

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SCHOOL TOWN OF SPEEDWAY
MARION COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
11/16/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nancy M. Johnson	01-01-15 to 12-31-18
Superintendent of Schools	Kenneth Hull	07-01-15 to 12-31-21
President of the School Board	Laura Daghey Debra Gonzalez Dr. Terry E. Reed Luke Bickel	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SCHOOL TOWN OF SPEEDWAY, MARION COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the School Town of Speedway (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, 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 October 10, 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

October 10, 2018



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 SCHOOL TOWN OF SPEEDWAY, MARION COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the School Town of Speedway (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated October 10, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

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

Compliance and Other Matters


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

School Town of Speedway'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

October 10, 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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SCHOOL TOWN OF SPEEDWAY
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 4,586,883	\$ 11,637,202	\$ 12,058,402	\$ 22,718	\$ 4,188,401	\$ 12,601,183	\$ 12,138,500	\$ 17,084	\$ 4,668,168
Referendum Tax Levy	257,403	3,795,110	3,107,561	(198,664)	746,288	3,937,572	3,614,477	(598,076)	471,307
Debt Service	265,895	245,970	481,017	(4,529)	26,319	11,367	9,998	4,176	31,864
Capital Projects	651,164	1,920,147	1,804,178	101,030	868,163	1,913,617	1,975,505	(167,473)	638,802
School Transportation	56,334	47,160	107,789	91,812	87,517	58,022	118,919	2,938	29,558
Rainy Day	812,276	107,000	107,724	201,448	1,013,000	-	773,151	766,209	1,006,058
Construction	38,506	-	38,506	-	-	-	-	-	-
School Lunch	255,470	855,529	822,260	-	288,739	885,185	886,854	-	287,070
Textbook Rental	329,304	191,472	225,830	22,592	317,538	216,439	301,421	9,998	242,554
Self-Insurance	2,292,983	75	-	-	2,293,058	90	-	-	2,293,148
Levy Excess	234,944	-	-	(191,097)	43,847	2,938	-	(1,833)	44,952
Educational License Plates	2,647	244	-	-	2,891	188	-	-	3,079
Early Intervention Grant	-	6,935	6,919	-	16	23,440	22,756	-	700
Formative Assessment	-	22,718	-	(22,718)	-	23,025	-	(23,025)	-
Special Education Excess Costs	-	-	-	-	-	21,093	21,093	-	-
Secured Schools Safety Grant	(11,000)	45,000	34,000	-	-	22,000	22,000	-	-
Non-English Speaking Programs	-	38,349	38,349	-	-	41,817	41,817	-	-
School Technology	64,737	42,318	2,563	-	104,492	31,993	43,561	-	92,924
Career and Technical Performance Grant	-	-	-	-	-	1,123	1,123	-	-
Performance Based Awards	2,509	63,007	65,516	-	-	101,041	101,041	-	-
Medicaid ADM Claiming	-	16,574	16,574	-	-	18,194	18,194	-	-
Project Lead the Way	14,535	10,000	22,583	-	1,952	-	1,952	-	-
Health & Hospital Corp Grant	41,129	-	95	-	41,034	-	11,158	-	29,876
State High Ability Grant	-	31,995	31,995	-	-	31,630	31,630	-	-
Title I	(26,278)	484,450	471,333	-	(13,161)	432,509	437,510	-	(18,162)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(23,563)	366,946	352,559	-	(9,176)	370,359	374,383	-	(13,200)
Improving Teacher Quality, No Child Left, Title II, Part A	-	46,318	46,318	-	-	45,827	45,827	-	-
Title III - English Proficiency Migrant	(1,161)	38,160	37,698	-	(699)	42,752	42,053	-	-
Payroll Withholdings	230	3,830,325	3,796,361	-	34,194	3,999,161	4,035,352	-	(1,997)
Totals	\$ 9,844,947	\$ 23,843,004	\$ 23,676,130	\$ 22,592	\$ 10,034,413	\$ 24,832,565	\$ 25,070,275	\$ 9,998	\$ 9,806,701

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

SCHOOL TOWN OF SPEEDWAY
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.

SCHOOL TOWN OF SPEEDWAY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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.

