reviewed and signed off on by a person other than the person preparing the report.

***FINDING 2015-008 - SPECIAL TESTS AND PROVISION: VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS (NSLP)***

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-008 indicates that an internal control system was not in place regarding the verification of Free and Reduced Price Applications.

Description of Corrective Action Plan:

Effective with the 2017-18 school year, the School Corporation will have controls in place to ensure compliance related to the grant agreement and Special Tests and Provisions – Verification of Free and Reduced Price Applications (NSLP) requirements.



***FINDING 2015-009 - SPECIAL TESTS AND PROVISION - PAID LUNCH EQUITY***

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-009 indicates that the school did not comply with the Paid Lunch Equity provisions by not increasing school lunch prices based on the average weighted price method.

Description of Corrective Action Plan:

Effective with the 2015-16 school year and beyond, the School Corporation has complied with the Paid Lunch Equity provisions.

***FINDING 2015-010 - ALLOWABLE COSTS/COST PRINCIPLES***

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-010 indicates that semi-annual certifications were not maintained by the School Corporation for employees who worked solely on Special Education Programs.

Description of Corrective Action Plan:

Effective with the 2017-18 school year, semi-annual certifications will be completed for employees who work solely on Special Education Programs.

***FINDING 2015-011 - LEVEL OF EFFORT, EARMARKING***

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-011 indicates that the School Corporation did not document the Maintenance of Effort calculation. It also indicates that the School Corporation exceeded the 15% limit for early intervening services.

Description of Corrective Action Plan:

Effective with the 2015-16 school year, documentation exists indicating the School Corporation is calculating Maintenance of Effort.



***FINDING 2015-012 - PROCUREMENT, SUSPENSION AND DEBARMENT***

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-012 indicates that no documentation was maintained to indicate that the School Corporation verified that vendors, who the School Corporation entered into contracts with, were not suspended or debarred.

Description of Corrective Action Plan:

Effective July 1, 2017, the School Corporation will verify and document that vendors have not been suspended or debarred prior to entering into a contract with them.

***FINDING 2015-013 - REPORTING***

Contact Person Responsible for Corrective Action: Michael D Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-013 indicates that the Quarterly Monitoring Reports for Coordinated Early Learning Services were not reviewed by the Director of Special Education. These reports were reviewed by the Director of Special Education prior to submission, however, it was not documented that the review took place. Additionally, the finding indicates that the Annual Child Count and Data Collection Reports copies were not properly retained indicating the Superintendent's review and approval. Copies of the report were saved electronically, however, the media they were saved on was damaged.

Description of Corrective Action Plan:

Effective with the 2017-18 school year, all reports required will be properly approved and documented by the appropriate personnel as well as them being secured for safekeeping.



**FINDING 2015-014 - ALLOWABLE COSTS/COST PRINCIPLES**

Contact Person Responsible for Corrective Action: Michael D. Shreves  
Contact Phone Number: 317-423-8380

Views of Responsible Official:

Finding 2015-014 indicates that timesheets in the Food Services department were not being reviewed or signed by appropriate personnel. It also indicates that the Semi-Annual Certifications were not maintained for workers who worked solely on Child Nutrition Programs. It finally indicates that vendor payments were not being correctly reviewed or approved prior to submission to the Business Services Office for processing. These were being reviewed, but no formal documentation was being done to indicate such.

Description of Corrective Action Plan:

Effective with the beginning of the 2016-17 school year, all Food Services employees clocked in and out via an electronic time clock system. A supervisor must review all of the entries in the time clock system and digitally approve them before it can be submitted to the Payroll office for processing. Effective with the 2017-18 school year, the Semi-Annual Certifications will be maintained by the School Corporation for employees who worked solely on the Child Nutrition Programs. Finally, effective June 1, 2017, all vendor payments will be formally documented that they have been reviewed prior to forwarding them to the Business Services Office for processing.

Anticipated Completion Date:

No later than the beginning of the 2017-18 school year.

*Michael D. Shreves*  
\_\_\_\_\_  
(Signature)

*CFO*  
\_\_\_\_\_  
(Title)

*7-28-17*  
\_\_\_\_\_  
(Date)

#### 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/>.