

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

METROPOLITAN SCHOOL DISTRICT  
OF SOUTHWEST ALLEN COUNTY  
ALLEN COUNTY, INDIANA

July 1, 2015 to June 30, 2017



**FILED**  
05/15/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James W. Coplen	01-01-15 to 12-31-18
Superintendent of Schools	Dr. Philip G. Downs	07-01-15 to 06-30-18
President of the School Board	John F. Blum Meagan K. Milne	01-01-15 to 12-31-15 01-01-16 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT  
OF SOUTHWEST ALLEN COUNTY, ALLEN COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Metropolitan School District of Southwest Allen County (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, 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, 2015 to June 30, 2017.

***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, 2015 to June 30, 2017, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 March 28, 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

March 28, 2018



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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT  
OF SOUTHWEST ALLEN COUNTY, ALLEN COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Metropolitan School District of Southwest Allen County (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated March 28, 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 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 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

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

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001.

**Metropolitan School District of Southwest Allen County's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

March 28, 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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER  
FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General Fund	\$ 3,879,597	\$ 41,642,244	\$ 43,036,753	\$ 133,446	\$ 2,618,534	\$ 43,435,540	\$ 43,056,918	\$ 162,841	\$ 3,159,997
Referendum Fund	3,256,563	3,498,519	3,514,556	-	3,240,526	3,627,233	3,976,701	-	2,891,058
Debt Service	2,968,715	10,029,631	9,580,873	(925,001)	2,492,472	10,107,880	8,775,470	(909,079)	2,915,803
Severance Bonds	54,128	501,497	390,669	(44,133)	120,823	336,644	395,824	(30,074)	31,569
Capital Projects	1,098,215	6,887,328	7,544,685	643,320	1,084,178	7,481,856	7,356,230	644,240	1,854,044
Transportation-Operation	1,717,049	2,799,018	2,777,334	262,878	2,001,611	2,899,776	2,765,338	252,624	2,388,673
Transportation-Bus Replacement	641,931	248,612	415,794	22,865	497,614	427,318	992,390	53,142	(14,316)
Rainy Day	1,548,439	823	-	-	1,549,262	1,885	-	-	1,551,147
Retirement/Severance	605,923	322	-	-	606,245	737	-	-	606,982
Construction	-	-	15,126	15,126	-	-	-	-	-
Construction - Elementaries	26,028	-	31,887	5,859	-	-	-	-	-
Construction - Safe/Secure	190,288	-	157,807	(15,141)	17,340	-	17,340	-	-
Construction - CoCurricular	154,618	-	163,900	9,282	-	-	-	-	-
Cafeteria	825,808	2,823,136	2,971,402	-	677,542	2,871,474	2,926,260	-	622,756
Textbook Fund	821,464	377,974	198,203	46,900	1,048,135	673,015	397,107	-	1,324,043
Self-Insurance	5,064,421	6,796,604	6,174,312	-	5,686,713	7,218,957	7,018,878	-	5,886,792
Levy Excess	4,377	-	-	(4,377)	-	-	-	-	-
Educational License Plates	-	675	563	-	112	694	806	-	-
Alternative Education	-	91,664	91,664	-	-	13,785	94,097	80,312	-
Early Intervention	-	-	-	-	-	34,970	15,895	-	19,075
Early Intervention 2016	-	88,013	21,326	-	66,687	-	62,467	-	4,220
Lilly Grant	-	-	-	-	-	50,000	32,751	-	17,249
Schwab	-	-	-	-	-	3,000	-	-	3,000
Schwab 2015	42,463	-	42,463	-	-	-	-	-	-
Schwab 2016	-	41,322	-	-	41,322	-	38,400	(2,922)	-
Schwab 2017	-	-	-	-	-	38,000	-	2,922	40,922
Donation Fund	-	10,000	6,075	-	3,925	-	3,925	-	-
Awards/Don 204-5	-	28,654	28,097	-	557	-	464	-	93
Awards/Don 204-6	-	2,000	-	-	2,000	-	1,487	-	513
Awards/Don 204-7	-	-	-	-	-	3,310	3,310	-	-
Local Grant - HHS Weight Room	4,177	-	4,175	-	2	-	2	-	-
Donation - Whispering Meadows PTC	1,000	1,000	1,000	-	1,000	-	-	-	1,000
Donation/Awards 206-7	-	-	-	-	-	5,000	-	-	5,000
Hhs Literacy	-	3,500	-	-	3,500	500	1,791	-	2,209
Donation/Awards 208-6	-	17,378	-	-	17,378	265	16,209	-	1,434
Donation/Awards 208-7	-	-	-	-	-	10,000	-	-	10,000
Donation Fund 209-6	-	2,500	-	-	2,500	-	2,349	-	151
Allen County Coed	-	-	-	-	-	1,000	-	-	1,000
Technology Fee Fund	58,031	47,600	79,134	-	26,497	43,375	911	-	68,961
Band Uniforms	30,567	17	4,705	-	25,879	33	-	-	25,912
Vetter Memorial	1,272	-	1,272	-	-	-	-	-	-
Center School Project	159	40	-	-	199	98	-	-	297
Formative Assessment	-	66,600	59,257	-	7,343	83,588	90,660	-	271
High Ability 2015	-	64,786	-	(64,786)	-	-	-	-	-
High Ability 2016	-	-	-	-	-	65,742	-	(65,742)	-