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.

SCHOOL TOWN OF SPEEDWAY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

SCHOOL TOWN OF SPEEDWAY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

SCHOOL TOWN OF SPEEDWAY
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of timing issues with reimbursable grants.

Note 8. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses health insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding these benefits can be obtained by contacting the School Corporation.

Note 9. Fund Name

The Title III - English Proficiency Grant Migrant fund was reported in the prior report as the Title III - Language Instruction fund.

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.

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

	General	Referendum Tax Levy	Debt Service	Capital Projects	School Transportation	Rainy Day	Construction	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 4,586,883	\$ 257,403	\$ 265,895	\$ 651,164	\$ 56,334	\$ 812,276	\$ 38,506	\$ 255,470	\$ 329,304	\$ 2,292,983
Receipts:										
Local sources	155,266	3,795,110	245,970	1,907,220	47,160	-	-	266,066	113,016	75
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	11,481,936	-	-	-	-	-	-	5,361	78,456	-
Federal sources	-	-	-	-	-	-	-	584,102	-	-
Other	-	-	-	12,927	-	107,000	-	-	-	-
Total receipts	11,637,202	3,795,110	245,970	1,920,147	47,160	107,000	-	855,529	191,472	75
Disbursements:										
Current:										
Instruction	7,692,671	1,738,119	-	-	-	-	-	-	-	-
Support services	4,365,731	946,039	-	1,428,216	107,789	27,905	-	-	225,830	-
Noninstructional services	-	423,403	-	-	-	-	-	822,260	-	-
Facilities acquisition and construction	-	-	-	375,962	-	79,819	38,506	-	-	-
Debt services	-	-	481,017	-	-	-	-	-	-	-
Total disbursements	12,058,402	3,107,561	481,017	1,804,178	107,789	107,724	38,506	822,260	225,830	-
Excess (deficiency) of receipts over disbursements	(421,200)	687,549	(235,047)	115,969	(60,629)	(724)	(38,506)	33,269	(34,358)	75
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	22,592	-
Transfers in	22,718	42,102	-	101,030	91,812	201,448	-	-	-	-
Transfers out	-	(240,766)	(4,529)	-	-	-	-	-	-	-
Total other financing sources (uses)	22,718	(198,664)	(4,529)	101,030	91,812	201,448	-	-	22,592	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(398,482)	488,885	(239,576)	216,999	31,183	200,724	(38,506)	33,269	(11,766)	75
Cash and investments - ending	\$ 4,188,401	\$ 746,288	\$ 26,319	\$ 868,163	\$ 87,517	\$ 1,013,000	\$ -	\$ 288,739	\$ 317,538	\$ 2,293,058

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

	Levy Excess	Educational License Plates	Early Intervention Grant	Formative Assessment	Special Education Excess Costs	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Performance Based Awards
Cash and investments - beginning	\$ 234,944	\$ 2,647	\$ -	\$ -	\$ -	\$ (11,000)	\$ -	\$ 64,737	\$ -	\$ 2,509
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	244	-	-	-	-	-	-	-	-
State sources	-	-	6,935	22,718	-	45,000	38,349	42,318	-	63,007
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	244	6,935	22,718	-	45,000	38,349	42,318	-	63,007
Disbursements:										
Current:										
Instruction	-	-	6,919	-	-	-	-	-	-	65,516
Support services	-	-	-	-	-	34,000	38,349	2,563	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	6,919	-	-	34,000	38,349	2,563	-	65,516
Excess (deficiency) of receipts over disbursements	-	244	16	22,718	-	11,000	-	39,755	-	(2,509)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	43,847	-	-	-	-	-	-	-	-	-
Transfers out	(234,944)	-	-	(22,718)	-	-	-	-	-	-
Total other financing sources (uses)	(191,097)	-	-	(22,718)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(191,097)	244	16	-	-	11,000	-	39,755	-	(2,509)
Cash and investments - ending	\$ 43,847	\$ 2,891	\$ 16	\$ -	\$ -	\$ -	\$ -	\$ 104,492	\$ -	\$ -

