

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 DECATUR TOWNSHIP
MARION COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
08/09/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	W. Kirk Farmer	07-01-15 to 06-30-19
Superintendent of Schools	Dr. Matt Prusiecki	07-01-15 to 06-30-19
President of the School Board	Judith Collins	07-01-15 to 12-31-15
	Larry Taylor	01-01-16 to 12-31-16
	Dale Henson	01-01-17 to 12-31-17
	Judith Collins	01-01-18 to 12-31-18



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Metropolitan School District of Decatur 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 July 12, 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

July 12, 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 DECATUR 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 Decatur 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 July 12, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

July 12, 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 DECATUR 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			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-15	Receipts	Disbursements		06-30-16	Receipts	Disbursements		
General	\$ 1,020,674	\$ 43,279,998	\$ 41,606,626	\$ (1,645,880)	\$ 1,048,166	\$ 45,142,017	\$ 42,321,558	\$ (1,545,935)	\$ 2,322,690
Referendum Tax Levy	950,827	4,917,178	4,948,580	350,000	1,269,425	5,609,284	5,388,691	-	1,490,018
Debt Service	49,154	12,517,665	12,504,034	286,421	349,206	12,893,360	12,596,983	(74,937)	570,646
Retirement/Severance Bond Debt Service	31,300	683,510	388,715	-	326,095	669,276	1,004,577	75,044	65,838
Capital Projects	606,211	3,496,002	2,622,017	-	1,480,196	3,404,970	3,390,899	-	1,494,267
School Transportation	642,020	2,074,266	747,188	(511,037)	1,458,061	1,719,154	767,331	(400,000)	2,009,884
School Bus Replacement	294,973	578,297	569,584	-	303,686	632,385	582,176	-	353,895
Rainy Day	872,976	850,000	1,866,475	1,813,579	1,670,080	1,346,500	2,085,298	1,945,000	2,876,282
Liberty Renovation	1,249,188	-	1,122,601	-	126,587	6,078	126,487	-	6,178
DTSE Interior Renovation	1,862,077	-	1,758,183	3	103,897	-	103,897	-	-
DTSE Exterior Renovation	1,872,852	-	1,872,852	-	-	-	-	-	-
DTSE 2nd Floor Renovations	-	-	161,904	1,998,429	1,836,525	-	1,636,824	-	199,701
2016 Campus Outdoor Facilities	-	-	61,025	1,998,369	1,937,344	-	1,355,004	-	582,340
School Lunch	1,537,733	5,802,255	5,419,522	(7,726)	1,912,740	6,205,349	6,194,874	-	1,923,215
Textbook Rental	518,022	487,522	473,016	18,423	550,951	504,946	859,017	75,167	272,047
Self-Insurance	-	-	74,428	89,428	15,000	160,614	173,365	-	2,249
Levy Excess	-	-	-	-	-	22,000	-	-	22,000
Child Care Program	53,542	296,134	223,903	-	125,773	312,345	264,517	-	173,601
Alternative Ed 2014-15	6,771	-	6,771	-	-	-	-	-	-
Alternative Ed 2015-16	-	93,891	38,663	-	55,228	-	55,228	-	-
Alternative Ed 2016-17	-	-	-	-	-	86,111	30,623	-	55,488
Lily Counseling Initiative	-	-	-	-	-	50,000	31,158	-	18,842
Coca-Cola Bottling	4,511	26,500	18,455	-	12,556	31,500	28,279	-	15,777
DTEF Newton G Ball/HS	-	-	-	-	-	649	649	-	-
District Fundraisers	500	7,882	8,382	-	-	2,267	1,842	-	425
UWCI Student Success 2014-15	(3,392)	3,392	-	-	-	-	-	-	-
On My Way Pre-K	(21,150)	21,150	-	-	-	-	-	-	-
Labels for Education 2014-15	1,000	-	699	-	301	-	301	-	-
UWCI Pre-K Classroom Start Up	(3,113)	24,976	19,345	-	2,518	-	2,518	-	-
UWCI Student Success 2015-16	-	60,651	61,352	-	(701)	701	-	-	-
Target Field Trips/SD	-	700	650	-	50	-	50	-	-
UWCI Student Success 2016-17	-	-	-	-	-	23,125	59,093	-	(35,968)
Naviance Education Adv Award	-	-	-	-	-	1,000	-	-	1,000
Wal-mart DTPD Crisis Kits	-	-	-	-	-	2,500	-	-	2,500
Drug Coalition Fund	-	-	-	-	-	540	-	-	540
Lowe's Engineering Grant	881	-	-	-	881	-	881	-	-
McCracken Donation/WN	-	-	-	-	-	5,000	1,524	-	3,476
Ozobot Donation/WN	-	-	-	-	-	1,100	1,090	-	10
Eugene Smith Scholarship Fund	44,221	-	3,000	-	41,221	-	5,000	-	36,221
Richard H Crosser Scholarship	1,985	1,807	3,792	-	-	1,784	1,784	-	-
Clarke Special Ed Donation	1,741	-	1,741	-	-	-	-	-	-
CICF College Readiness 2014-15	19,957	70,695	63,465	-	27,187	-	23,602	-	3,585
CICF Aspiration Into Action	-	-	-	-	-	50,000	-	-	50,000
Media Center Enrichment 2014-15	139	-	139	-	-	-	-	-	-
Collection Development 2015-16	-	10,500	10,500	-	-	-	-	-	-
Media Center Enrichment 2016-17	-	-	-	-	-	10,500	10,500	-	-
Formative Assessment	-	61,750	61,750	-	-	80,550	80,550	-	-

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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
High Ability 2014-15	14,259	-	14,259	-	-	-	-	-	-
High Ability 2015-16	-	52,883	44,398	-	8,485	-	8,485	-	-
High Ability 2016-17	-	-	-	-	-	51,757	31,626	-	20,131
Medicaid Reimbursement	550,658	245,064	103,457	(24,786)	667,479	321,178	224,983	(74,109)	689,565
Medicaid / Cummins PBIS 2015-16	-	135,000	4,949	-	130,051	-	107,174	-	22,877
Medicaid / Cummins PBIS 2016-17	-	125,373	-	-	125,373	-	9,683	-	115,690
Secured Schools Safety Grant	(29,232)	29,232	49,850	-	(49,850)	49,850	50,000	-	(50,000)
NESP Grant 2014-15	2,104	-	2,104	-	-	-	-	-	-
NESP Grant 2015-16	-	62,059	42,610	-	19,449	-	19,449	-	-
NESP Grant 2016-17	-	-	-	-	-	64,536	45,393	-	19,143
School Technology	1,015	4,404	3,176	-	2,243	6,308	5,484	-	3,067
Career and Technical Performance Grant	-	-	-	-	-	12,326	6,163	-	6,163
Indiana School Academic Improvement Program (ISAIP)	-	-	81,732	-	(81,732)	90,000	8,268	-	-
SDN Grant 2016-17	-	-	-	-	-	8,543	24,144	-	(15,601)
21st Century Scholars	-	-	-	-	-	1,850	1,850	-	-
GQE Remediation Grant 2014-15	3,128	-	3,128	-	-	-	-	-	-
GQE Remediation Grant 2015-16	34,127	-	28,844	-	5,283	-	5,283	-	-
Preventive Remediation Grant 2015-16	24,036	-	21,125	-	2,911	-	2,911	-	-
Senator David Ford Technology	-	-	-	-	-	-	45,552	-	(45,552)
Project Based Learning	1,138	-	1,125	-	13	-	13	-	-
Liability Insurance Claim Fund	8,830	74,542	34,830	-	48,542	128,021	126,743	-	49,820
One On One Tech Initiative	15,384	124,465	104,131	-	35,718	154,559	146,250	-	44,027
Title I School Improvement Grant	-	-	-	-	-	7,947	59,094	-	(51,147)
Title I 2014-15	(132,585)	682,646	550,061	-	-	-	-	-	-
Title I 2015-16	-	1,041,505	1,209,058	-	(167,553)	499,813	332,260	-	-
Title I 2016-17	-	-	-	-	-	1,121,638	1,279,386	-	(157,748)
Technology Related Assistance for Individuals With Disabilities	-	13,797	13,797	-	-	-	-	-	-
21st Century Learning Center	(26,795)	30,546	3,751	-	-	-	-	-	-
21st Century / Club Phoenix 2015-16	(6,547)	163,930	157,383	-	-	-	-	-	-
21st Century / Club Phoenix 2016-17	-	-	6,784	-	(6,784)	176,003	169,219	-	-
21st Century / Club Phoenix 2017-18	-	-	-	-	-	-	5,459	-	(5,459)
Title II Part A 2013-15	(12,740)	107,344	94,604	-	-	-	-	-	-
Title II Part A 2014-16	(20,632)	75,243	69,372	-	(14,761)	67,999	53,238	-	-
Title II Part A 2015-17	-	20,087	23,953	-	(3,866)	60,376	67,905	-	(11,395)
Title II Part A 2016-18	-	-	-	-	-	-	2,498	-	(2,498)
Title III ESL 2014-15	(7,647)	23,799	16,159	-	(7)	160	153	-	-
Title III 2015-16	-	33,062	35,640	-	(2,578)	18,405	15,827	-	-
Title III 2016-17	-	-	-	-	-	30,425	33,484	-	(3,059)
Teacher Incentive Grant/TAP 2014-15	(31,019)	178,822	147,803	-	-	-	-	-	-
Petty Cash	-	50	-	-	-	-	-	-	-
Payroll Withholding	157,086	10,886,078	10,909,248	-	133,916	11,095,824	11,096,098	-	133,642
Totals	\$ 12,160,168	\$ 89,476,652	\$ 90,496,688	\$ 4,365,223	\$ 15,505,355	\$ 92,943,123	\$ 93,170,245	\$ 230	\$ 15,278,463

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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 DECATUR 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.

