

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
FRANKLIN COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
09/28/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sharon Pohlman	07-01-14 to 06-30-19
Superintendent of Schools	Dr. Debbie Howell	07-01-14 to 06-30-21
President of the School Board	Robert Jewell Sara Duffy Kim Simonson	07-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-18



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Franklin County Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 4, 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

September 4, 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 FRANKLIN COUNTY COMMUNITY
SCHOOL CORPORATION, FRANKLIN COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Franklin County Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated September 4, 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.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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

Compliance and Other Matters

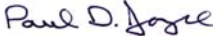
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Franklin County Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

September 4, 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.

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

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 7,127,492	\$ 16,478,149	\$ 16,124,295	\$ (1,763,647)	\$ 5,717,699	\$ 16,123,917	\$ 15,860,426	\$ 6,497	\$ 5,987,687
Debt Service	721,222	1,645,300	1,272,768	-	1,093,754	1,733,763	2,066,343	-	761,174
Capital Projects	4,848,064	2,357,381	3,517,324	-	3,688,121	2,407,280	3,793,668	-	2,301,733
School Transportation	1,595,873	3,012,789	3,127,100	-	1,481,562	3,056,881	2,963,472	995	1,575,966
School Bus Replacement	318,198	181,737	49,118	-	450,817	183,886	259,505	-	375,198
Rainy Day	-	-	-	-	-	68,713	-	-	68,713
Post-Retirement/Severance Future Benefits	-	-	368,482	1,763,647	1,395,165	-	325,781	-	1,069,384
School Lunch	74,541	1,060,393	1,080,829	-	54,105	1,064,928	1,064,105	-	54,928
Textbook Rental	354,151	400,908	269,264	-	485,795	388,130	510,135	-	363,790
Self-Insurance	-	-	-	-	-	1,939,847	1,605,529	-	334,318
Educational License Plates	16,819	281	-	-	17,100	281	-	-	17,381
Alternative Education	4,050	10,867	14,917	-	-	10,242	-	-	10,242
2014 Early Intenvention Grant	(24,110)	24,110	-	-	-	-	-	-	-
2015 Early Intenvention Grant	-	30,000	30,000	-	-	-	-	-	-
2016 Early Intenvention Grant	-	-	-	-	-	32,274	30,410	-	1,864
Donation From MTC APPLES	50	-	-	-	50	6,375	4,000	-	2,425
Donation From Alco Stores	474	-	-	-	474	100	100	-	474
Donations For BES	-	5,000	-	-	5,000	-	-	-	5,000
Donations For FCMS	-	2,784	-	-	2,784	4,611	-	-	7,395
Donations for FCHS	-	-	-	-	-	2,900	435	-	2,465
Donations for LES	-	-	-	-	-	9,100	8,800	-	300
Formative Assessment	-	-	-	-	-	29,422	29,422	-	-
High Ability Grant 2014/2015	-	39,095	32,865	-	6,230	-	6,230	-	-
2015-2016 High Ability Grant	-	-	-	-	-	39,458	38,910	-	548
Computer Consortium/Ed Tech Advance	(1,680)	1,680	-	-	-	-	-	-	-
Adult and Continuing Education	13,173	-	-	-	13,173	-	202	-	12,971
Medicaid Reimbursement	(63)	-	(63)	-	-	-	-	-	-
Secured Schools Safety Grant	(11,307)	51,969	49,379	-	(8,717)	-	44,461	-	(53,178)
Non-English Speaking Programs	87	-	-	-	87	-	-	-	87
School Technology	1,355	5,061	5,009	-	1,407	6,564	6,267	-	1,704
ECO15-FCHS Biomed	29,642	-	-	-	29,642	-	-	-	29,642
ECO15 Dream It Do It Grant	405	-	-	-	405	-	-	-	405
ISTA Settlement	651,899	-	651,899	-	-	-	-	-	-
13/14 Title I	(63,136)	129,784	66,648	-	-	-	-	-	-
14/15 Title I	-	308,313	329,645	-	(21,332)	138,874	117,542	-	-
15/16 Title I	-	-	-	-	-	284,761	331,624	-	(46,863)
Team Nutrition Training Grants	-	5,004	2,570	-	2,434	-	2,435	-	(1)
Medicaid Reimbursement - Federal	25,428	1,070	3,732	-	22,766	12,667	10,957	-	24,476
12/14 Title II Part A Grant	(250)	5,812	5,562	-	-	349	349	-	-
13/15 Title II Part A Grant	(10,962)	56,005	44,883	-	160	-	160	-	-
14/16 Title II Part A Grant	-	47,513	52,961	-	(5,448)	56,503	52,000	-	(945)
15/17 Title II Part A Grant	-	-	-	-	-	44,551	59,749	-	(15,198)
Special Education - Part B - Preschool	(183)	39,609	39,426	-	-	32,088	28,712	-	3,376
Qualified Zone Academy Bond	11,171	-	-	-	11,171	-	-	-	11,171
Payroll Withholding	97,256	3,775,536	3,785,686	-	87,106	3,163,108	3,209,733	-	40,481
Pre-Paid Food	1,384	431,694	407,199	-	25,879	390,613	394,818	-	21,674
Totals	\$ 15,781,043	\$ 30,107,844	\$ 31,331,498	\$ -	\$ 14,557,389	\$ 31,232,186	\$ 32,826,280	\$ 7,492	\$ 12,970,787

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

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
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.

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
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.

C. Additional Pension Plans

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

Note 7. Negative Disbursements

The financial statement contains a disbursement which appears as negative entry. This is a result of correcting a disbursement from one fund to another in order to balance funds.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursement for expenditures made by the School Corporation were not received by June 30, 2015 or 2016.