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER  
FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Non-English Speaking Grant	-	-	-	-	-	16,702	-	(16,702)	-
Non-English Speaking Grant 2015	-	17,220	-	-	17,220	-	-	(17,220)	-
Connectivity	1,769	13,044	10,229	-	4,584	14,948	10,440	-	9,092
Technology Grants [IC 20-40-15]	-	-	-	-	-	12,444	10,436	-	2,008
TECH GRANT	-	-	-	-	-	18,809	215	-	18,594
Child Care Programs	-	-	-	-	-	-	-	30,000	30,000
Child Care 2014	98,660	-	30,000	(68,660)	-	-	-	-	-
Child Care 2015	-	299,818	196,493	-	103,325	-	-	(103,325)	-
Child Care 2016	-	-	-	-	-	254,200	186,595	(66,063)	1,542
Prf Dev/Capacit	(72,000)	72,000	-	-	-	25,675	25,675	-	-
Safe Haven 2015	-	15,000	15,000	-	-	-	-	-	-
Smith Green West Allen 2014	(33,751)	23,536	6,434	-	(16,649)	16,649	-	-	-
Title I 2015	(22,007)	111,123	89,116	-	-	-	-	-	-
Title I 2016	-	375,811	395,021	-	(19,210)	63,931	44,721	-	-
Title I 2017	-	-	-	-	-	301,448	316,826	-	(15,378)
IDEA Part B NACS 2013	(115,430)	145,831	30,401	-	-	-	-	-	-
IDEA Part B SACS 2013	(24,330)	40,752	16,422	-	-	-	-	-	-
IDEA Part B SACS 2014	(104,303)	262,990	161,699	-	(3,012)	26,789	23,777	-	-
IDEA Part B SACS 2015	-	1,105,421	1,206,304	-	(100,883)	205,580	106,379	-	(1,682)
IDEA Part B SACS 2016	-	-	-	-	-	1,137,444	1,250,327	-	(112,883)
Special Education Improvement 2013	(9,126)	18,836	9,710	-	-	-	-	-	-
Special Education Discretionary Grant 2013	(118)	118	-	-	-	-	-	-	-
Special Education Discretionary Grant 2014	(9,821)	51,255	42,079	-	(645)	-	(645)	-	-
Special Education Discretionary Grant 2015	-	77,647	87,612	-	(9,965)	41,990	32,025	-	-
Special Education Discretionary Grant 2016	-	-	-	-	-	70,925	90,689	-	(19,764)
Special Education Pre-School 2014	(2,223)	4,095	1,872	-	-	2,223	2,223	-	-
Special Education Pre-School 2015	-	28,004	28,004	-	-	1,251	1,474	-	(223)
Special Education Pre-School 2016	-	-	-	-	-	31,591	31,823	-	(232)
Diesel Reb Program	-	-	-	-	-	14,196	-	(14,196)	-
Title II 2013	69,320	-	69,320	-	-	-	-	-	-
Title II 2014	(931)	72,632	71,701	-	-	-	-	-	-
Title II 2015	-	-	951	-	(951)	75,764	74,813	-	-
Title II 2016	-	-	-	-	-	940	70,708	-	(69,768)
Title III 2014	(1,210)	-	1,376	-	(2,586)	16,764	14,178	-	-
Title III 2015	-	-	1,069	-	(1,069)	1,704	14,001	-	(13,366)
Title III 2016	-	-	-	-	-	3,837	3,837	-	-
Payroll	284,818	12,440,473	12,390,375	-	334,916	12,571,637	12,553,214	-	353,339
Cafeteria Clearing	(95,355)	2,184,104	2,150,873	-	(62,124)	2,257,915	2,262,065	-	(66,274)
<b>Totals</b>	<b>\$ 22,959,195</b>	<b>\$ 93,431,167</b>	<b>\$ 94,325,093</b>	<b>\$ 17,578</b>	<b>\$ 22,082,847</b>	<b>\$ 96,621,031</b>	<b>\$ 95,169,777</b>	<b>\$ 758</b>	<b>\$ 23,534,860</b>

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
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.

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

*E. Disbursements*

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

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

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

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

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

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

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

*F. Other Financing Sources and Uses*

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

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

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

**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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Negative Disbursements**

The financial statement contains some disbursements which appear as negative entries. This is a result of a correction of an error from a prior period.

**Note 8. 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 with the reimbursements not being received by June 30 of that fiscal year, timing differences of reimbursements to the Cafeteria Clearing fund from the Cafeteria fund, and the timing of routine transfers in to the Transportation-Bus Replacement fund.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. Holding Corporation**

The School Corporation has entered into a capital lease with Southwest Allen 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, 2016 and 2017, totaled \$9,553,383 and \$8,750,133, respectively.

**Note 10. Subsequent Events**

The School Corporation is amending the current lease with Southwest Allen Multi-School Building Corporation to fund an estimated \$10,000,000 in major renovations to Lafayette Meadows Elementary School. Construction will begin May of 2018 and is expected to be completed in August 2019.

The School Corporation sold \$2,000,000 in General Obligation Bonds on July 19, 2017. Proceeds of the sale will be used for HVAC (Heating, Ventilation, and Air Conditioning) energy savings and facility improvements at multiple existing facilities of the School Corporation.

The School Corporation sold \$5,000,000 in General Obligation Bonds on February 8, 2018. Proceeds of the sale will be used for renovations and facility improvements at multiple existing facilities of 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.

