

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

FRANKLIN TOWNSHIP COMMUNITY  
SCHOOL CORPORATION  
MARION COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
11/30/2018



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
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 <i>Government Auditing Standards</i> .....	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement .....	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-43
Schedule of Leases and Debt .....	44
Schedule of Capital Assets.....	45
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance .....	48-50
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	52-53
Notes to Schedule of Expenditures of Federal Awards .....	54
Schedule of Findings and Questioned Costs .....	55-72
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	74-78
Corrective Action Plan .....	79-87
Other Reports.....	88

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Chad Blacklock	07-01-14 to 07-07-17
	Kaitlin Porter (interim)	07-08-17 to 07-31-17
	Fred McWhorter II	08-01-17 to 06-30-19
Superintendent of Schools	Dr. Flora Reichanadter	07-01-14 to 06-30-17
	Dr. Bruce Hibbard	07-01-17 to 06-30-19
President of the School Board	C. Scott Veerkamp	07-01-14 to 08-12-16
	Carlos O. Garner	08-13-16 to 12-31-16
	Scott T. Sullivan	01-01-17 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

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

***Management's Responsibility for the Financial Statement***

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

***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

***Opinion on Regulatory Basis of Accounting***

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

***Other Matters***

*Supplementary Information*

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

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated October 25, 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 25, 2018



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

TO: THE OFFICIALS OF THE FRANKLIN TOWNSHIP COMMUNITY  
SCHOOL CORPORATION, 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 Franklin Township Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated October 25, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

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

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

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

**Compliance and Other Matters**


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

**Franklin Township Community School Corporation's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

October 25, 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.

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

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 8,739,721	\$ 56,507,132	\$ 53,185,596	\$ -	\$ 12,061,257	\$ 59,824,178	\$ 57,451,847	\$ (4,000,000)	\$ 10,433,588
Debt Service	3,293,990	20,443,197	19,080,188	(610,345)	4,046,654	20,291,218	18,641,279	(1,731,229)	3,965,364
Retirement/Severance Bond Debt Service	54	628,803	677,248	110,345	61,954	633,390	614,535	(29,454)	51,355
Capital Projects	1,542,431	3,370,033	4,702,874	500,141	709,731	3,649,405	5,434,167	1,368,204	293,173
School Transportation	1,166,329	3,645,333	3,795,626	324	1,016,360	3,588,590	3,759,439	266,307	1,111,818
School Bus Replacement	842,785	333,277	655,802	-	520,260	444,428	476,320	42,909	531,277
Rainy Day	16,606,198	-	-	-	16,606,198	-	206,156	4,000,000	20,400,042
Retirement/Severance Bond	82,362	-	9,631	-	72,731	-	72,731	-	-
Construction - 2006 Bond	1,584,527	930	-	-	1,585,457	1,060	-	-	1,586,517
Construction - Freshman Academy	183	-	-	-	183	-	-	-	183
School Lunch	2,500,738	4,491,117	4,682,257	7,000	2,316,598	4,722,937	4,466,162	-	2,573,373
Textbook Rental	407,149	1,016,993	1,222,783	-	201,359	1,037,949	746,009	83,646	576,945
Repair and Replacement	179,846	-	-	-	179,846	-	-	-	179,846
Alternative Education	-	717	2,384	-	(1,667)	3,304	-	-	1,637
Early Intervention Grant	-	-	-	-	-	-	26	-	(26)
Kitley INT/ Environmental Grant	315	-	-	-	315	-	315	-	-
Police Continuing Education	2,769	1,690	-	-	4,459	3,983	3,983	-	4,459
Plummer Scholarship	11,689	44	-	-	11,733	44	-	-	11,777
McKinzie Scholarship	10,860	40	-	-	10,900	40	-	-	10,940
Southerland Scholarship	21,853	83	500	-	21,436	80	500	-	21,016
Burton Scholarship	44,112	167	500	-	43,779	165	500	-	43,444
Marion County Health Department Wellness Grant	1,379	-	617	-	762	-	476	-	286
Financial Literacy Grant	2,000	-	-	-	2,000	-	2,000	-	-
Autism Advocates of Indiana Grant	389	-	105	-	284	-	238	-	46
National City Bank Grant	181	-	181	-	-	-	-	-	-
Drug Free Marion County Grant	1,003	-	-	-	1,003	-	386	-	617
Fast Track Program Donations	12,613	8,409	11,572	-	9,450	7,550	1,216	-	15,784
Thompson Crossing Language Library	1,017	-	-	-	1,017	-	1,013	-	4
Trademark Royalty	1,856	1,533	-	-	3,389	1,914	-	-	5,303
Library Collection Development	-	-	-	-	-	-	-	-	-
Teacher of the Year Donations	345	1,000	875	-	470	1,000	1,122	-	348
Lifetouch School Picture Fund	5,202	9,000	5,194	-	9,008	18,000	1,543	-	25,465
Library Collection Dev 13/14	30	-	30	-	-	-	-	-	-
Answers for Autism Grant	2,430	-	-	-	2,430	2,009	2,430	-	2,009
State Public Health Wellness Grant	-	1,200	1,770	-	(570)	1,005	2,010	-	(1,575)
HSBT Wellness Grant	-	2,000	-	-	2,000	-	690	-	1,310
FTEF 11-22-33 Grant	-	12,000	5,321	-	6,679	-	2,633	-	4,046
Library Enhancement Grant 14/15	-	12,500	12,135	-	365	-	365	-	-
15/16 Library Collection Development	-	-	-	-	-	12,500	12,500	-	-
Southside Special Serv/ Reimbursement	(126,873)	500,497	475,325	-	(101,701)	403,752	399,835	-	(97,784)
CTECH Vending Fund	56,769	8,250	16,062	-	48,957	26,070	35,309	-	39,718
Transportation Vending Commissions	3,215	801	856	-	3,160	779	219	-	3,720
Maintenance Vending Commissions	-	185	131	-	54	224	63	-	215
Food Service/ Pepsi Commission	1,153	-	-	-	1,153	-	44	-	1,109
Formative Assessment	-	-	-	-	-	13,133	6,131	-	7,002
High Ability Grant 12/13	-	-	-	-	-	-	-	-	-