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Holding Corporations*

The School Corporation has entered into a capital lease with Franklin County Community School Building Corporation and Franklin County Middle School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related-parties of the School Corporation. Lease payments during the years 2015 and 2016 totaled \$356,500 and \$1,175,573, respectively.

Note 10. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses the following benefits: Individual VEBA, Social Security Bridge Plan, Paid Accumulated Leave, and Life Insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

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

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

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

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/ Severance Future Benefits	School Lunch
Cash and investments - beginning	\$ 7,127,492	\$ 721,222	\$ 4,848,064	\$ 1,595,873	\$ 318,198	\$ -	\$ -	\$ 74,541
Receipts:								
Local sources	121,987	1,645,300	2,353,563	3,002,536	181,737	-	-	406,905
Intermediate sources	130	-	-	-	-	-	-	-
State sources	16,343,742	-	-	-	-	-	-	8,799
Federal sources	-	-	-	-	-	-	-	623,164
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	12,290	-	3,818	10,253	-	-	-	21,525
Total receipts	16,478,149	1,645,300	2,357,381	3,012,789	181,737	-	-	1,060,393
Disbursements:								
Instruction	12,015,702	-	-	-	-	-	287,989	-
Support services	3,785,313	-	1,192,483	3,127,100	49,118	-	80,493	-
Noninstructional services	323,280	-	-	-	-	-	-	1,080,829
Facilities acquisition and construction	-	-	2,324,841	-	-	-	-	-
Debt service	-	1,272,768	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	16,124,295	1,272,768	3,517,324	3,127,100	49,118	-	368,482	1,080,829
Excess (deficiency) of receipts over disbursements	353,854	372,532	(1,159,943)	(114,311)	132,619	-	(368,482)	(20,436)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,763,647	-
Transfers out	(1,763,647)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,763,647)	-	-	-	-	-	1,763,647	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,409,793)	372,532	(1,159,943)	(114,311)	132,619	-	1,395,165	(20,436)
Cash and investments - ending	\$ 5,717,699	\$ 1,093,754	\$ 3,688,121	\$ 1,481,562	\$ 450,817	\$ -	\$ 1,395,165	\$ 54,105

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	Textbook Rental	Self- Insurance	Educational License Plates	Alternative Education	2014 Early Intervention Grant	2015 Early Intervention Grant	2016 Early Intervention Grant	Donation From MTC APPLES
Cash and investments - beginning	\$ 354,151	\$ -	\$ 16,819	\$ 4,050	\$ (24,110)	\$ -	\$ -	\$ 50
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	281	-	-	-	-	-
State sources	400,908	-	-	10,867	24,110	30,000	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	400,908	-	281	10,867	24,110	30,000	-	-
Disbursements:								
Instruction	-	-	-	14,917	-	30,000	-	-
Support services	269,264	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	269,264	-	-	14,917	-	30,000	-	-
Excess (deficiency) of receipts over disbursements	131,644	-	281	(4,050)	24,110	-	-	-
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	131,644	-	281	(4,050)	24,110	-	-	-
Cash and investments - ending	\$ 485,795	\$ -	\$ 17,100	\$ -	\$ -	\$ -	\$ -	\$ 50

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

	Donation From Alco Stores	Donations For BES	Donations For FCMS	Donations For FCHS	Donations For LES	Formative Assessment	High Ability Grant 2014/2015	2015-2016 High Ability Grant
Cash and investments - beginning	\$ 474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	5,000	2,784	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	39,095	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	5,000	2,784	-	-	-	39,095	-
Disbursements:								
Instruction	-	-	-	-	-	-	32,865	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-	32,865	-
Excess (deficiency) of receipts over disbursements	-	5,000	2,784	-	-	-	6,230	-
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	-	5,000	2,784	-	-	-	6,230	-
Cash and investments - ending	\$ 474	\$ 5,000	\$ 2,784	\$ -	\$ -	\$ -	\$ 6,230	\$ -

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

	Computer Consortium/ Ed Tech Advance	Adult and Continuing Education	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	ECO15-FCHS Biomed	ECO15 Dream It Do It Grant
Cash and investments - beginning	\$ (1,680)	\$ 13,173	\$ (63)	\$ (11,307)	\$ 87	\$ 1,355	\$ 29,642	\$ 405
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	51,969	-	5,061	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	1,680	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	1,680	-	-	51,969	-	5,061	-	-
Disbursements:								
Instruction	-	-	(63)	49,379	-	-	-	-
Support services	-	-	-	-	-	5,009	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	(63)	49,379	-	5,009	-	-
Excess (deficiency) of receipts over disbursements	1,680	-	63	2,590	-	52	-	-
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	1,680	-	63	2,590	-	52	-	-
Cash and investments - ending	\$ -	\$ 13,173	\$ -	\$ (8,717)	\$ 87	\$ 1,407	\$ 29,642	\$ 405

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

	ISTA Settlement	13/14 Title I	14/15 Title I	15/16 Title I	Team Nutrition Training Grants	Medicaid Reimbursement - Federal	12/14 Title II Part A Grant	13/15 Title II Part A Grant
Cash and investments - beginning	\$ 651,899	\$ (63,136)	\$ -	\$ -	\$ -	\$ 25,428	\$ (250)	\$ (10,962)
Receipts:								
Local sources	-	-	-	-	-	-	-	160
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	129,784	308,313	-	5,004	1,070	5,812	55,845
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	129,784	308,313	-	5,004	1,070	5,812	56,005
Disbursements:								
Instruction	-	50,644	181,445	-	-	3,732	5,562	44,583
Support services	651,899	16,004	133,850	-	-	-	-	300
Noninstructional services	-	-	14,350	-	2,570	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	651,899	66,648	329,645	-	2,570	3,732	5,562	44,883
Excess (deficiency) of receipts over disbursements	(651,899)	63,136	(21,332)	-	2,434	(2,662)	250	11,122
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	(651,899)	63,136	(21,332)	-	2,434	(2,662)	250	11,122
Cash and investments - ending	\$ -	\$ -	\$ (21,332)	\$ -	\$ 2,434	\$ 22,766	\$ -	\$ 160

