

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

METROPOLITAN SCHOOL DISTRICT  
OF WASHINGTON TOWNSHIP  
MARION COUNTY, INDIANA

July 1, 2015 to June 30, 2017



**FILED**  
05/23/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Joseph Licata	07-01-15 to 06-30-18
Superintendent of Schools	Dr. Nikki Woodson	07-01-15 to 06-30-18
President of the School Board	Anthony Dzwonar William Turner Donald B. Kite, Sr.	07-01-15 to 06-30-16 07-01-16 to 06-30-17 07-01-17 to 06-30-18



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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Metropolitan School District of Washington Township (School Corporation), which comprises the financial position and results of operations for the 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 April 11, 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

April 11, 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 WASHINGTON TOWNSHIP, MARION COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Metropolitan School District of Washington Township (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated April 11, 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 Washington Township's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

April 11, 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 WASHINGTON TOWNSHIP  
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	\$ 14,750,842	\$ 75,945,911	\$ 74,841,275	\$ (1,310,150)	\$ 14,545,328	\$ 78,490,612	\$ 76,809,769	\$ (359,923)	\$ 15,866,248
Referendum Tax Levy	7,799,097	4,828,587	4,006,957	-	8,620,727	5,841,298	3,894,909	(7,000,000)	3,567,116
Debt Service	4,289,450	7,680,534	7,682,922	-	4,287,062	8,169,843	9,620,290	-	2,836,615
Retirement/Severance Bond Debt Service	821,756	1,262,789	1,362,403	-	722,142	1,227,685	1,262,903	-	686,924
Capital Projects	3,519,298	8,497,243	7,457,874	(850,000)	3,708,667	10,541,897	8,495,306	(900,000)	4,855,258
School Transportation	3,222,746	7,890,926	8,182,189	-	2,931,483	7,994,694	8,557,300	55,458	2,424,335
School Bus Replacement	70,489	1,428,414	-	-	1,498,903	2,060,396	2,461,099	(800,000)	298,200
Rainy Day	3,310,780	173	929,352	850,000	3,231,601	2,661	979,210	8,700,000	10,955,052
711 GO Bond	1,006,164	-	981,661	-	24,503	-	24,503	-	-
715 GO Bond	-	-	759,545	2,000,000	1,240,455	-	1,226,674	-	13,781
716 GO Bond	-	-	-	-	-	-	103,515	2,000,000	1,896,485
720 GO Bond	4,550,868	-	1,305,240	(2,000,000)	1,245,628	-	556,598	-	689,030
721 GO Bond	1,997,395	2,000	593,975	-	1,405,420	-	511,467	-	893,953
730 GO Bond	249,023	-	249,023	-	-	-	-	-	-
School Lunch	4,371,736	6,045,216	5,649,219	-	4,767,733	5,780,056	6,058,369	-	4,489,420
Textbook Rental	105,562	1,029,750	1,361,680	525,568	299,200	1,877,396	1,871,829	-	304,767
Self-Insurance	11,085,955	23,480,007	23,635,731	500,000	11,430,231	25,232,116	23,329,282	-	13,333,065
Levy Excess	-	-	-	-	-	55,458	-	(55,458)	-
Joint Services and Supply - Area Vocational School	(438,579)	3,612,794	3,595,038	-	(420,823)	4,456,204	3,968,474	-	66,907
Judgments	1,270	-	-	-	1,270	-	-	-	1,270
Alternative Education	6,177	29,901	-	-	36,078	52,028	-	-	88,106
SAFE School Haven	(20,000)	20,000	-	-	-	20,000	25,890	-	(5,890)
Early Intervention Grant	10,648	19,100	26,815	-	2,933	88,049	48,953	-	42,029
Lilly Endowment	-	-	-	-	-	50,000	26,041	-	23,959
Local/Foundation Grants	228,706	294,850	376,339	84,948	232,165	202,654	256,096	-	178,723
Local Grants #1	358,803	102,661	88,134	48,000	421,330	12,978	8,214	-	426,094
Local Grants #2	42,111	23,574	24,565	9,441	50,561	11,792	23,296	-	39,057
Local Grants	101,737	168,888	110,319	(63,278)	97,028	58,231	78,284	-	76,975
Local Grants #4	-	-	-	-	-	84,475	44,743	-	39,732
Adult Education	(103,099)	76,861	156,556	158,445	(24,349)	91,923	156,875	-	(89,301)
LPN Program	(33,119)	-	(33,026)	-	(93)	-	-	-	(93)
THNI Take One	300	-	-	-	300	-	-	-	300
Oasis Tutoring Program	(200)	-	-	200	-	-	-	-	-
Willoughby-Epperly	1,574	-	-	-	1,574	-	-	-	1,574
Law Enforcement	279	-	-	-	279	-	50	-	229
Indiana Symphony	240	-	240	-	-	-	-	-	-
Learning Under The Sun	29,471	37,976	33,611	-	33,836	35,705	35,348	-	34,193
Cultural Arts	1,290	-	-	-	1,290	-	-	-	1,290
ECA Smartdata - GB	(1,275)	50,068	46,896	-	1,897	-	-	-	1,897
Welfare Activities	-	-	3,290	-	(3,290)	-	3,864	-	(7,154)
Scholarships and Awards	(2,325)	-	-	-	(2,325)	-	-	-	(2,325)
Paul Griesel Memorial	5,036	-	-	-	5,036	-	-	-	5,036
IB HS AP/IB Testing	26,502	10,000	4,416	-	32,086	15,000	5,228	-	41,858
Building Fund	-	-	-	-	-	-	190	-	(190)

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
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
Washington Township Foundation	42,453	12,889	4,736	(50,606)	-	-	-	-	-
Formative Assessment	-	119,769	111,400	-	8,369	146,175	105,468	-	49,076
Special Education Excess Costs	-	-	-	-	-	19,908	19,908	-	-
High Ability Grant	19,928	72,168	95,690	-	(3,594)	73,335	54,153	-	15,588
Computer Consortium/Ed Tech Advance	(256,847)	2,270,790	2,620,631	-	(606,688)	2,181,702	1,573,390	-	1,624
Adult and Continuing Education	(174,843)	1,239,744	1,140,113	-	(75,212)	1,063,779	988,567	-	-
Medicaid Reimbursement	715,500	373,224	83,890	-	1,004,834	644,008	34,863	(178,251)	1,435,728
Bookstore	34,552	-	20,486	20,490	34,556	-	21,335	28,176	41,397
Tennis Fund	(3,239)	-	891	-	(4,130)	-	440	-	(4,570)
Tennis Maint	5,314	8,255	6,263	-	7,306	2,864	6,424	-	3,746
Teacher of the Year	(5,698)	5,486	17	-	(229)	-	-	-	(229)
Non-English Speaking Programs	35,665	313,862	240,608	-	108,919	323,235	396,801	-	35,353
School Technology	531,627	309,052	249,167	-	591,512	242,543	205,771	-	628,284
Career and Technical Performance Grant	-	-	-	-	-	114,367	127,057	-	(12,690)
Performance Based Awards	884	423,476	361,650	-	62,710	242,104	241,931	(61,826)	1,057
Excellence in Performance	-	78,443	78,443	-	-	-	90,858	-	-
SRO Salary/Benefits	(33,970)	-	58,829	-	(92,799)	50,000	35,875	-	(78,674)
ISTA Settlement	296,243	-	-	-	296,243	-	-	-	296,243
Educational Fees	196,302	219,944	269,804	99,432	245,874	339,179	303,044	-	282,009
Title I	(588,309)	3,073,191	3,144,618	-	(659,736)	2,871,584	2,741,972	-	(530,124)
Title I School Improvement	-	-	-	-	-	21,345	36,884	-	(15,539)
Title II-B	(31,272)	221,069	189,797	-	-	-	-	-	-
MSP	-	68,660	71,146	-	(2,486)	61,710	85,363	-	(26,139)
SPED Basic	(583,111)	2,682,622	2,265,948	-	(166,437)	2,207,336	2,749,250	-	(708,351)
SPED TA	(6,718)	43,774	37,056	-	-	-	-	-	-
SPED Pre-K	(62,041)	72,637	10,596	-	-	93,728	116,519	-	(22,791)
Adult Basic Education	(188,088)	261,694	266,496	-	(192,890)	463,564	529,439	-	(258,765)
Vocational and Technology Board Grants	(174,195)	756,494	623,583	-	(41,284)	528,492	602,134	-	(114,926)
Refugee Grant	(3,407)	18,826	22,774	-	(7,355)	26,880	28,805	-	(9,280)
McKinney Vento Grant	(34,298)	91,631	68,370	-	(11,037)	37,088	48,265	-	(22,214)
Other Federal Programs	2,000	16,977	26,319	(2,000)	(9,342)	39,426	50,142	-	(20,058)
Title III WIDA	(6,471)	-	8,200	-	(14,671)	-	-	-	(14,671)
ITQ, Enhanced Education Through Technology, Title II, Part D	-	-	-	-	-	26,898	46,695	-	(19,797)
Rural Schools Achievement	(26,340)	281,443	257,923	-	(2,820)	288,576	283,493	-	2,263
Rural Schools and Low Income Program - Pass Through State	(75,796)	75,796	272,989	-	(272,989)	321,163	324,688	-	(276,514)
Title III Influx	-	17,988	19,302	-	(1,314)	1,314	15,586	-	(15,586)
Insurance Reserve	40,938	-	-	-	40,938	-	-	-	40,938
Prepaid Meal Account	173,700	1,330,939	1,274,906	-	229,733	1,344,406	1,471,115	-	103,024
Payroll Clearing	529,646	36,860,321	36,791,208	-	598,759	42,551,365	42,595,766	-	554,358
Credit Card	-	17,822	18,555	-	(733)	38,231	43,816	-	(6,318)
<b>Totals</b>	<b>\$ 61,736,817</b>	<b>\$ 193,877,209</b>	<b>\$ 194,144,643</b>	<b>\$ 20,490</b>	<b>\$ 61,489,873</b>	<b>\$ 208,910,314</b>	<b>\$ 206,420,386</b>	<b>\$ 1,428,176</b>	<b>\$ 65,407,977</b>

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

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

*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.

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

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

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

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

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

*E. Disbursements*

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

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

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

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

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

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

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

*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.

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

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

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

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

**G. Fund Accounting**

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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.