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METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	General Fund	Referendum Fund	Debt Service	Severance Bonds	Capital Projects	Transportation-Operation	Transportation-Bus Replacement	Rainy Day	Retirement/Severance	Construction
Cash and investments - beginning	\$ 3,879,597	\$ 3,256,563	\$ 2,968,715	\$ 54,128	\$ 1,098,215	\$ 1,717,049	\$ 641,931	\$ 1,548,439	\$ 605,923	\$ -
Receipts:										
Local sources	623,998	3,498,519	10,029,631	501,497	6,822,438	2,716,623	248,612	823	322	-
Intermediate sources	21	-	-	-	-	-	-	-	-	-
State sources	40,613,030	-	-	-	-	-	-	-	-	-
Federal sources	6,165	-	-	-	5,239	-	-	-	-	-
Other receipts	399,030	-	-	-	59,651	82,395	-	-	-	-
Total receipts	41,642,244	3,498,519	10,029,631	501,497	6,887,328	2,799,018	248,612	823	322	-
Disbursements:										
Instruction	29,737,462	3,270,225	-	-	-	-	-	-	-	-
Support services	12,530,444	244,331	-	-	4,667,065	2,777,334	415,794	-	-	-
Noninstructional services	745,847	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	23,000	-	-	-	2,877,620	-	-	-	-	15,126
Debt service	-	-	9,580,873	390,669	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	43,036,753	3,514,556	9,580,873	390,669	7,544,685	2,777,334	415,794	-	-	15,126
Excess (deficiency) of receipts over disbursements	(1,394,509)	(16,037)	448,758	110,828	(657,357)	21,684	(167,182)	823	322	(15,126)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	15,126
Sale of capital assets	-	-	-	-	2,453	-	-	-	-	-
Transfers in	133,446	-	-	-	640,867	262,878	22,865	-	-	-
Transfers out	-	-	(925,001)	(44,133)	-	-	-	-	-	-
Total other financing sources (uses)	133,446	-	(925,001)	(44,133)	643,320	262,878	22,865	-	-	15,126
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,261,063)	(16,037)	(476,243)	66,695	(14,037)	284,562	(144,317)	823	322	-
Cash and investments - ending	\$ 2,618,534	\$ 3,240,526	\$ 2,492,472	\$ 120,823	\$ 1,084,178	\$ 2,001,611	\$ 497,614	\$ 1,549,262	\$ 606,245	\$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Construction - Elementaries	Construction - Safe/Secure	Construction - CoCurricular	Cafeteria	Textbook Fund	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Early Intervention
Cash and investments - beginning	\$ 26,028	\$ 190,288	\$ 154,618	\$ 825,808	\$ 821,464	\$ 5,064,421	\$ 4,377	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	2,058,380	293,737	6,796,604	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	675	-	-
State sources	-	-	-	-	84,185	-	-	-	91,664	-
Federal sources	-	-	-	763,184	-	-	-	-	-	-
Other receipts	-	-	-	1,572	52	-	-	-	-	-
Total receipts	-	-	-	2,823,136	377,974	6,796,604	-	675	91,664	-
Disbursements:										
Instruction	-	-	-	-	-	-	-	563	91,664	-
Support services	-	-	-	79,455	198,203	-	-	-	-	-
Noninstructional services	-	-	-	2,891,947	-	-	-	-	-	-
Facilities acquisition and construction	31,887	157,807	163,900	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	6,174,312	-	-	-	-
Total disbursements	31,887	157,807	163,900	2,971,402	198,203	6,174,312	-	563	91,664	-
Excess (deficiency) of receipts over disbursements	(31,887)	(157,807)	(163,900)	(148,266)	179,771	622,292	-	112	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	5,859	-	9,282	-	46,900	-	-	-	-	-
Transfers out	-	(15,141)	-	-	-	-	(4,377)	-	-	-
Total other financing sources (uses)	5,859	(15,141)	9,282	-	46,900	-	(4,377)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26,028)	(172,948)	(154,618)	(148,266)	226,671	622,292	(4,377)	112	-	-
Cash and investments - ending	\$ -	\$ 17,340	\$ -	\$ 677,542	\$ 1,048,135	\$ 5,686,713	\$ -	\$ 112	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Early Intervention 2016	Lilly Grant	Schwab	Schwab 2015	Schwab 2016	Schwab 2017	Donation Fund	Awards/ Don 204-5	Awards/ Don 204-6	Awards/ Don 204-7
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 42,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	10,000	28,654	2,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	88,013	-	-	-	41,322	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	88,013	-	-	-	41,322	-	10,000	28,654	2,000	-
Disbursements:										
Instruction	21,326	-	-	42,463	-	-	6,075	27,654	-	-
Support services	-	-	-	-	-	-	-	443	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	21,326	-	-	42,463	-	-	6,075	28,097	-	-
Excess (deficiency) of receipts over disbursements	66,687	-	-	(42,463)	41,322	-	3,925	557	2,000	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	66,687	-	-	(42,463)	41,322	-	3,925	557	2,000	-
Cash and investments - ending	\$ 66,687	\$ -	\$ -	\$ -	\$ 41,322	\$ -	\$ 3,925	\$ 557	\$ 2,000	\$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Local Grant - HHS Weight Room	Donation - Whispering Meadows PTC	Donations/ Awards 206-7	Hhs Literacy	Donations/ Awards 208-6	Donations/ Awards 208-7	Donation Fund 209-6	Allen County Coed	Technology Fee Fund
Cash and investments - beginning	\$ 4,177	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,031
Receipts:									
Local sources	-	1,000	-	3,500	17,378	-	2,500	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	47,600
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	1,000	-	3,500	17,378	-	2,500	-	47,600
Disbursements:									
Instruction	4,175	1,000	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	79,134
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,175	1,000	-	-	-	-	-	-	79,134
Excess (deficiency) of receipts over disbursements	(4,175)	-	-	3,500	17,378	-	2,500	-	(31,534)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,175)	-	-	3,500	17,378	-	2,500	-	(31,534)
Cash and investments - ending	\$ 2	\$ 1,000	\$ -	\$ 3,500	\$ 17,378	\$ -	\$ 2,500	\$ -	\$ 26,497

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Band Uniforms	Vetter Memorial	Center School Project	Formative Assessment	High Ability 2015	High Ability 2016	Non-English Speaking Grant	Non-English Speaking Grant 2015	Connectivity
Cash and investments - beginning	\$ 30,567	\$ 1,272	\$ 159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,769
Receipts:									
Local sources	17	-	40	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	66,600	64,786	-	-	17,220	13,044
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	17	-	40	66,600	64,786	-	-	17,220	13,044
Disbursements:									
Instruction	-	1,272	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	10,229
Noninstructional services	4,705	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	59,257	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,705	1,272	-	59,257	-	-	-	-	10,229
Excess (deficiency) of receipts over disbursements	(4,688)	(1,272)	40	7,343	64,786	-	-	17,220	2,815
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(64,786)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(64,786)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,688)	(1,272)	40	7,343	-	-	-	17,220	2,815
Cash and investments - ending	\$ 25,879	\$ -	\$ 199	\$ 7,343	\$ -	\$ -	\$ -	\$ 17,220	\$ 4,584

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Technology Grants [IC 20-40-15]	TECH GRANT	Child Care Programs	Child Care 2014	Child Care 2015	Child Care 2016	Prf Dev/ Capacit	Safe Haven 2015	Smith Green West Allen 2014
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 98,660	\$ -	\$ -	\$ (72,000)	\$ -	\$ (33,751)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	299,318	-	-	-	-
State sources	-	-	-	-	-	-	72,000	15,000	-
Federal sources	-	-	-	-	-	-	-	-	23,536
Other receipts	-	-	-	-	500	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>299,818</b>	<b>-</b>	<b>72,000</b>	<b>15,000</b>	<b>23,536</b>
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	3,286
Support services	-	-	-	-	-	-	-	-	3,148
Noninstructional services	-	-	-	30,000	196,493	-	-	15,000	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>196,493</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>6,434</b>
Excess (deficiency) of receipts over disbursements	-	-	-	(30,000)	103,325	-	72,000	-	17,102
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(68,660)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(68,660)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(98,660)	103,325	-	72,000	-	17,102
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 103,325	\$ -	\$ -	\$ -	\$ (16,649)

