

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

FRANKLIN COMMUNITY SCHOOL CORPORATION
JOHNSON COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
03/22/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jeffery R. Mercer	07-01-14 to 12-31-18
Superintendent of Schools	Dr. David Clendening	07-01-14 to 06-30-19
President of the School Board	Darren G. Thompson William A. Maschmeyer Bryan D. Wertz Kristi Ott Danny Vaught	07-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Franklin Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, 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, 2014 to June 30, 2016.

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, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 2018, 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 solely 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 effectiveness of the School Corporation's 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

February 27, 2018



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INDIANAPOLIS, INDIANA 46204-2769

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Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Franklin Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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*.

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

February 27, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

FRANKLIN COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 4,226,172	\$ 31,637,628	\$ 32,016,177	\$ -	\$ 3,847,623	\$ 32,643,191	\$ 32,147,274	\$ (44,054)	\$ 4,299,486
Debt Service	6,486,155	11,882,212	12,793,419	1,247	5,576,195	13,103,096	12,464,919	32,811	6,247,183
Capital Projects	1,817,332	3,497,880	3,628,721	-	1,686,491	3,217,182	3,046,784	(600,000)	1,256,889
School Transportation	-	1,838,328	1,838,328	-	-	2,063,575	1,957,940	3,721	109,356
School Bus Replacement	261,787	497,813	300,938	(150,000)	308,662	528,722	465,590	-	371,794
Rainy Day	5,390,389	296,479	599,221	150,000	5,237,647	417,794	201,610	644,054	6,097,885
Construction	1,671,399	-	1,322,444	-	348,955	-	348,955	-	-
2016 GO Bond	-	-	-	-	-	-	175,226	2,000,000	1,824,774
School Lunch	874,584	2,575,828	2,703,003	-	747,409	2,598,593	2,605,108	-	740,894
Textbook Rental	685,477	478,137	664,046	-	499,568	462,163	459,565	-	502,166
Levy Excess	-	3,721	-	-	3,721	-	-	(3,721)	-
Art Association	101,685	119,665	181,453	-	39,897	354,097	216,816	-	177,178
Child Care Program	-	1,160	327	-	833	258,970	191,910	-	67,893
Educational License Plates	1,069	544	1,230	-	383	491	308	-	566
Alternative Education 2014	5,014	-	5,014	-	-	-	-	-	-
2015 Alternative Education	-	4,690	579	-	4,111	-	4,111	-	-
SAFE School Haven	8,783	-	4,559	-	4,224	-	-	-	4,224
Early Intervention Grant	9,400	-	9,400	-	-	-	-	-	-
2014-2015 Early Intervention Grant	-	49,155	48,654	-	501	-	501	-	-
Drug Awareness/Prev. Donation	614	-	614	-	-	-	-	-	-
Dupont Case Grant 2014	2,500	-	2,500	-	-	-	-	-	-
2015 Ed. Foundation Grants	-	9,314	8,945	-	369	-	369	-	-
Robotics Club Grant CBIS & FCMS	-	11,000	9,767	-	1,233	-	1,233	-	-
Duke Energy - Summer LIT Grant	-	9,500	1,625	-	7,875	-	4,408	-	3,467
2015-2016 Ed. Foundation Grants	-	-	-	-	-	9,315	8,674	-	641
Destination Imagination	-	-	-	-	-	875	-	-	875
Robotics Club High School	-	-	-	-	-	5,200	-	-	5,200
Goldblox Club Elementary	-	-	-	-	-	10,800	-	-	10,800
Technology Donations	399	4,178	3,877	-	700	20,200	11,450	-	9,450
Fcms Stem Classroom Donation	500	-	500	-	-	-	-	-	-
P-Card Scholarships & Awards	(160)	62,249	5,068	-	57,021	73,043	31,924	-	98,140
Hall of Fame Donations	-	-	-	-	-	61	61	-	-
Hr Donation-Recognition Prgms	300	300	539	-	61	-	61	-	-
Miscellaneous Programs	558	-	-	(558)	-	-	-	-	-
Fast Track - School Supplies	654	7,557	2,969	-	5,242	2,600	-	-	7,842
Community Outreach Program	4	-	4	-	-	-	-	-	-
Essential Skills HS Donation	88	1,000	-	-	1,088	1,000	1,209	-	879
Linda Wall Memorial Needham	-	200	-	558	758	-	-	-	758
FCHS Music Department Donation	-	1,000	1,000	-	-	-	-	-	-
Cub Academy Preschool	-	350	327	-	23	274,443	192,116	-	82,350
Cub Pantry Donations	-	-	-	-	-	719	-	-	719
Cub Closet Donations	178	-	120	-	58	-	58	-	-
Cub Quest Enrichment	-	-	-	-	-	24,873	16,433	-	8,440
One Room School House	5,763	182	1,514	-	4,431	180	-	-	4,611
Northwood Outdoor Ed. Program	5,043	-	-	-	5,043	-	3,419	-	1,624

FRANKLIN COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER
FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments		Disbursements	Other Financing Sources (Uses)	Cash and Investments		Disbursements	Other Financing Sources (Uses)	Cash and Investments
	07-01-14	Receipts			06-30-15	Receipts			
Franklin Coaching Donations	-	13,575	10,475	-	3,100	10,908	12,508	-	1,500
Coke Fund Money	4,943	29,312	9,336	-	24,919	25,483	25,800	-	24,602
Summer Read Academy Donation	249	-	249	-	-	-	-	-	-
Formative Assessment	-	-	-	-	-	14,001	-	-	14,001
High Ability Grant 2013-14	2,215	-	2,215	-	-	-	-	-	-
2014 High Ability Making a Difference	-	19,600	19,600	-	-	-	-	-	-
2014-2015 High Ability Grant	-	50,425	50,425	-	-	-	-	-	-
2015-2016 High Ability Grant	-	-	-	-	-	50,737	45,581	-	5,156
Computer Consortium/Ed Tech Advance	-	-	-	-	-	7,739	9,948	-	(2,209)
Drug Free Johnson County Grant	-	4,795	700	-	4,095	-	4,095	-	-
2016 Drug Free Johnson County	-	-	-	-	-	2,485	-	-	2,485
Medicaid Reimbursement	122,142	31,404	11,320	-	142,226	54,916	50,639	-	146,503
Secured Schools Safety Grant	(249)	3,993	4,332	-	(588)	2,593	3,684	-	(1,679)
Non-English Speaking Programs	155	358	513	-	-	-	-	-	-
2014-2015 Non-English Speaking	-	5,813	5,107	-	706	-	706	-	-
2015-2016 Non-English Speaking	-	-	-	-	-	13,251	11,783	-	1,468
School Technology	94,876	205,125	48,736	-	251,265	454,332	145,582	-	560,015
FCHS/FCMS Mentoring PRG Grant	-	-	-	-	-	7,604	9,711	-	(2,107)
RDC Economic Development	-	491,165	491,165	-	-	349,028	349,028	-	-
Title I Part A 2013-2014	(75,421)	193,328	117,907	-	-	-	-	-	-
Title I Part D 2013-2014	(16,853)	17,715	862	-	-	-	-	-	-
2014-2015 Title I, Part A	-	508,447	562,050	-	(53,603)	155,008	101,405	-	-
2014-2015 Title I, Part D	-	4,735	50,735	-	(46,000)	60,362	14,362	-	-
2015-2016 Title I, Part A	-	-	-	-	-	540,121	618,361	-	(78,240)
2015-2016 Title I, Part D	-	-	-	-	-	10,078	54,330	-	(44,252)
Stewart Homeless Assistance Act	(3,077)	56,906	57,896	-	(4,067)	29,310	25,243	-	-
2015-2016 McKinney-Vento Grant	-	-	-	-	-	27,407	32,850	-	(5,443)
Learn More In College Go Grant	174	-	174	-	-	-	-	-	-
Medicaid Reimbursement - Federal	76,827	57,193	6,966	-	127,054	151,901	7,417	-	271,538
21st Century Learning Center	(18,626)	18,626	-	-	-	-	-	-	-
Improving Teacher Quality, No Child Left, Title II, Part A	(18,914)	47,804	28,890	-	-	-	-	-	-
2013-2014 Title II A	-	103,339	112,589	-	(9,250)	27,198	17,948	-	-
2015-2016 Title II Part A	-	-	-	-	-	96,382	105,597	-	(9,215)
Title III - English Proficiency Migrant	(1,188)	8,569	8,105	-	(724)	5,439	4,916	-	(201)
Title III WIDA Supp. Grant	-	278	278	-	-	-	-	-	-
2015-2017 Title III	-	-	-	-	-	9,633	10,495	-	(862)
Prepaid Food-Food Service	-	-	-	-	-	716,148	671,787	-	44,361
Payroll Withholding	-	6,981,228	6,981,228	-	-	7,291,766	7,291,766	-	-
Totals	\$ 21,722,940	\$ 61,843,803	\$ 64,738,735	\$ 1,247	\$ 18,829,255	\$ 66,185,012	\$ 64,183,574	\$ 2,032,811	\$ 22,863,505