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

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

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

*Funding Policy and Annual Pension Cost*

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

**B. Teachers' Retirement Fund**

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Negative Disbursements**

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

**Note 8. Cash Balance Deficits**

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

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

**Note 9. *Holding Corporations***

The School Corporation had entered into a capital lease with North Central Campus School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor had been determined to be a related-party of the School Corporation. Lease payments during the years 2016 and 2017 totaled \$3,975,000 and \$3,991,500, respectively.

In February 2017, the Metropolitan School District of Washington Township School Building Corporation (the lessor) was formed. 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 had been determined to be a related-party of the School Corporation. At the time of the lessor's formation, all previous leases and business activities of the North Central Campus School Building Corporation were transferred to the new building corporation.

**Note 10. *Subsequent Events***

The School Corporation issued General Obligation Bonds of 2017 in the amount of \$2,000,000 on November 21, 2017, for the purchase of equipment and technology, and the renovation, repair, and maintenance of equipment and facilities.

In November 2016, a \$185 million capital referendum was voted on and approved by the taxpayers of the School Corporation. The first debt issuance related to this referendum was in the amount of \$14 million and was issued by the Metropolitan School District of Washington Township School Building Corporation and closed on November 21, 2017.

**Note 11. *Other Postemployment Benefits***

The School Corporation provides to eligible retirees and their spouses the following benefits: health, dental, and vision insurance. The retiree is responsible for paying 100 percent of the annual premium for any of the benefits chosen. Information regarding the benefits can be obtained by contacting the School Corporation.

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#### OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

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

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 14,750,842	\$ 7,799,097	\$ 4,289,450	\$ 821,756	\$ 3,519,298	\$ 3,222,746	\$ 70,489	\$ 3,310,780
Receipts:								
Local sources	727,943	4,828,587	7,680,534	1,262,789	8,497,243	7,863,257	1,428,414	173
State sources	75,212,523	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	5,445	-	-	-	-	27,669	-	-
Total receipts	75,945,911	4,828,587	7,680,534	1,262,789	8,497,243	7,890,926	1,428,414	173
Disbursements:								
Instruction	52,167,527	3,451,267	-	-	-	-	-	12,750
Support services	21,977,789	555,690	-	-	4,527,980	8,182,189	-	916,602
Noninstructional services	694,991	-	-	-	-	-	-	-
Facilities acquisition and construction	968	-	-	-	2,929,894	-	-	-
Debt service	-	-	7,682,922	1,362,403	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	74,841,275	4,006,957	7,682,922	1,362,403	7,457,874	8,182,189	-	929,352
Excess (deficiency) of receipts over disbursements	1,104,636	821,630	(2,388)	(99,614)	1,039,369	(291,263)	1,428,414	(929,179)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	52,606	-	-	-	-	-	-	850,000
Transfers out	(1,362,756)	-	-	-	(850,000)	-	-	-
Total other financing sources (uses)	(1,310,150)	-	-	-	(850,000)	-	-	850,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(205,514)	821,630	(2,388)	(99,614)	189,369	(291,263)	1,428,414	(79,179)
Cash and investments - ending	\$ 14,545,328	\$ 8,620,727	\$ 4,287,062	\$ 722,142	\$ 3,708,667	\$ 2,931,483	\$ 1,498,903	\$ 3,231,601

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

	711 GO Bond	715 GO Bond	716 GO Bond	720 GO Bond	721 GO Bond	730 GO Bond	School Lunch
Cash and investments - beginning	\$ 1,006,164	\$ -	\$ -	\$ 4,550,868	\$ 1,997,395	\$ 249,023	\$ 4,371,736
Receipts:							
Local sources	-	-	-	-	2,000	-	1,718,883
State sources	-	-	-	-	-	-	29,443
Federal sources	-	-	-	-	-	-	4,296,890
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	2,000	-	6,045,216
Disbursements:							
Instruction	-	27,753	-	9,550	-	-	-
Support services	42,122	2,088	-	358,086	37,948	-	247,241
Noninstructional services	-	-	-	-	-	-	5,333,089
Facilities acquisition and construction	939,539	715,847	-	937,604	556,027	249,023	68,889
Debt service	-	13,857	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	981,661	759,545	-	1,305,240	593,975	249,023	5,649,219
Excess (deficiency) of receipts over disbursements	(981,661)	(759,545)	-	(1,305,240)	(591,975)	(249,023)	395,997
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	2,000,000	-	-	-	-	-
Transfers out	-	-	-	(2,000,000)	-	-	-
Total other financing sources (uses)	-	2,000,000	-	(2,000,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(981,661)	1,240,455	-	(3,305,240)	(591,975)	(249,023)	395,997
Cash and investments - ending	\$ 24,503	\$ 1,240,455	\$ -	\$ 1,245,628	\$ 1,405,420	\$ -	\$ 4,767,733

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

	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Area Vocational School	Judgments	Alternative Education	SAFE School Haven
Cash and investments - beginning	\$ 105,562	\$ 11,085,955	\$ -	\$ (438,579)	\$ 1,270	\$ 6,177	\$ (20,000)
Receipts:							
Local sources	511,815	23,480,007	-	3,612,794	-	-	-
State sources	517,935	-	-	-	-	29,901	20,000
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>1,029,750</u>	<u>23,480,007</u>	<u>-</u>	<u>3,612,794</u>	<u>-</u>	<u>29,901</u>	<u>20,000</u>
Disbursements:							
Instruction	100,602	-	-	2,434,254	-	-	-
Support services	1,261,078	50	-	1,160,784	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	23,635,681	-	-	-	-	-
Total disbursements	<u>1,361,680</u>	<u>23,635,731</u>	<u>-</u>	<u>3,595,038</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(331,930)</u>	<u>(155,724)</u>	<u>-</u>	<u>17,756</u>	<u>-</u>	<u>29,901</u>	<u>20,000</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	550,000	500,000	-	-	-	-	-
Transfers out	(24,432)	-	-	-	-	-	-
Total other financing sources (uses)	<u>525,568</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>193,638</u>	<u>344,276</u>	<u>-</u>	<u>17,756</u>	<u>-</u>	<u>29,901</u>	<u>20,000</u>
Cash and investments - ending	<u>\$ 299,200</u>	<u>\$ 11,430,231</u>	<u>\$ -</u>	<u>\$ (420,823)</u>	<u>\$ 1,270</u>	<u>\$ 36,078</u>	<u>\$ -</u>

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

	Early Intervention Grant	Lilly Endowment	Local/ Foundation Grants	Local Grants #1	Local Grants #2	Local Grants	Local Grants #4
Cash and investments - beginning	\$ 10,648	\$ -	\$ 228,706	\$ 358,803	\$ 42,111	\$ 101,737	\$ -
Receipts:							
Local sources	-	-	294,850	102,661	23,574	168,888	-
State sources	19,100	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	19,100	-	294,850	102,661	23,574	168,888	-
Disbursements:							
Instruction	21,122	-	15,925	72,075	8,244	87,376	-
Support services	5,693	-	360,414	16,059	7,933	9,744	-
Noninstructional services	-	-	-	-	2,121	2,411	-
Facilities acquisition and construction	-	-	-	-	6,267	10,788	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	26,815	-	376,339	88,134	24,565	110,319	-
Excess (deficiency) of receipts over disbursements	(7,715)	-	(81,489)	14,527	(991)	58,569	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	84,948	58,000	9,441	12,039	-
Transfers out	-	-	-	(10,000)	-	(75,317)	-
Total other financing sources (uses)	-	-	84,948	48,000	9,441	(63,278)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,715)	-	3,459	62,527	8,450	(4,709)	-
Cash and investments - ending	\$ 2,933	\$ -	\$ 232,165	\$ 421,330	\$ 50,561	\$ 97,028	\$ -

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

	Adult Education	LPN Program	THNI Take One	Oasis Tutoring Program	Willoughby- Epperly	Law Enforcement	Indiana Symphony
Cash and investments - beginning	\$ (103,099)	\$ (33,119)	\$ 300	\$ (200)	\$ 1,574	\$ 279	\$ 240
Receipts:							
Local sources	76,861	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	76,861	-	-	-	-	-	-
Disbursements:							
Instruction	156,464	(33,026)	-	-	-	-	-
Support services	92	-	-	-	-	-	240
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	156,556	(33,026)	-	-	-	-	240
Excess (deficiency) of receipts over disbursements	(79,695)	33,026	-	-	-	-	(240)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	158,445	-	-	200	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	158,445	-	-	200	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	78,750	33,026	-	200	-	-	(240)
Cash and investments - ending	\$ (24,349)	\$ (93)	\$ 300	\$ -	\$ 1,574	\$ 279	\$ -

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

	Learning Under The Sun	Cultural Arts	ECA Smartdata - GB	Welfare Activities	Scholarships and Awards	Paul Griesel Memorial	IB HS AP/IB Testing
Cash and investments - beginning	\$ 29,471	\$ 1,290	\$ (1,275)	\$ -	\$ (2,325)	\$ 5,036	\$ 26,502
Receipts:							
Local sources	37,976	-	50,068	-	-	-	10,000
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	37,976	-	50,068	-	-	-	10,000
Disbursements:							
Instruction	33,611	-	13,542	-	-	-	4,416
Support services	-	-	33,354	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	3,290	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	33,611	-	46,896	3,290	-	-	4,416
Excess (deficiency) of receipts over disbursements	4,365	-	3,172	(3,290)	-	-	5,584
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	4,365	-	3,172	(3,290)	-	-	5,584
Cash and investments - ending	\$ 33,836	\$ 1,290	\$ 1,897	\$ (3,290)	\$ (2,325)	\$ 5,036	\$ 32,086

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

	Building Fund	Washington Township Foundation	Formative Assessment	Special Education Excess Costs	High Ability Grant	Computer Consortium/ Ed Tech Advance	Adult and Continuing Education
Cash and investments - beginning	\$ -	\$ 42,453	\$ -	\$ -	\$ 19,928	\$ (256,847)	\$ (174,843)
Receipts:							
Local sources	-	12,889	-	-	-	-	-
State sources	-	-	119,769	-	72,168	2,270,790	1,239,744
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	12,889	119,769	-	72,168	2,270,790	1,239,744
Disbursements:							
Instruction	-	-	-	-	95,568	619,301	820,725
Support services	-	4,736	111,400	-	122	22,282	307,253
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	1,979,048	12,135
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	4,736	111,400	-	95,690	2,620,631	1,140,113
Excess (deficiency) of receipts over disbursements	-	8,153	8,369	-	(23,522)	(349,841)	99,631
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(50,606)	-	-	-	-	-
Total other financing sources (uses)	-	(50,606)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(42,453)	8,369	-	(23,522)	(349,841)	99,631
Cash and investments - ending	\$ -	\$ -	\$ 8,369	\$ -	\$ (3,594)	\$ (606,688)	\$ (75,212)