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

	Medicaid ADM Claiming	Project Lead the Way	Health & Hospital Corp Grant	State High Ability Grant	Title I	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - English Proficiency Migrant	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ 14,535	\$ 41,129	\$ -	\$ (26,278)	\$ (23,563)	\$ -	\$ (1,161)	\$ 230	\$ 9,844,947
Receipts:										
Local sources	16,574	10,000	-	-	-	-	-	-	3,830,325	10,386,782
Intermediate sources	-	-	-	-	-	-	-	-	-	244
State sources	-	-	-	31,995	-	-	-	-	-	11,816,075
Federal sources	-	-	-	-	484,450	366,946	46,318	38,160	-	1,519,976
Other	-	-	-	-	-	-	-	-	-	119,927
Total receipts	16,574	10,000	-	31,995	484,450	366,946	46,318	38,160	3,830,325	23,843,004
Disbursements:										
Current:										
Instruction	-	22,583	-	31,995	179,103	352,559	42,585	-	3,796,361	13,928,411
Support services	16,574	-	95	-	291,537	-	3,733	37,698	-	7,526,059
Noninstructional services	-	-	-	-	693	-	-	-	-	1,246,356
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	494,287
Debt services	-	-	-	-	-	-	-	-	-	481,017
Total disbursements	16,574	22,583	95	31,995	471,333	352,559	46,318	37,698	3,796,361	23,676,130
Excess (deficiency) of receipts over disbursements	-	(12,583)	(95)	-	13,117	14,387	-	462	33,964	166,874
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	22,592
Transfers in	-	-	-	-	-	-	-	-	-	502,957
Transfers out	-	-	-	-	-	-	-	-	-	(502,957)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	22,592
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(12,583)	(95)	-	13,117	14,387	-	462	33,964	189,466
Cash and investments - ending	\$ -	\$ 1,952	\$ 41,034	\$ -	\$ (13,161)	\$ (9,176)	\$ -	\$ (699)	\$ 34,194	\$ 10,034,413

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

	General	Referendum Tax Levy	Debt Service	Capital Projects	School Transportation	Rainy Day	Construction	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 4,188,401	\$ 746,288	\$ 26,319	\$ 868,163	\$ 87,517	\$ 1,013,000	\$ -	\$ 288,739	\$ 317,538	\$ 2,293,058
Receipts:										
Local sources	375,427	3,937,372	11,367	1,913,617	58,022	-	-	262,588	133,676	90
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	12,225,585	-	-	-	-	-	-	5,216	82,763	-
Federal sources	-	-	-	-	-	-	-	617,381	-	-
Other	171	200	-	-	-	-	-	-	-	-
Total receipts	<u>12,601,183</u>	<u>3,937,572</u>	<u>11,367</u>	<u>1,913,617</u>	<u>58,022</u>	<u>-</u>	<u>-</u>	<u>885,185</u>	<u>216,439</u>	<u>90</u>
Disbursements:										
Current:										
Instruction	7,628,646	2,155,329	-	-	-	-	-	-	-	-
Support services	4,509,854	1,043,532	-	1,318,760	118,919	29,455	-	-	301,421	-
Noninstructional services	-	415,616	-	-	-	-	-	886,854	-	-
Facilities acquisition and construction	-	-	-	656,745	-	743,696	-	-	-	-
Debt services	-	-	9,998	-	-	-	-	-	-	-
Total disbursements	<u>12,138,500</u>	<u>3,614,477</u>	<u>9,998</u>	<u>1,975,505</u>	<u>118,919</u>	<u>773,151</u>	<u>-</u>	<u>886,854</u>	<u>301,421</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>462,683</u>	<u>323,095</u>	<u>1,369</u>	<u>(61,888)</u>	<u>(60,897)</u>	<u>(773,151)</u>	<u>-</u>	<u>(1,669)</u>	<u>(84,982)</u>	<u>90</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	9,998	-
Transfers in	17,084	39,318	4,529	5,941	2,938	766,209	-	-	-	-
Transfers out	-	(637,394)	(353)	(173,414)	-	-	-	-	-	-
Total other financing sources (uses)	<u>17,084</u>	<u>(598,076)</u>	<u>4,176</u>	<u>(167,473)</u>	<u>2,938</u>	<u>766,209</u>	<u>-</u>	<u>-</u>	<u>9,998</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>479,767</u>	<u>(274,981)</u>	<u>5,545</u>	<u>(229,361)</u>	<u>(57,959)</u>	<u>(6,942)</u>	<u>-</u>	<u>(1,669)</u>	<u>(74,984)</u>	<u>90</u>
Cash and investments - ending	\$ <u>4,668,168</u>	\$ <u>471,307</u>	\$ <u>31,864</u>	\$ <u>638,802</u>	\$ <u>29,558</u>	\$ <u>1,006,058</u>	\$ <u>-</u>	\$ <u>287,070</u>	\$ <u>242,554</u>	\$ <u>2,293,148</u>