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2015

	14/16 Title II Part A Grant	15/17 Title II Part A Grant	Special Education - Part B - Preschool	Qualified Zone Academy Bond	Payroll Withholding	Pre-Paid Food	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (183)	\$ 11,171	\$ 97,256	\$ 1,384	\$ 15,781,043
Receipts:							
Local sources	-	-	-	-	-	-	7,719,972
Intermediate sources	-	-	-	-	-	-	411
State sources	-	-	-	-	-	-	16,914,551
Federal sources	47,513	-	39,609	-	-	-	1,216,114
Temporary loans	-	-	-	-	-	-	1,680
Other receipts	-	-	-	-	3,775,536	431,694	4,255,116
Total receipts	47,513	-	39,609	-	3,775,536	431,694	30,107,844
Disbursements:							
Instruction	49,762	-	39,426	-	-	-	12,805,943
Support services	3,199	-	-	-	3,785,686	-	13,099,718
Noninstructional services	-	-	-	-	-	407,199	1,828,228
Facilities acquisition and construction	-	-	-	-	-	-	2,324,841
Debt service	-	-	-	-	-	-	1,272,768
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	52,961	-	39,426	-	3,785,686	407,199	31,331,498
Excess (deficiency) of receipts over disbursements	(5,448)	-	183	-	(10,150)	24,495	(1,223,654)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,763,647
Transfers out	-	-	-	-	-	-	(1,763,647)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,448)	-	183	-	(10,150)	24,495	(1,223,654)
Cash and investments - ending	\$ (5,448)	\$ -	\$ -	\$ 11,171	\$ 87,106	\$ 25,879	\$ 14,557,389

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/ Severance Future Benefits	School Lunch
Cash and investments - beginning	\$ 5,717,699	\$ 1,093,754	\$ 3,688,121	\$ 1,481,562	\$ 450,817	\$ -	\$ 1,395,165	\$ 54,105
Receipts:								
Local sources	127,817	1,733,763	2,404,048	3,046,881	183,886	68,713	-	395,887
Intermediate sources	895	-	-	-	-	-	-	-
State sources	15,982,711	-	-	-	-	-	-	9,230
Federal sources	398	-	-	-	-	-	-	636,396
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	12,096	-	3,232	10,000	-	-	-	23,415
Total receipts	16,123,917	1,733,763	2,407,280	3,056,881	183,886	68,713	-	1,064,928
Disbursements:								
Instruction	11,569,178	-	-	-	-	-	257,958	-
Support services	3,949,340	-	1,746,655	2,963,472	259,505	-	67,823	-
Noninstructional services	341,908	-	-	-	-	-	-	1,064,105
Facilities acquisition and construction	-	-	2,047,013	-	-	-	-	-
Debt service	-	2,066,343	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	15,860,426	2,066,343	3,793,668	2,963,472	259,505	-	325,781	1,064,105
Excess (deficiency) of receipts over disbursements	263,491	(332,580)	(1,386,388)	93,409	(75,619)	68,713	(325,781)	823
Other financing sources (uses):								
Sale of capital assets	6,497	-	-	995	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	6,497	-	-	995	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	269,988	(332,580)	(1,386,388)	94,404	(75,619)	68,713	(325,781)	823
Cash and investments - ending	\$ 5,987,687	\$ 761,174	\$ 2,301,733	\$ 1,575,966	\$ 375,198	\$ 68,713	\$ 1,069,384	\$ 54,928

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
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	Textbook Rental	Self- Insurance	Educational License Plates	Alternative Education	2014 Early Intervention Grant	2015 Early Intervention Grant	2016 Early Intervention Grant	Donation From MTC APPLES
Cash and investments - beginning	\$ 485,795	\$ -	\$ 17,100	\$ -	\$ -	\$ -	\$ -	\$ 50
Receipts:								
Local sources	25,227	1,939,847	-	-	-	-	-	6,375
Intermediate sources	-	-	281	-	-	-	-	-
State sources	362,903	-	-	10,242	-	-	32,274	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>388,130</u>	<u>1,939,847</u>	<u>281</u>	<u>10,242</u>	<u>-</u>	<u>-</u>	<u>32,274</u>	<u>6,375</u>
Disbursements:								
Instruction	-	-	-	-	-	-	30,410	4,000
Support services	510,135	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,605,529	-	-	-	-	-	-
Total disbursements	<u>510,135</u>	<u>1,605,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,410</u>	<u>4,000</u>
Excess (deficiency) of receipts over disbursements	<u>(122,005)</u>	<u>334,318</u>	<u>281</u>	<u>10,242</u>	<u>-</u>	<u>-</u>	<u>1,864</u>	<u>2,375</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(122,005)</u>	<u>334,318</u>	<u>281</u>	<u>10,242</u>	<u>-</u>	<u>-</u>	<u>1,864</u>	<u>2,375</u>
Cash and investments - ending	<u>\$ 363,790</u>	<u>\$ 334,318</u>	<u>\$ 17,381</u>	<u>\$ 10,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,864</u>	<u>\$ 2,425</u>