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

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
High Ability Grant 13/14	48,129	-	48,129	-	-	-	-	-	-
High Ability Grant 14/15	-	66,624	24,454	-	42,170	-	42,170	-	-
High Ability Grant 15/16	-	-	-	-	-	66,266	49,068	-	17,198
Tech Prep	-	11,507	11,347	-	160	-	-	-	160
Medicaid Reimbursement	23,849	18,951	869	-	41,931	96,193	1,743	-	136,381
Secured Schools Safety Grant	-	40,695	40,695	-	-	-	-	-	-
Non English Speaking Grant 12/13	-	-	-	-	-	-	-	-	-
Non English Speaking Grant 13/14	17,904	-	17,904	-	-	-	-	-	-
Non English Speaking Grant 14/15	-	28,307	6,651	-	21,656	-	21,656	-	-
Non English Speaking Grant 15/16	-	-	-	-	-	54,521	45,602	-	8,919
School Technology	228,969	54,476	95,314	-	188,131	69,072	101,387	-	155,816
Miscellaneous Programs	-	-	-	-	-	109,756	118,314	-	(8,558)
Education Foundation Grant/Bryant	4,396	2,547	3,714	-	3,229	1,200	3,832	-	597
2012 Dieselwise Indiana Grant	-	-	-	-	-	-	-	-	-
Title I - 12/13	-	-	-	-	-	-	-	-	-
Title I - 13/14	(65,904)	211,553	145,649	-	-	-	-	-	-
Title I - 14/15	-	768,685	839,209	-	(70,524)	236,096	165,572	-	-
Title I - 15/16	-	-	-	-	-	867,123	937,292	-	(70,169)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	-	-	-	-	-	-	-
Technology Related Assistance for Individuals With Disabilities	(29)	9,203	12,452	-	(3,278)	14,268	10,990	-	-
Medicaid Reimbursement - Federal	64,283	28,123	25,717	-	66,689	28,476	28,053	-	67,112
Title II Part A Teacher Improvement	-	-	-	-	-	-	-	-	-
Title II Part A 12/13	(11,550)	13,363	1,813	-	-	-	-	-	-
Title II Part A 13/14	(5,647)	30,862	24,374	-	841	9,303	10,144	-	-
Title II Part A 14/16	-	61,987	68,180	-	(6,193)	28,168	21,975	-	-
Title II Part A 15/17	-	-	-	-	-	51,155	57,526	-	(6,371)
Title III - 11/12	-	-	-	-	-	-	-	-	-
Title III - 12/13	(40)	13,135	13,095	-	-	-	-	-	-
Title III - 13/15	(808)	21,711	20,949	-	(46)	13,034	12,988	-	-
Title III Supplemental WIDA	-	1,119	1,119	-	-	-	-	-	-
Title III - 14/16	-	17,182	19,753	-	(2,571)	33,194	30,623	-	-
Title III - 15/17	-	-	-	-	-	20,637	23,122	-	(2,485)
PBIS Grant/Intecare/Adult&Child	-	-	-	-	-	15,000	9,592	-	5,408
Miscellaneous Clearing	-	3,719,323	3,720,523	-	(1,200)	5,532,324	5,531,482	-	(358)
Prepaid Student Meals	68,423	120,882	124,123	-	65,182	127,099	109,720	-	82,561
Payroll	161,139	12,592,839	12,595,866	-	158,112	15,017,456	14,976,148	-	199,420
Totals	\$ 37,533,734	\$ 108,830,005	\$ 106,407,462	\$ 7,465	\$ 39,963,742	\$ 117,079,048	\$ 114,653,191	\$ 383	\$ 42,389,982