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

	Levy Excess	Educational License Plates	Early Intervention Grant	Formative Assessment	Special Education Excess Costs	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Performance Based Awards
Cash and investments - beginning	\$ 43,847	\$ 2,891	\$ 16	\$ -	\$ -	\$ -	\$ -	\$ 104,492	\$ -	\$ -
Receipts:										
Local sources	2,938	-	-	-	-	-	-	-	-	-
Intermediate sources	-	188	-	-	-	-	-	-	-	-
State sources	-	-	23,440	23,025	21,093	22,000	41,817	31,993	1,123	101,041
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	2,938	188	23,440	23,025	21,093	22,000	41,817	31,993	1,123	101,041
Disbursements:										
Current:										
Instruction	-	-	22,756	-	21,093	-	-	-	1,123	101,041
Support services	-	-	-	-	-	22,000	41,817	43,561	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	22,756	-	21,093	22,000	41,817	43,561	1,123	101,041
Excess (deficiency) of receipts over disbursements	2,938	188	684	23,025	-	-	-	(11,568)	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	44,952	-	-	-	-	-	-	-	-	-
Transfers out	(46,785)	-	-	(23,025)	-	-	-	-	-	-
Total other financing sources (uses)	(1,833)	-	-	(23,025)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,105	188	684	-	-	-	-	(11,568)	-	-
Cash and investments - ending	\$ 44,952	\$ 3,079	\$ 700	\$ -	\$ -	\$ -	\$ -	\$ 92,924	\$ -	\$ -

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

	Medicaid ADM Claiming	Project Lead the Way	Health & Hospital Corp Grant	State High Ability Grant	Title I	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - English Proficiency Migrant	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ 1,952	\$ 41,034	\$ -	\$ (13,161)	\$ (9,176)	\$ -	\$ (699)	\$ 34,194	\$ 10,034,413
Receipts:										
Local sources	18,194	-	-	-	-	-	-	-	3,999,161	10,712,452
Intermediate sources	-	-	-	-	-	-	-	-	-	188
State sources	-	-	-	31,630	-	-	-	-	-	12,610,726
Federal sources	-	-	-	-	432,509	370,359	45,827	42,752	-	1,508,828
Other	-	-	-	-	-	-	-	-	-	371
Total receipts	18,194	-	-	31,630	432,509	370,359	45,827	42,752	3,999,161	24,832,565
Disbursements:										
Current:										
Instruction	-	1,952	-	31,630	131,742	374,383	42,063	-	4,035,352	14,547,110
Support services	18,194	-	11,158	-	298,071	-	3,764	42,053	-	7,802,559
Noninstructional services	-	-	-	-	7,697	-	-	-	-	1,310,167
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,400,441
Debt services	-	-	-	-	-	-	-	-	-	9,998
Total disbursements	18,194	1,952	11,158	31,630	437,510	374,383	45,827	42,053	4,035,352	25,070,275
Excess (deficiency) of receipts over disbursements	-	(1,952)	(11,158)	-	(5,001)	(4,024)	-	699	(36,191)	(237,710)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	9,998
Transfers in	-	-	-	-	-	-	-	-	-	880,971
Transfers out	-	-	-	-	-	-	-	-	-	(880,971)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	9,998
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,952)	(11,158)	-	(5,001)	(4,024)	-	699	(36,191)	(227,712)
Cash and investments - ending	\$ -	\$ -	\$ 29,876	\$ -	\$ (18,162)	\$ (13,200)	\$ -	\$ -	\$ (1,997)	\$ 9,806,701