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
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 For the Year Ended June 30, 2016

	Medicaid Reimbursement	Bookstore	Tennis Fund	Tennis Maint	Teacher of the Year	Non-English Speaking Programs	School Technology
Cash and investments - beginning	\$ 715,500	\$ 34,552	\$ (3,239)	\$ 5,314	\$ (5,698)	\$ 35,665	\$ 531,627
Receipts:							
Local sources	-	-	-	8,255	5,486	-	304,648
State sources	373,224	-	-	-	-	313,862	4,404
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	373,224	-	-	8,255	5,486	313,862	309,052
Disbursements:							
Instruction	-	-	-	-	17	132,066	6,894
Support services	74,353	20,486	440	-	-	108,181	11,267
Noninstructional services	-	-	451	6,263	-	361	-
Facilities acquisition and construction	9,537	-	-	-	-	-	231,006
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	83,890	20,486	891	6,263	17	240,608	249,167
Excess (deficiency) of receipts over disbursements	289,334	(20,486)	(891)	1,992	5,469	73,254	59,885
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	20,490	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	20,490	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	289,334	4	(891)	1,992	5,469	73,254	59,885
Cash and investments - ending	\$ 1,004,834	\$ 34,556	\$ (4,130)	\$ 7,306	\$ (229)	\$ 108,919	\$ 591,512

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
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	Career and Technical Performance Grant	Performance Based Awards	Excellence in Performance	SRO Salary/Benefits	ISTA Settlement	Educational Fees	Title I
Cash and investments - beginning	\$ -	\$ 884	\$ -	\$ (33,970)	\$ 296,243	\$ 196,302	\$ (588,309)
Receipts:							
Local sources	-	-	-	-	-	218,646	-
State sources	-	423,476	78,443	-	-	1,298	-
Federal sources	-	-	-	-	-	-	3,073,191
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	423,476	78,443	-	-	219,944	3,073,191
Disbursements:							
Instruction	-	361,650	78,443	-	-	269,804	2,040,607
Support services	-	-	-	58,829	-	-	994,994
Noninstructional services	-	-	-	-	-	-	28,734
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	80,283
Total disbursements	-	361,650	78,443	58,829	-	269,804	3,144,618
Excess (deficiency) of receipts over disbursements	-	61,826	-	(58,829)	-	(49,860)	(71,427)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	99,432	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	99,432	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	61,826	-	(58,829)	-	49,572	(71,427)
Cash and investments - ending	\$ -	\$ 62,710	\$ -	\$ (92,799)	\$ 296,243	\$ 245,874	\$ (659,736)

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
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	Title I School Improvement	Title II-B	MSP	SPED Basic	SPED TA	SPED Pre-K	Adult Basic Education
Cash and investments - beginning	\$ -	\$ (31,272)	\$ -	\$ (583,111)	\$ (6,718)	\$ (62,041)	\$ (188,088)
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	221,069	68,660	2,682,622	43,774	72,637	261,694
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	221,069	68,660	2,682,622	43,774	72,637	261,694
Disbursements:							
Instruction	-	109,752	35,954	1,855,247	39,386	10,596	176,212
Support services	-	74,003	33,335	349,975	(2,330)	-	90,284
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	6,042	1,857	60,726	-	-	-
Total disbursements	-	189,797	71,146	2,265,948	37,056	10,596	266,496
Excess (deficiency) of receipts over disbursements	-	31,272	(2,486)	416,674	6,718	62,041	(4,802)
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	-	31,272	(2,486)	416,674	6,718	62,041	(4,802)
Cash and investments - ending	\$ -	\$ -	\$ (2,486)	\$ (166,437)	\$ -	\$ -	\$ (192,890)

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
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	Vocational and Technology Board Grants	Refugee Grant	McKinney Vento Grant	Other Federal Programs	Title III WIDA	ITQ, Enhanced Education Through Technology, Title II, Part D	Rural Schools Achievement
Cash and investments - beginning	\$ (174,195)	\$ (3,407)	\$ (34,298)	\$ 2,000	\$ (6,471)	\$ -	\$ (26,340)
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	756,494	18,826	91,631	16,977	-	-	281,443
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>756,494</u>	<u>18,826</u>	<u>91,631</u>	<u>16,977</u>	<u>-</u>	<u>-</u>	<u>281,443</u>
Disbursements:							
Instruction	297,711	9,760	21,357	26,319	-	-	122,976
Support services	100,493	13,014	47,013	-	8,200	-	128,976
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	225,379	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	5,971
Total disbursements	<u>623,583</u>	<u>22,774</u>	<u>68,370</u>	<u>26,319</u>	<u>8,200</u>	<u>-</u>	<u>257,923</u>
Excess (deficiency) of receipts over disbursements	<u>132,911</u>	<u>(3,948)</u>	<u>23,261</u>	<u>(9,342)</u>	<u>(8,200)</u>	<u>-</u>	<u>23,520</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(2,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>132,911</u>	<u>(3,948)</u>	<u>23,261</u>	<u>(11,342)</u>	<u>(8,200)</u>	<u>-</u>	<u>23,520</u>
Cash and investments - ending	<u>\$ (41,284)</u>	<u>\$ (7,355)</u>	<u>\$ (11,037)</u>	<u>\$ (9,342)</u>	<u>\$ (14,671)</u>	<u>\$ -</u>	<u>\$ (2,820)</u>

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	Rural Schools and Low Income Program - Pass Through State	Title III Influx	Insurance Reserve	Prepaid Meal Account	Payroll Clearing	Credit Card	Totals
Cash and investments - beginning	\$ (75,796)	\$ -	\$ 40,938	\$ 173,700	\$ 529,646	\$ -	\$ 61,736,817
Receipts:							
Local sources	-	-	-	-	-	-	62,929,241
State sources	-	-	-	-	-	-	80,726,080
Federal sources	75,796	17,988	-	-	-	-	11,979,692
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	1,330,939	36,860,321	17,822	38,242,196
Total receipts	75,796	17,988	-	1,330,939	36,860,321	17,822	193,877,209
Disbursements:							
Instruction	190,981	19,302	-	-	-	-	65,924,080
Support services	63,343	-	-	-	-	-	42,323,825
Noninstructional services	10,413	-	-	-	-	-	6,078,834
Facilities acquisition and construction	8,252	-	-	-	-	-	8,883,493
Debt service	-	-	-	-	-	-	9,059,182
Nonprogrammed charges	-	-	-	1,274,906	36,791,208	18,555	61,875,229
Total disbursements	272,989	19,302	-	1,274,906	36,791,208	18,555	194,144,643
Excess (deficiency) of receipts over disbursements	(197,193)	(1,314)	-	56,033	69,113	(733)	(267,434)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	20,490
Transfers in	-	-	-	-	-	-	4,375,111
Transfers out	-	-	-	-	-	-	(4,375,111)
Total other financing sources (uses)	-	-	-	-	-	-	20,490
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(197,193)	(1,314)	-	56,033	69,113	(733)	(246,944)
Cash and investments - ending	\$ (272,989)	\$ (1,314)	\$ 40,938	\$ 229,733	\$ 598,759	\$ (733)	\$ 61,489,873

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
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 For the Year Ended June 30, 2017

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 14,545,328	\$ 8,620,727	\$ 4,287,062	\$ 722,142	\$ 3,708,667	\$ 2,931,483	\$ 1,498,903	\$ 3,231,601
Receipts:								
Local sources	525,770	5,841,298	8,169,843	1,227,685	10,493,150	7,993,694	1,460,396	2,661
State sources	77,963,382	-	-	-	-	-	-	-
Federal sources	-	-	-	-	48,747	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	600,000	-
Other receipts	1,460	-	-	-	-	1,000	-	-
Total receipts	78,490,612	5,841,298	8,169,843	1,227,685	10,541,897	7,994,694	2,060,396	2,661
Disbursements:								
Instruction	53,137,701	3,327,731	-	-	-	-	-	-
Support services	22,981,133	567,178	-	-	6,017,806	8,557,300	2,461,099	979,210
Noninstructional services	690,935	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	2,476,780	-	-	-
Debt service	-	-	8,998,305	1,262,903	-	-	-	-
Nonprogrammed charges	-	-	621,985	-	720	-	-	-
Total disbursements	76,809,769	3,894,909	9,620,290	1,262,903	8,495,306	8,557,300	2,461,099	979,210
Excess (deficiency) of receipts over disbursements	1,680,843	1,946,389	(1,450,447)	(35,218)	2,046,591	(562,606)	(400,703)	(976,549)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	240,077	-	-	-	-	55,458	-	8,700,000
Transfers out	(600,000)	(7,000,000)	-	-	(900,000)	-	(800,000)	-
Total other financing sources (uses)	(359,923)	(7,000,000)	-	-	(900,000)	55,458	(800,000)	8,700,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,320,920	(5,053,611)	(1,450,447)	(35,218)	1,146,591	(507,148)	(1,200,703)	7,723,451
Cash and investments - ending	\$ 15,866,248	\$ 3,567,116	\$ 2,836,615	\$ 686,924	\$ 4,855,258	\$ 2,424,335	\$ 298,200	\$ 10,955,052