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

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

E. Disbursements

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

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

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

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

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

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

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

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

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 DECATUR 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.

Note 4. Deposits and Investments

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

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants.

Note 8. Holding Corporation

The School Corporation has entered into capital leases with Decatur Township Multi-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 leases to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ending June 30, 2016 and 2017, totaled \$12,430,568 and \$17,272,606, respectively.

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

Note 9. *Other Postemployment Benefits*

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

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OTHER INFORMATION - UNAUDITED

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

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

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

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METROPOLITAN SCHOOL DISTRICT OF DECATUR 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	Liberty Renovation
Cash and investments - beginning	\$ 1,020,674	\$ 950,827	\$ 49,154	\$ 31,300	\$ 606,211	\$ 642,020	\$ 294,973	\$ 872,976	\$ 1,249,188
Receipts:									
Local sources	838,577	4,092,178	12,516,165	683,510	3,175,990	1,621,637	578,297	-	-
State sources	42,441,050	-	-	-	-	52,434	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	825,000	1,500	-	320,000	400,000	-	850,000	-
Other receipts	371	-	-	-	12	195	-	-	-
Total receipts	43,279,998	4,917,178	12,517,665	683,510	3,496,002	2,074,266	578,297	850,000	-
Disbursements:									
Instruction	29,395,812	-	-	-	-	-	-	65,000	-
Support services	11,645,907	3,406,326	1,500	-	1,765,079	629,205	569,584	247,310	-
Noninstructional services	475,224	-	-	-	-	-	-	-	-
Facilities acquisition and construction	89,683	442,254	-	-	631,300	43,582	-	57,304	1,122,601
Debt service	-	-	12,502,534	388,715	75,638	74,401	-	361	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	1,100,000	-	-	150,000	-	-	1,496,500	-
Total disbursements	41,606,626	4,948,580	12,504,034	388,715	2,622,017	747,188	569,584	1,866,475	1,122,601
Excess (deficiency) of receipts over disbursements	1,673,372	(31,402)	13,631	294,795	873,985	1,327,078	8,713	(1,016,475)	(1,122,601)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	24,786	350,000	286,421	-	-	-	-	1,850,000	-
Transfers out	(1,670,666)	-	-	-	-	(511,037)	-	(36,421)	-
Total other financing sources (uses)	(1,645,880)	350,000	286,421	-	-	(511,037)	-	1,813,579	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,492	318,598	300,052	294,795	873,985	816,041	8,713	797,104	(1,122,601)
Cash and investments - ending	\$ 1,048,166	\$ 1,269,425	\$ 349,206	\$ 326,095	\$ 1,480,196	\$ 1,458,061	\$ 303,686	\$ 1,670,080	\$ 126,587

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

	DTSE Interior Renovation	DTSE Exterior Renovation	DTSE 2nd Floor Renovations	2016 Campus Outdoor Facilities	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Child Care Program
Cash and investments - beginning	\$ 1,862,077	\$ 1,872,852	\$ -	\$ -	\$ 1,537,733	\$ 518,022	\$ -	\$ -	\$ 53,542
Receipts:									
Local sources	-	-	-	-	2,354,455	165,599	-	-	296,134
State sources	-	-	-	-	25,199	321,860	-	-	-
Federal sources	-	-	-	-	3,422,516	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	85	63	-	-	-
Total receipts	-	-	-	-	5,802,255	487,522	-	-	296,134
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	223,753
Support services	-	-	-	-	1,457,708	122,317	74,428	-	150
Noninstructional services	-	-	-	-	3,909,200	-	-	-	-
Facilities acquisition and construction	1,758,183	1,872,852	161,904	61,025	52,614	350,699	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,758,183	1,872,852	161,904	61,025	5,419,522	473,016	74,428	-	223,903
Excess (deficiency) of receipts over disbursements	(1,758,183)	(1,872,852)	(161,904)	(61,025)	382,733	14,506	(74,428)	-	72,231
Other financing sources (uses):									
Proceeds of long-term debt	3	-	1,998,429	1,998,369	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	18,423	-	-	-
Transfers in	-	-	-	-	-	-	89,428	-	-
Transfers out	-	-	-	-	(7,726)	-	-	-	-
Total other financing sources (uses)	3	-	1,998,429	1,998,369	(7,726)	18,423	89,428	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,758,180)	(1,872,852)	1,836,525	1,937,344	375,007	32,929	15,000	-	72,231
Cash and investments - ending	\$ 103,897	\$ -	\$ 1,836,525	\$ 1,937,344	\$ 1,912,740	\$ 550,951	\$ 15,000	\$ -	\$ 125,773

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	Alternative Ed 2014-15	Alternative Ed 2015-16	Alternative Ed 2016-17	Lily Counseling Initiative	Coca-Cola Bottling	DTEF Newton G Ball/HS	District Fundraisers	UWCI Student Success 2014-15	On My Way Pre-K
Cash and investments - beginning	\$ 6,771	\$ -	\$ -	\$ -	\$ 4,511	\$ -	\$ 500	\$ (3,392)	\$ (21,150)
Receipts:									
Local sources	-	-	-	-	26,500	-	-	3,392	21,150
State sources	-	93,891	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	7,882	-	-
Total receipts	-	93,891	-	-	26,500	-	7,882	3,392	21,150
Disbursements:									
Instruction	6,771	38,663	-	-	-	-	-	-	-
Support services	-	-	-	-	18,455	-	8,382	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	6,771	38,663	-	-	18,455	-	8,382	-	-
Excess (deficiency) of receipts over disbursements	(6,771)	55,228	-	-	8,045	-	(500)	3,392	21,150
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	(6,771)	55,228	-	-	8,045	-	(500)	3,392	21,150
Cash and investments - ending	\$ -	\$ 55,228	\$ -	\$ -	\$ 12,556	\$ -	\$ -	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	Labels For Education 2014-15	UWCI Pre-K Classroom Start up	UWCI Student Success 2015-16	Target Field Trips/SD	UWCI Student Success 2016-17	Naviance Education Adv Award	Wal-mart DTPD Crisis Kits	Drug Coalition Fund	Lowe's Engineering Grant
Cash and investments - beginning	\$ 1,000	\$ (3,113)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 881
Receipts:									
Local sources	-	24,976	60,651	700	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	24,976	60,651	700	-	-	-	-	-
Disbursements:									
Instruction	699	19,345	61,352	650	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	699	19,345	61,352	650	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(699)	5,631	(701)	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	(699)	5,631	(701)	50	-	-	-	-	-
Cash and investments - ending	\$ 301	\$ 2,518	\$ (701)	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 881

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	McCracken Donation/WN	Ozobot Donation/WN	Eugene Smith Scholarship Fund	Richer H Crosser Scholarship	Clarke Special Ed Donation	CICF College Readiness 2014-15	CICF Aspiration Into Action	Media Center Enrichment 2014-15	Collection Development 2015-16
Cash and investments - beginning	\$ -	\$ -	\$ 44,221	\$ 1,985	\$ 1,741	\$ 19,957	\$ -	\$ 139	\$ -
Receipts:									
Local sources	-	-	-	1,807	-	70,695	-	-	10,500
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	1,807	-	70,695	-	-	10,500
Disbursements:									
Instruction	-	-	-	-	1,741	31,199	-	-	-
Support services	-	-	-	-	-	32,266	-	139	4,445
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	6,055
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	3,000	3,792	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	3,000	3,792	1,741	63,465	-	139	10,500
Excess (deficiency) of receipts over disbursements	-	-	(3,000)	(1,985)	(1,741)	7,230	-	(139)	-
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	-	-	(3,000)	(1,985)	(1,741)	7,230	-	(139)	-
Cash and investments - ending	\$ -	\$ -	\$ 41,221	\$ -	\$ -	\$ 27,187	\$ -	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	Media Center Enrichment 2016-17	Formative Assessment	High Ability 2014-15	High Ability 2015-16	High Ability 2016-17	Medicaid Reimbursement	Medicaid / Cummins PBIS 2015-16	Medicaid / Cummins PBIS 2016-17	Secured Schools Safety Grant
Cash and investments - beginning	\$ -	\$ -	\$ 14,259	\$ -	\$ -	\$ 550,658	\$ -	\$ -	\$ (29,232)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	61,750	-	52,883	-	245,064	135,000	125,373	29,232
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	61,750	-	52,883	-	245,064	135,000	125,373	29,232
Disbursements:									
Instruction	-	-	14,259	44,398	-	675	-	-	-
Support services	-	61,750	-	-	-	102,782	4,949	-	49,850
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	61,750	14,259	44,398	-	103,457	4,949	-	49,850
Excess (deficiency) of receipts over disbursements	-	-	(14,259)	8,485	-	141,607	130,051	125,373	(20,618)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(24,786)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(24,786)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(14,259)	8,485	-	116,821	130,051	125,373	(20,618)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 8,485	\$ -	\$ 667,479	\$ 130,051	\$ 125,373	\$ (49,850)