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 658,599</u>	<u>\$ 39,605</u>

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF CAPITAL ASSETS
June 30, 2017

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

	<u>Ending Balance</u>
Governmental activities:	
Buildings	\$ 60,860,449
Improvements other than buildings	1,290,135
Machinery, equipment, and vehicles	<u>942,613</u>
Total governmental activities	<u>63,093,197</u>
Total capital assets	<u><u>\$ 63,093,197</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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 SCHOOL TOWN OF SPEEDWAY, MARION COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the School Town of Speedway's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

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 the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003, 2017-004, and 2017-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

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

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.

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

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

October 10, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program							
	Indiana Department of Education	10.553	FY 2016	\$ -	\$ 102,481	\$ -	\$ -
		10.553	FY 2017	-	-	-	107,196
Total - School Breakfast Program				-	102,481	-	107,196
National School Lunch Program							
	Indiana Department of Education	10.555	FY 2016	-	473,481	-	-
		10.555	FY 2017	-	-	-	503,519
		10.555	FY 2016, FY 2017	-	48,210	-	62,677
Total - National School Lunch Program				-	521,691	-	566,196
Summer Food Service Program for Children							
	Indiana Department of Education	10.559	FY 2016	-	8,140	-	-
		10.559	FY 2017	-	-	-	6,666
Total - Summer Food Service Program for Children				-	8,140	-	6,666
Total - Child Nutrition Cluster				-	632,312	-	680,058
Total - Department of Agriculture				-	632,312	-	680,058
<u>Department of Education</u>							
Title I Grants to Local Educational Agencies							
	Indiana Department of Education	84.010	15-5400	-	75,135	-	-
		84.010	16-5400	-	409,315	-	49,372
		84.010	17-5400	-	-	-	383,137
Total - Title I Grants to Local Educational Agencies				-	484,450	-	432,509
Special Education Cluster (IDEA)							
Special Education Grants to States							
	Indiana Department of Education	84.027	14215-151-PN01	-	100,110	-	-
		84.027	14216-120-PN01	-	261,263	-	92,457
		84.027	14217-120-PN01	-	-	-	271,745
Total - Special Education Grants to States				-	361,373	-	364,202

SCHOOL TOWN OF SPEEDWAY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Special Education Preschool Grants	Indiana Department of Education						
Special Educ Preschool 619		84.173	45716-120-PN01	-	5,573	-	-
Special Educ Preschool 619		84.173	45717-120-PN01	-	-	-	6,157
Total - Special Education Preschool Grants				-	5,573	-	6,157
Total - Special Education Cluster				-	366,946	-	370,359
English Language Acquisition State Grants	Indiana Department of Education						
Title III - FY15		84.365	01115-073-PN01	-	1,160	-	-
Title III - FY16		84.365	01116-074-PN01	-	36,999	-	699
Title III - FY17		84.365	01117-071-PN01	-	-	-	42,053
Total - English Language Acquisition State Grants				-	38,159	-	42,752
Supporting Effective Instruction State Grants	Indiana Department of Education						
Title II Part A		84.367	S367A150015	-	46,318	-	-
Title II Part A		84.367	S367A160013	-	-	-	45,827
Total - Supporting Effective Instruction State Grants				-	46,318	-	45,827
Total - Department of Education				-	935,873	-	891,447
Total federal awards expended				\$ -	\$ 1,568,185	\$ -	\$ 1,571,505

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

SCHOOL TOWN OF SPEEDWAY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

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

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

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

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

Section II - Financial Statement Findings

FINDING 2017-001

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

Repeat Finding

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

Condition

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

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's SEFA. The Treasurer prepared the federal award information entered into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

Context

The SEFA contained the following errors:

1. Expenditures for the Child Nutrition Cluster in the amount of \$632,312 and \$680,058 were omitted from the SEFA for the years ended June 30, 2016, and June 30, 2017, respectively.
2. Program names, pass-through entities, identifying numbers, and CFDA numbers were not always accurate.