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

FRANKLIN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

FRANKLIN COMMUNITY SCHOOL CORPORATION
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.

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.

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

E. Disbursements

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

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

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

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

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

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

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

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.

FRANKLIN COMMUNITY SCHOOL CORPORATION
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.

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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

FRANKLIN COMMUNITY SCHOOL CORPORATION
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

FRANKLIN COMMUNITY SCHOOL CORPORATION
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 funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 or 2016.

FRANKLIN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with Franklin Community School 1996 Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2015 and 2016, totaled \$2,361,750 and \$1,182,500, respectively. The final scheduled lease payment was made during the year ending June 30, 2016.

The School Corporation has entered into a capital lease with Franklin Community Multi School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2015 and 2016, totaled \$11,367,700 and \$14,707,000, respectively.

Note 9. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: medical, dental, vision, and life insurance. These benefits pose a liability to the School Corporation for these school years and in future years. During the audit period, there were four retirees that were receiving benefits. 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 Indiana Gateway for Government Units 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.

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	2016 GO Bond	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 4,226,172	\$ 6,486,155	\$ 1,817,332	\$ -	\$ 261,787	\$ 5,390,389	\$ 1,671,399	\$ -	\$ 874,584	\$ 685,477	\$ -
Receipts:											
Local sources	277,682	11,882,212	3,110,682	1,737,615	486,861	-	-	-	1,151,376	311,349	3,721
Intermediate sources	21	-	-	-	-	-	-	-	-	-	-
State sources	31,261,312	-	-	-	-	-	-	-	29,194	163,934	-
Federal sources	98,613	-	-	-	-	-	-	-	1,374,179	-	-
Interfund loans	-	-	-	91,808	-	296,479	-	-	-	-	-
Other receipts	-	-	387,198	8,905	10,952	-	-	-	21,079	2,854	-
Total receipts	31,637,628	11,882,212	3,497,880	1,838,328	497,813	296,479	-	-	2,575,828	478,137	3,721
Disbursements:											
Instruction	19,513,388	-	-	-	-	-	-	-	-	-	-
Support services	9,981,438	-	2,614,066	1,549,262	300,938	500,000	435,919	-	254	664,046	-
Noninstructional services	341,351	-	-	-	-	-	-	-	2,612,749	-	-
Facilities acquisition and construction	-	-	1,014,655	-	-	-	886,525	-	-	-	-
Debt service	2,180,000	12,793,419	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	90,000	-	-
Interfund loans	-	-	-	289,066	-	99,221	-	-	-	-	-
Total disbursements	32,016,177	12,793,419	3,628,721	1,838,328	300,938	599,221	1,322,444	-	2,703,003	664,046	-
Excess (deficiency) of receipts over disbursements	(378,549)	(911,207)	(130,841)	-	196,875	(302,742)	(1,322,444)	-	(127,175)	(185,909)	3,721
Other financing sources (uses):											
Proceeds of long-term debt	-	1,247	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	150,000	-	-	-	-	-
Transfers out	-	-	-	-	(150,000)	-	-	-	-	-	-
Total other financing sources (uses)	-	1,247	-	-	(150,000)	150,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(378,549)	(909,960)	(130,841)	-	46,875	(152,742)	(1,322,444)	-	(127,175)	(185,909)	3,721
Cash and investments - ending	\$ 3,847,623	\$ 5,576,195	\$ 1,686,491	\$ -	\$ 308,662	\$ 5,237,647	\$ 348,955	\$ -	\$ 747,409	\$ 499,568	\$ 3,721

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

	Art Association	Child Care Program	Educational License Plates	Alternative Education 2014	2015 Alternative Education	SAFE School Haven	Early Intervention Grant	2014-2015 Early Intervention Grant	Drug Awareness/Prev. Donation	Dupont Case Grant 2014	2015 Ed. Foundation Grants
Cash and investments - beginning	\$ 101,685	\$ -	\$ 1,069	\$ 5,014	\$ -	\$ 8,783	\$ 9,400	\$ -	\$ 614	\$ 2,500	\$ -
Receipts:											
Local sources	119,665	1,160	-	-	-	-	-	-	-	-	9,314
Intermediate sources	-	-	544	-	-	-	-	-	-	-	-
State sources	-	-	-	-	4,690	-	-	49,155	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	119,665	1,160	544	-	4,690	-	-	49,155	-	-	9,314
Disbursements:											
Instruction	-	-	1,230	5,014	579	-	-	-	-	2,500	8,945
Support services	181,453	-	-	-	-	4,559	9,400	48,654	614	-	-
Noninstructional services	-	327	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	181,453	327	1,230	5,014	579	4,559	9,400	48,654	614	2,500	8,945
Excess (deficiency) of receipts over disbursements	(61,788)	833	(686)	(5,014)	4,111	(4,559)	(9,400)	501	(614)	(2,500)	369
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(61,788)	833	(686)	(5,014)	4,111	(4,559)	(9,400)	501	(614)	(2,500)	369
Cash and investments - ending	\$ 39,897	\$ 833	\$ 383	\$ -	\$ 4,111	\$ 4,224	\$ -	\$ 501	\$ -	\$ -	\$ 369