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	711 GO Bond	715 GO Bond	716 GO Bond	720 GO Bond	721 GO Bond	730 GO Bond	School Lunch
Cash and investments - beginning	\$ 24,503	\$ 1,240,455	\$ -	\$ 1,245,628	\$ 1,405,420	\$ -	\$ 4,767,733
Receipts:							
Local sources	-	-	-	-	-	-	1,791,489
State sources	-	-	-	-	-	-	30,212
Federal sources	-	-	-	-	-	-	3,958,355
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	5,780,056
Disbursements:							
Instruction	-	40,986	-	9,908	-	-	-
Support services	-	69,390	49,160	145,569	176,122	-	309,084
Noninstructional services	-	-	-	-	-	-	5,735,881
Facilities acquisition and construction	24,503	1,116,298	43,455	401,121	335,345	-	13,404
Debt service	-	-	10,900	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	24,503	1,226,674	103,515	556,598	511,467	-	6,058,369
Excess (deficiency) of receipts over disbursements	(24,503)	(1,226,674)	(103,515)	(556,598)	(511,467)	-	(278,313)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	2,000,000	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	2,000,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,503)	(1,226,674)	1,896,485	(556,598)	(511,467)	-	(278,313)
Cash and investments - ending	\$ -	\$ 13,781	\$ 1,896,485	\$ 689,030	\$ 893,953	\$ -	\$ 4,489,420

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	Textbook Rental	Self- Insurance	Levy Excess	Joint Services and Supply - Area Vocational School	Judgments	Alternative Education	SAFE School Haven
Cash and investments - beginning	\$ 299,200	\$ 11,430,231	\$ -	\$ (420,823)	\$ 1,270	\$ 36,078	\$ -
Receipts:							
Local sources	750,502	25,232,116	55,458	4,456,204	-	-	-
State sources	1,126,810	-	-	-	-	52,028	20,000
Federal sources	84	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>1,877,396</u>	<u>25,232,116</u>	<u>55,458</u>	<u>4,456,204</u>	<u>-</u>	<u>52,028</u>	<u>20,000</u>
Disbursements:							
Instruction	9,478	-	-	2,766,237	-	-	-
Support services	1,862,351	-	-	1,202,237	-	-	25,890
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	23,329,282	-	-	-	-	-
Total disbursements	<u>1,871,829</u>	<u>23,329,282</u>	<u>-</u>	<u>3,968,474</u>	<u>-</u>	<u>-</u>	<u>25,890</u>
Excess (deficiency) of receipts over disbursements	<u>5,567</u>	<u>1,902,834</u>	<u>55,458</u>	<u>487,730</u>	<u>-</u>	<u>52,028</u>	<u>(5,890)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(55,458)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(55,458)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>5,567</u>	<u>1,902,834</u>	<u>-</u>	<u>487,730</u>	<u>-</u>	<u>52,028</u>	<u>(5,890)</u>
Cash and investments - ending	<u>\$ 304,767</u>	<u>\$ 13,333,065</u>	<u>\$ -</u>	<u>\$ 66,907</u>	<u>\$ 1,270</u>	<u>\$ 88,106</u>	<u>\$ (5,890)</u>

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	Early Intervention Grant	Lilly Endowment	Local/ Foundation Grants	Local Grants #1	Local Grants #2	Local Grants	Local Grants #4
Cash and investments - beginning	\$ 2,933	\$ -	\$ 232,165	\$ 421,330	\$ 50,561	\$ 97,028	\$ -
Receipts:							
Local sources	-	50,000	202,654	12,978	11,792	58,231	84,475
State sources	88,049	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	88,049	50,000	202,654	12,978	11,792	58,231	84,475
Disbursements:							
Instruction	31,227	-	19,953	15,401	1,080	63,920	31,636
Support services	17,726	26,041	236,143	(7,187)	19,991	8,782	2,705
Noninstructional services	-	-	-	-	80	535	8,016
Facilities acquisition and construction	-	-	-	-	2,145	5,047	2,386
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	48,953	26,041	256,096	8,214	23,296	78,284	44,743
Excess (deficiency) of receipts over disbursements	39,096	23,959	(53,442)	4,764	(11,504)	(20,053)	39,732
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	39,096	23,959	(53,442)	4,764	(11,504)	(20,053)	39,732
Cash and investments - ending	\$ 42,029	\$ 23,959	\$ 178,723	\$ 426,094	\$ 39,057	\$ 76,975	\$ 39,732

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

	Adult Education	LPN Program	THNI Take One	Oasis Tutoring Program	Willoughby- Epperly	Law Enforcement	Indiana Symphony
Cash and investments - beginning	\$ (24,349)	\$ (93)	\$ 300	\$ -	\$ 1,574	\$ 279	\$ -
Receipts:							
Local sources	91,923	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	91,923	-	-	-	-	-	-
Disbursements:							
Instruction	156,875	-	-	-	-	-	-
Support services	-	-	-	-	-	50	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	156,875	-	-	-	-	50	-
Excess (deficiency) of receipts over disbursements	(64,952)	-	-	-	-	(50)	-
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	(64,952)	-	-	-	-	(50)	-
Cash and investments - ending	\$ (89,301)	\$ (93)	\$ 300	\$ -	\$ 1,574	\$ 229	\$ -

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

	Learning Under The Sun	Cultural Arts	ECA Smartdata - GB	Welfare Activities	Scholarships and Awards	Paul Griesel Memorial	IB HS AP/IB Testing
Cash and investments - beginning	\$ 33,836	\$ 1,290	\$ 1,897	\$ (3,290)	\$ (2,325)	\$ 5,036	\$ 32,086
Receipts:							
Local sources	35,705	-	-	-	-	-	15,000
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	35,705	-	-	-	-	-	15,000
Disbursements:							
Instruction	35,348	-	-	-	-	-	5,228
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	3,864	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	35,348	-	-	3,864	-	-	5,228
Excess (deficiency) of receipts over disbursements	357	-	-	(3,864)	-	-	9,772
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	357	-	-	(3,864)	-	-	9,772
Cash and investments - ending	\$ 34,193	\$ 1,290	\$ 1,897	\$ (7,154)	\$ (2,325)	\$ 5,036	\$ 41,858

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

	Building Fund	Washington Township Foundation	Formative Assessment	Special Education Excess Costs	High Ability Grant	Computer Consortium/ Ed Tech Advance	Adult and Continuing Education
Cash and investments - beginning	\$ -	\$ -	\$ 8,369	\$ -	\$ (3,594)	\$ (606,688)	\$ (75,212)
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	146,175	19,908	73,335	1,070,702	1,063,779
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	1,111,000	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	146,175	19,908	73,335	2,181,702	1,063,779
Disbursements:							
Instruction	-	-	-	19,908	44,730	346,180	756,192
Support services	-	-	105,468	-	9,423	1,227,195	214,816
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	190	-	-	-	-	15	17,559
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	190	-	105,468	19,908	54,153	1,573,390	988,567
Excess (deficiency) of receipts over disbursements	(190)	-	40,707	-	19,182	608,312	75,212
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	6,654	-
Transfers out	-	-	-	-	-	(6,654)	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(190)	-	40,707	-	19,182	608,312	75,212
Cash and investments - ending	\$ (190)	\$ -	\$ 49,076	\$ -	\$ 15,588	\$ 1,624	\$ -

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

	Medicaid Reimbursement	Bookstore	Tennis Fund	Tennis Maint	Teacher of the Year	Non-English Speaking Programs	School Technology
Cash and investments - beginning	\$ 1,004,834	\$ 34,556	\$ (4,130)	\$ 7,306	\$ (229)	\$ 108,919	\$ 591,512
Receipts:							
Local sources	-	-	-	2,864	-	-	209,969
State sources	644,008	-	-	-	-	323,235	32,574
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	644,008	-	-	2,864	-	323,235	242,543
Disbursements:							
Instruction	9,846	-	-	-	-	139,209	48,089
Support services	5,558	21,335	440	-	-	196,948	157,682
Noninstructional services	-	-	-	6,424	-	520	-
Facilities acquisition and construction	19,459	-	-	-	-	60,124	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	34,863	21,335	440	6,424	-	396,801	205,771
Excess (deficiency) of receipts over disbursements	609,145	(21,335)	(440)	(3,560)	-	(73,566)	36,772
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	28,176	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(178,251)	-	-	-	-	-	-
Total other financing sources (uses)	(178,251)	28,176	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	430,894	6,841	(440)	(3,560)	-	(73,566)	36,772
Cash and investments - ending	\$ 1,435,728	\$ 41,397	\$ (4,570)	\$ 3,746	\$ (229)	\$ 35,353	\$ 628,284

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

	Career and Technical Performance Grant	Performance Based Awards	Excellence in Performance	SRO Salary/Benefits	ISTA Settlement	Educational Fees	Title I
Cash and investments - beginning	\$ -	\$ 62,710	\$ -	\$ (92,799)	\$ 296,243	\$ 245,874	\$ (659,736)
Receipts:							
Local sources	-	-	-	-	-	337,469	-
State sources	114,367	242,104	90,858	50,000	-	1,590	-
Federal sources	-	-	-	-	-	120	2,871,584
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>114,367</u>	<u>242,104</u>	<u>90,858</u>	<u>50,000</u>	<u>-</u>	<u>339,179</u>	<u>2,871,584</u>
Disbursements:							
Instruction	70,554	241,931	90,858	-	-	303,044	1,674,900
Support services	-	-	-	35,875	-	-	975,271
Noninstructional services	-	-	-	-	-	-	21,597
Facilities acquisition and construction	56,503	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	70,204
Total disbursements	<u>127,057</u>	<u>241,931</u>	<u>90,858</u>	<u>35,875</u>	<u>-</u>	<u>303,044</u>	<u>2,741,972</u>
Excess (deficiency) of receipts over disbursements	<u>(12,690)</u>	<u>173</u>	<u>-</u>	<u>14,125</u>	<u>-</u>	<u>36,135</u>	<u>129,612</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(61,826)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(61,826)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(12,690)</u>	<u>(61,653)</u>	<u>-</u>	<u>14,125</u>	<u>-</u>	<u>36,135</u>	<u>129,612</u>
Cash and investments - ending	<u>\$ (12,690)</u>	<u>\$ 1,057</u>	<u>\$ -</u>	<u>\$ (78,674)</u>	<u>\$ 296,243</u>	<u>\$ 282,009</u>	<u>\$ (530,124)</u>