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

Criteria

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

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

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

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

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

2 CFR 200.510(b) states:

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

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Cause

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

Effect

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

Recommendation

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

Views of Responsible Officials

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

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-002

Subject: Title I Grants to Local Educational Agencies - Reporting
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers (or Other Identifying Numbers): 15-5400, 16-5400, 17-5400
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

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

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement. Annual Expenditure Reports were prepared by one individual without an oversight, review, and approval process.

Context

The lack of controls was a system issue, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed an effective internal control system that would have ensured compliance with the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-003

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

Repeat Finding

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

Condition

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

The School Corporation had not established controls to verify if cash resources exceeded three months average expenditures, including an oversight, review, or approval process.

Context

The lack of controls and noncompliance was a systemic issue, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

7 CFR 220.7(e) states in part:

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

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

Cause

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

Effect

The failure to establish controls placed the School Corporation in noncompliance with the grant agreement and the Cash Management compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2017-004

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

Condition

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

The School Corporation had not designed or implemented adequate controls to ensure program income was correctly recorded. There were no comparisons or reviews of total daily, weekly, or monthly program income from meals served reports to ensure only income for meals served was recorded as program income. No point-of-sale reports were presented for audit which had accurately reflected the charged price per paid lunch.

The School Corporation allowed individuals to prepay for food service. These prepayments were recorded monthly as program income rather than using actual meals served as the basis of program income.

Context

The lack of controls and noncompliance were system issue, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.14(c) states:

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

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

7 CFR 220.7(e) states in part:

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

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

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Administrator and Uniform Compliance Guidelines, September 2015)

Cause

Management had not developed a system of internal control that would have ensured compliance with the Program Income compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2017-005

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

Condition

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

The School Corporation did not require that an adequate number of quotes or bids be obtained for small purchases with estimated costs above \$3,500. Seven procurements of like-kind items examined, which exceeded \$3,500 annually, were made without an adequate number of price or rate quotations being obtained.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . ."

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-006

Subject: Child Nutrition Cluster - Reporting, 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 (or Other Identifying Numbers): FY 2016, FY 2017

Pass-Through Entity: Indiana Department of Education

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

Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement and Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirements.

Verification Summary Reports were prepared by one individual without an oversight, review, or approval process.

Verification of free and reduced price applications were performed by one individual without an oversight, review, or approval process for all verifications performed.

SCHOOL TOWN OF SPEEDWAY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls was a system issue, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not established a system of internal controls that would have ensured compliance with the grant agreement and the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirements.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and to comply with both the grant agreement, the Reporting compliance requirement, and the Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirement.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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

SPEEDWAY PUBLIC SCHOOLS

5335 West 25th Street
SPEEDWAY, IN 46224

BOARD OF TRUSTEES

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Vice President

MR. THOMAS M. SMITH
Secretary

MRS. DEBRA L. GONZALES
Member

MR. WILLIAM B. HARTING
Member

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Superintendent
of Schools

KYLE N. TREBLEY
Assistant
Superintendent

JOHN W. DIZNEY
Assistant
Superintendent

LUCAS W. ZARTMAN
Principal
Howard J. Lacy II
Speedway High School

RICK C. ROSEBROUGH
Principal
Speedway Junior
High School

M. ELIZABETH SNAPP
Principal
Carl G. Fisher
Elementary School

LANCE E. SCHNAUS
Principal
Arthur C. Newby
Elementary School

JAY L. BEDWELL
Principal
James A. Allison
Elementary School

BRENDA L. WOLFE
Principal
Frank H. Wheeler
Elementary School

ANDREA L. McINTOSH
Director of Exceptional
Learners
Carl G. Fisher
Elementary School

TRENTON S. BOROM
Director of Student
Services
Howard J. Lacy II
Speedway High School

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A
Contact Person Responsible for Corrective Action: Nancy Johnson
Contact Phone Number: (317) 244-0236

Status of Audit Finding: Speedway Schools will include all funds in the preparation of the SEFA and the program names will be updated. The expected implementation will be effective with the 2019 AFR.