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	NESP Grant 2014-15	NESP Grant 2015-16	NESP Grant 2016-17	School Technology	Career and Technical Performance Grant	Indiana School Academic Improvement Program (ISAIP)	SDN Grant 2016-17	21st Century Scholars	GQE Remediation Grant 2014-15
Cash and investments - beginning	\$ 2,104	\$ -	\$ -	\$ 1,015	\$ -	\$ -	\$ -	\$ -	\$ 3,128
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	62,059	-	4,404	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	62,059	-	4,404	-	-	-	-	-
Disbursements:									
Instruction	2,104	42,610	-	-	-	-	-	-	3,128
Support services	-	-	-	3,176	-	14,614	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	67,118	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	2,104	42,610	-	3,176	-	81,732	-	-	3,128
Excess (deficiency) of receipts over disbursements	(2,104)	19,449	-	1,228	-	(81,732)	-	-	(3,128)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,104)	19,449	-	1,228	-	(81,732)	-	-	(3,128)
Cash and investments - ending	\$ -	\$ 19,449	\$ -	\$ 2,243	\$ -	\$ (81,732)	\$ -	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
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	GQE Remediation Grant 2015-16	Preventative Remediation Grant 2015-16	Senator David Ford Technology	Project Based Learning	Liability Insurance Claim Fund	One On One Tech Initiative	Title I School Improvement Grant	Title I 2014-15	Title I 2015-16
Cash and investments - beginning	\$ 34,127	\$ 24,036	\$ -	\$ 1,138	\$ 8,830	\$ 15,384	\$ -	\$ (132,585)	\$ -
Receipts:									
Local sources	-	-	-	-	-	124,465	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	682,646	1,041,505
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	74,542	-	-	-	-
Total receipts	-	-	-	-	74,542	124,465	-	682,646	1,041,505
Disbursements:									
Instruction	28,844	21,125	-	1,125	-	-	-	213,563	291,465
Support services	-	-	-	-	34,830	9,131	-	325,398	892,682
Noninstructional services	-	-	-	-	-	-	-	11,100	24,911
Facilities acquisition and construction	-	-	-	-	-	95,000	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	28,844	21,125	-	1,125	34,830	104,131	-	550,061	1,209,058
Excess (deficiency) of receipts over disbursements	(28,844)	(21,125)	-	(1,125)	39,712	20,334	-	132,585	(167,553)
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	(28,844)	(21,125)	-	(1,125)	39,712	20,334	-	132,585	(167,553)
Cash and investments - ending	\$ 5,283	\$ 2,911	\$ -	\$ 13	\$ 48,542	\$ 35,718	\$ -	\$ -	\$ (167,553)

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
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	Title I 2016-17	Technology Related Assistance for Individuals With Disabilities	21st Century Learning Center	21st Century / Club Phoenix 2015-16	21st Century / Club Phoenix 2016-17	21st Century / Club Phoenix 2017-18	Title II Part A 2013-15	Title II Part A 2014-16	Title II Part A 2015-17
Cash and investments - beginning	\$ -	\$ -	\$ (26,795)	\$ (6,547)	\$ -	\$ -	\$ (12,740)	\$ (20,632)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	13,797	30,546	163,930	-	-	107,344	75,243	20,087
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	13,797	30,546	163,930	-	-	107,344	75,243	20,087
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	11,685	-	23,395	-	-	94,027	67,777	23,953
Noninstructional services	-	-	3,751	129,908	6,784	-	-	-	-
Facilities acquisition and construction	-	2,112	-	4,080	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	577	1,595	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	13,797	3,751	157,383	6,784	-	94,604	69,372	23,953
Excess (deficiency) of receipts over disbursements	-	-	26,795	6,547	(6,784)	-	12,740	5,871	(3,866)
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	-	-	26,795	6,547	(6,784)	-	12,740	5,871	(3,866)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (6,784)	\$ -	\$ -	\$ (14,761)	\$ (3,866)

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
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	Title II Part A 2016-18	Title III ESL 2014-15	Title III 2015-16	Title III 2016-17	Teacher Incentive Grant/ TAP 2014-15	Petty Cash	Payroll Withholding	Totals
Cash and investments - beginning	\$ -	\$ (7,647)	\$ -	\$ -	\$ (31,019)	\$ -	\$ 157,086	\$ 12,160,168
Receipts:								
Local sources	-	-	-	-	-	-	-	26,667,378
State sources	-	-	-	-	-	-	-	43,650,199
Federal sources	-	23,799	33,062	-	178,822	-	-	5,793,297
Interfund loans	-	-	-	-	-	-	-	2,396,500
Other receipts	-	-	-	-	-	50	10,886,078	10,969,278
Total receipts	-	23,799	33,062	-	178,822	50	10,886,078	89,476,652
Disbursements:								
Instruction	-	13,746	34,586	-	126,182	-	-	30,682,795
Support services	-	2,413	1,054	-	21,621	-	-	21,728,288
Noninstructional services	-	-	-	-	-	-	-	4,560,878
Facilities acquisition and construction	-	-	-	-	-	-	-	6,818,366
Debt service	-	-	-	-	-	-	-	13,041,649
Nonprogrammed charges	-	-	-	-	-	-	-	8,964
Interfund loans	-	-	-	-	-	-	10,909,248	13,655,748
Total disbursements	-	16,159	35,640	-	147,803	-	10,909,248	90,496,688
Excess (deficiency) of receipts over disbursements	-	7,640	(2,578)	-	31,019	50	(23,170)	(1,020,036)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	3,996,801
Sale of capital assets	-	-	-	-	-	-	-	18,423
Transfers in	-	-	-	-	-	-	-	2,600,635
Transfers out	-	-	-	-	-	-	-	(2,250,636)
Total other financing sources (uses)	-	-	-	-	-	-	-	4,365,223
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	7,640	(2,578)	-	31,019	50	(23,170)	3,345,187
Cash and investments - ending	\$ -	\$ (7)	\$ (2,578)	\$ -	\$ -	\$ 50	\$ 133,916	\$ 15,505,355

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	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Liberty Renovation
Cash and investments - beginning	\$ 1,048,166	\$ 1,269,425	\$ 349,206	\$ 326,095	\$ 1,480,196	\$ 1,458,061	\$ 303,686	\$ 1,670,080	\$ 126,587
Receipts:									
Local sources	1,330,973	4,509,284	12,893,360	669,276	3,404,970	1,703,153	632,385	-	6,078
State sources	43,810,133	-	-	-	-	16,001	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	1,100,000	-	-	-	-	-	1,346,500	-
Other receipts	911	-	-	-	-	-	-	-	-
Total receipts	45,142,017	5,609,284	12,893,360	669,276	3,404,970	1,719,154	632,385	1,346,500	6,078
Disbursements:									
Instruction	30,290,347	-	-	-	-	-	-	233,086	-
Support services	11,427,872	3,739,253	5,250	-	1,814,613	680,515	582,176	452,580	-
Noninstructional services	541,148	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	465,923	-	-	1,406,286	52,344	-	299,632	126,487
Debt service	-	-	12,590,233	1,004,577	-	-	-	-	-
Nonprogrammed charges	62,191	8,515	-	-	-	34,472	-	-	-
Interfund loans	-	1,175,000	1,500	-	170,000	-	-	1,100,000	-
Total disbursements	42,321,558	5,388,691	12,596,983	1,004,577	3,390,899	767,331	582,176	2,085,298	126,487
Excess (deficiency) of receipts over disbursements	2,820,459	220,593	296,377	(335,301)	14,071	951,823	50,209	(738,798)	(120,409)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	74,109	-	-	75,044	-	-	-	1,945,000	-
Transfers out	(1,620,044)	-	(74,937)	-	-	(400,000)	-	-	-
Total other financing sources (uses)	(1,545,935)	-	(74,937)	75,044	-	(400,000)	-	1,945,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,274,524	220,593	221,440	(260,257)	14,071	551,823	50,209	1,206,202	(120,409)
Cash and investments - ending	\$ 2,322,690	\$ 1,490,018	\$ 570,646	\$ 65,838	\$ 1,494,267	\$ 2,009,884	\$ 353,895	\$ 2,876,282	\$ 6,178