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

	Title I School Improvement	Title II-B	MSP	SPED Basic	SPED TA	SPED Pre-K	Adult Basic Education
Cash and investments - beginning	\$ -	\$ -	\$ (2,486)	\$ (166,437)	\$ -	\$ -	\$ (192,890)
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	21,345	-	61,710	2,207,336	-	93,728	463,564
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>21,345</u>	<u>-</u>	<u>61,710</u>	<u>2,207,336</u>	<u>-</u>	<u>93,728</u>	<u>463,564</u>
Disbursements:							
Instruction	17,974	-	22,071	2,249,933	-	99,954	391,507
Support services	18,910	-	63,292	486,663	-	550	121,619
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	321	-	14,760	16,313
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	12,333	-	1,255	-
Total disbursements	<u>36,884</u>	<u>-</u>	<u>85,363</u>	<u>2,749,250</u>	<u>-</u>	<u>116,519</u>	<u>529,439</u>
Excess (deficiency) of receipts over disbursements	<u>(15,539)</u>	<u>-</u>	<u>(23,653)</u>	<u>(541,914)</u>	<u>-</u>	<u>(22,791)</u>	<u>(65,875)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(15,539)</u>	<u>-</u>	<u>(23,653)</u>	<u>(541,914)</u>	<u>-</u>	<u>(22,791)</u>	<u>(65,875)</u>
Cash and investments - ending	<u>\$ (15,539)</u>	<u>\$ -</u>	<u>\$ (26,139)</u>	<u>\$ (708,351)</u>	<u>\$ -</u>	<u>\$ (22,791)</u>	<u>\$ (258,765)</u>

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

	Vocational and Technology Board Grants	Refugee Grant	McKinney Vento Grant	Other Federal Programs	Title III WIDA	ITQ, Enhanced Education Through Technology, Title II, Part D	Rural Schools Achievement
Cash and investments - beginning	\$ (41,284)	\$ (7,355)	\$ (11,037)	\$ (9,342)	\$ (14,671)	\$ -	\$ (2,820)
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	26,898	-
Federal sources	528,492	26,880	37,088	39,426	-	-	288,576
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>528,492</u>	<u>26,880</u>	<u>37,088</u>	<u>39,426</u>	<u>-</u>	<u>26,898</u>	<u>288,576</u>
Disbursements:							
Instruction	374,283	16,335	13,600	50,142	-	-	119,986
Support services	84,894	12,470	34,665	-	-	46,695	163,507
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	142,957	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>602,134</u>	<u>28,805</u>	<u>48,265</u>	<u>50,142</u>	<u>-</u>	<u>46,695</u>	<u>283,493</u>
Excess (deficiency) of receipts over disbursements	<u>(73,642)</u>	<u>(1,925)</u>	<u>(11,177)</u>	<u>(10,716)</u>	<u>-</u>	<u>(19,797)</u>	<u>5,083</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(73,642)</u>	<u>(1,925)</u>	<u>(11,177)</u>	<u>(10,716)</u>	<u>-</u>	<u>(19,797)</u>	<u>5,083</u>
Cash and investments - ending	<u>\$ (114,926)</u>	<u>\$ (9,280)</u>	<u>\$ (22,214)</u>	<u>\$ (20,058)</u>	<u>\$ (14,671)</u>	<u>\$ (19,797)</u>	<u>\$ 2,263</u>

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

	Rural Schools and Low Income Program - Pass Through State	Title III Influx	Insurance Reserve	Prepaid Meal Account	Payroll Clearing	Credit Card	Totals
Cash and investments - beginning	\$ (272,989)	\$ (1,314)	\$ 40,938	\$ 229,733	\$ 598,759	\$ (733)	\$ 61,489,873
Receipts:							
Local sources	-	-	-	-	-	-	69,113,326
State sources	-	-	-	-	-	-	83,180,014
Federal sources	321,163	1,314	-	-	-	-	10,969,512
Temporary loans	-	-	-	-	-	-	1,111,000
Interfund loans	-	-	-	-	-	-	600,000
Other receipts	-	-	-	1,344,406	42,551,365	38,231	43,936,462
Total receipts	321,163	1,314	-	1,344,406	42,551,365	38,231	208,910,314
Disbursements:							
Instruction	188,795	15,586	-	-	-	-	66,958,316
Support services	58,994	-	-	-	-	-	49,750,050
Noninstructional services	52,100	-	-	-	-	-	6,516,088
Facilities acquisition and construction	24,799	-	-	-	-	-	4,777,348
Debt service	-	-	-	-	-	-	10,272,108
Nonprogrammed charges	-	-	-	1,471,115	42,595,766	43,816	68,146,476
Total disbursements	324,688	15,586	-	1,471,115	42,595,766	43,816	206,420,386
Excess (deficiency) of receipts over disbursements	(3,525)	(14,272)	-	(126,709)	(44,401)	(5,585)	2,489,928
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	2,000,000
Sale of capital assets	-	-	-	-	-	-	28,176
Transfers in	-	-	-	-	-	-	9,002,189
Transfers out	-	-	-	-	-	-	(9,602,189)
Total other financing sources (uses)	-	-	-	-	-	-	1,428,176
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,525)	(14,272)	-	(126,709)	(44,401)	(5,585)	3,918,104
Cash and investments - ending	\$ (276,514)	\$ (15,586)	\$ 40,938	\$ 103,024	\$ 554,358	\$ (6,318)	\$ 65,407,977

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METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 2,555,767</u>	<u>\$ 634,881</u>

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
SCHEDULE OF LEASES AND DEBT  
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Metropolitan School District of Washington Township School Building Corporation	Ad Valoren Prop Tax Refunding	\$ 4,001,000	04/25/17	07/15/28
Total of annual lease payments		<u>\$ 4,001,000</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	GO Bond 2015-A		\$ 500,000	\$ 503,050
General obligation bonds	GO Bond 2016		1,000,000	1,007,650
Notes and loans payable	STAA - Loan 2011		21,920	44,169
Notes and loans payable	Common School Fund - A1897		698,903	206,177
Notes and loans payable	Common School Fund - A1831		706,790	208,503
Notes and loans payable	Common School Fund - A1937		963,959	223,317
Notes and loans payable	Common School Fund - A2731		963,631	223,241
Notes and loans payable	Common School Fund - A1636 2012 A		204,016	205,546
Notes and loans payable	Common School Fund - A1692 2012 B		408,032	207,586
Notes and loans payable	Common School Fund - A1726 2013A		512,429	209,583
Notes and loans payable	Common School Fund - A1794 2013B		505,861	206,897
Notes and loans payable	Pension Bond		<u>2,080,000</u>	<u>1,263,736</u>
Total governmental activities			<u>8,565,541</u>	<u>4,509,455</u>
Totals			<u>\$ 8,565,541</u>	<u>\$ 4,509,455</u>

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
 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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 2,305,122
Infrastructure	201,871
Buildings	92,027,268
Improvements other than buildings	9,589,510
Machinery, equipment, and vehicles	<u>42,822,351</u>
Total governmental activities	<u>146,946,122</u>
Total capital assets	<u><u>\$ 146,946,122</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 WASHINGTON TOWNSHIP, MARION COUNTY, INDIANA

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

We have audited the Metropolitan School District of Washington Township's (School Corporation) compliance with the types of compliance requirements described in the *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)

***Basis for Qualified Opinion on Special Education Cluster (IDEA)***

As described in items 2017-006, 2017-007, 2017-008, and 2017-009 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking; Period of Performance; and Reporting that are applicable to its Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) for the period of July 1, 2015 to June 30, 2017.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 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 2017-002, 2017-003, 2017-011, 2017-012, and 2017-013. Our opinion on each major federal program is not modified with respect to these matters.

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

***Report on Internal Control over Compliance***

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

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


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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008, 2017-009, 2017-010, 2017-011, 2017-012, and 2017-013 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002 and 2017-014 to be significant deficiencies.

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

April 11, 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.

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METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
 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
<b>Department of Agriculture</b>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 2016	\$ -	\$ 1,166,336	\$ -	\$ -
School Breakfast Program			FY 2017	-	-	-	1,081,539
Total - School Breakfast Program				-	1,166,336	-	1,081,539
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 2016	-	2,975,696	-	-
National School Lunch Program			FY 2017	-	-	-	2,716,940
After School Hours Snack Program			FY 2016	-	3,242	-	-
After School Hours Snack Program			FY 2017	-	-	-	4,790
National School Lunch Program - Commodities			FY 2016/2017	-	324,953	-	411,189
Total - National School Lunch Program				-	3,303,891	-	3,132,919
Summer Food Service Program for Children							
Summer Food Service Program	Indiana Department of Education	10.559					
Summer Food Service Program			FY 2016	-	151,616	-	-
Summer Food Service Program			FY 2017	-	-	-	155,086
Total - Summer Food Service Program for Children				-	151,616	-	155,086
Total - Child Nutrition Cluster				-	4,621,843	-	4,369,544
Total - Department of Agriculture				-	4,621,843	-	4,369,544
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
Special Education - Grants to States			14215-060-PN01	-	1,529,162	-	-
Special Education - Grants to States			14216-058-PN01	-	1,153,459	-	1,593,794
Special Education - Grants to States			14217-058-PN01	-	-	-	613,543
Special Education - Technical Assistance			99914-060-TA01	-	43,774	-	-
Total - Special Education_Grants to States				-	2,726,395	-	2,207,337

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
 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					
Special Education - Preschool Grants			45714-060-PN01	-	12,821	-	-
Special Education - Preschool Grants			45715-060-PN01	-	59,816	-	16,565
Special Education - Preschool Grants			45716-058-PN01	-	-	-	77,163
Total - Special Education_Preschool Grants				-	72,637	-	93,728
Total - Special Education Cluster (IDEA)				-	2,799,032	-	2,301,065
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I Grants			15-5370	-	1,398,082	-	-
Title I Grants			16-5370	-	1,675,110	-	1,098,867
Title I Grants			17-5370	-	-	-	1,763,703
Title I School Improvement Grant			S010A160014	-	-	-	21,345
Total - Title I Grants to Local Educational Agencies				-	3,073,192	-	2,883,915
Adult Education - Basic Grants to States	Indiana Department of Education	84.002					
Adult Education - Basic 2014-2015			C1-5-AE-4-833	-	261,694	-	-
Adult Education - Basic 2015-2016			C1-6-AE-5-833	-	-	-	349,814
Adult Education - Basic 2016-2017			C1-7-AE-6-833	-	-	-	113,750
Total - Adult Education - Basic Grants to States				-	261,694	-	463,564
Career and Technical Education -- Basic Grants to States	Indiana Department of Education	84.048					
Carl Perkins - FY 2015			15-4700-5370	-	241,718	-	-
Carl Perkins - FY 2016			16-4700-5370	-	514,776	-	95,911
Carl Perkins - FY 2017			17-4700-5370	-	-	-	432,581
Total - Career and Technical Education -- Basic Grants to States				-	756,494	-	528,492
Education for Homeless Children and Youth	Indiana Department of Education	84.196					
McKinney Vento 14-15			A58-5-15SS-2310	-	91,631	-	18,369
McKinney Vento 16-17			A58-7-17SS-3962	-	-	-	18,719
Total - Education for Homeless Children and Youth				-	91,631	-	37,088