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

	Robotics Club Grant CBIS & FCMS	Duke Energy - Summer LIT Grant	2015-2016 Ed. Foundation Grants	Destination Imagination	Robotics Club High School	Goldiblox Club Elementary	Technology Donations	Fcms Stem Classroom Donation	P-Card Scholarships & Awards	Hall of Fame Donations	Hr Donation- Recognition Prgms
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399	\$ 500	\$ (160)	\$ -	\$ 300
Receipts:											
Local sources	11,000	9,500	-	-	-	-	4,178	-	62,249	-	300
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	11,000	9,500	-	-	-	-	4,178	-	62,249	-	300
Disbursements:											
Instruction	9,767	1,625	-	-	-	-	-	500	-	-	-
Support services	-	-	-	-	-	-	3,877	-	5,068	-	539
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,767	1,625	-	-	-	-	3,877	500	5,068	-	539
Excess (deficiency) of receipts over disbursements	1,233	7,875	-	-	-	-	301	(500)	57,181	-	(239)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,233	7,875	-	-	-	-	301	(500)	57,181	-	(239)
Cash and investments - ending	\$ 1,233	\$ 7,875	\$ -	\$ -	\$ -	\$ -	\$ 700	\$ -	\$ 57,021	\$ -	\$ 61

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

	Miscellaneous Programs	Fast Track - School Supplies	Community Outreach Program	Essential Skills HS Donation	Linda Wall Memorial Needham	FCHS Music Department Donation	Cub Academy Preschool	Cub Pantry Donations	Cub Closet Donations	Cub Quest Enrichment	One Room School House
Cash and investments - beginning	\$ 558	\$ 654	\$ 4	\$ 88	\$ -	\$ -	\$ -	\$ -	\$ 178	\$ -	\$ 5,763
Receipts:											
Local sources	-	7,557	-	1,000	200	1,000	350	-	-	-	182
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	7,557	-	1,000	200	1,000	350	-	-	-	182
Disbursements:											
Instruction	-	-	-	-	-	1,000	327	-	-	-	-
Support services	-	-	4	-	-	-	-	-	120	-	1,514
Noninstructional services	-	2,969	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,969	4	-	-	1,000	327	-	120	-	1,514
Excess (deficiency) of receipts over disbursements	-	4,588	(4)	1,000	200	-	23	-	(120)	-	(1,332)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	558	-	-	-	-	-	-
Transfers out	(558)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(558)	-	-	-	558	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(558)	4,588	(4)	1,000	758	-	23	-	(120)	-	(1,332)
Cash and investments - ending	\$ -	\$ 5,242	\$ -	\$ 1,088	\$ 758	\$ -	\$ 23	\$ -	\$ 58	\$ -	\$ 4,431

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

	Northwood Outdoor Ed. Program	Franklin Coaching Donations	Coke Fund Money	Summer Read Academy Donation	Formative Assessment	High Ability Grant 2013-14	2014 High Ability Making a Difference	2014-2015 High Ability Grant	2015-2016 High Ability Grant	Computer Consortium/ Ed Tech Advance
Cash and investments - beginning	\$ 5,043	\$ -	\$ 4,943	\$ 249	\$ -	\$ 2,215	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	13,575	29,312	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	19,600	50,425	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	13,575	29,312	-	-	-	19,600	50,425	-	-
Disbursements:										
Instruction	-	355	-	249	-	2,215	-	50,425	-	-
Support services	-	-	9,336	-	-	-	19,600	-	-	-
Noninstructional services	-	10,120	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	10,475	9,336	249	-	2,215	19,600	50,425	-	-
Excess (deficiency) of receipts over disbursements	-	3,100	19,976	(249)	-	(2,215)	-	-	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,100	19,976	(249)	-	(2,215)	-	-	-	-
Cash and investments - ending	\$ 5,043	\$ 3,100	\$ 24,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Drug Free Johnson County Grant	2016 Drug Free Johnson County	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	2014-2015 Non-English Speaking	2015-2016 Non-English Speaking	School Technology	FCHS/FCMS Mentoring PRG Grant	RDC Economic Development
Cash and investments - beginning	\$ -	\$ -	\$ 122,142	\$ (249)	\$ 155	\$ -	\$ -	\$ 94,876	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	198,672	-	491,165
Intermediate sources	4,795	-	-	-	-	-	-	-	-	-
State sources	-	-	31,404	3,993	329	5,813	-	6,453	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	29	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	4,795	-	31,404	3,993	358	5,813	-	205,125	-	491,165
Disbursements:										
Instruction	-	-	7,911	-	158	5,078	-	-	-	-
Support services	700	-	3,409	4,332	-	-	-	48,736	-	491,165
Noninstructional services	-	-	-	-	355	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	29	-	-	-	-
Total disbursements	700	-	11,320	4,332	513	5,107	-	48,736	-	491,165
Excess (deficiency) of receipts over disbursements	4,095	-	20,084	(339)	(155)	706	-	156,389	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,095	-	20,084	(339)	(155)	706	-	156,389	-	-
Cash and investments - ending	\$ 4,095	\$ -	\$ 142,226	\$ (588)	\$ -	\$ 706	\$ -	\$ 251,265	\$ -	\$ -

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

	Title I Part A 2013-2014	Title I Part D 2013-2014	2014-2015 Title I, Part A	2014-2015 Title I, Part D	2015-2016 Title I, Part A	2015-2016 Title I, Part D	Stewart Homeless Assistance Act	2015-2016 McKinney- Vento Grant	Learn More In College Go Grant	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ (75,421)	\$ (16,853)	\$ -	\$ -	\$ -	\$ -	\$ (3,077)	\$ -	\$ 174	\$ 76,827
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	193,328	17,715	508,447	4,735	-	-	49,523	-	-	57,193
Interfund loans	-	-	-	-	-	-	7,383	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	193,328	17,715	508,447	4,735	-	-	56,906	-	-	57,193
Disbursements:										
Instruction	88,451	662	498,025	50,195	-	-	-	-	174	-
Support services	25,211	200	60,941	540	-	-	50,513	-	-	6,966
Noninstructional services	4,245	-	3,084	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	7,383	-	-	-
Total disbursements	117,907	862	562,050	50,735	-	-	57,896	-	174	6,966
Excess (deficiency) of receipts over disbursements	75,421	16,853	(53,603)	(46,000)	-	-	(990)	-	(174)	50,227
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	75,421	16,853	(53,603)	(46,000)	-	-	(990)	-	(174)	50,227
Cash and investments - ending	\$ -	\$ -	\$ (53,603)	\$ (46,000)	\$ -	\$ -	\$ (4,067)	\$ -	\$ -	\$ 127,054