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Title I 2015	Title I 2016	Title I 2017	IDEA Part B NACS 2013	IDEA Part B SACS 2013	IDEA Part B SACS 2014	IDEA Part B SACS 2015	IDEA Part B SACS 2016	Special Education Improvement 2013
Cash and investments - beginning	\$ (22,007)	\$ -	\$ -	\$ (115,430)	\$ (24,330)	\$ (104,303)	\$ -	\$ -	\$ (9,126)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	111,123	375,811	-	145,831	40,752	262,990	1,105,421	-	18,836
Other receipts	-	-	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>111,123</b>	<b>375,811</b>	<b>-</b>	<b>145,831</b>	<b>40,752</b>	<b>262,990</b>	<b>1,105,421</b>	<b>-</b>	<b>18,836</b>
Disbursements:									
Instruction	74,546	342,165	-	23,260	380	70,796	698,404	-	593
Support services	9,162	37,487	-	7,141	16,042	90,903	507,900	-	9,117
Noninstructional services	5,408	15,369	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>89,116</b>	<b>395,021</b>	<b>-</b>	<b>30,401</b>	<b>16,422</b>	<b>161,699</b>	<b>1,206,304</b>	<b>-</b>	<b>9,710</b>
Excess (deficiency) of receipts over disbursements	22,007	(19,210)	-	115,430	24,330	101,291	(100,883)	-	9,126
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	22,007	(19,210)	-	115,430	24,330	101,291	(100,883)	-	9,126
Cash and investments - ending	\$ -	\$ (19,210)	\$ -	\$ -	\$ -	\$ (3,012)	\$ (100,883)	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	Special Education Discretionary Grant 2013	Special Education Discretionary Grant 2014	Special Education Discretionary Grant 2015	Special Education Discretionary Grant 2016	Special Education Pre-School 2014	Special Education Pre-School 2015	Special Education Pre-School 2016	Diesel Reb Program	Title II 2013
Cash and investments - beginning	\$ (118)	\$ (9,821)	\$ -	\$ -	\$ (2,223)	\$ -	\$ -	\$ -	\$ 69,320
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	118	51,255	77,647	-	4,095	28,004	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	118	51,255	77,647	-	4,095	28,004	-	-	-
Disbursements:									
Instruction	-	-	-	-	1,872	28,004	-	-	69,320
Support services	-	42,079	87,612	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	42,079	87,612	-	1,872	28,004	-	-	69,320
Excess (deficiency) of receipts over disbursements	118	9,176	(9,965)	-	2,223	-	-	-	(69,320)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	118	9,176	(9,965)	-	2,223	-	-	-	(69,320)
Cash and investments - ending	\$ -	\$ (645)	\$ (9,965)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	Title II 2014	Title II 2015	Title II 2016	Title III 2014	Title III 2015	Title III 2016	Payroll	Cafeteria Clearing	Totals
Cash and investments - beginning	\$ (931)	\$ -	\$ -	\$ (1,210)	\$ -	\$ -	\$ 284,818	\$ (95,355)	\$ 22,959,195
Receipts:									
Local sources	-	-	-	-	-	-	-	-	33,656,273
Intermediate sources	-	-	-	-	-	-	-	-	300,014
State sources	-	-	-	-	-	-	-	-	41,166,864
Federal sources	72,632	-	-	-	-	-	-	-	3,140,239
Other receipts	-	-	-	-	-	-	12,440,473	2,184,104	15,167,777
Total receipts	72,632	-	-	-	-	-	12,440,473	2,184,104	93,431,167
Disbursements:									
Instruction	71,701	951	-	-	-	-	-	-	34,589,157
Support services	-	-	-	1,376	1,069	-	-	-	21,815,468
Noninstructional services	-	-	-	-	-	-	-	-	3,904,769
Facilities acquisition and construction	-	-	-	-	-	-	-	-	3,328,597
Debt service	-	-	-	-	-	-	-	-	9,971,542
Nonprogrammed charges	-	-	-	-	-	-	12,390,375	2,150,873	20,715,560
Total disbursements	71,701	951	-	1,376	1,069	-	12,390,375	2,150,873	94,325,093
Excess (deficiency) of receipts over disbursements	931	(951)	-	(1,376)	(1,069)	-	50,098	33,231	(893,926)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	15,126
Sale of capital assets	-	-	-	-	-	-	-	-	2,453
Transfers in	-	-	-	-	-	-	-	-	1,122,097
Transfers out	-	-	-	-	-	-	-	-	(1,122,098)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	17,578
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	931	(951)	-	(1,376)	(1,069)	-	50,098	33,231	(876,348)
Cash and investments - ending	\$ -	\$ (951)	\$ -	\$ (2,586)	\$ (1,069)	\$ -	\$ 334,916	\$ (62,124)	\$ 22,082,847

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	General Fund	Referendum Fund	Debt Service	Severance Bonds	Capital Projects	Transportation-Operation	Transportation-Bus Replacement	Rainy Day	Retirement/Severance	Construction
Cash and investments - beginning	\$ 2,618,534	\$ 3,240,526	\$ 2,492,472	\$ 120,823	\$ 1,084,178	\$ 2,001,611	\$ 497,614	\$ 1,549,262	\$ 606,245	\$ -
Receipts:										
Local sources	562,916	3,627,233	10,107,880	336,644	7,240,604	2,821,572	427,318	1,885	737	-
Intermediate sources	35	-	-	-	-	-	-	-	-	-
State sources	42,487,002	-	-	-	-	-	-	-	-	-
Federal sources	195	-	-	-	12,294	-	-	-	-	-
Other receipts	385,392	-	-	-	228,958	78,204	-	-	-	-
Total receipts	43,435,540	3,627,233	10,107,880	336,644	7,481,856	2,899,776	427,318	1,885	737	-
Disbursements:										
Instruction	28,950,916	3,777,989	-	-	-	-	-	-	-	-
Support services	13,268,509	198,712	-	-	4,750,306	2,765,338	992,390	-	-	-
Noninstructional services	770,284	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	67,209	-	-	-	2,605,924	-	-	-	-	-
Debt service	-	-	8,775,470	395,824	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	43,056,918	3,976,701	8,775,470	395,824	7,356,230	2,765,338	992,390	-	-	-
Excess (deficiency) of receipts over disbursements	378,622	(349,468)	1,332,410	(59,180)	125,626	134,438	(565,072)	1,885	737	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	756	-	-	-	-	-
Transfers in	243,153	-	-	-	647,584	252,624	53,142	-	-	-
Transfers out	(80,312)	-	(909,079)	(30,074)	(4,100)	-	-	-	-	-
Total other financing sources (uses)	162,841	-	(909,079)	(30,074)	644,240	252,624	53,142	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	541,463	(349,468)	423,331	(89,254)	769,866	387,062	(511,930)	1,885	737	-
Cash and investments - ending	\$ 3,159,997	\$ 2,891,058	\$ 2,915,803	\$ 31,569	\$ 1,854,044	\$ 2,388,673	\$ (14,316)	\$ 1,551,147	\$ 606,982	\$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Construction - Elementaries	Construction - Safe/Secure	Construction - CoCurricular	Cafeteria	Textbook Fund	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Early Intervention
Cash and investments - beginning	\$ -	\$ 17,340	\$ -	\$ 677,542	\$ 1,048,135	\$ 5,686,713	\$ -	\$ 112	\$ -	\$ -
Receipts:										
Local sources	-	-	-	2,059,284	587,885	7,218,957	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	694	-	-
State sources	-	-	-	-	85,130	-	-	-	13,785	34,970
Federal sources	-	-	-	811,610	-	-	-	-	-	-
Other receipts	-	-	-	580	-	-	-	-	-	-
Total receipts	-	-	-	2,871,474	673,015	7,218,957	-	694	13,785	34,970
Disbursements:										
Instruction	-	-	-	-	-	-	-	806	94,097	15,895
Support services	-	-	-	72,368	397,107	-	-	-	-	-
Noninstructional services	-	-	-	2,853,892	-	-	-	-	-	-
Facilities acquisition and construction	-	17,340	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	7,018,878	-	-	-	-
Total disbursements	-	17,340	-	2,926,260	397,107	7,018,878	-	806	94,097	15,895
Excess (deficiency) of receipts over disbursements	-	(17,340)	-	(54,786)	275,908	200,079	-	(112)	(80,312)	19,075
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	80,312	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	80,312	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(17,340)	-	(54,786)	275,908	200,079	-	(112)	-	19,075
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 622,756	\$ 1,324,043	\$ 5,886,792	\$ -	\$ -	\$ -	\$ 19,075