METROPOLITAN SCHOOL DISTRICT OF WASHINGTON TOWNSHIP  
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
English Language Acquisition State Grants	Indiana Department of Education	84.365					
English Language Acquisition - Title III			01114-050-PN01	-	34,281	-	-
English Language Acquisition - Title III			01115-069-PN01	-	41,515	-	226,779
English Language Acquisition - Title III			01116-070-PN01	-	-	-	94,385
Immigrant Influx- Title III			01116-003-FLUX	-	17,988	-	1,314
Total - English Language Acquisition State Grants				-	93,784	-	322,478
Mathematics and Science Partnerships	Indiana Department of Education	84.366					
Mathematics and Science Partnerships			A58-5-15CI-2278	-	221,069	-	-
Mathematics and Science Partnerships			A58-5-15CI-2876	-	68,660	-	-
Mathematics and Science Partnerships			A58-6-16CI-3646	-	-	-	61,710
Total - Mathematics and Science Partnerships				-	289,729	-	61,710
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Supporting Effective Instruction - Title II A			13-5370	-	163,452	-	-
Supporting Effective Instruction - Title II A			14-5370	-	117,991	-	146,655
Supporting Effective Instruction - Title II A			15-5370	-	-	-	141,921
Total - Supporting Effective Instruction State Grants				-	281,443	-	288,576
Total - Department of Education				-	7,646,999	-	6,886,888
<u>Department of Health and Human Services</u>							
Refugee and Entrant Assistance_Discretionary Grants	Indiana Department of Education	93.576					
Refugee and Entrant Assistance Discretionary Grants			700REFSCHLIMF15	-	18,020	-	-
Refugee and Entrant Assistance Discretionary Grants			700REFSCHLIMF16	-	806	-	26,880
Total - Refugee and Entrant Assistance_Discretionary Grants				-	18,826	-	26,880
Total - Department of Health and Human Services				-	18,826	-	26,880
Total federal awards expended				\$ -	\$ 12,287,668	\$ -	\$ 11,283,312

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

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

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (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 WASHINGTON TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	yes
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
	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Qualified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.048	Career and Technical Education -- Basic Grants to States	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

*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).

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway), which was the source of the School Corporation's SEFA.

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

*Context*

The SEFA presented for audit contained the following errors:

1. The Non-cash assistance for the Child Nutrition Cluster in the amount of \$324,953 was not reported for fiscal year 2016.
2. The Child Nutrition Cluster expenditures were overstated by \$380,945 for fiscal year 2017.
3. The Title I Grants to Local Educational Agencies expenditures were overstated by \$1,684,125 for fiscal year 2017.
4. The Title I School Improvement Grant for Title I Grants to Local Educational Agencies in the amount of \$21,345 was not reported for fiscal year 2017.
5. The Title I Grants to Local Educational Agencies had an incorrect program name.
6. The Refugee and Entrant Assistance Discretionary\_Grants had an incorrect program name and incorrect federal CFDA number.

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. . . ."

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

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.
- (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, 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 related to the preparation of the SEFA.

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

*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 - Allowable Costs/Cost Principles

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Significant Deficiency, Other Matters

*Condition*

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

Semi-Annual Certifications, Personnel Activity Reports, or other documentation of personnel expenses were not accurately maintained for all employees paid from grant funds. Various employees in the Business Services division had a percentage of their salaries charged to the School Lunch fund; however, no documentation supporting the percentages charged was presented for audit.

*Context*

The lack of internal controls and noncompliance were systemic issues, which occurred through 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). . . ."

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

2 CFR 200.430(h)(8)(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and  
...
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

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

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

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

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

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

*Cause*

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2017-003**

Subject: Child Nutrition Cluster - Equipment and Real Property Management  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children  
CFDA Numbers: 10.553, 10.555, and 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: Material Weakness, Other Matters

*Condition*

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

The School Corporation did not have proper controls in place to ensure that adequate records for equipment purchases with grant funds were maintained. Equipment purchased under federal awards was unable to be identified in the property records.

*Context*

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

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

*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). . . ."

2 CFR 200.313(d) states:

*"Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return."

*Cause*

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance within the grant agreement and the Equipment and Real Property Management compliance requirement.

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2017-004**

Subject: Child Nutrition Cluster - Cash Management, Special Tests and Provisions - Paid Lunch Equity  
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 2016, FY 2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Special Tests and Provisions - Paid Lunch Equity  
Audit Finding: Material Weakness

*Condition*

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

*Cash Management*

The School Corporation was required to limit its net cash resources to an amount that does not exceed three months average expenditures for its nonprofit school food service. There was no documented oversight, approval, or other internal control process that indicated the cash management requirements were being monitored.

*Special Tests and Provisions - Paid Lunch Equity*

The annual Paid Lunch Equity calculations were prepared and submitted without a documented oversight, approval, or other internal control process to ensure the accuracy of the information.

*Context*

The lack of internal controls was a systemic issue throughout the audit period.

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

*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). . . ."

*Cause*

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Cash Management and Special Tests and Provisions - Paid Lunch Equity compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the Cash Management and Special Tests and Provisions - Paid Lunch Equity 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 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.

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

***FINDING 2017-005***

Subject: Special Education Cluster (IDEA) - Activities Allowed or Unallowed

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14215-060-PN01, 14216-058-PN01,  
14217-058-PN01, 99914-060-TA01,  
45714-060-PN01, 45715-060-PN01,  
45716-058-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Activities Allowed or Unallowed

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-003.

*Condition*

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

Payroll disbursements did not have a proper review and approval process. Some procedures were put into place during 2017 for payroll, but were found to be inconsistently applied. Proper internal control procedures had not been developed and implemented for the review and approval of payroll disbursements charged to the grant.

*Context*

The lack of internal controls was a systemic issue, which occurred 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 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*

Management had not developed a system of internal controls that would have ensured compliance with the Activities Allowed or Unallowed compliance requirement.

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Activities Allowed or Unallowed compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the Activities Allowed or Unallowed compliance requirement 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 related to the grant agreement and the Activities Allowed or Unallowed compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2017-006**

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14215-060-PN01, 14216-058-PN01,  
14217-058-PN01, 99914-060-TA01,  
45714-060-PN01, 45715-060-PN01,  
45716-058-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

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

*Condition*

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

Semi-Annual Certifications, Personnel Activity Reports, or other documentation of personnel expenses were not maintained for employees paid from grant funds.

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

For the fiscal year 2015 grant award, no Semi-Annual Certifications or Personnel Activity Reports were presented for audit. Nor was documentation supporting the distribution of the salaries or wages of employees presented for audit for the fiscal year 2016 and fiscal year 2017 grant awards.

*Context*

The lack of internal controls and noncompliance were systemic issues, which occurred 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 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). . . ."

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

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

2 CFR 200.430(h)(8)(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and  
. . .

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

- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

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

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

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

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

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

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

***FINDING 2017-007***

Subject: Special Education Cluster (IDEA) - Level of Effort, Earmarking

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14215-060-PN01, 14216-058-PN01,  
14217-058-PN01, 99914-060-TA01,  
45714-060-PN01, 45715-060-PN01,  
45716-058-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Modified Opinion

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Level of Effort and Earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

*Level of Effort*

In calculating the state and local expenditures for special education to meet the Maintenance of Effort requirement of Level of Effort, the School Corporation did not use consistent categories of expenditure accounts from year to year and acceptable documentation or explanations of the changes in categories were not provided. Expenditure accounts, which would not be considered disbursements for providing special education services and thus unallowable, were also included in the calculations.

In addition, the amounts used to calculate the Maintenance of Effort in fiscal year 2016 were not derived from the records from which the audited financial statements were prepared. The amounts used for state and local expenditures during the 2015 fiscal year were obtained from a report generated June 26, 2015, which was prior to the June 30, 2015 date of the financial statements and, therefore, did not include all expenditures.

*Earmarking*

The School Corporation did not expend a sufficient level of grant funds for providing special education services to students in non-public schools to meet the Proportionate Share earmarking requirement. Grant awards which were closed out during the period audited were tested. In the fiscal year 2014 grant, the School Corporation spent \$179,346 of the required \$276,000 award allocation on non-public schools. In the fiscal year 2015 grant, the School Corporation spent \$244,804 of the required \$364,279 award allocation on non-public schools.

*Context*

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

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

*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). . . ."

2 CFR 200.328(a) states in part:

*"Monitoring by the non-Federal entity.* The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity. . . ."

34 CFR 300.203(b)(1) states:

"Except as provided in §§ 300.204 and 300.205, funds provided to an LEA under Part B of the Act must not be used to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year."

34 CFR 300.133(a) states in part:

*"Formula.* To meet the requirement of § 300.132(a), each LEA must spend the following on providing special education and related services (including direct services) to parentally-placed private school children with disabilities:

(1) For children aged 3 through 21, an amount that is the same proportion of the LEA's total subgrant under section 611(f) of the Act as the number of private school children with disabilities aged 3 through 21 who are enrolled by their parents in private, including religious, elementary schools and secondary schools located in the school district served by the LEA, is to the total number of children with disabilities in its jurisdiction aged 3 through 21.

(2)

(i) For children aged three through five, an amount that is the same proportion of the LEA's total subgrant under section 619(g) of the Act as the number of parentally-placed private school children with disabilities aged three through five who are enrolled by their parents in a private, including religious, elementary school located in the school district served by the LEA, is to the total number of children with disabilities in its jurisdiction aged three through five.

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

(ii) As described in paragraph (a)(2)(i) of this section, children aged three through five are considered to be parentally-placed private school children with disabilities enrolled by their parents in private, including religious, elementary schools, if they are enrolled in a private school that meets the definition of elementary school in § 300.13. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Level of Effort and Earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Level of Effort and Earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Matching, Level of Effort, Earmarking 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 2017-008**

Subject: Special Education Cluster (IDEA) - Period of Performance

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14215-060-PN01,  
45714-060-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Period of Performance

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-003.