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

	21st Century Learning Center	Improving Teacher Quality, No Child Left, Title II, Part A	2013-2014 Title II A	2015-2016 Title II Part A	Title III - English Proficiency Migrant	Title III WIDA Supp. Grant	2015-2017 Title III	Prepaid Food- Food Service	Payroll Withholding	Totals
Cash and investments - beginning	\$ (18,626)	\$ (18,914)	\$ -	\$ -	\$ (1,188)	\$ -	\$ -	\$ -	\$ -	\$ 21,722,940
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	19,921,877
Intermediate sources	-	-	-	-	-	-	-	-	-	5,360
State sources	-	-	-	-	-	-	-	-	-	31,626,302
Federal sources	18,626	47,804	103,339	-	8,569	278	-	-	-	2,482,349
Interfund loans	-	-	-	-	-	-	-	-	-	395,699
Other receipts	-	-	-	-	-	-	-	-	6,981,228	7,412,216
Total receipts	18,626	47,804	103,339	-	8,569	278	-	-	6,981,228	61,843,803
Disbursements:										
Instruction	-	-	-	-	7,174	-	-	-	-	20,255,947
Support services	-	23,988	109,431	-	931	278	-	-	-	17,158,002
Noninstructional services	-	4,902	3,158	-	-	-	-	-	-	2,983,260
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,901,180
Debt service	-	-	-	-	-	-	-	-	-	14,973,419
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	90,000
Interfund loans	-	-	-	-	-	-	-	-	6,981,228	7,376,927
Total disbursements	-	28,890	112,589	-	8,105	278	-	-	6,981,228	64,738,735
Excess (deficiency) of receipts over disbursements	18,626	18,914	(9,250)	-	464	-	-	-	-	(2,894,932)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	1,247
Transfers in	-	-	-	-	-	-	-	-	-	150,558
Transfers out	-	-	-	-	-	-	-	-	-	(150,558)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	1,247
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	18,626	18,914	(9,250)	-	464	-	-	-	-	(2,893,685)
Cash and investments - ending	\$ -	\$ -	\$ (9,250)	\$ -	\$ (724)	\$ -	\$ -	\$ -	\$ -	\$ 18,829,255

FRANKLIN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	2016 GO Bond	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 3,847,623	\$ 5,576,195	\$ 1,686,491	\$ -	\$ 308,662	\$ 5,237,647	\$ 348,955	\$ -	\$ 747,409	\$ 499,568	\$ 3,721
Receipts:											
Local sources	489,294	13,103,096	3,217,182	2,043,594	528,722	324,376	-	-	1,169,421	296,694	-
Intermediate sources	22	-	-	-	-	-	-	-	-	-	-
State sources	32,057,974	-	-	-	-	-	-	-	29,560	161,924	-
Federal sources	95,901	-	-	-	-	-	-	-	1,377,101	-	-
Interfund loans	-	-	-	-	-	93,418	-	-	-	-	-
Other receipts	-	-	-	19,981	-	-	-	-	22,511	3,545	-
Total receipts	32,643,191	13,103,096	3,217,182	2,063,575	528,722	417,794	-	-	2,598,593	462,163	-
Disbursements:											
Instruction	20,075,417	-	-	-	-	-	-	-	-	-	-
Support services	10,176,438	-	2,444,117	1,866,132	465,590	200,000	337,315	-	181	459,565	-
Noninstructional services	645,419	-	-	-	-	-	-	-	2,464,942	-	-
Facilities acquisition and construction	-	-	602,667	-	-	-	11,640	175,226	-	-	-
Debt service	1,250,000	12,464,919	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	139,985	-	-
Interfund loans	-	-	-	91,808	-	1,610	-	-	-	-	-
Total disbursements	32,147,274	12,464,919	3,046,784	1,957,940	465,590	201,610	348,955	175,226	2,605,108	459,565	-
Excess (deficiency) of receipts over disbursements	495,917	638,177	170,398	105,635	63,132	216,184	(348,955)	(175,226)	(6,515)	2,598	-
Other financing sources (uses):											
Proceeds of long-term debt	-	32,811	-	-	-	-	-	2,000,000	-	-	-
Transfers in	-	-	-	3,721	-	644,054	-	-	-	-	-
Transfers out	(44,054)	-	(600,000)	-	-	-	-	-	-	-	(3,721)
Total other financing sources (uses)	(44,054)	32,811	(600,000)	3,721	-	644,054	-	2,000,000	-	-	(3,721)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	451,863	670,988	(429,602)	109,356	63,132	860,238	(348,955)	1,824,774	(6,515)	2,598	(3,721)
Cash and investments - ending	\$ 4,299,486	\$ 6,247,183	\$ 1,256,889	\$ 109,356	\$ 371,794	\$ 6,097,885	\$ -	\$ 1,824,774	\$ 740,894	\$ 502,166	\$ -

FRANKLIN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Art Association	Child Care Program	Educational License Plates	Alternative Education 2014	2015 Alternative Education	SAFE School Haven	Early Intervention Grant	2014-2015 Early Intervention Grant	Drug Awareness/Prev. Donation	Dupont Case Grant 2014	2015 Ed. Foundation Grants
Cash and investments - beginning	\$ 39,897	\$ 833	\$ 383	\$ -	\$ 4,111	\$ 4,224	\$ -	\$ 501	\$ -	\$ -	\$ 369
Receipts:											
Local sources	354,097	258,970	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	491	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	354,097	258,970	491	-	-	-	-	-	-	-	-
Disbursements:											
Instruction	-	-	308	-	4,111	-	-	-	-	-	10
Support services	70,462	964	-	-	-	-	-	501	-	-	359
Noninstructional services	146,354	190,946	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	216,816	191,910	308	-	4,111	-	-	501	-	-	369
Excess (deficiency) of receipts over disbursements	137,281	67,060	183	-	(4,111)	-	-	(501)	-	-	(369)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	42,949	23,607	-	-	-	-	-	-	-	-	-
Transfers out	(42,949)	(23,607)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	137,281	67,060	183	-	(4,111)	-	-	(501)	-	-	(369)
Cash and investments - ending	\$ 177,178	\$ 67,893	\$ 566	\$ -	\$ -	\$ 4,224	\$ -	\$ -	\$ -	\$ -	\$ -

FRANKLIN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2016

	Robotics Club Grant CBIS & FCMS	Duke Energy - Summer LIT Grant	2015-2016 Ed. Foundation Grants	Destination Imagination	Robotics Club High School	Goldblox Club Elementary	Technology Donations	Fcms Stem Classroom Donation	P-Card Scholarships & Awards	Hall of Fame Donations	Hr Donation- Recognition Prgrms
Cash and investments - beginning	\$ 1,233	\$ 7,875	\$ -	\$ -	\$ -	\$ -	\$ 700	\$ -	\$ 57,021	\$ -	\$ 61
Receipts:											
Local sources	-	-	9,315	875	5,200	10,800	20,200	-	73,043	61	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	9,315	875	5,200	10,800	20,200	-	73,043	61	-
Disbursements:											
Instruction	-	4,408	8,674	-	-	-	-	-	-	-	-
Support services	1,233	-	-	-	-	-	11,450	-	31,924	61	61
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,233	4,408	8,674	-	-	-	11,450	-	31,924	61	61
Excess (deficiency) of receipts over disbursements	(1,233)	(4,408)	641	875	5,200	10,800	8,750	-	41,119	-	(61)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,233)	(4,408)	641	875	5,200	10,800	8,750	-	41,119	-	(61)
Cash and investments - ending	\$ -	\$ 3,467	\$ 641	\$ 875	\$ 5,200	\$ 10,800	\$ 9,450	\$ -	\$ 98,140	\$ -	\$ -