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2017

	Early Intervention 2016	Lilly Grant	Schwab	Schwab 2015	Schwab 2016	Schwab 2017	Donation Fund	Awards/ Don 204-5	Awards/ Don 204-6	Awards/ Don 204-7
Cash and investments - beginning	\$ 66,687	\$ -	\$ -	\$ -	\$ 41,322	\$ -	\$ 3,925	\$ 557	\$ 2,000	\$ -
Receipts:										
Local sources	-	50,000	-	-	-	-	-	-	-	3,310
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	3,000	-	-	38,000	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	50,000	3,000	-	-	38,000	-	-	-	3,310
Disbursements:										
Instruction	62,467	-	-	-	38,400	-	3,925	-	1,487	3,310
Support services	-	32,751	-	-	-	-	-	464	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	62,467	32,751	-	-	38,400	-	3,925	464	1,487	3,310
Excess (deficiency) of receipts over disbursements	(62,467)	17,249	3,000	-	(38,400)	38,000	(3,925)	(464)	(1,487)	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	2,922	-	-	-	-
Transfers out	-	-	-	-	(2,922)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(2,922)	2,922	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(62,467)	17,249	3,000	-	(41,322)	40,922	(3,925)	(464)	(1,487)	-
Cash and investments - ending	\$ 4,220	\$ 17,249	\$ 3,000	\$ -	\$ -	\$ 40,922	\$ -	\$ 93	\$ 513	\$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	Local Grant - HHS Weight Room	Donation - Whispering Meadows PTC	Donations/ Awards 206-7	Hhs Literacy	Donations/ Awards 208-6	Donations/ Awards 208-7	Donation Fund 209-6	Allen County Coed	Technology Fee Fund
Cash and investments - beginning	\$ 2	\$ 1,000	\$ -	\$ 3,500	\$ 17,378	\$ -	\$ 2,500	\$ -	\$ 26,497
Receipts:									
Local sources	-	-	5,000	500	265	10,000	-	1,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	43,375
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	5,000	500	265	10,000	-	1,000	43,375
Disbursements:									
Instruction	2	-	-	1,791	16,209	-	2,349	-	-
Support services	-	-	-	-	-	-	-	-	911
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	2	-	-	1,791	16,209	-	2,349	-	911
Excess (deficiency) of receipts over disbursements	(2)	-	5,000	(1,291)	(15,944)	10,000	(2,349)	1,000	42,464
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2)	-	5,000	(1,291)	(15,944)	10,000	(2,349)	1,000	42,464
Cash and investments - ending	\$ -	\$ 1,000	\$ 5,000	\$ 2,209	\$ 1,434	\$ 10,000	\$ 151	\$ 1,000	\$ 68,961

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
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	Band Uniforms	Vetter Memorial	Center School Project	Formative Assessment	High Ability 2015	High Ability 2016	Non-English Speaking Grant	Non-English Speaking Grant 2015	Connectivity
Cash and investments - beginning	\$ 25,879	\$ -	\$ 199	\$ 7,343	\$ -	\$ -	\$ -	\$ 17,220	\$ 4,584
Receipts:									
Local sources	33	-	98	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	83,588	-	65,742	16,702	-	14,948
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	33	-	98	83,588	-	65,742	16,702	-	14,948
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	10,440
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	90,660	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	90,660	-	-	-	-	10,440
Excess (deficiency) of receipts over disbursements	33	-	98	(7,072)	-	65,742	16,702	-	4,508
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(65,742)	(16,702)	(17,220)	-
Total other financing sources (uses)	-	-	-	-	-	(65,742)	(16,702)	(17,220)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	33	-	98	(7,072)	-	-	-	(17,220)	4,508
Cash and investments - ending	\$ 25,912	\$ -	\$ 297	\$ 271	\$ -	\$ -	\$ -	\$ -	\$ 9,092