*Condition*

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

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

Disbursements from the grant were reviewed and approved by the Special Education Director; however, documentation of these approvals was found to be inconsistently applied. Transactions charged subsequent to the period of performance were found to have been obligated after the period of performance.

Eight of the twelve transactions tested that were charged subsequent to the period of performance were not obligated within the period of performance for the applicable grants.

*Context*

The lack of internal controls and noncompliance were systemic issues, which occurred 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 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 200.309 states in part:

"A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance . . . and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Period of Performance compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Period of Performance compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Period of Performance compliance requirement.

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

*Views of Responsible Officials*

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

**FINDING 2017-009**

Subject: Special Education Cluster (IDEA) - Reporting

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14215-060-PN01, 14216-058-PN01,  
14217-058-PN01, 45715-060-PN01,  
45716-058-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-003.

*Condition*

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

Of the five Final Financial Reports submitted during the period audited, two were not supported by the School Corporation's records and one was not completed with correct expenditure amounts. In addition, a total of nine Proportionate Share Monitoring Reports and nine CEIS Quarterly Monitoring Reports were not submitted by the appropriate due dates within the period audited. The School Corporation received correspondence from the Indiana Department of Education (IDOE) in December 2017, notifying them of the missing reports. The IDOE required both the Proportionate Share Monitoring Reports and the CEIS Quarterly Monitoring reports to be submitted on a quarterly basis no later than the last day of the month following the end of each calendar quarter.

*Context*

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

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

*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). . . ."

2 CFR 200.328(b)(1) states in part:

"The non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. . . . Annual reports must be due 90 calendar days after the reporting period; quarterly or semiannual reports must be due 30 calendar days after the reporting period. . . ."

34 CFR 300.226(d) states:

"*Reporting.* Each LEA that develops and maintains coordinated, early intervening services under this section must annually report to the SEA on —

- (1) The number of children served under this section who received early intervening services; and
- (2) The number of children served under this section who received early intervening services and subsequently receive special education and related services under Part B of the Act during the preceding two year period."

*Cause*

Management 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 placed the School Corporation in non-compliance with the grant agreement and the Reporting compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

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

*Views of Responsible Officials*

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

**FINDING 2017-010**

Subject: Title I Grants to Local Educational Agencies - Activities Allowed or Unallowed  
Federal Agency: Indiana Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 15-5370, 16-5370, 17-5370  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Activities Allowed or Unallowed  
Audit Finding: Material Weakness

*Condition*

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

The School Corporation approved Time and Effort documentation and timesheets for stipends for employees paid from Title I; however, there were seven instances where an employee paid out of Title I did not have proper documentation that authorized the pay out of Title I funds.

*Context*

The lack of controls was a systemic problem 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 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*

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

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the compliance requirement 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 2017-011**

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles  
Federal Agency: Department of Education  
Federal Program: Title I Grants to local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 15-5370, 16-5370, 17-5370  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Allowable Costs/Costs Principles  
Audit Findings: Material Weakness, Other Matters

*Condition*

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

Semi-Annual Certifications, Personnel Activity Reports, or other documentation of personnel expenses was not accurately maintained for all employees paid from grant funds.

A sample of six payroll periods were selected to verify Semi-Annual Certifications, Personnel Activity Reports, or other documentation of personnel expenses were maintained for employees paid from Title I. For eight employees tested, documentation supporting time worked on the Title I grant was not presented for audit.

*Context*

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

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

*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). . . ."

2 CFR 200.430(h)(8)(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

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

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

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

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

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2017-012**

Subject: Title I Grants to Local Educational Agencies - Equipment and Real Property Management  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 15-5370, 16-5370, 17-5370  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: Material Weakness, Other Matters

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

*Condition*

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

Equipment transactions during the period audited were not consistently updated into the property records of each school building purchasing equipment. One school building was found to have not updated its property records in three years.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred 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 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 section 200.328(a) states in part:

*"Monitoring by the non-Federal entity.* The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity. . . ."

2 CFR 200.313(d) states:

*"Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

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

- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return."

*Cause*

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2017-013**

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Numbers: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 15-5370, 16-5370, 17-5370

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Audit Findings: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

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

In a test of students reported as mobile on the October Real Time reports in fiscal years 2015 and 2016, documentation to support the students' removal from the cohort was unable to be provided for 4 of the 40 students sampled.

*Context*

The lack of internal controls and noncompliance were systemic issues, which occurred 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 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). . . ."

34 CFR 200.19(b) states in part:

"*High schools*—

- (1) *Graduation rate.* Consistent with paragraphs (b)(4) and (b)(5) of this section regarding reporting and determining AYP, respectively, each State must calculate a graduation rate, defined as follows, for all public high schools in the State:
  - (i)(A) A State must calculate a 'four-year adjusted cohort graduation rate,' defined as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class. . . .
  - (ii) The term 'adjusted cohort' means the students who enter grade 9 (or the earliest high school grade) and any students who transfer into the cohort in grades 9 through 12 minus any students removed from the cohort.
    - (A) The term "students who transfer into the cohort" means the students who enroll after the beginning of the entering cohort's first year in high school, up to and including in grade 12.
    - (B) To remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, emigrated to another country, or is deceased.
      - (1) To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. . . ."

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

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate 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 2017-014**

Subject: Title I Grants to Local Educational Agencies - Reporting,  
Special Tests and Provisions - Comparability  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 15-5370, 16-5370, 17-5370  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Reporting, Special Tests and Provisions - Comparability  
Audit Finding: Significant Deficiency

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding numbers were 2015-006 and 2015-007.

*Condition*

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

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

*Reporting*

The Final Expenditure Reports were prepared and submitted without a documented oversight, approval, or other internal control process to ensure the accuracy of the information.

*Special Tests and Provisions - Comparability*

The annual comparability reports were prepared and submitted without a documented oversight, approval, or other internal control process to ensure the accuracy of the information.

*Context*

The lack of internal controls was a systemic issue which occurred 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 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*

Management had not developed a system of internal controls that would have ensured compliance with the Reporting and Special Tests and Provisions - Comparability compliance requirements.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting and Special Tests and Provisions - Comparability compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the Reporting and Special Tests and Provisions - Comparability 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 program.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

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

*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.



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

Nikki C. Woodson, Ph.D., *Superintendent*

**March 23, 2018**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JULY 1, 2014 TO JUNE 30, 2015**

***FINDING 2015-001 – Special Education - ACTIVITIES ALLOWED***

Original SBA Audit Report Number:  
Fiscal Year 2015  
Pass-Through Entity: Indiana Department of Education  
Auditee Contact Person Joseph A. Licata  
Title of Contact Person Chief Business Officer  
Telephone Number 317-205-3332, Ext. 77210  
Status of Finding: Procedures in place since March 2018

***Allowable Costs/ Cost Principles***

The Director will review and sign the semi-annual certifications for those employees paid from the grant. In addition, should there be any split-funded staff; those staff members will complete the Personnel Activity Report monthly. It will then be reviewed and signed by the Director.

***FINDING 2015-002 – Special Education - Suspension and Debarment***

Original SBA Audit Report Number:  
Fiscal Year 2015  
Pass-Through Entity: Indiana Department of Education  
Auditee Contact Person Joseph A. Licata  
Title of Contact Person Chief Business Officer  
Telephone Number 317-205-3332, Ext. 77210  
Status of Finding: Procedure in place since January 2016



Our vendors have been compared to the Suspension and Debarment list from the federal System for Award Management (SAM) website. None of the vendors MSDWT uses are on the list. This comparison has been performed within the Business Office and will not be left to the Grant Administrators. All vendors who appear on the Vendor Expenditure Summary Report will be checked on a quarterly basis.

***FINDING 2015-003 – Special Education Activities Allowed; Cash Management; Period of Availability and Reporting***

Original SBA Audit Report Number:	
Fiscal Year	2015
Pass-Through Entity:	Indiana Department of Education
Auditee Contact Person	Joseph A. Licata
Title of Contact Person	Chief Business Officer
Telephone Number	317-205-3332, Ext. 77210
Status of Finding:	Procedure in place since January 2018

*Activities Allowed or Unallowed and period of Availability*

The expenditure review and approval procedure within the Special Services Department and the Business Office has been modified and should remedy this situation.

*Cash Management*

Procedures are now in place within the Business Office so that both the individual preparing the report and the person reviewing the report sign off prior to submittal.

*Reporting*

Final Expenditure Reports – The Business Office will prepare the Final Expenditure Report and personnel from the Director’s office will review the report. Both parties Will sign off on the final report to document this process.

Child Count Data – The Director’s office will reconcile the child count data from the Skyward system with the data from the State IIEP system to ensure proper verification.

***FINDING 2015-004 – Title I - ALLOWABLE COSTS/ COST PRINCIPLES***

Original SBA Audit Report Number:	
Fiscal Year	2015
Pass-Through Entity:	Indiana Department of Education
Auditee Contact Person	Joseph A. Licata

Title of Contact Person Chief Business Officer  
Telephone Number 317-205-3332, Ext. 77210

Status of Finding: Procedures in place since October 2015

MSDWT ceased paying severance from all federal grant programs including Title I.

***FINDING 2015-005 – Title I - Suspension and Debarment***

Original SBA Audit Report Number: B46081  
Fiscal Year 2014  
Pass-Through Entity: Indiana Department of Education  
Auditee Contact Person Joseph A. Licata  
Title of Contact Person Chief Business Officer  
Telephone Number 317-205-3332, Ext. 77210

Status of Finding: Procedures in place since January 2016

All vendors we pay during a calendar quarter are compared to the Suspension and Debarment list from the federal System for Award Management (SAM) website. This comparison is performed by the Business Office. All vendors who appear on the Vendor Expenditure Summary Report checked on a quarterly basis.

***FINDING 2015-006 – Title I - Reporting***

Original SBA Audit Report Number:  
Fiscal Year 2015  
Pass-Through Entity: Indiana Department of Education  
Auditee Contact Person Joseph A. Licata  
Title of Contact Person Chief Business Officer  
Telephone Number 317-205-3332, Ext. 77210

Status of Finding: Procedures in place since January 2018

The Business Office will prepare the Final Expenditure Report and personnel from Grants/Assessment Office will review the report. Both parties will sign off on the final report to document this process.