FRANKLIN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2016

	Miscellaneous Programs	Fast Track - School Supplies	Community Outreach Program	Essential Skills HS Donation	Linda Wall Memorial Needham	FCHS Music Department Donation	Cub Academy Preschool	Cub Pantry Donations	Cub Closet Donations	Cub Quest Enrichment	One Room School House
Cash and investments - beginning	\$ -	\$ 5,242	\$ -	\$ 1,088	\$ 758	\$ -	\$ 23	\$ -	\$ 58	\$ -	\$ 4,431
Receipts:											
Local sources	-	2,600	-	1,000	-	-	274,263	719	-	24,873	180
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	180	-	-	-	-
Total receipts	-	2,600	-	1,000	-	-	274,443	719	-	24,873	180
Disbursements:											
Instruction	-	-	-	1,209	-	-	191,467	-	-	16,190	-
Support services	-	-	-	-	-	-	649	-	58	243	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	1,209	-	-	192,116	-	58	16,433	-
Excess (deficiency) of receipts over disbursements	-	2,600	-	(209)	-	-	82,327	719	(58)	8,440	180
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	23,607	-	-	-	-
Transfers out	-	-	-	-	-	-	(23,607)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,600	-	(209)	-	-	82,327	719	(58)	8,440	180
Cash and investments - ending	\$ -	\$ 7,842	\$ -	\$ 879	\$ 758	\$ -	\$ 82,350	\$ 719	\$ -	\$ 8,440	\$ 4,611

FRANKLIN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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	Northwood Outdoor Ed. Program	Franklin Coaching Donations	Coke Fund Money	Summer Read Academy Donation	Formative Assessment	High Ability Grant 2013-14	2014 High Ability Making a Difference	2014-2015 High Ability Grant	2015-2016 High Ability Grant	Computer Consortium/ Ed Tech Advance
Cash and investments - beginning	\$ 5,043	\$ 3,100	\$ 24,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	10,908	25,483	-	-	-	-	-	-	7,739
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	14,001	-	-	-	50,019	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	718	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	10,908	25,483	-	14,001	-	-	-	50,737	7,739
Disbursements:										
Instruction	3,419	310	-	-	-	-	-	-	44,863	-
Support services	-	-	25,800	-	-	-	-	-	-	9,948
Noninstructional services	-	12,198	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	718	-
Total disbursements	3,419	12,508	25,800	-	-	-	-	-	45,581	9,948
Excess (deficiency) of receipts over disbursements	(3,419)	(1,600)	(317)	-	14,001	-	-	-	5,156	(2,209)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,419)	(1,600)	(317)	-	14,001	-	-	-	5,156	(2,209)
Cash and investments - ending	\$ 1,624	\$ 1,500	\$ 24,602	\$ -	\$ 14,001	\$ -	\$ -	\$ -	\$ 5,156	\$ (2,209)

FRANKLIN COMMUNITY SCHOOL CORPORATION
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 For the Year Ended June 30, 2016

	Drug Free Johnson County Grant	2016 Drug Free Johnson County	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	2014-2015 Non-English Speaking	2015-2016 Non-English Speaking	School Technology	FCHS/FCMS Mentoring PRG Grant	RDC Economic Development
Cash and investments - beginning	\$ 4,095	\$ -	\$ 142,226	\$ (588)	\$ -	\$ 706	\$ -	\$ 251,265	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	445,608	7,604	349,028
Intermediate sources	-	2,485	-	-	-	-	-	-	-	-
State sources	-	-	54,916	2,593	-	-	12,358	8,724	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	893	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	2,485	54,916	2,593	-	-	13,251	454,332	7,604	349,028
Disbursements:										
Instruction	-	-	14,301	-	-	706	6,376	9,891	-	-
Support services	4,095	-	36,338	3,684	-	-	4,364	135,691	9,711	349,028
Noninstructional services	-	-	-	-	-	-	150	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	893	-	-	-
Total disbursements	4,095	-	50,639	3,684	-	706	11,783	145,582	9,711	349,028
Excess (deficiency) of receipts over disbursements	(4,095)	2,485	4,277	(1,091)	-	(706)	1,468	308,750	(2,107)	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,095)	2,485	4,277	(1,091)	-	(706)	1,468	308,750	(2,107)	-
Cash and investments - ending	\$ -	\$ 2,485	\$ 146,503	\$ (1,679)	\$ -	\$ -	\$ 1,468	\$ 560,015	\$ (2,107)	\$ -

FRANKLIN COMMUNITY SCHOOL CORPORATION
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 For the Year Ended June 30, 2016

	Title I Part A 2013-2014	Title I Part D 2013-2014	2014-2015 Title I, Part A	2014-2015 Title I, Part D	2015-2016 Title I, Part A	2015-2016 Title I, Part D	Stewart Homeless Assistance Act	2015-2016 McKinney- Vento Grant	Learn More In College Go Grant	Medicaid Reimbursement - Federal
Cash and investments - beginning	\$ -	\$ -	\$ (53,603)	\$ (46,000)	\$ -	\$ -	\$ (4,067)	\$ -	\$ -	\$ 127,054
Receipts:										
Local sources	-	-	-	-	862	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	155,008	60,362	539,259	10,078	29,310	27,407	-	151,901
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	155,008	60,362	540,121	10,078	29,310	27,407	-	151,901
Disbursements:										
Instruction	-	-	83,006	14,362	518,265	52,178	-	-	-	-
Support services	-	-	17,747	-	95,499	2,152	25,243	32,850	-	7,417
Noninstructional services	-	-	652	-	4,597	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	101,405	14,362	618,361	54,330	25,243	32,850	-	7,417
Excess (deficiency) of receipts over disbursements	-	-	53,603	46,000	(78,240)	(44,252)	4,067	(5,443)	-	144,484
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	53,603	46,000	(78,240)	(44,252)	4,067	(5,443)	-	144,484
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (78,240)	\$ (44,252)	\$ -	\$ (5,443)	\$ -	\$ 271,538

FRANKLIN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	21st Century Learning Center	Improving Teacher Quality, No Child Left, Title II, Part A	2013-2014 Title II A	2015-2016 Title II Part A	Title III - English Proficiency Migrant	Title III WIDA Supp. Grant	2015-2017 Title III	Prepaid Food- Food Service	Payroll Withholding	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (9,250)	\$ -	\$ (724)	\$ -	\$ -	\$ -	\$ -	\$ 18,829,255
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	23,055,807
Intermediate sources	-	-	-	-	-	-	-	-	-	2,998
State sources	-	-	-	-	-	-	-	-	-	32,392,069
Federal sources	-	-	27,198	96,382	5,439	-	9,633	-	-	2,584,979
Interfund loans	-	-	-	-	-	-	-	-	-	95,029
Other receipts	-	-	-	-	-	-	-	716,148	7,291,766	8,054,130
Total receipts	-	-	27,198	96,382	5,439	-	9,633	716,148	7,291,766	66,185,012
Disbursements:										
Instruction	-	-	-	-	562	-	862	-	-	21,050,895
Support services	-	-	17,798	105,280	4,354	-	9,633	-	-	16,963,935
Noninstructional services	-	-	150	317	-	-	-	-	-	3,465,725
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	789,533
Debt service	-	-	-	-	-	-	-	-	-	13,714,919
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	139,985
Interfund loans	-	-	-	-	-	-	-	671,787	7,291,766	8,058,582
Total disbursements	-	-	17,948	105,597	4,916	-	10,495	671,787	7,291,766	64,183,574
Excess (deficiency) of receipts over disbursements	-	-	9,250	(9,215)	523	-	(862)	44,361	-	2,001,439
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	2,032,811
Transfers in	-	-	-	-	-	-	-	-	-	737,938
Transfers out	-	-	-	-	-	-	-	-	-	(737,938)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	2,032,811
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	9,250	(9,215)	523	-	(862)	44,361	-	4,034,250
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (9,215)	\$ (201)	\$ -	\$ (862)	\$ 44,361	\$ -	\$ 22,863,505