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 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2016

	Donation From Alco Stores	Donations For BES	Donations For FCMS	Donations For FCHS	Donations For LES	Formative Assessment	High Ability Grant 2014/2015	2015-2016 High Ability Grant
Cash and investments - beginning	\$ 474	\$ 5,000	\$ 2,784	\$ -	\$ -	\$ -	\$ 6,230	\$ -
Receipts:								
Local sources	100	-	4,611	2,900	9,100	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	29,422	-	39,458
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	100	-	4,611	2,900	9,100	29,422	-	39,458
Disbursements:								
Instruction	-	-	-	-	8,800	29,422	5,980	38,910
Support services	100	-	-	435	-	-	250	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	100	-	-	435	8,800	29,422	6,230	38,910
Excess (deficiency) of receipts over disbursements	-	-	4,611	2,465	300	-	(6,230)	548
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	-	-	4,611	2,465	300	-	(6,230)	548
Cash and investments - ending	\$ 474	\$ 5,000	\$ 7,395	\$ 2,465	\$ 300	\$ -	\$ -	\$ 548

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

	Computer Consortium/ Ed Tech Advance	Adult and Continuing Education	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	ECO15-FCHS Biomed	ECO15 Dream It Do It Grant
Cash and investments - beginning	\$ -	\$ 13,173	\$ -	\$ (8,717)	\$ 87	\$ 1,407	\$ 29,642	\$ 405
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	6,564	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	6,564	-	-
Disbursements:								
Instruction	-	202	-	44,461	-	-	-	-
Support services	-	-	-	-	-	6,267	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	202	-	44,461	-	6,267	-	-
Excess (deficiency) of receipts over disbursements	-	(202)	-	(44,461)	-	297	-	-
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	-	(202)	-	(44,461)	-	297	-	-
Cash and investments - ending	\$ -	\$ 12,971	\$ -	\$ (53,178)	\$ 87	\$ 1,704	\$ 29,642	\$ 405

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

	ISTA Settlement	13/14 Title I	14/15 Title I	15/16 Title I	Team Nutrition Training Grants	Medicaid Reimbursement - Federal	12/14 Title II Part A Grant	13/15 Title II Part A Grant
Cash and investments - beginning	\$ -	\$ -	\$ (21,332)	\$ -	\$ 2,434	\$ 22,766	\$ -	\$ 160
Receipts:								
Local sources	-	-	645	-	-	-	349	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	138,229	284,761	-	12,667	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	138,874	284,761	-	12,667	349	-
Disbursements:								
Instruction	-	-	46,732	204,697	-	10,957	-	-
Support services	-	-	69,160	111,802	1,027	-	349	160
Noninstructional services	-	-	1,650	15,125	1,408	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	117,542	331,624	2,435	10,957	349	160
Excess (deficiency) of receipts over disbursements	-	-	21,332	(46,863)	(2,435)	1,710	-	(160)
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	-	-	21,332	(46,863)	(2,435)	1,710	-	(160)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (46,863)	\$ (1)	\$ 24,476	\$ -	\$ -

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

	14/16 Title II Part A Grant	15/17 Title II Part A Grant	Special Education - Part B - Preschool	Qualified Zone Academy Bond	Payroll Withholding	Pre-Paid Food	Totals
Cash and investments - beginning	\$ (5,448)	\$ -	\$ -	\$ 11,171	\$ 87,106	\$ 25,879	\$ 14,557,389
Receipts:							
Local sources	-	-	-	-	-	-	9,950,149
Intermediate sources	-	-	-	-	-	-	1,176
State sources	-	-	-	-	-	-	16,472,804
Federal sources	56,503	44,551	32,088	-	-	-	1,205,593
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	3,163,108	390,613	3,602,464
Total receipts	<u>56,503</u>	<u>44,551</u>	<u>32,088</u>	<u>-</u>	<u>3,163,108</u>	<u>390,613</u>	<u>31,232,186</u>
Disbursements:							
Instruction	52,000	56,525	28,712	-	-	-	12,388,944
Support services	-	3,224	-	-	3,209,733	-	12,899,437
Noninstructional services	-	-	-	-	-	394,818	1,819,014
Facilities acquisition and construction	-	-	-	-	-	-	2,047,013
Debt service	-	-	-	-	-	-	2,066,343
Nonprogrammed charges	-	-	-	-	-	-	1,605,529
Total disbursements	<u>52,000</u>	<u>59,749</u>	<u>28,712</u>	<u>-</u>	<u>3,209,733</u>	<u>394,818</u>	<u>32,826,280</u>
Excess (deficiency) of receipts over disbursements	<u>4,503</u>	<u>(15,198)</u>	<u>3,376</u>	<u>-</u>	<u>(46,625)</u>	<u>(4,205)</u>	<u>(1,594,094)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	7,492
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,492</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,503</u>	<u>(15,198)</u>	<u>3,376</u>	<u>-</u>	<u>(46,625)</u>	<u>(4,205)</u>	<u>(1,586,602)</u>
Cash and investments - ending	\$ <u>(945)</u>	\$ <u>(15,198)</u>	\$ <u>3,376</u>	\$ <u>11,171</u>	\$ <u>40,481</u>	\$ <u>21,674</u>	\$ <u>12,970,787</u>