(Signature)

Corporation Treasurer

(Title)

September 6, 2018

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

SPEEDWAY PUBLIC SCHOOLS

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Member

MR. WILLIAM B. HARTING
Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-002

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana
Department of Education
Contact Person Responsible for Corrective Action: Nancy Johnson
Contact Phone Number: (317) 244-0236

ADMINISTRATION

KENNETH E. HULL
Superintendent
of Schools

KYLE N. TREBLEY
Assistant
Superintendent

JOHN W. DIZNEY
Assistant
Superintendent

LUCAS W. ZARTMAN
Principal
Howard J. Lacy II
Speedway High School

Status of Audit Finding: Speedway Schools will have either have Andrea McIntosh, Director of Exceptional Learners or Kenneth E. Hull, Superintendent of Schools, approve Federal Grant Final Expenditure Reports prior to submission. Implementation was effective with the July 31, 2018 Title I Expenditure Report.

RICK C. ROSEBROUGH
Principal
Speedway Junior
High School

M. ELIZABETH SNAPP
Principal
Carl G. Fisher
Elementary School

LANCE E. SCHNAUS
Principal
Arthur C. Newby
Elementary School

JAY L. BEDWELL
Principal
James A. Allison
Elementary School

BRENDA L. WOLFE
Principal
Frank H. Wheeler
Elementary School

ANDREA L. McINTOSH
Director of Exceptional
Learners
Carl G. Fisher
Elementary School

TRENTON S. BOROM
Director of Student
Services
Howard J. Lacy II
Speedway High School



(Signature)

Corporation Treasurer

(Title)

September 6, 2018

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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Member

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-003

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana
Department of Education
Contact Person Responsible for Corrective Action: Kenneth E. Hull
Contact Phone Number: (317) 244-0236

Status of Audit Finding: Speedway Schools will limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved with 210.19(a). Implementation was effective August 17, 2017.

ADMINISTRATION

KENNETH E. HULL
Superintendent
of Schools

KYLE N. TREBLEY
Assistant
Superintendent

JOHN W. DIZNEY
Assistant
Superintendent

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Learners
Carl G. Fisher
Elementary School

TRENTON S. BOROM
Director of Student
Services
Howard J. Lacy II
Speedway High School



(Signature)

Superintendent

(Title)

September 6, 2018

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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Services
Howard J. Lacy II
Speedway High School

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-004

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana
Department of Education
Contact Person Responsible for Corrective Action: Kenneth E. Hull
Contact Phone Number: (317) 244-0236

Status of Audit Finding: Prior Audit findings were issued in February, 2014 relating to School Lunch prices. The School Corporation raised the school lunch prices effective with the 2014-15 school year to reach the State recommended level. Completed.



(Signature)

Superintendent

(Title)

September 6, 2018

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

SPEEDWAY PUBLIC SCHOOLS

5335 West 25th Street
SPEEDWAY, IN 46224

BOARD OF TRUSTEES

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Member

MR. WILLIAM B. HARTING
Member

CORRECTIVE ACTION PLAN

FINDING 2017-001 PREPARATION OF THE SEFA

Contact Person Responsible for Corrective Action: Nancy M. Johnson, Treasurer

Contact Phone Number: (317) 244-0236

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

1. Future SEFA forms will include the Child Nutrition Cluster
2. Program names will be updated

Anticipated Completion Date: Will be updated with the AFR filed for the 2018-19 School year in July, 2019

ADMINISTRATION

KENNETH E. HULL
Superintendent
of Schools

KYLE N. TREBLEY
Assistant
Superintendent

JOHN W. DIZNEY
Assistant
Superintendent

LUCAS W. ZARTMAN
Principal
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Learners
Carl G. Fisher
Elementary School

TRENTON S. BOROM
Director of Student
Services
Howard J. Lacy II
Speedway High School



(Signature)

Corporation Treasurer

(Title)

September 26, 2018

(Date)

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CORRECTIVE ACTION PLAN

FINDING 2017-002 TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES - REPORTING

Contact Person Responsible for Corrective Action: Nancy M. Johnson, Treasurer

Contact Phone Number: (317) 244-0236

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

1. Final Expenditure reports for Title I will be approved by the School Corporation Treasurer and the Director of Exceptional Learners or the Superintendent of Schools, by either signature or email.