FRANKLIN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 1,757,957	\$ -

FRANKLIN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Franklin Community Multi School Building Corporation	7/8 Middle School - First Mtg Ser 2007	\$ 1,999,500	7/15/2007	7/15/2029
Franklin Community Multi School Building Corporation	High School - First Mtg 2007A Ad Valorem Prop Refund Ser 2013 First Mtg Ser 2005	9,219,500	1/15/2006	1/15/2027
Franklin Community Multi School Building Corporation	CBIS - First Mtg Rfnd Ser 2007	<u>2,046,000</u>	7/10/2007	1/10/2023
Total governmental activities		<u>13,265,000</u>		
Total of annual lease payments		<u>\$ 13,265,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2011 GO Bonds - Capital Improvements	\$ 1,680,000	\$ 693,813
General obligation bonds	2014 GO Bonds - Capital Improvements	1,925,000	215,914
General obligation bonds	2016 GO Bond - Capital Improvements	<u>2,000,000</u>	<u>49,299</u>
Total governmental activities		<u>5,605,000</u>	<u>959,026</u>
Totals		<u>\$ 5,605,000</u>	<u>\$ 959,026</u>

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FRANKLIN COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2016

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 6,106,053
Buildings	153,081,749
Improvements other than buildings	7,976,312
Machinery, equipment, and vehicles	<u>11,979,839</u>
Total governmental activities	<u>\$ 179,143,953</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

Report on Compliance for Each Major Federal Program

We have audited the Franklin Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. 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. Except as discussed in the following paragraph, 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 item 2016-001 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Child Nutrition Cluster regarding Program Income. Consequently, we were unable to determine whether the School Corporation complied with the requirements applicable to the program.

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

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of the Child Nutrition Cluster regarding Program Income, described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2014 to June 30, 2016.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2014 to June 30, 2016.

Other 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 a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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

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

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


Paul D. Joyce, CPA
State Examiner

February 27, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

FRANKLIN COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-15	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY14-15 FY15-16	\$ 247,581 -	\$ - 253,388
Total - School Breakfast Program				<u>247,581</u>	<u>253,388</u>
National School Lunch Program					
School Lunch	Indiana Department of Education	10.555	FY14-15 FY15-16	1,037,596 -	- 1,022,886
After School Snack			FY14-15 FY15-16	11,646 -	- 23,973
Commodities			FY14-15 FY15-16	168,028 -	- 170,486
Total - National School Lunch Program				<u>1,217,270</u>	<u>1,217,345</u>
Summer Food Service Program for Children					
Summer Food Service Program	Indiana Department of Education	10.559	FY14-15 FY15-16	77,356 -	- 76,854
Total - Summer Food Service Program for Children				<u>77,356</u>	<u>76,854</u>
Total - Child Nutrition Cluster				<u>1,542,207</u>	<u>1,547,587</u>
Total - Department of Agriculture				<u>1,542,207</u>	<u>1,547,587</u>
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education Grants to States					
FY2013 Federal Part B 611	Indiana Department of Education	84.027	14213-033-PN01	249	-
FY2014 Federal Part B 611			14214-033-PN01	274,281	-
FY2015 Federal Part B 611			14215-033-PN01	754,013	305,775
FY2016 Federal Part B 611			14216-031-PN01	-	766,065
FY2014 Federal Technical Assistance Extended School Year			99914-033-TA01 2014-2015	11,429 603	1,374 -
Extended School Year			2015-2016	-	5,901
Total - Special Education Grants to States				<u>1,040,575</u>	<u>1,079,115</u>
Special Education Preschool Grants					
FY2014 Federal Part B 619	Indiana Department of Education	84.173	45714-033-PN01	7,072	11
FY2015 Federal Part B 619			45715-033-PN01	15,241	7,978
FY2016 Federal Part B 619			45716-031-PN01	-	16,714
Total - Special Education Preschool Grants				<u>22,313</u>	<u>24,703</u>
Total - Special Education Cluster (IDEA)				<u>1,062,888</u>	<u>1,103,818</u>

FRANKLIN COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-15	Total Federal Awards Expended 06-30-16
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
2013-2014 Title I Basic			14-4225	193,326	-
2014-2015 Title I Basic			15-4225	508,447	155,008
2015-2016 Title I Basic			16-4225	-	539,259
2013-2014 Title I Delinquent			FY 2013-2014	17,715	-
2014-2015 Title I Delinquent			FY 2014-2015	4,735	60,362
2015-2016 Title I Delinquent			FY 2015-2016	-	10,078
Total - Title I Grants to Local Educational Agencies				<u>724,223</u>	<u>764,707</u>
Education for Homeless Children and Youth	Indiana Department of Education	84.196			
2013-2014 McKinney-Vento			7000S196A130015	18,833	-
2014-2015 McKinney-Vento			7000S196A140015	38,073	29,310
2015-2016 McKinney-Vento			7000S196A150015	-	27,407
Total - Education for Homeless Children and Youth				<u>56,906</u>	<u>56,717</u>
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287	FY 2014-2015	<u>18,623</u>	-
English Language Acquisition State Grants	Indiana Department of Education	84.365			
2014-2015 Title III WIDA			01113-334-PN01	278	-
2013-2015 Title III			01114-024-PN01	3,793	-
2014-2016 Title III			01115-040-PN01	4,776	5,439
2015-2017 Title III			01115-040-PN01	-	9,633
Total - English Language Acquisition State Grants				<u>8,847</u>	<u>15,072</u>
Improving Teacher State Quality Grants	Indiana Department of Education	84.367			
2012-2013 Title II Part A			FY 2012-2013	47,805	-
2014-2015 Title II Part A			FY 2014-2015	103,339	27,198
2015-2016 Title II Part A			FY 2015-2016	-	96,382
Total - Improving Teacher Quality State Grants				<u>151,144</u>	<u>123,580</u>
College Access Challenge Grant Program	Indiana Commission for Higher Education	84.378	P378A120012 2012	<u>174</u>	-
Total - Department of Education				<u>2,022,805</u>	<u>2,063,894</u>
Department of Homeland Security					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) FEMA Disaster Relief Distribution	Indiana Department of Homeland Security	97.036	#385PA4173000000	<u>8,010</u>	-
Total federal awards expended				<u>\$ 3,573,022</u>	<u>\$ 3,611,481</u>

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. 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.

FRANKLIN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Qualified as to the Child Nutrition Cluster; Unmodified as to the Special Education Cluster (IDEA); and Unmodified as to the Title I Grants to Local Educational Agencies
Any audit finding disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies

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

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

Section II - Financial Statement Findings

No matters are reportable.

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-001

Subject: Child Nutrition Cluster - Program Income
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): FY14-15, FY15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior finding number was 2014-005.

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 Program Income compliance requirement. The School Corporation had not established a separate fund to account for prepaid amounts until December 2015. All monthly receipts from sales, as well as prepayments, for school year 2014-2015, were recorded directly in the School Lunch fund. The inability to distinguish prepaid amounts prevented the ability to test the School Corporation's compliance with the Program Income compliance requirement for school year 2014-2015. During the school year 2015-2016, the School Corporation implemented effective policies and procedures and established the Prepaid Food - Food Service fund to account for prepayments.