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 199,535</u>	<u>\$ 218,780</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Fortinet Licensing Lease	Web Filter	\$ 13,177	6/24/2016	6/24/2018
Franklin County Middle School Building Corporation	Franklin County Middle School Building Ad Valorem Property Tax First Mortgage Bonds Series 2015 Refunding 2005 Bond Issue and Athletic Field Improvements	861,575	1/1/2006	1/1/2021
Franklin County Middle School Building Corporation	Franklin County Middle School Building Ad Valorem Property Tax First Mortgage Bonds 2015 BES	64,000	6/30/2015	6/30/2016
Franklin County Community School Building Corporation	Franklin County Community School Building Corporation Ad Valorem Property Tax First Mortgage Bonds 2012	435,000	3/28/2012	12/31/2025
Lenova Financial Services	Chromebooks for incoming FCHS 9th graders	<u>63,528</u>	6/16/2014	6/16/2017
Total governmental activities		<u>1,437,280</u>		
Total of annual lease payments		<u>\$ 1,437,280</u>		

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Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	QZAB Update Technology at Franklin County High School		\$ 1,370,000	\$ 205,125
General obligation bonds	Ad Valorem Property Tax First Mortgage Bonds Series 2012; Mt. Carmel/Laurel School Geo-Thermal Project		2,645,000	288,250
Notes and loans payable	Common School Loan A0474 Brookville Middle School/Brookville Elementary School		2,012,500	239,890
Notes and loans payable	Common School Loan A1765 Technology Loan		<u>7,500</u>	<u>-</u>
Total governmental activities			<u>6,035,000</u>	<u>733,265</u>
Totals			<u>\$ 6,035,000</u>	<u>\$ 733,265</u>

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

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

	Ending Balance
Governmental activities:	
Land	\$ 12,042
Buildings	38,277,007
Improvements other than buildings	855,495
Machinery, equipment, and vehicles	<u>8,066,770</u>
Total governmental activities	<u>47,211,314</u>
Total capital assets	<u>\$ 47,211,314</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

Report on Compliance for Each Major Federal Program

We have audited the Franklin County Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-002, 2016-003, 2016-004, and 2016-005 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-15	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education				
School Breakfast Program		10.553	FY2015	\$ 107,158	\$ -
School Breakfast Program			FY2016	-	112,774
Total - School Breakfast Program				107,158	112,774
National School Lunch Program					
National School Lunch Program	Indiana Department of Education				
National School Lunch Program		10.555	FY2015	516,006	-
National School Lunch Program			FY2016	-	522,829
Afterschool Snack Program			FY2016	-	793
School Lunch Commodities			FY2015	73,736	-
School Lunch Commodities			FY2016	-	68,108
Total - National School Lunch Program				589,742	591,730
Total - Child Nutrition Cluster				696,900	704,504
Team Nutrition Grants					
Smarter LunchRoom Grant	Indiana Department of Education				
		10.574	EDS # A58-5-15SS-2338	5,004	-
Total - Department of Agriculture				701,904	704,504
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education Grants to States	Indiana Department of Education				
Special Education FY2013		84.027	14213-013-PN01	49,732	-
Special Education FY2014			14214-013-PN01	520,949	1,811
Special Education FY2015			14215-013-PN01	170,576	511,990
Special Education FY2016			14216-011-PN01	-	160,120
Federal Technical Assistance Grant			99914-0-PN01	7,614	2,894
Total - Special Education Grants to States				748,871	676,815

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-15	Total Federal Awards Expended 06-30-16
Special Education Preschool Grants	Indiana Department of Education				
FY2013 Federal Part B 619		84.173	45713-013-PN01	141	-
FY2014 Federal Part B 619			45714-013-PN01	15,041	-
FY2015 Federal Part B 619			45715-013-PN01	-	1,678
FY2016 Federal Part B 619			45716-011-PN01	-	5,561
Total - Special Education Preschool Grants				<u>15,182</u>	<u>7,239</u>
Total - Special Education Cluster (IDEA)				<u>764,053</u>	<u>684,054</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education				
Title I 2013-2014		84.010	13-2475	129,784	-
Title I 2014-2015			14-2475	308,313	138,230
Title I 2015-2016			15-2475	-	284,761
Total - Title I Grants to Local Educational Agencies				<u>438,097</u>	<u>422,991</u>
Improving Teacher Quality State Grants	Indiana Department of Education				
Title II 2012-2014		84.367	12-2475	5,812	-
Title II 2013-2015			13-2475	55,845	-
Title II 2014-2016			14-2475	47,513	56,503
Title II 2015-2017			15-2475	-	44,551
Total - Improving Teacher Quality State Grants				<u>109,170</u>	<u>101,054</u>
Total - Department of Education				<u>1,311,320</u>	<u>1,208,099</u>
Total federal awards expended				<u>\$ 2,013,224</u>	<u>\$ 1,912,603</u>

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

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

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2014-001.

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

Condition

There were the following deficiencies in the internal control system of the School Corporation related to financial transactions and reporting:

1. Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to cash and investments and receipts. The School Corporation did not provide evidence of a review or approval process to ensure that material misstatements would have been prevented, or detected and corrected, in a timely manner.
2. Monitoring of Controls: The School Corporation had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting required the School Corporation to monitor and assess the quality of the system of internal control.

Context

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

Criteria

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

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

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

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

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

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

Cause

Management of the School Corporation had not established a proper system of internal control over cash and investments and receipts.

Effect

The failure to establish controls could have enabled misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, misstatements in a timely manner.

Recommendation

We recommended that the School Corporation establish a system of internal controls related to financial transactions and reporting: cash and investments and receipts.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Child Nutrition Cluster - Cash Management, Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015, FY 2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Cash Management, Eligibility, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)
Audit Finding: Material Weakness

Repeat Finding

This is a repeat from the immediately prior audit. The prior audit finding number was 2014-003.