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	DTSE Interior Renovation	DTSE Exterior Renovation	DTSE 2nd Floor Renovations	2016 Campus Outdoor Facilities	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Child Care Program
Cash and investments - beginning	\$ 103,897	\$ -	\$ 1,836,525	\$ 1,937,344	\$ 1,912,740	\$ 550,951	\$ 15,000	\$ -	\$ 125,773
Receipts:									
Local sources	-	-	-	-	2,695,659	160,983	160,614	22,000	312,345
State sources	-	-	-	-	24,210	343,621	-	-	-
Federal sources	-	-	-	-	3,485,201	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	279	342	-	-	-
Total receipts	-	-	-	-	6,205,349	504,946	160,614	22,000	312,345
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	263,413
Support services	-	-	-	-	1,755,917	473,655	173,365	-	1,104
Noninstructional services	-	-	-	-	4,033,290	-	-	-	-
Facilities acquisition and construction	103,897	-	1,636,824	1,355,004	50,231	385,362	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	355,436	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	103,897	-	1,636,824	1,355,004	6,194,874	859,017	173,365	-	264,517
Excess (deficiency) of receipts over disbursements	(103,897)	-	(1,636,824)	(1,355,004)	10,475	(354,071)	(12,751)	22,000	47,828
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	230	-	-	-
Transfers in	-	-	-	-	-	74,937	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	75,167	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(103,897)	-	(1,636,824)	(1,355,004)	10,475	(278,904)	(12,751)	22,000	47,828
Cash and investments - ending	\$ -	\$ -	\$ 199,701	\$ 582,340	\$ 1,923,215	\$ 272,047	\$ 2,249	\$ 22,000	\$ 173,601

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	Alternative Ed 2014-15	Alternative Ed 2015-16	Alternative Ed 2016-17	Lily Counseling Initiative	Coca-Cola Bottling	DTEF Newton G Ball/HS	District Fundraisers	UWCI Student Success 2014-15	On My Way Pre-K
Cash and investments - beginning	\$ -	\$ 55,228	\$ -	\$ -	\$ 12,556	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	50,000	31,500	649	-	-	-
State sources	-	-	86,111	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	2,267	-	-
Total receipts	-	-	86,111	50,000	31,500	649	2,267	-	-
Disbursements:									
Instruction	-	55,228	30,623	-	-	-	-	-	-
Support services	-	-	-	31,158	28,279	-	1,842	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	649	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	55,228	30,623	31,158	28,279	649	1,842	-	-
Excess (deficiency) of receipts over disbursements	-	(55,228)	55,488	18,842	3,221	-	425	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(55,228)	55,488	18,842	3,221	-	425	-	-
Cash and investments - ending	\$ -	\$ -	\$ 55,488	\$ 18,842	\$ 15,777	\$ -	\$ 425	\$ -	\$ -

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	Labels For Education 2014-15	UWCI Pre-K Classroom Start up	UWCI Student Success 2015-16	Target Field Trips/SD	UWCI Student Success 2016-17	Naviance Education Adv Award	Wal-mart DTPD Crisis Kits	Drug Coalition Fund	Lowe's Engineering Grant
Cash and investments - beginning	\$ 301	\$ 2,518	\$ (701)	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 881
Receipts:									
Local sources	-	-	701	-	23,125	1,000	2,500	540	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	701	-	23,125	1,000	2,500	540	-
Disbursements:									
Instruction	301	2,518	-	50	59,093	-	-	-	881
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	301	2,518	-	50	59,093	-	-	-	881
Excess (deficiency) of receipts over disbursements	(301)	(2,518)	701	(50)	(35,968)	1,000	2,500	540	(881)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(301)	(2,518)	701	(50)	(35,968)	1,000	2,500	540	(881)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (35,968)	\$ 1,000	\$ 2,500	\$ 540	\$ -

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	McCracken Donation/WN	Ozobot Donation/WN	Eugene Smith Scholarship Fund	Richer H Crosser Scholarship	Clarke Special Ed Donation	CICF College Readiness 2014-15	CICF Aspiration Into Action	Media Center Enrichment 2014-15	Collection Development 2015-16
Cash and investments - beginning	\$ -	\$ -	\$ 41,221	\$ -	\$ -	\$ 27,187	\$ -	\$ -	\$ -
Receipts:									
Local sources	5,000	1,100	-	1,784	-	-	50,000	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	5,000	1,100	-	1,784	-	-	50,000	-	-
Disbursements:									
Instruction	1,524	-	-	-	-	19,195	-	-	-
Support services	-	-	-	-	-	4,407	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	1,090	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	5,000	1,784	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,524	1,090	5,000	1,784	-	23,602	-	-	-
Excess (deficiency) of receipts over disbursements	3,476	10	(5,000)	-	-	(23,602)	50,000	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,476	10	(5,000)	-	-	(23,602)	50,000	-	-
Cash and investments - ending	\$ 3,476	\$ 10	\$ 36,221	\$ -	\$ -	\$ 3,585	\$ 50,000	\$ -	\$ -

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	Media Center Enrichment 2016-17	Formative Assessment	High Ability 2014-15	High Ability 2015-16	High Ability 2016-17	Medicaid Reimbursement	Medicaid / Cummins PBIS 2015-16	Medicaid / Cummins PBIS 2016-17	Secured Schools Safety Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 8,485	\$ -	\$ 667,479	\$ 130,051	\$ 125,373	\$ (49,850)
Receipts:									
Local sources	10,500	-	-	-	-	-	-	-	-
State sources	-	80,550	-	-	51,757	321,178	-	-	49,850
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	10,500	80,550	-	-	51,757	321,178	-	-	49,850
Disbursements:									
Instruction	-	-	-	7,492	31,449	-	-	-	-
Support services	4,632	80,550	-	-	177	224,983	107,174	9,683	50,000
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	5,868	-	-	993	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	10,500	80,550	-	8,485	31,626	224,983	107,174	9,683	50,000
Excess (deficiency) of receipts over disbursements	-	-	-	(8,485)	20,131	96,195	(107,174)	(9,683)	(150)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(74,109)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(74,109)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(8,485)	20,131	22,086	(107,174)	(9,683)	(150)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 20,131	\$ 689,565	\$ 22,877	\$ 115,690	\$ (50,000)

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

	NESP Grant 2014-15	NESP Grant 2015-16	NESP Grant 2016-17	School Technology	Career and Technical Performance Grant	Indiana School Academic Improvement Program (ISAIP)	SDN Grant 2016-17	21st Century Scholars	GQE Remediation Grant 2014-15
Cash and investments - beginning	\$ -	\$ 19,449	\$ -	\$ 2,243	\$ -	\$ (81,732)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	-	64,536	6,308	12,326	90,000	8,543	1,850	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	64,536	6,308	12,326	90,000	8,543	1,850	-
Disbursements:									
Instruction	-	19,449	45,393	-	6,163	-	-	906	-
Support services	-	-	-	5,484	-	8,268	24,144	944	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	19,449	45,393	5,484	6,163	8,268	24,144	1,850	-
Excess (deficiency) of receipts over disbursements	-	(19,449)	19,143	824	6,163	81,732	(15,601)	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(19,449)	19,143	824	6,163	81,732	(15,601)	-	-
Cash and investments - ending	\$ -	\$ -	\$ 19,143	\$ 3,067	\$ 6,163	\$ -	\$ (15,601)	\$ -	\$ -

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

	GQE Remediation Grant 2015-16	Preventative Remediation Grant 2015-16	Senator David Ford Technology	Project Based Learning	Liability Insurance Claim Fund	One On One Tech Initiative	Title I School Improvement Grant	Title I 2014-15	Title I 2015-16
Cash and investments - beginning	\$ 5,283	\$ 2,911	\$ -	\$ 13	\$ 48,542	\$ 35,718	\$ -	\$ -	\$ (167,553)
Receipts:									
Local sources	-	-	-	-	-	154,559	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	7,947	-	499,813
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	128,021	-	-	-	-
Total receipts	-	-	-	-	128,021	154,559	7,947	-	499,813
Disbursements:									
Instruction	5,283	2,911	-	13	-	90	-	-	68,505
Support services	-	-	-	-	19,043	146,160	59,094	-	255,655
Noninstructional services	-	-	-	-	-	-	-	-	8,100
Facilities acquisition and construction	-	-	45,552	-	107,700	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	5,283	2,911	45,552	13	126,743	146,250	59,094	-	332,260
Excess (deficiency) of receipts over disbursements	(5,283)	(2,911)	(45,552)	(13)	1,278	8,309	(51,147)	-	167,553
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,283)	(2,911)	(45,552)	(13)	1,278	8,309	(51,147)	-	167,553
Cash and investments - ending	\$ -	\$ -	\$ (45,552)	\$ -	\$ 49,820	\$ 44,027	\$ (51,147)	\$ -	\$ -