***FINDING 2015-007 – Title I Special Tests and Provision - Comparability***

Original SBA Audit Report Number:  
Fiscal Year 2015  
Pass-Through Entity: Indiana Department of Education  
Auditee Contact Person Joseph A. Licata  
Title of Contact Person Chief Business Officer  
Telephone Number 317-205-3332, Ext. 77210

Status of Finding: Procedure in place since February 2018

Title I comparability will be calculated and documented annually by the IDOE deadline using a September same day count of student enrollment and number of instructional staff.

***FINDING 2015-008 – CTE Allowable Costs/Cost Principles***

Original SBA Audit Report Number:  
Fiscal Year 2015  
Pass-Through Entity: Indiana Department of Education  
Auditee Contact Person Joseph A. Licata  
Title of Contact Person Chief Business Officer  
Telephone Number 317-205-3332, Ext. 77210

Status of Finding: Procedure in place since February 2018

The Director will review and sign the semi-annual certifications for those employees paid from the grant. In addition, should there be any split-funded staff; those staff members will complete the PAR monthly. It will then be reviewed and signed by the Director.

***FINDING 2015-009 – CTE – Period of Availability***

Original SBA Audit Report Number:  
Fiscal Year 2015  
Pass-Through Entity: Indiana Department of Education  
Auditee Contact Person Joseph A. Licata  
Title of Contact Person Chief Business Officer

Telephone Number 317-205-3332, Ext. 77210  
Status of Finding: Procedure in place since October 2016

MSDWT revised its system of internal control. These revisions were designed to prevent expenditures from occurring outside of the grant period and to eliminate any errors in reporting and claiming of reimbursements. Compliance with Cash Management, Reporting and dates dealing with Period of Availability and seeking reimbursement only for actual expenses are strictly adhered to.

***FINDING 2015-010 – CTE – Activities Allowed or Unallowed and Procurement***

Original SBA Audit Report Number:  
Fiscal Year 2015  
Pass-Through Entity: Indiana Department of Education  
Auditee Contact Person Joseph A. Licata  
Title of Contact Person Chief Business Officer  
Telephone Number 317-205-3332, Ext. 77210  
Status of Finding: Procedure in place since February 2018

The Director has put procedures in place where the Director’s approval of requested expenditures are approved. If the approval is done by electronic means, a copy of the approval will be printed and kept with the documentation.

***FINDING 2015-011 – Improving Teacher Quality – Activities Allowed or Unallowed Allowable Costs/Cost Principles, Cash Management, Period of Availability, and Reporting***

Original SBA Audit Report Number:  
Fiscal Year 2015  
Pass-Through Entity: Indiana Department of Education  
Auditee Contact Person Joseph A. Licata  
Title of Contact Person Chief Business Officer  
Telephone Number 317-205-3332, Ext. 77210  
Status of Finding: Procedure in place since January 2017

We have implemented a system of internal control whereby only expenditure transactions already posted to the grant fund may be considered when determining the amount for a reimbursement request. Reimbursement requests will not include the anticipated expenses or anticipated transfers of expenses to the grant fund.

***FINDING 2015-012 – Improving Teacher Quality – Activities Allowed or Unallowed Allowable Costs/Cost Principles***

Original SBA Audit Report Number:	
Fiscal Year	2015
Pass-Through Entity: Indiana Department of Education	
Auditee Contact Person	Joseph A. Licata
Title of Contact Person	Chief Business Officer
Telephone Number	317-205-3332, Ext. 77210
Status of Finding:	Procedure in place since January 2018

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

Respectfully,



Joseph A. Licata  
Chief Business Officer



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

Nikki C. Woodson, Ph.D., *Superintendent*

**April 11, 2018**

**CORRECTIVE ACTION PLAN – RESPONSE TO FINDINGS  
FEDERAL AWARDS  
JULY 1, 2015 TO JUNE 30, 2017**

***FINDING 2017-001***

Contact Person responsible for Corrective Action: Joe Licata, Chief Business Officer  
Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan: The Chief Business Officer (CBO) and staff will develop a system of internal controls to detect and correct any errors on the Schedule of Expenditures of Federal Awards (SEFA)

Anticipated completion Date: April 2018

***FINDING 2017-002***

Contact Person responsible for Corrective Action: Mrs. Annette Gunther, Supervisor of Child Nutrition, and Joe Licata, Chief Business Officer  
Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan: The appropriate Supervisor will review and sign the semi-annual certifications for those employees paid from grant funds. In addition, split-funded staff members will complete the Personnel Activity Report monthly. It will then be reviewed and signed by the appropriate supervisor.

Anticipated completion Date: April 2018

***FINDING 2017-003***

Contact Person responsible for Corrective Action: Mrs. Annette Gunther, Supervisor of Child Nutrition, and Joe Licata, Chief Business Officer  
Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan: The CBO will work with the Child Nutrition Supervisor to put the proper controls in place that will ensure a proper equipment inventory is maintained.

Anticipated completion Date: May 2018

***FINDING 2017-004***

Contact Person responsible for Corrective Action: Mrs. Annette Gunther, Supervisor of Child Nutrition, and Joe Licata, Chief Business Officer  
Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan: The CBO will work with the Child Nutrition Supervisor to develop a plan that will reduce the net cash resources and comply with the Cash Management and Special Tests and Provisions. Cafeteria/Kitchen Equipment will be purchased for the new and renovated schools throughout the district as our facility projects are completed.

Anticipated completion Date: Will begin in 2018 and continue as projects near completion.

***FINDING 2017-005***

Contact Person responsible for Corrective Action: Mrs. Mary Lowe, Director of Special Services, and Joe Licata, CBO  
Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit findings.

Description of Corrective Action Plan: Controls are in place to ensure that the expenditure review and approval procedures within the Special Services Department and the Business Office have remedied this situation.

Anticipated completion Date: April 2018

***FINDING 2017-006***

Contact Person responsible for Corrective Action: Mrs. Mary Lowe, Director of Special Services  
Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan: The Director will review and sign the semi-annual certifications for those employees paid from the grant. In addition, should there be any split-funded staff, those staff members will complete the Personnel Activity Report monthly. It will then be reviewed and signed by the Director.

Anticipated completion Date: March 2018

***FINDING 2017-007***

Contact Person responsible for Corrective Action: Mrs. Mary Lowe, Director of Special Services, and Joe Licata, CBO  
Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan: Effective internal controls will be put in place to ensure compliance with the requirements related to the Level of Effort and Earmarking compliance requirements in the grant agreement.

Anticipated completion Date: this has been ongoing since May 2016.

***FINDING 2017-008***

Contact Person responsible for Corrective Action: Mrs. Mary Lowe, Director of Special Services, and Joe Licata, CBO  
Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit findings.

Description of Corrective Action Plan: An effective internal control system will be developed and put in place that will ensure compliance with the grant agreement and the Period of Performance requirement.

Anticipated completion Date: May 2018

***FINDING 2017-009***

Contact Person responsible for Corrective Action: Mrs. Mary Lowe, Director of Special Services, and Joe Licata, CBO

Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit findings.

Description of Corrective Action Plan: The Business Office will work with the Special Services Department to ensure an internal control system is put in place to comply with the Reporting requirements in the grant agreement. This control system will include Final Financial Reports, Proportionate Share Monitoring Reports and CEIS Quarterly Monitoring Reports.

Anticipated completion Date: May 2018

***FINDING 2017-010***

Contact Person responsible for Corrective Action: Joe Licata, CBO, and Dr. Michalek, Grants/Assessments Coordinator

Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit findings.

Description of Corrective Action Plan: The Director will review and sign the semi-annual certifications for those employees paid from the grant. In addition, should there be any split-funded staff, those staff members will complete the PAR monthly. When stipend payments are owed to employees, the Director or designee will sign all claims prior to the payroll office processing them for payment.

Anticipated completion Date: May 2018.

***FINDING 2017-011***

Contact Person responsible for Corrective Action: Joe Licata, CBO, and Dr. Michalek, Grants/Assessments Coordinator

Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit findings.

Description of Corrective Action Plan: The Title I office and the Business Services/Payroll Dept. will jointly develop internal controls to address the issues of noncompliance in this finding. Time and Effort documentation will be completed and retained.

Anticipated completion Date: April 2018

***FINDING 2017-012***

Contact Person responsible for Corrective Action: Dr. Michalek, Grants/Assessments Coordinator  
Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit findings.

Description of Corrective Action Plan: The Title I office will continue to require each school to track their inventory and submit their inventory to the Title I office annually. In addition, the one school that fell behind in their inventory will be required to update and locate the items.

Anticipated completion Date: May 2018

***FINDING 2017-013***

Contact Person responsible for Corrective Action: Dr. Michalek, Grants/Assessments Coordinator and the Secondary Education Office  
Contact Phone Number: 317-205-3332

Views of Responsible Official: We concur with the audit findings.

Description of Corrective Action Plan: The Title I office and the Secondary Education Department will collaborate with the High School to develop a system of internal control that will ensure compliance with the Special Tests and Provisions – Annual Report Card, High School Graduation Rate requirements.

Anticipated completion Date: May 2018

***FINDING 2017-014***

Contact Person responsible for Corrective Action: Joe Licata, CBO, and Dr. Michalek, Grants/Assessments Coordinator

Contact Phone Number: 317-205-3332

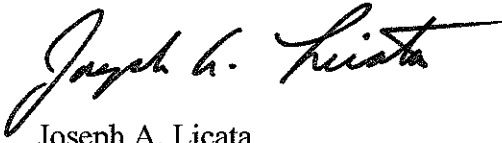
Views of Responsible Official: We concur with the audit findings.

Description of Corrective Action Plan: The Business Office will prepare the Final Expenditure Report and personnel from the Grant/Assessment office will review the report. Both parties will sign off on the final report to document this process.

Title I Comparability will be calculated and documented annually by the IDOE deadline using a September same day count of student enrollment and number of instructional staff.

Anticipated completion Date: May 2018

Respectfully,

A handwritten signature in black ink, reading "Joseph A. Licata". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Joseph A. Licata  
Chief Business Officer

CC: Dr. Nikki Woodson, Superintendent  
Mr. Donald B. Kite, President, Board of Education

#### 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/>.