Condition

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

Cash Management

The School Corporation had not designed or implemented adequate policies or procedures to monitor the net cash resources of the School Lunch fund to ensure that the amount did not exceed the average expenditures for three months.

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

Eligibility

The School Corporation had not designed or implemented adequate policies or procedures to ensure that free and reduced price meal applications were accurately evaluated for eligibility. The eligibility determination was made by one employee, who was also responsible for entering the information into the food service software. The applications were provided to the Food Service Director for review, however, that review was not documented.

Reporting

The School Corporation had not designed or implemented adequate policies or procedures to ensure that all required reports were accurately prepared and submitted. The Food Service Director prepared and submitted the School Food Authority (SFA) Verification Collection Report without proper oversight or review.

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

The School Corporation had not designed or implemented adequate policies or procedures to ensure the verifications were performed and determinations were made accurately. The Food Service Director performed the verifications of free and reduced price meal applications and made the determination of whether or not a change in eligibility was necessary without proper oversight or review.

Context

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

Criteria

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

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

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

The School Corporation had not developed a system of internal controls that would have segregated key functions related to the Cash Management, Eligibility, Reporting, and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2016-003

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers (or Other Identifying Numbers): FY2015, FY2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition

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

Semi-Annual Certifications were not completed for employees that worked solely on the Child Nutrition programs.

Context

There were no Semi-Annual Certifications completed during the first 15 months 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. . . ."

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

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

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

Cause

The School Corporation's management had not developed a system of internal controls that would have prevented, or detected and corrected, material noncompliance.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2016-004

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

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-013-PN01, 14214-013-PN01,
99914-0-PN01, 14215-013-PN01,
45713-013-PN01, 45714-013-PN01,
45715-013-PN01, 14216-011-PN01,
45716-011-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2014-004.

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

Condition

Management of the School Corporation had not established an effective internal control system related to the Allowable Costs/Cost Principles compliance requirement.

The School Corporation designated a fiscal agent to receive and manage the special education programs. There was no segregation of duties, such as oversight, review, or approval process by management or the fiscal agent to ensure payroll expenditures were for allowable costs.

Context

The lack of controls was a systemic problem. There were no documented internal controls for the compliance requirement during the audit period.

Criteria

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

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

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

The School Corporation had not developed a system of internal controls that segregated key functions.

Effect

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

Questioned Costs

There were no questioned costs identified.

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

Recommendation

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

Views of Responsible Officials

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

FINDING 2016-005

Subject: Title I Grants to Local Educational Agencies - Internal Controls

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): 13-2475, 14-2475, 15-2475

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Eligibility, Reporting, Special Tests and Provisions- Annual Report Card, High School Graduation Rate, Special Tests and Provisions - Comparability, Special Tests and Provisions - Assessment System Security

Audit Finding: Material Weakness

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the following compliance requirements: Eligibility, Reporting, Special Tests and Provisions - Annual Report Card-High School Graduation Rate, Special Tests and Provisions - Comparability, and Special Tests and Provisions - Assessment System Security.

Eligibility

The School Corporation prepared and submitted Real Time Report information used to determine eligibility. There was no control in place to ensure the Real Time Reports were accurate prior to submission.

Reporting

The Treasurer prepared the Final Expenditure reports. There was no documentation of a review or oversight process to ensure the reports were accurate.

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

The Educational Technology Coordinator was responsible for removing students from the cohort. There was no documentation of an oversight or review process in place to ensure compliance with the Annual Report Card, High School Graduation Rate compliance requirements.

Special Tests and Provisions - Comparability

The Title I Director prepared the comparability report. There was no documentation of a review or oversight process to ensure the reports were accurate.

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

Special Tests and Provisions - Assessment System Security

The Title I Director was primarily responsible for monitoring compliance with Assessment System Security requirements. There was no documentation of an oversight or review process.

Context

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

Criteria

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

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

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

The School Corporation had not developed a system of internal controls that segregated key functions.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

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 2014-003

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: *Indiana Department of Education*

Contact Person Responsible for Corrective Action: *Sharon Pohlman, Treasurer*

Contact Phone Number: (765) 647-4128

Status of Audit Finding:

Since the last audit, the following steps are in place:

1. Cash Management:
 - a. The Director of Food Service reviews the School Lunch account on a monthly basis.
 - b. In the event of a balance of more than three months, the Director of Food Service will contact the Corporation Treasurer and the Superintendent with this information.
 - c. There will be a concerted effort to replace out dated Food Service equipment with the balance instead of using Capital Project Funds.
2. Eligibility
 - a. Free and Reduced applications are received and reviewed by the cashier/secretary at each school building.
 - b. The applications are sent to the Director of Food Service to review and approve to ensure that the eligibility determination is correct for each applicant.
3. Reporting
 - a. The claims for reimbursements, annual financial reports, and verification reports are completed and submitted by the Director of Food Service.
 - b. The monthly reimbursement claims, annual financial reports, and verification records are reviewed by the School Treasurer to ensure that the reports are correct. If there are discrepancies, the Director of Food Service will correct and edit the previous submission. The edited submission will be reviewed again by the School Treasurer.
4. Program Income – to be completed at the beginning of each school year
 - a. At the beginning of each school year, the School Board approves the meal prices.
 - b. The Cafeteria Managers review and ensure that the correct prices are being charged, and they sign off attesting to that fact. The Cafeteria Managers then submit the documentation to the Director of Food Service.
 - c. The Director of Food Service reviews and signs each building's price implementation and charges documentation. The Director of Food Service keeps this information on file.
5. Special Provisions – to be completed each December
 - a. The Food Service verifies all free and reduced applications.
 - b. The Verification Summary Report is submitted to the School Treasurer to ensure that the verification process was properly completed.