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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 2016-17	Technology Related Assistance for Individuals With Disabilities	21st Century Learning Center	21st Century / Club Phoenix 2015-16	21st Century / Club Phoenix 2016-17	21st Century / Club Phoenix 2017-18	Title II Part A 2013-15	Title II Part A 2014-16	Title II Part A 2015-17
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (6,784)	\$ -	\$ -	\$ (14,761)	\$ (3,866)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	1,121,638	-	-	-	176,003	-	-	67,999	60,376
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	1,121,638	-	-	-	176,003	-	-	67,999	60,376
Disbursements:									
Instruction	168,434	-	-	-	-	-	-	-	-
Support services	1,081,384	-	-	-	21,495	-	-	52,656	67,905
Noninstructional services	29,568	-	-	-	147,724	5,459	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	582	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,279,386	-	-	-	169,219	5,459	-	53,238	67,905
Excess (deficiency) of receipts over disbursements	(157,748)	-	-	-	6,784	(5,459)	-	14,761	(7,529)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(157,748)	-	-	-	6,784	(5,459)	-	14,761	(7,529)
Cash and investments - ending	\$ (157,748)	\$ -	\$ -	\$ -	\$ -	\$ (5,459)	\$ -	\$ -	\$ (11,395)

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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 II Part A 2016-18	Title III ESL 2014-15	Title III 2015-16	Title III 2016-17	Teacher Incentive Grant/ TAP 2014-15	Petty Cash	Payroll Withholding	Totals
Cash and investments - beginning	\$ -	\$ (7)	\$ (2,578)	\$ -	\$ -	\$ 50	\$ 133,916	\$ 15,505,355
Receipts:								
Local sources	-	-	-	-	-	-	-	28,834,038
State sources	-	-	-	-	-	-	-	44,966,974
Federal sources	-	160	18,405	30,425	-	-	-	5,467,967
Interfund loans	-	-	-	-	-	-	-	2,446,500
Other receipts	-	-	-	-	-	-	11,095,824	11,227,644
Total receipts	-	160	18,405	30,425	-	-	11,095,824	92,943,123
Disbursements:								
Instruction	-	-	10,828	33,451	-	-	-	31,356,626
Support services	2,498	153	4,999	33	-	-	-	23,399,100
Noninstructional services	-	-	-	-	-	-	-	4,765,289
Facilities acquisition and construction	-	-	-	-	-	-	-	6,043,842
Debt service	-	-	-	-	-	-	-	13,594,810
Nonprogrammed charges	-	-	-	-	-	-	-	467,980
Interfund loans	-	-	-	-	-	-	11,096,098	13,542,598
Total disbursements	2,498	153	15,827	33,484	-	-	11,096,098	93,170,245
Excess (deficiency) of receipts over disbursements	(2,498)	7	2,578	(3,059)	-	-	(274)	(227,122)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	230
Transfers in	-	-	-	-	-	-	-	2,169,090
Transfers out	-	-	-	-	-	-	-	(2,169,090)
Total other financing sources (uses)	-	-	-	-	-	-	-	230
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,498)	7	2,578	(3,059)	-	-	(274)	(226,892)
Cash and investments - ending	\$ (2,498)	\$ -	\$ -	\$ (3,059)	\$ -	\$ 50	\$ 133,642	\$ 15,278,463

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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>\$ 1,553,642</u>	<u>\$ 410,662</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Decatur Township Multi-Building Corporation	DELC Construction SD & WN Reno DCHS Outdoor Facility - 2016	\$ 5,840,500	9/15/2016	1/15/2023
Decatur Township Multi-Building Corporation	High School & DTSE Renovation - 2015	5,050,000	2/24/2015	1/15/2029
Decatur Township Multi-Building Corporation	Middle School & Technology Phase 2 - 2005	570,503	2/28/2005	1/15/2018
Decatur Township Multi-Building Corporation	Capital Appreciation Bond - 1999	575,000	2/28/2005	1/15/2021
Decatur Township Multi-Building Corporation	DTSE 2nd Floor Renovation - 2016	200,000	2/24/2015	1/15/2027
MSD of Decatur Township	i-Pad Phase 1 Lease	434,889	4/9/2015	11/15/2018
MSD of Decatur Township	i-Pad Phase 2 Lease	250,499	4/5/2016	11/15/2019
MSD of Decatur Township	i-Pad Phase 3 Lease	<u>124,679</u>	5/15/2017	11/15/2020
Total governmental activities		<u>13,046,070</u>		
Total of annual lease payments		<u>\$ 13,046,070</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	MSD of Decatur Township GO Bonds Campus Improvements - 2016	\$ 1,660,000	\$ 684,950
General obligation bonds	MSD of Decatur Township GO Bonds LEE Addition - 2015	1,910,000	247,588
General obligation bonds	Pension Bonds - 2003 Amended	1,001,731	772,856
Notes and loans payable	Common School - A0420	418,485	85,789
Notes and loans payable	Common School - A0425	<u>1,100,000</u>	<u>242,000</u>
Total governmental activities		<u>6,090,216</u>	<u>2,033,183</u>
Totals		<u>\$ 6,090,216</u>	<u>\$ 2,033,183</u>

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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	\$ 5,160,292
Buildings	222,704,759
Improvements other than buildings	9,801,075
Machinery, equipment, and vehicles	12,297,420
Construction in progress	<u>974,781</u>
Total governmental activities	<u>250,938,327</u>
Total capital assets	<u>\$ 250,938,327</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 DECATUR TOWNSHIP, MARION COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Metropolitan School District of Decatur 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. Except as discussed below, 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.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in item 2017-004 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Child Nutrition Cluster regarding Eligibility. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

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

Qualified Opinion on Child Nutrition Cluster

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

Basis for Qualified Opinion on Title I Grants to Local Educational Agencies

As described in item 2017-009 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Title I Grants to Local Educational Agencies regarding Special Tests and Provisions - Comparability. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

Qualified Opinion on Title I Grants to Local Educational Agencies

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* 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 Title I Grants to Local Educational Agencies for the period of July 1, 2015 to June 30, 2017.

Basis for Qualified Opinion on Special Education Cluster (IDEA)

As described in item 2017-013 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Special Education Cluster (IDEA) regarding Matching, Level of Effort, Earmarking and Reporting. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the possible effects of the matter 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.

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 2017-001, 2017-002, 2017-005, 2017-006, 2017-007, 2017-008, 2017-011, and 2017-012. 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.

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

Report on Internal Control over Compliance


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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001, 2017-002, 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008, 2017-009, 2017-010, 2017-011, 2017-012, and 2017-013, that we consider to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

July 12, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			SY 2016	\$ -	\$ 955,217	\$ -	\$ -
School Breakfast Program			SY 2017	-	-	-	973,243
Total - School Breakfast Program				-	955,217	-	973,243
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			SY 2016	-	2,033,761	-	-
Commodities			SY 2016	-	181,810	-	-
National School Lunch Program			SY 2017	-	-	-	2,126,585
Commodities			SY 2017	-	-	-	125,856
Total - National School Lunch Program				-	2,215,571	-	2,252,441
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Service Program for Children			SY 2016	-	121,049	-	-
Summer Food Service Program for Children			SY 2017	-	-	-	101,944
Total - Summer Food Service Program for Children				-	121,049	-	101,944
Total - Child Nutrition Cluster				-	3,291,837	-	3,327,628
Child and Adult Care Food Program	Indiana Department of Education	10.558					
Child and Adult Care Food Program			SY 2016	-	312,489	-	-
Child and Adult Care Food Program			SY 2017	-	-	-	283,428
Total - Child and Adult Care Food Program				-	312,489	-	283,428
Total - Department of Agriculture				-	3,604,326	-	3,611,056
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education Grants to States			14214-053-PN-01	-	78,740	-	-
Special Education-Grants to States			14215-053-PN01	-	528,389	-	123,521
Special Education-Grants to States			14216-053-PN01	-	678,170	-	641,878
Special Education Grants to States			14217-053-PN01	-	-	-	683,009
Special Education-Grant to States			FY 2014	-	23,481	-	-
Total - Special Education Grants to States				-	1,308,780	-	1,448,408
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool Grants			45715-053-PN01	-	15,433	-	1,687
Special Education Preschool Grants			45716-053-PN01	-	27,232	-	16,550
Special Education Preschool Grants			45717-053-PN01	-	-	-	22,693
Total - Special Education Preschool Grants				-	42,665	-	40,930
Total - Special Education Cluster (IDEA)				-	1,351,445	-	1,489,338
Teacher Incentive Fund	Indiana Department of Education	84.374					
Teacher Incentive Fund			2014/2015	-	178,822	-	-