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
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	Technology Grants [IC 20-40-15]	TECH GRANT	Child Care Programs	Child Care 2014	Child Care 2015	Child Care 2016	Prf Dev/ Capacit	Safe Haven 2015	Smith Green West Allen 2014
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 103,325	\$ -	\$ -	\$ -	\$ (16,649)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	253,700	-	-	-
State sources	12,444	18,809	-	-	-	-	25,675	-	-
Federal sources	-	-	-	-	-	-	-	-	16,649
Other receipts	-	-	-	-	-	500	-	-	-
Total receipts	12,444	18,809	-	-	-	254,200	25,675	-	16,649
Disbursements:									
Instruction	10,436	215	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	25,675	-	-
Noninstructional services	-	-	-	-	-	186,595	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,436	215	-	-	-	186,595	25,675	-	-
Excess (deficiency) of receipts over disbursements	2,008	18,594	-	-	-	67,605	-	-	16,649
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	30,000	-	-	30,000	-	-	-
Transfers out	-	-	-	-	(103,325)	(96,063)	-	-	-
Total other financing sources (uses)	-	-	30,000	-	(103,325)	(66,063)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,008	18,594	30,000	-	(103,325)	1,542	-	-	16,649
Cash and investments - ending	\$ 2,008	\$ 18,594	\$ 30,000	\$ -	\$ -	\$ 1,542	\$ -	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
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	Title I 2015	Title I 2016	Title I 2017	IDEA Part B NACS 2013	IDEA Part B SACS 2013	IDEA Part B SACS 2014	IDEA Part B SACS 2015	IDEA Part B SACS 2016	Special Education Improvement 2013
Cash and investments - beginning	\$ -	\$ (19,210)	\$ -	\$ -	\$ -	\$ (3,012)	\$ (100,883)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	63,931	301,448	-	-	26,789	205,580	1,137,444	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	63,931	301,448	-	-	26,789	205,580	1,137,444	-
Disbursements:									
Instruction	-	36,556	302,215	-	-	12,892	44,848	723,873	-
Support services	-	7,935	-	-	-	10,885	61,531	526,454	-
Noninstructional services	-	230	14,611	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	44,721	316,826	-	-	23,777	106,379	1,250,327	-
Excess (deficiency) of receipts over disbursements	-	19,210	(15,378)	-	-	3,012	99,201	(112,883)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	19,210	(15,378)	-	-	3,012	99,201	(112,883)	-
Cash and investments - ending	\$ -	\$ -	\$ (15,378)	\$ -	\$ -	\$ -	\$ (1,682)	\$ (112,883)	\$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Special Education Discretionary Grant 2013	Special Education Discretionary Grant 2014	Special Education Discretionary Grant 2015	Special Education Discretionary Grant 2016	Special Education Pre-School 2014	Special Education Pre-School 2015	Special Education Pre-School 2016	Diesel Reb Program	Title II 2013
Cash and investments - beginning	\$ -	\$ (645)	\$ (9,965)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	41,990	70,925	2,223	1,251	31,591	14,196	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	41,990	70,925	2,223	1,251	31,591	14,196	-
Disbursements:									
Instruction	-	-	-	-	2,223	1,474	31,823	-	-
Support services	-	(645)	32,025	90,689	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	(645)	32,025	90,689	2,223	1,474	31,823	-	-
Excess (deficiency) of receipts over disbursements	-	645	9,965	(19,764)	-	(223)	(232)	14,196	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(14,196)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(14,196)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	645	9,965	(19,764)	-	(223)	(232)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (19,764)	\$ -	\$ (223)	\$ (232)	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Title II 2014	Title II 2015	Title II 2016	Title III 2014	Title III 2015	Title III 2016	Payroll	Cafeteria Clearing	Totals
Cash and investments - beginning	\$ -	\$ (951)	\$ -	\$ (2,586)	\$ (1,069)	\$ -	\$ 334,916	\$ (62,124)	\$ 22,082,847
Receipts:									
Local sources	-	-	-	-	-	-	-	-	35,063,121
Intermediate sources	-	-	-	-	-	-	-	-	254,429
State sources	-	-	-	16,764	1,704	3,837	-	-	42,922,100
Federal sources	-	75,764	940	-	-	-	-	-	2,858,195
Other receipts	-	-	-	-	-	-	12,571,637	2,257,915	15,523,186
Total receipts	-	75,764	940	16,764	1,704	3,837	12,571,637	2,257,915	96,621,031
Disbursements:									
Instruction	-	74,813	70,708	-	-	-	-	-	34,281,719
Support services	-	-	-	14,178	14,001	3,837	-	-	23,275,861
Noninstructional services	-	-	-	-	-	-	-	-	3,825,612
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,781,133
Debt service	-	-	-	-	-	-	-	-	9,171,294
Nonprogrammed charges	-	-	-	-	-	-	12,553,214	2,262,065	21,834,158
Total disbursements	-	74,813	70,708	14,178	14,001	3,837	12,553,214	2,262,065	95,169,777
Excess (deficiency) of receipts over disbursements	-	951	(69,768)	2,586	(12,297)	-	18,423	(4,150)	1,451,255
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	756
Transfers in	-	-	-	-	-	-	-	-	1,339,737
Transfers out	-	-	-	-	-	-	-	-	(1,339,735)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	758
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	951	(69,768)	2,586	(12,297)	-	18,423	(4,150)	1,452,013
Cash and investments - ending	\$ -	\$ -	\$ (69,768)	\$ -	\$ (13,366)	\$ -	\$ 353,339	\$ (66,274)	\$ 23,534,860

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 5,643,920</u>	<u>\$ 233,296</u>

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF LEASES AND DEBT  
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Bancorp Government Leasing & Finance	Laptop Computers for Middle School Students	\$ 254,882	06/02/14	09/02/17
De Lage Landen Public Finance LLC	Copier Machines	70,246	07/25/13	06/25/18
JP Morgan Chase Bank	Laptop Computers Grades 3-5 & High School	954,160	09/15/16	09/15/19
Southwest Allen Multi-School Building Corporation	Elementary School Projects	376,000	05/08/14	01/15/20
Southwest Allen Multi-School Building Corporation	Master Building Plan	4,627,330	10/06/11	01/15/20
Southwest Allen Multi-School Building Corporation	Refinancing of Prior Issues	1,626,639	05/22/13	01/15/20
Southwest Allen Multi-School Building Corporation	Homestead High School Projects	376,000	05/08/14	01/15/20
Southwest Allen Multi-School Building Corporation	Summit Middle School Project	425,000	05/08/14	01/15/20
Southwest Allen Multi-School Building Corporation	Safety/Security Projects	356,000	05/08/14	01/15/20
Southwest Allen Multi-School Building Corporation	Co-Curricular Projects	<u>346,000</u>	05/08/14	01/15/20
Total of annual lease payments		<u>\$ 9,412,257</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Pension Bonds for Unfunded Liability		\$ 195,490	\$ 195,490
General obligation bonds	Tennis courts High School Parking Elementary Kitchen Elementary Entry		1,995,000	629,818
Notes and loans payable	2007 Energy Loan Haverhill Elementary		<u>281,610</u>	<u>290,747</u>
Totals			<u>\$ 2,472,100</u>	<u>\$ 1,116,055</u>

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2017

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

	Ending Balance
	<u>                    </u>
Governmental activities:	
Land	\$ 3,604,300
Buildings	113,933,984
Improvements other than buildings	8,557,378
Machinery, equipment, and vehicles	<u>8,804,296</u>
Total capital assets	<u><u>\$ 134,899,958</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY, ALLEN COUNTY, INDIANA

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

We have audited the Metropolitan School District of Southwest Allen County's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

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

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003, 2017-004, 2017-005, and 2017-006. Our opinion on each major federal program is not modified with respect to these matters.