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: *Indiana Department of Education*

Contact Person Responsible for Corrective Action: *Sharon Pohlman, Treasurer*

Contact Phone Number: (765) 647-4128

Status of Audit Finding:

After the last audit, the following steps are in place:

1. The Union County/College Corner Joint School District's Corporation Treasurer will review and sign off on payroll for the East Central Indiana Special Services' employees. The Board of the East Central Indiana Special Services will review all payroll information.
2. The Union County/College Corner Joint School District's Corporation Treasurer will also provide the payroll information to the Union County/College Corner Joint School District's Board by adding it to the claims docket. The Union County/College Corner Joint School District's Board will review, approve, and sign all claims dockets.
3. The Franklin County Community School Corporation's Treasurer will complete the annual Maintenance of Effort regarding FCCSC's financial information.
4. The Franklin County Community School Corporation's Treasurer and Superintendent will sign the Assurance Plan as a Condition of Federal Assistance to verify that the information provided in the Maintenance of Effort is correct, and that all procedures, policies and programs are in compliance with State and Federal guidelines.

FINDING 2014-005

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: *Indiana Department of Education*

Contact Person Responsible for Corrective Action: *Sharon Pohlman, Treasurer*

Contact Phone Number: (765) 647-4128

Status of Audit Finding:

After the last audit, the following steps are in place:

1. The Director of Food Service prepares the Paid Lunch Equity and calculates the lunch price increase requirement and non-Federal source contributions to meet the Healthy, Hunger-Free Kids Act of 2010. The Paid Lunch Equity calculation is completed annually.
 - a. The Director of Food Services uses the total number of paid lunches claimed for the month of October of the previous year, at each school building. The Director of Food Service then determines the average price of paid lunches.
 - b. The Director of Food Service calculates and compares the state reimbursement difference to the paid lunch prices.
 - c. These are reviewed by the Director of Food Service and the School Treasurer, and kept on record.
2. These steps are used to determine the upcoming school year's lunch prices. These are approved by the school board. The cafeteria Cashiers, Managers, and the Director of Food Service ensure they are implemented at each school.

Sharon A. Pohlman
(Signature)

Treasurer
(Title)

April 26, 2018
(Date)

Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent



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CORRECTIVE ACTION PLAN

FINDING 2016-001 Internal Controls Over Financial Transactions and Reporting

Contact Person Responsible for Corrective Action: Sharon A. Pohlman
Contact Phone Number: 765-647-4128

Description of Corrective Action Plan:

1. The Treasurer will deposit funds into the appropriate bank.
2. The Accounts Payable/Purchasing Coordinator will enter all incoming checks, cash, processed ACH transactions, and direct deposits into the business system.
3. The Payroll/Benefits Coordinator will link the deposits to the business system bank to complete the posting process of all transactions.
4. The Treasurer will reconcile the bank(s) at the end of each month.

Anticipated Completion Date: January 12, 2016



(Signature)

Treasurer
(Title)

August 31, 2018
(Date)

CORRECTIVE ACTION PLAN

FINDING 2016-002

Cash Management, Eligibility, Reporting, and Special Tests and Provisions Verification of Free and Reduced Price Applications

Contact Person Responsible for Corrective Action: Courtney Halloran, Food Service Director
Contact Phone Number: 765-647-4128 ext 1061

Views of Responsible Official: I concur that these items findings were correct until February 9, 2016. At that time the actions below were put into place, and continue to be followed.

Description of Corrective Action Plan:

Cash Management

- a. In the event that there is more than a three-month average of expenditures in the School Lunch Account the following will take place:
 1. The Food Service Director reviews the School Lunch account on a monthly basis.
 2. The financial information is presented to FCCSC Board of School Trustees at their monthly meeting. This information includes the Food Service Department's three-month total.
 3. In the event there is a balance of more than a three-month average of expenditures, the Director of Food Services will contact the Treasurer and the Superintendent with this information.
 4. There will be a concerted effort to replace outdated Food Service equipment with this balance instead of using Capital Project Funds.

Anticipated Completion Date: February 9, 2016

Eligibility

- a. Free and Reduced applications are completed online by the parent using lunchapp.com. The parents are guided through the software step by step to ensure that it is filled out properly.
- b. The applications are then sent to the building Cashiers/Assistant Secretaries. They match the students in the software to approve or deny free/reduced benefits.
- c. The Food Service Director then checks to ensure that the applications are completed correctly.

Anticipated Completion Date: February 9, 2016

Reporting:

- a. The claims for reimbursements, annual financial reports, and verification reports are completed and submitted by the Food Service Director.

- b. The monthly reimbursement claims, annual financial reports, and verification reports are reviewed by the School Treasurer to ensure that the reports are correct. If there are discrepancies between what is submitted and what is correct, the Food Service Director edits the previous submission with the correct information. Then, the edited submission is again reviewed by the School Treasurer, and he/she signs off on the document.

Anticipated Completion Date: February 9, 2016

Program Income:

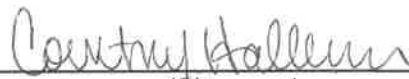
- a. After the FCCSC Board of School Trustees approves meal prices, Cafeteria Managers review and ensure that the correct prices are being charged by their school. The Cafeteria Managers will sign off on the correct prices being charged. They will then submit documentation to the Food Service Director.
- b. The Food Service Director reviews and signs each building's price implementation and charges documentation. and this is kept on file.
- c. This will take place at the beginning of each school year.