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I Grants to Local Educational Agencies			15-5300	-	682,646	-	-
Title I Grants to Local Educational Agencies			16-5300	-	1,037,914	-	499,813
Title I Grants to Local Educational Agencies			17-5300	-	-	-	1,121,638
Title I School Improvement Grant			S010A160014	-	-	-	7,947
Total - Title I Grants to Local Educational Agencies				-	1,720,560	-	1,629,398
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
Twenty-First Century Community Learning Centers			A58-5-15DL-2138	-	30,546	-	-
Twenty-First Century Community Learning Centers			A58-6-16DL-3061	-	163,930	-	-
Twenty-First Century Community Learning Centers			A58-7-17DL-0053	-	-	-	176,003
Total - Twenty-First Century Community Learning Centers				-	194,476	-	176,003
English Language Acquisition State Grants	Indiana Department of Education	84.365					
English Language Acquisition State Grants			01115-061-PN01	-	23,799	-	160
English Language Acquisition State Grants			01116-064-PN01	-	33,062	-	18,405
English Language Acquisition State Grants			01117-061-PN01	-	-	-	30,425
Total - English Language Acquisition State Grants				-	56,861	-	48,990
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Supporting Effective Instruction State Grants			2013-15	-	107,344	-	-
Supporting Effective Instruction State Grants			2014-16	-	75,243	-	-
Supporting Effective Instruction State Grants			S367A140013	-	-	-	67,998
Supporting Effective Instruction State Grants			S367A150015	-	20,087	-	60,376
Total - Supporting Effective Instruction State Grants				-	202,674	-	128,374
Total - Department of Education				-	3,704,838	-	3,472,103
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
Medical Assistance Program			5300SY2016	-	102,063	-	-
Medical Assistance Program			5300SY2017	-	-	-	59,554
Total - Department of Health and Human Services				-	102,063	-	59,554
Social Security Administration							
Disability Insurance/SSI Cluster							
Social Security Disability Insurance	Family and Social Services Administration	96.001					
Social Security-Disability Insurance			5300SY2016	-	420	-	-
Social Security-Disability Insurance			5300SY2017	-	-	-	392
Total - Social Security Administration				-	420	-	392
Total federal awards expended				\$ -	\$ 7,411,647	\$ -	\$ 7,143,105

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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 DECATUR 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?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

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

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

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-001

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

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-005.

Condition

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

No audit evidence was presented that indicated the School Corporation had monitored the School Lunch fund to ensure the balance (net cash resources) of the fund were not more than the three months average expenditures. No audit evidence was presented that indicated a spend down was in place to reduce the fund balances (net cash resources) for the months where the School Lunch fund exceeded the three months average expenditures. The balance (net cash resources) of the School Lunch fund exceeded the three months average expenditures for 20 of the 24 months in the audit period.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

7 CFR 220.7(e) states in part:

". . . the School Food Authority shall, with respect to participating schools under its jurisdiction:
. . .

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

Cause

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

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

Effect

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Cash Management compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-002

Subject: Child Nutrition Cluster - Suspension and Debarment

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-006.

Condition

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

The School Corporation did not perform any procedures to ensure compliance with requirements regarding verification that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

Context

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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 180.300 states:

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

You do this by:

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

Cause

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

Questioned Costs

There were no question costs identified.

Recommendation

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

Views of Responsible Officials

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

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

FINDING 2017-003

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. 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.

The School Corporation relied on one employee to prepare and submit the food service monthly Sponsor Claims (claims for reimbursement) and the Annual Financial Report.

Context

The lack of 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 compliance requirement.

Effect

The failure to establish an effective internal control system, which would have included segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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 to ensure compliance with the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

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

FINDING 2017-004

Subject: School Breakfast Program and National School Lunch Program - Eligibility

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): SY 2016, SY 2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-008.

Condition

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

The School Corporation used a point of sales software system to manage some of the functions of the program. The software system was used to assist in making eligibility determinations and also as a database record for applications submitted and student eligibility designations. The School Corporation was not able to access information in the cafeteria software for the audit period; therefore, eligibility testing could not be performed.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. The inability to access information from the software system prevented the determination of the School Corporation's compliance for the entire audit period.

Criteria

2 CFR 200.303 states in part:

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

"The non-Federal entity must:

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

7 CFR 210.23(c) states:

"*Retention of records.* State agencies and school food authorities may retain necessary records in their original form or on microfilm. State agency records shall be retained for a period of 3 years after the date of submission of the final Financial Status Report for the fiscal year. School food authority records shall be retained for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. In either case, if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit."

7 CFR 220.7(e) states in part:

". . . the School Food Authority shall, with respect to participating schools under its jurisdiction:
. . .

(13) Upon request, make all accounts and records pertaining to its nonprofit school food service available to the State agency, to FNS and to OA for audit or review at a reasonable time and place. Such records shall be retained for a period of three years after the end of the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the three-year period as long as required for the resolution of the issues raised by the audit; . . ."

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

The School Corporation switched to a different point of sales software vendor after the close of the audit period. Management of the School Corporation had not developed a system of internal controls that would have ensured records from the previous point of sales software vendor were retained and available for audit.

Effect

The failure to establish an effective internal control system prevented the determination of the School Corporation's compliance with the grant agreement and the Eligibility compliance requirement.

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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 to ensure that supporting documentation related to the grant agreement and the Eligibility compliance requirement will be maintained and made available for audit.

Views of Responsible Officials

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

FINDING 2017-005

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-004.

Condition

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

The School Corporation established a single fund, the School Lunch fund, to record all activity of the food service programs. All receipts from sales, as well as prepayments, were recorded directly in the School Lunch fund. Prepayments were not recorded in a separate fund.

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:

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

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

7 CFR 210.14(c) states:

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

7 CFR 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . ."

(12) Maintain a financial management system as prescribed by the State agency, or FNSRO where applicable; . . ."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfer out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Administrator and Uniform Compliance Guidelines, Volume 183)

2 CFR 200.302(a) states in part:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of fund for federal-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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 Program Income 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 Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Program Income compliance requirement.

Views of Responsible Officials

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

FINDING 2017-006

Subject: Title I Grants to Local Educational Agencies - Earmarking
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): 16-5300, 17-5300
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-013.

Condition

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

- The allocation amount for Neglected Institutions for the fiscal year 2016 Title I grant was \$200,000. The actual amount spent was \$163,560. This resulted in a shortfall of \$36,440 spent for Neglected Institutions.
- The allocation amount for Parental Involvement for the fiscal year 2016 Title I grant was \$37,700. The actual amount spent was \$31,011. This resulted in a shortfall of \$6,689 spent for Parental Involvement.

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

- The allocation amount for Homeless for the fiscal year 2017 Title I grant was \$2,000. No funds were spent for Homeless. This resulted in a shortfall of \$2,000 spent for Homeless.

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 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed . . ."

The Title I Fiscal Handbook 2014-2015 provided by Indiana Department of Education states in part:

"Certain reservations or set-asides are required for LEAs. Some set-asides are *mandatory*, with the percentage of the current allocation determined by NCLB requirements. Others are at the *discretion* of the LEA. Neglected is determined by the amount stated on the Allocation letter. All set-asides should be deducted from the total allocation (Basic, Targeted, EFIG, Concentration) before determining the amount of money that goes to each school served. . . ."

"An LEA must reserve 1% of its grant allocation if the allocation is \$500,000 or above. 95% of the 1% must be budgeted at the school level."

Cause

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

Effect

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the Matching, Level of Effort, Earmarking compliance requirement.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with 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 2017-007

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): 15-5300, 16-5300, 17-5300
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-010.

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.

The Title I Department did not have a proper system of internal controls in place related to assigning payroll costs to employees who worked partially on federal activities and partially on nonfederal activities. Adequate supporting documentation was not maintained for the distribution of their wages.

There were four employees who worked partially on federal activities and partially on nonfederal activities. Required time and effort reporting was not maintained for any of these employees during the audit period.

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:

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

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

2 CFR 200.430(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); . . .
- (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 allocated using different allocation bases; or an unallowable activity and a direct or indirect costs activity. . . ."

2 CFR 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed . . ."

Title I Fiscal Handbook 2015-2016, Basic Title I, Part A and D states:

"Title I funded staff paid solely from Title I funds complete a Semi-Annual Certification twice a year. Employees who work on multiple activities must maintain a time and effort log at least once a month."

"If a school-wide program consolidates funds in a single account, an employee paid with funds from the single account is not required to file a semi-annual certification. If a school-wide program does not consolidate funds, employees working solely on a single Federal program must complete semi-annual certifications."

If a school-wide program does not consolidate funds, employees working on multiple programs must maintain a time and effort log at least once a month."

Cause

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

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

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 to ensure compliance with 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 2017-008

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 Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 16-5300, 17-5300
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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-011.