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

**Report on Internal Control over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.


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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, 2017-004, 2017-005, and 2017-006, that we consider to be material weaknesses.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

March 28, 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.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

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	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2015-2016 FY 2016-2017	\$ - -	\$ 31,250 -	\$ - -	\$ - 47,273
Total - School Breakfast Program				-	31,250	-	47,273
National School Lunch Program							
National School Lunch Program - Commodities	Indiana Department of Education	10.555	FY 2015-2016 FY 2016-2017	- -	665,694 -	- -	- 683,300
Total - National School Lunch Program				-	842,462	-	919,588
Total - Child Nutrition Cluster				-	873,712	-	966,861
Total - Department of Agriculture				-	873,712	-	966,861
<u>Department of Energy</u>							
State Energy Program	Indiana Office of Energy Development	81.041	FY 2016-2017	-	-	-	11,937
Total - Department of Energy				-	-	-	11,937
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027	14214-054-PN01 14215-052-PN01 14215-054-PN01 14216-052-PN01 14217-052-PN01 99947-54-PN01	30,400 - - - - 4,738	40,752 - 262,990 1,105,421 - 18,836	- - - - - -	- 26,789 - 205,580 1,137,444 -
	Indiana State University		FY 2013-2014 FY 2014-2015 FY 2015-2016 FY 2016-2017	- - - -	118 51,256 77,646 -	- - - -	- - 41,990 70,925
Total - Special Education_Grants to States				35,138	1,557,019	-	1,482,728

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2016 and 2017

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	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Special Education_Preschool Grants	Indiana Department of Education	84.173	45715-054-PN01	-	4,095	-	-
			45715-052-PN01	-	-	-	2,223
			45716-054-PN01	-	28,004	-	-
			45716-052-PN01	-	-	-	1,251
			45717-052-PN01	-	-	-	31,592
Total - Special Education_Preschool Grants				-	32,099	-	35,066
Total - Special Education Cluster (IDEA)				35,138	1,589,118	-	1,517,794
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	15-0125	-	111,123	-	-
			16-0125	-	375,811	-	63,931
			17-0125	-	-	-	301,448
Total - Title I Grants to Local Educational Agencies				-	486,934	-	365,379
Career and Technical Education -- Basic Grants to States	Fort Wayne Community Schools	84.048	FY 2015-2016	-	40,796	-	-
			FY 2016-2017	-	-	-	56,688
Total - Career and Technical Education -- Basic Grants to States				-	40,796	-	56,688
English Language Acquisition State Grants	Indiana Department of Education	84.365	01115-002-PN01	-	-	-	16,764
			01116-002-PN01	-	-	-	1,704
			01117-002-PN01	-	-	-	3,837
Total - English Language Acquisition State Grants				-	-	-	22,305
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367	107-110-FFY2014	-	72,632	-	-
			S367A150013	-	-	-	940
			S367A160013	-	-	-	75,764
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	72,632	-	76,704
Total - Department of Education				35,138	2,189,480	-	2,038,870
Total federal awards expended				\$ 35,138	\$ 3,063,192	\$ -	\$ 3,017,668

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
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, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 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 the Uniform Guidance, 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. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies	Unmodified Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

**Section II - Financial Statement Findings**

**FINDING 2017-001**

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

*Repeat Finding*

This is a repeat from the immediate prior audit. The prior audit finding number was 2015-001.

*Condition*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

*Context*

The SEFA presented for audit contained the following errors:

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

1. The Child Nutrition Cluster expenditures were understated by \$176,621 for fiscal year 2016 and overstated by \$375,082 for fiscal year 2017.
2. The State Energy Program expenditures were understated by \$11,937 for fiscal year 2017.
3. The Special Education Cluster (IDEA) expenditures were understated by \$959,558 for fiscal year 2016. Amounts passed through to subrecipients were understated by \$35,138 for fiscal year 2016.

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

*Criteria*

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

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

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

*Effect*

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

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the preparation of the SEFA.

*Views of Responsible Officials*

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

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

**FINDING 2017-002**

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Eligibility, Program Income, Procurement and Suspension and Debarment

Audit Finding: Material Weakness

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Repeat Finding*

This is a repeat finding from the immediate prior audit related to Eligibility and Program Income. The prior audit finding number was 2015-002.

*Condition*

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Eligibility, Program Income, and Procurement and Suspension and Debarment.

*Eligibility*

The School Corporation had not designed or implemented adequate policies and procedures to ensure that free and reduced price meal applications were accurately evaluated for eligibility. For online applications, information was entered into the food service software, which automatically made the eligibility determination dependent on the information entered. There was no oversight or review to ensure that the information entered into the food service software was accurate. For applications prepared by hand, there was no evidence of oversight or review to ensure that the eligibility determination made was accurate for the 2016-2017 school year.

*Program Income*

The School Corporation had not established an effective internal control over verifying the proper determination and recording of program income. There was no evidence that daily collections received at the School Nutrition office from the schools were reviewed. There was also no approval by the School Board for the extra cost of lunches for the high school if more food was desired.

*Procurement*

The School Corporation utilized an educational service center for food service bids. The educational service center administered the bidding process and verified that the vendors were not suspended or debarred. The educational service center made a recommendation to the School Corporation for the winning bids. However, there were no controls in place to ensure that the School Corporation and School Board formally approved the bids or awarded the contracts to the successful bidders. An oversight, review, or approval process had not been established.

*Context*

Internal control issues were systemic, occurring throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).  
..."

*Cause*

The School Corporation had not established and implemented an effective internal control system that segregated key functions.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

***FINDING 2017-003***

Subject: Child Nutrition Cluster - Cash Management  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Cash Management  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2015-002.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Cash Management compliance requirement. The School Corporation did not have effective controls to monitor the net cash resources of the School Lunch fund and failed to ensure that the amount did not exceed the three months average expenditures.

*Context*

The lack of controls and noncompliance were systemic problems. The net cash resources in the School Lunch fund exceeded the three months average expenditures for 9 of the 24 months of the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

7 CFR 220.7(e) states in part:

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

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

*Cause*

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

*Effect*

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2017-004**

Subject: Child Nutrition Cluster - Reporting  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the Annual Financial Reports and the School Food Authority (SFA) Verification Collection Reports were accurate prior to submission. One person prepared and submitted the reports. There was no segregation of duties, such as an oversight, review, or approval process. The Annual Financial Report filed by the School Corporation for the fiscal year ending June 30, 2016, did not agree with the School Corporation's financial records.

*Context*

Internal control issues were systemic, occurring throughout the audit period. The noncompliance was limited to the Annual Financial Report for the fiscal year ending June 30, 2016.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
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(Continued)

Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.302(b)(2) states in part: "Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

*Cause*

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish controls to ensure compliance and comply with the Reporting compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2017-005**

Subject: Child Nutrition Cluster - Special Tests and Provisions - Paid Lunch Equity  
Federal Agency: Department of Agriculture  
Federal Program: National School Lunch Program  
CFDA Number: 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity  
Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

The School Corporation did not adjust meal prices as required by the paid lunch equity calculation for the school year 2016-2017. The School Corporation was unable to provide a waiver from the Indiana Department of Education stating that the prices did not need to change.