Context

The lack of controls was a systemic issue in school year 2014-2015 and until December 2015, of the school year 2015-2016, which prevented the determination of compliance with Program Income requirements for that 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 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

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

7 CFR 220.13(i) states in part:

"Each State agency . . . shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. . . ."

Cause

Management had not developed a system of internal controls to ensure compliance with the Program Income requirements for the first school year of the audit period.

Effect

The failure to establish effective internal controls, which would have ensured that documentation was maintained and available for audit, prevented the determination of the School Corporation's compliance with the grant agreement and the Program Income compliance requirement for school years 2014-2015 and 2015-2016.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management maintain the internal control system implemented in December 2015 over the Program Income 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 DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



Dr. David Clendening
Superintendent

Mrs. Deb Brown-Nally
Executive Director of Curriculum & Instruction

Mr. Jeff Mercer
Executive Director of Finance

Mr. Matt Sprout
Director of Technology

Mr. Jeff Sewell
Director of Operations

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding:	2014-001 and 2014-003
Fiscal Year in which the finding occurred:	2014 Audit
Pass Thru Entity:	Indiana Department of Education
Contact Person:	Jeffrey R. Mercer
Contact Phone Number:	(317) 738-5800

Status of Audit Finding

This finding has been addressed by the implementation of the following controls:

- Meal applications are processed by either the Food Service Director or the Food Service Office Administrative Assistant. Information from paper applications is entered into the program by the individuals mentioned above. Applications that are received via the on-line site Lunchapp.com are automatically calculated by the program since the parent/guardian enters all of the information. A minimum of 25% of paper applications are reviewed and verified for accuracy by the Food Service Office Assistant Manager. These applications are initialed as being verified. Several on-line application submissions are also checked to confirm that the system is calculating the information correctly. A note confirming this verification is made of the paper document printed from the on-line submission and on the program in "notes."
- The verification process is completed by the Food Service Director. Applications for verification are selected at random from the program from "error prone" applications. The applications selected are first verified for accuracy by the Food Service Office Assistant Manager. As income verification documents are received this information is entered into the program by the Director and checked by the office staff. The verification report is generated by the program and submitted to the State by the Director.
- With the exception of the Director, all food service staff clock in and out using the corporation wide K-time program. Hours worked are documented in K-time and checked against the department's approved scheduled hours for each employee. At the end of each week, the total hours for each employee are reviewed by the FS Office Admin Assistant and "approved" by the Director. Once the Director approves the time in K-time, it is automatically sent to the Payroll Specialist. A departmental spread sheet is prepared listing the hours worked per week and the rate of pay. A pay period total is calculated on the spread sheet. On or shortly after pay day, the FS Office Admin Assistant runs a financial report that shows the actual pay for each employee. This document is checked against the spreadsheet for accuracy.

In addition to the pay dollars, the report is checked to verify that the pay was posted to the correct accounts. If errors are noted, these are sent to the Payroll Specialist for correction. All corrections are checked on the next pay date.

- Both the Director and FS Office Admin Assistant verify monthly that income and expenses are posted to the correct accounts. An internal monthly "profit and loss" report is prepared by the Admin Assistant and verified by the Director.
- Meal prices are calculated using the USDA Paid Lunch Equity tool and checked/approved by the IN DOE Office of Community Nutrition prior to the start of the new school year.
- Reimbursement numbers are generated by the program based upon the meals served in each building. The numbers are entered into the IN DOE site by the Director. The claim documents are verified by the FS Admin Assistant by checking the numbers generated in the department program against the numbers entered on the IN DOE site.



Dr. David Clendening
Superintendent

Mrs. Deb Brown-Nally
Executive Director of Curriculum & Instruction

Mr. Jeff Mercer
Executive Director of Finance

Mr. Matt Sprout
Director of Technology

Mr. Jeff Sewell
Director of Operations

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding

Fiscal Year in which the finding occurred:

Pass Thru Entity:

Contact Person:

Contact Phone Number:

2014-02

2014 Audit

Indiana Department of Education

Jeffrey R. Mercer

(317) 738-5800

Status of Audit Finding

This issue occurred in 2010-2011 with food purchases incorrectly posted to object code 314. Discovered in January, 2014, the correction was made.

Since January, 2014 purchases are posted to the correct object code (614). We believe this adjustment has permanently corrected the original issue.



Dr. David Clendening
Superintendent

Mrs. Deb Brown-Nally
Executive Director of Curriculum & Instruction

Mr. Jeff Mercer
Executive Director of Finance

Mr. Matt Sprout
Director of Technology

Mr. Jeff Sewell
Director of Operations

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding

Fiscal Year in which the finding occurred:

Pass Thru Entity:

Contact Person:

Contact Phone Number:

2014-03 and 2014-007

2014 Audit

Indiana Department of Education

Jeffrey R. Mercer

(317) 738-5800

Status of Audit Finding

The Twenty-First Century Community Learning Center grant utilized by our Middle School expired effective December 31, 2014.

While the expiration of this grant resolves the issue with our prior finding, the Internal Controls inherent in all grant circumstances is necessary. As a result, we have placed a ½ time Internal Controls Coordinator that reviews a wide range of compliance issues with Building Treasurers. In tandem with our Asst. Deputy Treasurer we believe this added layer of oversight will assist us in diminishing these types of issues.



Dr. David Clendening
Superintendent

Mrs. Deb Brown-Nally
Executive Director of Curriculum & Instruction

Mr. Jeff Mercer
Executive Director of Finance

Mr. Matt Sprout
Director of Technology

Mr. Jeff Sewell
Director of Operations

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding	2014-004
Fiscal Year in which the finding occurred:	2014 Audit
Pass Thru Entity:	Indiana Department of Education
Contact Person:	Jeffrey R. Mercer
Contact Phone Number:	(317) 738-5800

Status of Audit Finding

The Deputy Treasurer prepares a monthly Cash Balance report that is reviewed by the FS Director. This report calculates the 3 month average expenditures and compares this amount to the department's monthly cash balance. These amounts are monitored by the Director and Deputy Treasurer.



Dr. David Clendening
Superintendent

Mrs. Deb Brown-Nally
Executive Director of Curriculum & Instruction

Mr. Jeff Mercer
Executive Director of Finance

Mr. Matt Sprout
Director of Technology

Mr. Jeff Sewell
Director of Operations

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding	2014-005
Fiscal Year in which the finding occurred:	2014 Audit
Pass Thru Entity:	Indiana Department of Education
Contact Person:	Jeffrey R. Mercer
Contact Phone Number:	(317) 738-5800

Status of Audit Finding

Pre-paid food accounts were set-up and implemented at the beginning of the 2015-2016 School year. A "historical balance of customer accounts" report was used to transfer the initial customer balances to the pre-paid food accounts on August 1, 2015. Account sales are recorded daily and a transfer is made from the pre-paid food account to the school lunch fund accounts at the end of each month. This process is completed by the FS Admin Assistant and verified by the Director.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding

Fiscal Year in which the finding occurred:

Pass Thru Entity:

Contact Person:

Contact Phone Number:

2014-006

2014 Audit

Indiana Department of Education

Jeffrey R. Mercer

(317) 738-5800

Status of Audit Finding

Procedures are now in place that ensures compliance with Procurement and Suspension and Debarment. Contracts are prepared for awarded bids and suspension/debarment documents are requested annually (even in contract renewal years). For other vendors for which Food Service does business, one or more of the following is completed each school year. SAM is checked for suspension/debarment information, and or a certificate regarding debarment, suspension, ineligibility and voluntary exclusion for lower tier covered transactions is requested from the business each school year. A copy of the SAM results and or a copy of the signed certificate is kept in the vendor file in the FS office.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding	2014-008
Fiscal Year in which the finding occurred:	2014 Audit
Pass Thru Entity:	Indiana Department of Education
Contact Person:	Dr. David Clendening
Contact Phone Number:	(317) 738-5800

Status of Audit Finding

The Coordinator of Title I will establish protocol for expending funds from the Title I grant which includes segregation of duties and responsibilities.