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.

Supporting documentation was not consistently maintained for the students who were removed from the graduation cohort.

Context

For 2 of the 16 students selected to be examined who were removed from the graduation cohort, evidence of oversight and review was not provided and the required supporting documentation was not maintained.

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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). . . ."

34 CFR 200.19(b)(1)(ii)(B) states in part:

"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. . . ."

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 to ensure compliance with 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.

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

FINDING 2017-009

Subject: Title I Grants to Local Educational Agencies -
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 Number and Year (or Other Identifying Number): 16-5300
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Comparability
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 Special Tests and Provisions - Comparability compliance requirement.

The School Corporation did not implement adequate policies or procedures to ensure that the Comparability Report was prepared. The Comparability Reports for the 2015-2016 and 2016-2017 school years were not made available for audit review. There was no evidence provided that the Comparability Report for the 2015-2016 school year was submitted to the Indiana Department of Education as required.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. Additionally, the lack of maintaining the Comparability Reports prevented the determination of the School Corporation's compliance with the compliance requirement.

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 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed . . ."

The Indiana Department of Education Title I Handbook 2014-2015 states in part:

"All LEAs must complete comparability yearly and submit information to the SEA every two years for compliance with the comparability requirement. Also, Title I LEAs must develop procedures for compliance with the comparability requirement and implement those procedures

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

annually. During a federal review it was suggested the SEA divide the LEAs so that only one half of the LEAs submit comparability reports to the SEA on a yearly basis. Thus, LEAs should be completing the report ANNUALLY, but districts actually submit every other year based on whether the corporation number ends in 0 or 5."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

Cause

Management had not developed a system of internal controls that would have ensured documentation was maintained and made available for audit relating to the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

Effect

The failure to retain or provide appropriate documentation prevented the determination of the School Corporation's compliance with the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure that documentation will be maintained and provided for audit relating to the grant agreement and the Special Tests and Provisions - Comparability 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 2017-010

Subject: Title I Grants to Local Educational Agencies - Reporting
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): 15-5300, 16-5300, 17-5300
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-009.

METROPOLITAN SCHOOL DISTRICT OF DECATUR 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 Reporting compliance requirement.

The School Corporation relied on one employee to prepare and submit the Final Expenditure Reports with no review or oversight process.

Context

The lack of 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 compliance requirement.

Effect

The failure to establish an effective internal control system, which would have included segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

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

FINDING 2017-011

Subject: Title I Grants to Local Educational Agencies - Eligibility
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): 16-5300, 17-5300
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-012.

Condition

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

There was not an oversight and review process established for individual targeted assistance eligibility determinations. For both targeted assistance schools examined, sufficient audit evidence was not provided for verifying student selection for participation in the program.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. Sufficient documentation was not provided to support compliance with the Eligibility compliance requirement

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 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

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

Cause

Management had not developed a system of internal controls that would have ensured that documentation related to the Eligibility compliance requirement was maintained and made available for audit.

Effect

The failure to maintain and provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the grant agreement and the Eligibility compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish internal controls to ensure that documentation related to the grant agreement and the Eligibility compliance requirement will be maintained and made available for audit.

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: Special Education Grants to States - Suspension and Debarment
Federal Agency: Department of Education
Federal Program: Special Education Grants to States
CFDA Number: 84.027
Federal Award Number and Year (or Other Identifying Number): 14216-053-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation was a member of the Southside Special Services of Marion County (Cooperative). The member school corporations of the Cooperative had determined that it was beneficial to pool their resources to provide special education services to those in need. The Cooperative designated a fiscal agent, who was responsible for the accounting records of the Cooperative. During the audit period, the fiscal agent of the Cooperative spent the federal money on behalf of the School Corporation and other member school corporations. Since the grant agreements for the federal programs were between the Indiana Department of Education and each member school corporation of the Cooperative, the School Corporation was ultimately responsible for compliance with the compliance requirement.

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

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

The School Corporation did not perform any procedures to ensure compliance with requirements regarding verification that vendors were not suspended or debarred from participation in federal programs before entering into a contract. The School Corporation contracted with two vendors to provide professional services without verifying that the vendors were not suspended or debarred.

Context

The lack of controls and noncompliance were systemic issues, which occurred during the first year of the audit period.

Criteria

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

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

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 180.300 states:

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

You do this by:

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

Cause

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

Effect

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

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

Questioned Costs

There were no question costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-013

Subject: Special Education Grants to States - Earmarking and Reporting

Federal Agency: Department of Education

Federal Program: Special Education Grants to States

CFDA Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-053-PN-01, 14215-053-PN01,
14216-053-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Matching, Level of Effort, Earmarking; Reporting

Audit Findings: Material Weakness, Modified Opinion

Condition

The School Corporation was a member of the Southside Special Services of Marion County (Cooperative). The member school corporations of the Cooperative had determined that it was beneficial to pool their resources to provide special education services to those in need. The Cooperative designated a fiscal agent, who was responsible for the accounting records of the Cooperative. During the audit period, the fiscal agent of the Cooperative spent the federal money on behalf of the School Corporation and other member school corporations. Since the grant agreements for the federal programs were between the Indiana Department of Education and each member school corporation of the Cooperative, the School Corporation was ultimately responsible for compliance with the compliance requirements.

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 Matching, Level of Effort, Earmarking and Reporting compliance requirements.

We were not able to identify the specific expenditures assigned to nonpublic proportionate shares and we were not able to confirm that the appropriate level of expenditures were made to meet the earmarking requirement for nonpublic proportionate shares.

The four Quarterly Proportionate Share Monitoring Reports for Non Public Schools selected for testing were not presented.

Also, there was one Quarterly Coordinated Early Intervention Services Report selected for testing that was not presented.

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

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. Additionally, the lack of maintaining supporting documentation prevented the determination of the School Corporation's compliance with the compliance requirement.

Criteria

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

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

2 CFR 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 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

34 CFR 80.20 states in part:

"(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to: . . .

(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

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

- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

2 CFR 200.302(a) states in part:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

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 . . ."

Cause

Management had not developed a system of internal controls that would have ensured proper supporting documentation was maintained and made available for audit relating to the Matching, Level of Effort, Earmarking and Reporting compliance requirements.

Effect

The failure to retain and make supporting documentation available for audit prevented the determination of the School Corporation's compliance with the grant agreement and the Matching, Level of Effort, Earmarking and Reporting compliance requirements.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls to ensure supporting documentation will be maintained and available for audit relating to the grant agreement and the Matching, Level of Effort, Earmarking and Reporting compliance requirements.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2015 – 001

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Kirk Farmer
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Procedures were implemented by Southside Special Services of Marion County to ensure detailed supporting documentation used to prepare reimbursement reports have been retained for auditing purposes. The school district does not expect this to be a repeat finding during the 2015 – 17 audit period.

Finding 2015 – 002

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Kirk Farmer
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Procedures were implemented by Southside Special Services of Marion County to ensure that semiannual certifications and time and effort records are in compliance with program requirements. The school district does not expect this to be a repeat finding during the 2015 – 17 audit period.



Finding 2015 – 003

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Becky Betz
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Audits of the school district from July 1, 2013 to June 30, 2015 and July 1, 2015 and June 30, 2017 were completed concurrent. As a result, it was not possible to develop or implement corrective action regarding this finding.

Finding 2015 – 004

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Becky Betz
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Audits of the school district from July 1, 2013 to June 30, 2015 and July 1, 2015 and June 30, 2017 were completed concurrent. As a result, it was not possible to develop or implement corrective action regarding this finding.

Finding 2015 – 005

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Becky Betz
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Audits of the school district from July 1, 2013 to June 30, 2015 and July 1, 2015 and June 30, 2017 were completed concurrent. As a result, it was not possible to develop or implement corrective action regarding this finding.

Finding 2015 – 006

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Becky Betz
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Audits of the school district from July 1, 2013 to June 30, 2015 and July 1, 2015 and June 30, 2017 were completed concurrent. As a result, it was not possible to develop or implement corrective action regarding this finding.

Finding 2015 – 007

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Becky Betz
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	The school district received a waiver related to lunch pricing for the 2015 – 2016 school year and procedures were implemented to raise prices by 10 cents per meal for the 2016 – 2017 school year. The school district does not expect this to be a repeat finding during the 2015 – 17 audit period.

Finding 2015 – 008

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Becky Betz
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Audits of the school district from July 1, 2013 to June 30, 2015 and July 1, 2015 and June 30, 2017 were completed concurrent. As a result, it was not possible to develop or implement corrective action regarding this finding.

Finding 2015 – 009

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Stephanie Hofer
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Audits of the school district from July 1, 2013 to June 30, 2015 and July 1, 2015 and June 30, 2017 were completed concurrent. As a result, it was not possible to develop or implement corrective action regarding this finding.