Anticipated Completion Date: February 9, 2016

Special Provisions:

- a. The Food Service Director will verify the free and reduced applications.
- b. The Verification Summary Report will be submitted to the School Treasurer to ensure that the verification process was properly completed.
- c. This will take place each December.

Anticipated Completion Date: February 9, 2016



(Signature)

Food Service Director
(Title)

August 31, 2018
(Date)

Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent



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Mr. Rick Gill, Member

CORRECTIVE ACTION PLAN

FINDING 2016-003

Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Courtney Halloran, Food Service Director
Contact Phone Number: 765-647-4128 ext 1061

Views of Responsible Official: I concur that these items findings are correct.

Description of Corrective Action Plan:

Allowable Costs/Cost Principles

The Food Service Director will work with the Payroll/Benefits Coordinator to put the following steps into place:

- a. The Cashier/Assistant Secretary of each school will keep the time worked as a Cashier in the Food Service Program separate from the time worked as an Assistant Secretary.
- b. The Cashier/Assistant Secretary will track their time on a Time and Efforts sheet. This sheet will be signed and turned into the Food Service Director to check and review. Then, it will be turned into the Payroll/Benefits Coordinator to process for payroll.
- c. The time worked as a Cashier in the Food Service Program shall include;
 1. Acting as Cashier in the cafeteria
 2. Keeping track of payments from all students and their parents.
 3. Reconciling meals and payments.
 4. Sending the weekly information to the Food Service Director for verification.
 5. Sending the correct amount for the weekly meals to the Corporation Treasurer.
 6. Tracking student eligibility and processing applications.

Anticipated Completion Date: January 1, 2016



(Signature)

Food Service Director
(Title)

August 31, 2018
(Date)

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Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent



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CORRECTIVE ACTION PLAN

FINDING 2016-004

IDEA - Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Sharon Pohlman, Treasurer
Contact Phone Number: 765-647-4128 ext 1066

Views of Responsible Official: I concur that these items findings were correct until January 1, 2016. At the time the following steps were put into place, and have been followed since then.

Description of Corrective Action Plan:

Allowable Costs/Cost Principles

The Treasurer at Union County/College Corner Special Education verifies and signs off on any payroll reports generated for Franklin County Community School Corporation's payroll that is paid by grants for which UC/CC is the LEA. The East Central Indiana Special Services Governing Board reviews and approves these expenditures at their monthly meeting.

The Treasurer at Franklin County Community School Corporation completes the annual Maintenance of Effort reports as they deal with the Special Education Grants coming through Union County/College Corner. The Superintendent of FCCSC will verify and sign an attestation before it is forwarded to the Director of East Central Indiana Special Services at Union County/College Corner Joint School District.

Anticipated Completion Date: January 1, 2016



(Signature)

Treasurer
(Title)

August 31, 2018
(Date)

Dr. Debbie Howell
Superintendent of Schools

Ms. Tammy Chavis
Assistant Superintendent



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Mr. Rick Gill, Member

CORRECTIVE ACTION PLAN

FINDING 2016-005

Eligibility, Reporting, Special Tests and Provisions-Annual Report Card, High School Graduation Rate, Special Tests and Provisions IDEA - Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Tammy Chavis, Assistant Superintendent
Contact Phone Number: 765-647-4128 ext 1066

Views of Responsible Official: I concur that these items findings are correct.

Description of Corrective Action Plan:

Reporting

The Treasurer creates a reimbursement spreadsheet and compiles the reimbursement information to be submitted in the Title I Application Center the 1st and 15th of every month. The reimbursement spreadsheet is presented to the Assistant Superintendent who reviews and signs the spreadsheet agreeing to the amount requested for reimbursement.

Anticipated Completion Date: January 1, 2016

Eligibility

In the audit findings, the Real Time Reports were referenced as a means for determining eligibility. Real Time Reports are not used to determine eligibility. The DOE-TB Report is submitted determining eligibility for curricular material assistance. Prior to submission by the Education Technology Director, he/she will submit the list of students that qualify for curricular material assistance to the building level principals. The principals will review the eligibility list and sign to verify that the students are correct. Once all lists have been verified, the Education Technology Director will submit the report.

Anticipated Completion Date: November 1, 2018

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

Prior to a student being removed from a graduation cohort, the student must sign an official withdrawal form. The appropriate withdrawal code is placed on the form. The principal verifies the form to ensure the correct withdrawal code is on the form before signing. Once the form is signed, the counselor withdraws the student using the correct withdrawal code. The Education Technology Director then completes the real time report that will remove the student from the cohort. All signed withdrawal forms are maintained at the building level.

Anticipated Completion Date: This is the current process being implemented at Franklin County High School.

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Special Tests and Provisions - Comparability Report

Prior to the submission of the Comparability Report, the Title I Coordinator will review the Title I Comparability of Services Guidance provided by the State Education Agency. All reporting LEA's have the option of using either Form B1 or Form B2. Fall counts of enrollment and staff are used for the comparability report. Once the form is complete, the Superintendent will review the form and sign to certify that the information is correct. The person completing the Comparability Report will sign, make a copy for the files and send the original to the Office of Federal Title Grant Programs.

Anticipated Completion Date: November 1, 2018

Special Tests and Provisions - Assessment System Security

The Franklin County Community School Corporation will implement a locally developed written test security policy. The policy will be developed adhering to the requirements in the Indiana Department of Education Assessment Policies, Administration, and Security Manual. The policy will be presented to the Teacher Discussion Team in September for feedback and revision. The Board of School Trustees will review the local test security policy in September and approve the policy in October with any revisions.

Anticipated Completion Date: November 1, 2018



(Signature)

Assistant Superintendent
(Title)

August 31, 2018
(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/>.