The Title I Coordinator shares the protocol for expending funds at all quarterly meetings with Title I building principals and subrecipients. The delineation of responsibilities is listed on the Title I purchasing procedures document and is updated when changes in Personnel occur.

Eligibility Compliance for Title funding:

The Free and Reduced file is updated by the Food Service Director on a weekly basis. This information is uploaded by FCS data base personnel and stored in our data Warehouse, PowerSchool. This information is available in the report cue of PowerSchool at any given time. The data base personnel cross references this information bi-weekly, and stores it in a digital file. The Title I coordinator collects and stores all non-public school notification, complete with the student's name, legal residence, and the name of the non-public school prior to grant submission of June 30th each year. These documents are stored digitally, and in the local Title I Binder.

Level of Effort: The Special Director or designee will cross reference all expenditures. The Director will record findings on a monthly basis.

The Deputy Treasurer of FCS updates the Grant spreadsheet and shares it with the Title I Coordinator monthly. The Title I Coordinator cross-references this spreadsheet with the spreadsheet created by the Coordinator and double-checked by the Title I Administrative Assistant. The delineation of responsibilities is listed on the Title I purchasing procedures document which is shared with all principals, treasurers, and subrecipients.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding	2014-009
Fiscal Year in which the finding occurred:	2014 Audit
Pass Thru Entity:	Indiana Department of Education
Contact Person:	Dr. David Clendening
Contact Phone Number:	(317) 738-5800

Status of Audit Finding

The Title I Coordinator conducts quarterly meetings with Title I building principals, treasurers, as well as subrecipients. In these meetings, the coordinator provides updated budgets to each entity, and reviews protocol for expending funds. The coordinator provides policy and procedure training during these meetings. The coordinator keeps all Time and Effort Logs for employees receiving partial funding from Title I or the subrecipient in a digital file as well as in a hard copy on file at Central Office. The coordinator collects required documentation from subrecipients to be used for reimbursement of Professional Services. Currently, #4225 has four elementary schools which receive Title I funding, and it has two subrecipients: St. Rose of Lima and the Dickinson Juvenile Justice Center (formerly Johnson Co Juvenile Detention Center).



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding

Fiscal Year in which the finding occurred:

Pass Thru Entity:

Contact Person:

Contact Phone Number:

2014-010

2014 Audit

Indiana Department of Education

Dr. David Clendening

(317) 738-5800

Status of Audit Finding

The Title I Coordinator communicates with the Human Resource Department whenever a posting for a position in a Title I building occurs. Following the hiring of said position, the HR representative (Carissa Bratcher, non-cert., and Michelle Bright, certified). HR verifies that the employee is Highly Qualified. To date, all of our certified personnel are HQ. When a non-certified person is hired, and is not HQ, Carissa Bratcher notifies the Title I Coordinator who schedules and administers the ParaPro Assessment. Upon successful completion of the ParaPro Assessment, the employee is released to begin intervention services with students.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding	2014-011
Fiscal Year in which the finding occurred:	2014 Audit
Pass Thru Entity:	Indiana Department of Education
Contact Person:	Dr. David Clendening
Contact Phone Number:	(317) 738-5800

Status of Audit Finding

FCHS Withdraw Process

- 1) All withdraws are required to go through Amy (registrar). She is to enter into PS.
 - In State Transfer paperwork - a Request for Records must be received - first page of w/d form to be included with the request
 - Out of State paperwork - a Request for Records must be received - first page of w/d form to be included with the request
 - Homeschool paperwork - must be signed off of having an Exit Interview with Admin or Designee - all three pages of the withdraw form must be completed
 - Death of student - must print out and include an obituary with the first page of w/d form
- 2) All withdraws required written documentation signed by administration or designee
- 3) All paperwork is to be check off by a counselor - signed or initialed
- 4) All paperwork is to be copied. The original copy to be kept in an administrator's office (Scott) and the copied paperwork placed in the permanent record as a backup file.
- 5) All cohorts are to be audited every quarter by a counselor/admin. Assistant Principal will send out the cohorts after paperwork verifications to all counselors. Registrar will sign off of cohort checks along with AP.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding	2014-012
Fiscal Year in which the finding occurred:	2014 Audit
Pass Thru Entity:	Indiana Department of Education
Contact Person:	Jeffrey R. Mercer
Contact Phone Number:	(317) 738-5899

Status of Audit Finding

Adjustments have been made to our add additional oversight with our Maintenance of Effort and Excess Cost Calculator worksheets. Review by another individual allows for an added layer of internal control.

Further, Internal Controls standards were Board adopted in June, 2016, and a specific Business Office Procedures and Internal Controls Plan was adopted in June, 2017.

CORRECTIVE ACTION PLAN

FINDING

Contact Person Responsible for Corrective Action:
Contact Phone Number:

2016-001
Jeffrey R. Mercer
(317) 738-5800

Views of Responsible Official:

While we concur with the original finding (2014-005), the timing of that corrective action made it impossible for us to correct the finding in the 2016 audit period. The requisite adjustments were made following our 2014 Audit and remain in place today.

Description of Corrective Action Plan:

Following our 2014 Audit Findings the following corrective actions were put in place and remain so today:

- ✓ On August 1, 2015, a report of current customer account balances was run for all student and adult accounts by school building. The total dollar amount for each building was transferred into newly created meal prepayment accounts established for each school.
- ✓ In addition, beginning August 1, 2015 all meal pre-payments are being posted and receipted into the separate clearing accounts for each school building.
- ✓ On a weekly basis, as the sales of meals are made, the amount of money equal to the dollars expended for meals and ala carte purchases are transferred from the "holding/clearing" account into the Food Service revenue accounts for each school.
- ✓ A new deposit worksheet has been developed and implemented to ensure that all sales are accurately receipted as recorded on the Meal Magic sales reports (the Z and Cash - Out reports). The sales reports are run by the individual school building cafeteria manager who then prepares the deposit worksheet and bank deposit slip. After the manager takes the deposit for the day to the bank, the deposit slip and worksheet are sent to the Food Service office. The worksheet is checked for accuracy by one of the FS office staff. This individual initials the worksheet. The deposit information is then entered/posted to the appropriate building revenue account in our financial program (Komputrol) by another FS office staff person. Another Meal Magic financial activity report is run for each building and compared to the receipt posting report as an additional check for accuracy. The receipts are then given to the Deputy Treasurer for review.

Anticipated Completion Date: February 27, 2018



(Signature)

Director of Finance

(Title)

2/27/18

(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/>.