Finding 2015 – 010

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Stephanie Hofer
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Audits of the school district from July 1, 2013 to June 30, 2015 and July 1, 2015 and June 30, 2017 were completed concurrent. As a result, it was not possible to develop or implement corrective action regarding this finding.

Finding 2015 – 011

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Stephanie Hofer
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Audits of the school district from July 1, 2013 to June 30, 2015 and July 1, 2015 and June 30, 2017 were completed concurrent. As a result, it was not possible to develop or implement corrective action regarding this finding.

Finding 2015 – 012

Fiscal Year	2015
Pass-Through Entity	Indiana Department of Education
Contact Person Responsible for Corrective Action	Stephanie Hofer
Contact Phone Number	(317) 856 - 5265
Status of Audit Finding:	Audits of the school district from July 1, 2013 to June 30, 2015 and July 1, 2015 and June 30, 2017 were completed concurrent. As a result, it was not possible to develop or implement corrective action regarding this finding.

Finding 2015 – 013

Fiscal Year 2015

Pass-Through Entity Indiana Department of Education

Contact Person Responsible for Corrective Action Stephanie Hofer

Contact Phone Number (317) 856 - 5265

Status of Audit Finding: Audits of the school district from July 1, 2013 to June 30, 2015 and July 1, 2015 and June 30, 2017 were completed concurrent. As a result, it was not possible to develop or implement corrective action regarding this finding.

Kirk Farmer
Signature

Chief Financial Officer
Title

06 / 27 / 18
Date

Stephan Hofer
Signature

Director of Elementary Education
Title

06/27/18
Date

[Signature]
Signature

Director of Child Nutrition
Title

6/27/18
Date

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Becky Betz

Contact Phone Number: 317-856-5265

We concur with the finding.

Description of Corrective Action Plan:

The food service director works with the department of education yearly to create a spend down plan for the 800 fund. The plan is approved yearly by the department of education. Once this plan has been created and approved, the CFO will review. The food service director and CFO will continue to review the plan throughout the year as purchases are made. The food service director will save any written correspondence with the department of education and CFO detailing this plan and progress throughout the year.

Anticipated Completion Date:

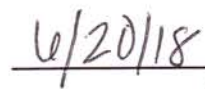
Will start new process July 1, 2018.



(Signature)



(Title)



(Date)



5275 Kentucky Avenue
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F 317.856.2156

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CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person Responsible for Corrective Action: Becky Betz

Contact Phone Number: 317-856-5265

We concur with the finding.

Description of Corrective Action Plan:

The food service department will ensure that all vendors that we purchase from have not been suspended or debarred from participation in federal programs by either looking them up on the federal website or including language in our contracts that has the vendor attest that they are not suspended or debarred.

Anticipated Completion Date:
Immediately.

Becky Betz
(Signature)

Director of Child Nutrition
(Title)

6/20/18
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2017-003

Contact Person Responsible for Corrective Action: Becky Betz
Contact Phone Number: 317-856-5265

We concur with the finding.

Description of Corrective Action Plan:

The food service director will review and sign off on all monthly reimbursement reports before they are submitted to the state for reimbursement.

The child nutrition administrative assistant will review the annual financial report and sign off before it is submitted to the state by the food service director.

Anticipated Completion Date:
Immediately.

Becky Betz
(Signature)

Director of Child Nutrition
(Title)

4/20/18
(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-004

Contact Person Responsible for Corrective Action: Becky Betz
Contact Phone Number: 317-856-5265

We concur with the finding.

Description of Corrective Action Plan:

The food service department will ensure that all completed free and reduced meal applications are properly saved and accessible for review. All applications will be saved for the 5 year time frame as required by the USDA.

Anticipated Completion Date:
Immediately.

Becky Betz
(Signature)

Director of Child Nutrition
(Title)

6/20/18
(Date)

CORRECTIVE ACTION PLAN

FINDING 2017-005

Contact Person Responsible for Corrective Action: Becky Betz

Contact Phone Number: 317-856-5265

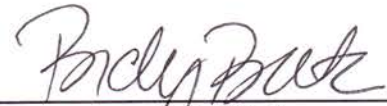
We concur with the finding.

Description of Corrective Action Plan:

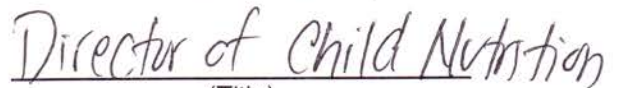
The food service department will create an 8400 account and balance monthly to be able to track the prepayments.

Anticipated Completion Date:

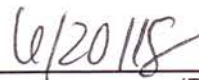
Will start new process July 1, 2018.



(Signature)



(Title)



(Date)



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CORRECTIVE ACTION PLAN

FINDING 2017-006

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plan:

- Department administration will be trained and directed to utilize the Title I Fiscal Guidance Handbook System provided by the Indiana Department of Education. An effective internal control system will be in place at the School Corporation in order to ensure compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

Anticipated Completion Date: July 1, 2018

Stephanie Hofer
(Signature)

Director of Elementary Ed.
(Title)

6/28/18
(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-007

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

In order to improve the existing internal control structure moving forward, management will develop procedures to ensure those items detailed below are addressed.

- Expenses, which are allowable, are paid from federal funds and proper segregation of duties is established by having the Business Department review claims.
- A process will be in place for the department to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.
- The department will implement a process that supports employees who work partially on federal activities and partially on other non-federal activities to maintain adequate supporting documentation for the distribution of their wages.
- The School Corporation will comply with the time and effort requirements for those employees who worked solely and partially on Title I under the Title I grant awarded under the requirements of OMB Circular A-133. A "PAR" form will be put into place for employees to track time working on Title.

Anticipated Completion Date: July 1, 2018



(Signature)

Director of Elementary Ed.

(Title)

6/28/18

(Date)



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Indianapolis, IN 46221

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CORRECTIVE ACTION PLAN

FINDING 2017-008

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

- We will develop procedures and processes 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. Supporting documentation will be consistently maintained for those students who are removed from their graduation cohort.

Anticipated Completion Date: July 1, 2018

Stephanie Hofer
(Signature)

Director of Elementary Ed.
(Title)

6/2/18
(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-009

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

In order to improve the existing internal control structure moving forward, management will develop procedures to ensure those items detailed below are addressed.

- District administration will implement a process within the department to ensure compliance with the grant agreement related to the special tests and provisions compliance requirement. Comparability reports will be completed on a yearly basis.

Anticipated Completion Date: July 1, 2018

Stephanie Hofer
(Signature)

Director of Elementary Ed.
(Title)

6/28/18
(Date)

CORRECTIVE ACTION PLAN

FINDING 2017-010

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

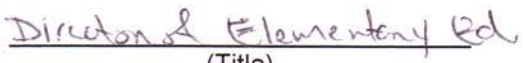
In order to improve the existing internal control structure moving forward, management will develop procedures to ensure those items detailed below are addressed.

- Department administration will be trained and will utilize the Title I Fiscal Guidance Handbook System provided by the Indiana Department of Education.
- District administration will implement a process within the department to ensure compliance with requirements related to the grant agreement and the "Reporting" compliance requirement

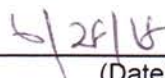
Anticipated Completion Date: July 1, 2018



(Signature)



(Title)



(Date)

CORRECTIVE ACTION PLAN

FINDING 2017-011

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

- District administration will implement a process to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement. We will implement a process for individual targeted assistance eligibility determinations.

Anticipated Completion Date: July 1, 2018

Stephanie Hofer
(Signature)

Director of Elementary Ed.
(Title)

6/28/18
(Date)

CORRECTIVE ACTION PLAN

FINDING 2017-012

Contact Person Responsible for Corrective Action: Kirk Farmer

Contact Phone Number: (317) 856 - 5265

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

Description of Corrective Action Plan:

The school district will begin to account for the Special Education Cluster (IDEA) grants locally instead of Southside Special Services of Marion County (Cooperative) acting as the Fiscal Agent. Department administration will be trained and directed to utilize the System for Award Management (SAM), to verify if an entity or individual have been declared ineligible to receive Federal contracts due to a violation of Executive Order 12549, before awarding a contract for goods or services which exceeds \$25,000.

Anticipated Completion Date: July 1, 2018

FINDING 2017-013

Contact Person Responsible for Corrective Action: Kirk Farmer

Contact Phone Number: (317) 856 - 5265

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

Description of Corrective Action Plan:

The school district will begin to account for the Special Education Cluster (IDEA) grants locally instead of Southside Special Services of Marion County (Cooperative) acting as the Fiscal Agent. Procedures will be established to ensure expenditures for services to nonpublic students are itemized and the Grant Administrator completes quarterly monitoring reports to ensure adherence to Earmarking and Reporting requirements under the Special Education Cluster (IDEA).

Anticipated Completion Date: July 1, 2018

Kirk Garner

(Signature)

Chief Financial Officer

(Title)

07 / 09 / 18

(Date)

OTHER REPORTS

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