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

Internal control issues were isolated, only occurring for this instance.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 210.15(b) states in part:

*"Recordkeeping summary.* In order to participate in the Program, a school food authority or a school, as applicable, must maintain records to demonstrate compliance with Program requirements. These records include but are not limited to: . . .

- (6) Records to document compliance with the requirements in § 210.14(e); . . ."

7 CFR 210.14(e) states in part:

*"Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

- (1) *Calculation procedures.* Each school food authority shall:

- (i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.
- (ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (i.e., the reimbursement difference);
- (iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section. . . ."

*Cause*

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

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish controls to ensure compliance and comply with the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2017-006**

Subject: Child Nutrition Cluster - Special Tests and Provisions - Verification  
of Free and Reduced Price Applications (NSLP)

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Verification of  
Free and Reduced Price Applications (NSLP)

Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

The verification process was performed on a predetermined percentage of applications. Verifications for FY 2016-2017 were not presented for audit.

*Context*

Internal control issues were isolated, occurring only for this instance.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

METROPOLITAN SCHOOL DISTRICT OF SOUTHWEST ALLEN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 245.6(e) states:

"*Recordkeeping.* The local educational agency must maintain documentation substantiating eligibility determinations on file for 3 years after the date of the fiscal year to which they pertain, except that if audit findings have not been resolved, the documentation must be maintained as long as required for resolution of the issues raised by the audit."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish controls to ensure compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) 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.



Summary Schedule of Prior Findings

***FINDING 2015-001 – PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

Fiscal year in which the finding originally occurred: 07/01/13 to 06/30/15  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A  
Contact Person Responsible for Corrective Action: Jim Coplen  
Contact Phone Number: 260-431-2030

Status of Audit Finding:

Since this a repeat finding in the subsequent audit, new control procedures are now being implemented to assure the accuracy of financial reports submitted to the State of Indiana. Further review by the Treasurer and Deputy Treasurer will take place prior to the Schedule of Expenditures of Federal Awards is submitted.

***FINDING 2015-002 – ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES, CASH MANAGEMENT, ELIGIBILITY, AND PROGRAM INCOME***

Fiscal year in which the finding originally occurred: 07/01/13 to 06/30/15  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Jim Coplen  
Contact Phone Number: 260-431-2030

Status of Audit Finding:

***Activities Allowed or Un-allowed and Allowable Costs/Cost Principles***

School Lunch vendor expenditures are submitted for approval to the School Board at their regular meetings.

***Cost Management***

Although this is a repeat finding in the subsequent audit, we have made significant progress to ensure the food service balance is less than or equal to average expenditures for three months operating expenses. We will continue to monitor this balance with the intent to meet this cash management guideline.

***Eligibility***

Manual applications are being reviewed for accuracy and qualification purposes. Electronic applications have not been reviewed for the same purposes. We will begin to test a sample of electronic applications to ensure calculations are accurate and the qualification determination is properly assigned.

***Preparing today's learners for tomorrow's opportunities.***

**Program Income**

Controls have been put in place to ensure the meal prices approved by the school board are being correctly charged by the individual schools.

  
\_\_\_\_\_  
(Signature)  
  
*BUS. MGR. / TREASURER*  
\_\_\_\_\_  
(Title)  
  
*3-28-18*  
\_\_\_\_\_  
(Date)



## CORRECTIVE ACTION PLAN

### ***FINDING 2017-001***

Contact Person Responsible for Corrective Action: Jim Coplen  
Contact Phone Number: 260-431-2030

Views of Responsible Official: Concur with the finding

Description of Corrective Action Plan:

**Deputy Treasurer will include all commodities in the SEFA reporting. The Treasurer will review these and all other SEFA reporting to ensure their applicable and accurate nature. We have been given direction by the State Board of Accounts on how to obtain the proper information for reporting on the Schedule of Expenditures of Federal Awards (SEFA).**

Anticipated Completion Date: July 1, 2018

### ***FINDING 2017-002***

Contact Person Responsible for Corrective Action: Jim Coplen  
Contact Phone Number: 260-431-2030

Views of Responsible Official: Concur with the finding

Description of Corrective Action Plan:

- **A review with proper documentation of free and reduced lunch applications by the food service director will be done for all applicable applications.**
- **We will examine our current revenue collection procedure to safeguard against potential misstatements of revenue and to control the number of employees handling food service collections.**
- **We will submit food service bids, received from our educational service center or any other outside service provider to the School Board for their approval.**

Anticipated Completion Date: July 1, 2018

***Preparing today's learners for tomorrow's opportunities.***

Jim Coplen ♦ Business Manager  
4824 Homestead Road ♦ Fort Wayne, Indiana 46814 ♦ (260) 431-2030 ♦ jcoplen@sacs.k12.in.us

***FINDING 2017-003***

Contact Person Responsible for Corrective Action: Jim Coplen  
Contact Phone Number: 260-431-2030

Views of Responsible Official: Concur with the finding

Description of Corrective Action Plan:

- **We will monitor the cash balance to ensure it does not exceed the average three months operating expenses.**
- **Business Manager will review the monthly cash balance in the food service account and compare it to the three month average.**
- **We will develop a plan for any funds that may exceed the three month average.**

Anticipated Completion Date: July 1, 2018

***FINDING 2017-004***

Contact Person Responsible for Corrective Action: Jim Coplen  
Contact Phone Number: 260-431-2030

Views of Responsible Official: Concur with the finding

Description of Corrective Action Plan:

**The Annual Financial Report and Verification Summary Reports will be presented to the Business Manager before being submitted to the proper agencies.**

Anticipated Completion Date: July 1, 2018

***FINDING 2017-005***

Contact Person Responsible for Corrective Action: Jim Coplen  
Contact Phone Number: 260-431-2030

Views of Responsible Official: Concur with the finding

Description of Corrective Action Plan:

**Proper documentation will be kept and secured for audit purposes.**

Anticipated Completion Date: July 1, 2018

**FINDING 2017-006**


Contact Person Responsible for Corrective Action: Jim Coplen  
Contact Phone Number: 260-431-2030

Views of Responsible Official: Concur with the finding

Description of Corrective Action Plan:

**Verification of Free and Reduced Price Applications will be compliant with the guidelines set forth in the School Breakfast and National School Lunch Programs. Documentation of these verifications will be kept for audit and review.**

Anticipated Completion Date: July 1, 2018

  
\_\_\_\_\_  
(Signature)

*BUS. MGR. / TREASURER*  
\_\_\_\_\_  
(Title)

*3-28-18*  
\_\_\_\_\_  
(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/>.