Anticipated Completion Date: Corrective Action was completed on August 15, 2018 and Approved by IDOE on August 17, 2018. Corrective Action could not have been completed earlier than this date, as the next Title I final expenditure report was not due until July 31, 2018, and this finding was not issued until August, 2017 for the period of 2013 – 2015.

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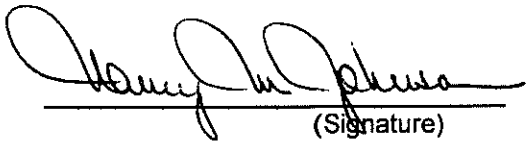
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(Signature)

Corporation Treasurer

(Title)

September 26, 2018

(Date)

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CORRECTIVE ACTION PLAN

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FINDING 2017-003 CHILD NUTRITION CLUSTER – CASH MANAGEMENT

Contact Person Responsible for Corrective Action: Kenneth E. Hull, Superintendent

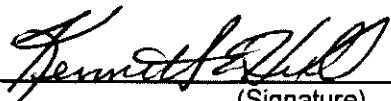
Contact Phone Number: (317) 244-0236

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

1. The School Corporation will limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved with 210.19(a)

Anticipated Completion Date: Corrective Action was completed with the 2017-18 school year. Corrective Action could not have been completed earlier than this date, as this finding was not issued until August, 2017 for the period of 2013 – 2015.



(Signature)

Superintendent

(Title)

September 26, 2018

(Date)

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Member

MR. WILLIAM B. HARTING
Member

CORRECTIVE ACTION PLAN

FINDING 2017-004 CHILD NUTRITION CLUSTER – PROGRAM INCOME

Contact Person Responsible for Corrective Action: Kenneth E. Hull, Superintendent

Contact Phone Number: (317) 244-0236

ADMINISTRATION

KENNETH E. HULL
Superintendent
of Schools

Views of Responsible Official: We concur with the finding

KYLE N. TREBLEY
Assistant
Superintendent

Description of Corrective Action Plan:

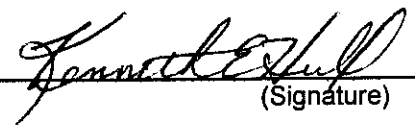
1. The School Corporation will establish Clearing Account 8400 for Prepaid School Food and transfers will be made at the end of each month.

JOHN W. DIZNEY
Assistant
Superintendent

Anticipated Completion Date: Immediately

LUCAS W. ZARTMAN
Principal
Howard J. Lacy II
Speedway High School

RICK C. ROSEBROUGH
Principal
Speedway Junior
High School



(Signature)

Superintendent

(Title)

September 26, 2018

(Date)

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MR. WILLIAM B. HARTING
Member

CORRECTIVE ACTION PLAN

FINDING 2017-005 CHILD NUTRITION CLUSTER - PROCUREMENT

ADMINISTRATION

KENNETH E. HULL
Superintendent
of Schools

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Assistant
Superintendent

JOHN W. DIZNEY
Assistant
Superintendent

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Contact Person Responsible for Corrective Action: Kenneth E. Hull, Superintendent

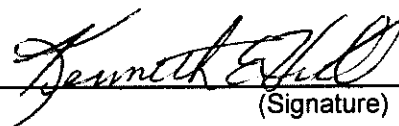
Contact Phone Number: (317) 244-0236

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

- 1. The School Corporation will follow the procurement standards for the Child Nutrition Cluster

Anticipated Completion Date: Immediately



(Signature)

Superintendent

(Title)

September 26, 2018

(Date)

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Member

CORRECTIVE ACTION PLAN

FINDING 2017-006 – REPORTING & SPECIAL TESTS & PROVISIONS: VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS

Contact Person Responsible for Corrective Action: Kenneth E. Hull

Contact Phone Number: (317) 244-0236

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

1. The School Corporation will establish effective internal controls in the Verification of Free and Reduced Price Applications

Anticipated Completion Date: Immediately

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Superintendent

JOHN W. DIZNEY
Assistant
Superintendent

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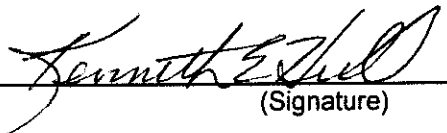
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(Signature)

Superintendent

(Title)

September 26, 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/>.