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

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

**A. Reporting Entity**

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

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

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

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

**D. Receipts**

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

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

*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.

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

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

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

*E. Disbursements*

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

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

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

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

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

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

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

*F. Other Financing Sources and Uses*

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

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

*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.

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
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.

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
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.

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

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

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

**Note 8. Holding Corporations**

The School Corporation has entered into a capital lease with the Franklin Township Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the fiscal years 2015 and 2016 totaled \$19,080,188 and \$18,641,279, respectively.

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

**Note 9. Subsequent Events**

The Franklin Township Multi-School Building Corporation (Building Corporation) refunded 2007 series bonds on October 18, 2016, and issued Series 2016 Ad Valorem Property Tax First Mortgage Refunding Bonds in the amount of \$42,890,000. The capital lease between the Building Corporation and the School Corporation was amended October 1, 2016, due to the refunding bond issue.

Effective July 1, 2018, the School Corporation is no longer part of the Southside Special Service of Marion County (SSSMC), an interlocal agreement for special education services, which administered the federal Special Education Part B grant and Special Education Preschool grant. These grants are now administered through the School Corporation and no longer passed through SSSMC.

**Note 10. Other Postemployment Benefits**

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

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#### OTHER INFORMATION - UNAUDITED

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

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

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 8,739,721	\$ 3,293,990	\$ 54	\$ 1,542,431	\$ 1,166,329	\$ 842,785	\$ 16,606,198
Receipts:							
Local sources	1,533,799	20,443,197	628,803	3,248,952	3,582,967	326,677	-
State sources	54,958,894	-	-	-	56,411	-	-
Federal sources	10,674	-	-	18,750	-	-	-
Other receipts	3,765	-	-	102,331	5,955	6,600	-
Total receipts	56,507,132	20,443,197	628,803	3,370,033	3,645,333	333,277	-
Disbursements:							
Instruction	37,829,653	-	-	-	-	-	-
Support services	14,878,154	-	-	3,560,570	3,795,626	655,802	-
Noninstructional services	477,789	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,142,304	-	-	-
Debt service	-	19,080,188	677,248	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	53,185,596	19,080,188	677,248	4,702,874	3,795,626	655,802	-
Excess (deficiency) of receipts over disbursements	3,321,536	1,363,009	(48,445)	(1,332,841)	(150,293)	(322,525)	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	141	324	-	-
Transfers in	-	-	110,345	500,000	-	-	-
Transfers out	-	(610,345)	-	-	-	-	-
Total other financing sources (uses)	-	(610,345)	110,345	500,141	324	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,321,536	752,664	61,900	(832,700)	(149,969)	(322,525)	-
Cash and investments - ending	\$ 12,061,257	\$ 4,046,654	\$ 61,954	\$ 709,731	\$ 1,016,360	\$ 520,260	\$ 16,606,198

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

	Retirement/ Severance Bond	Construction - 2006 Bond	Construction - Freshman Academy	School Lunch	Textbook Rental	Repair and Replacement	Alternative Education
Cash and investments - beginning	\$ 82,362	\$ 1,584,527	\$ 183	\$ 2,500,738	\$ 407,149	\$ 179,846	\$ -
Receipts:							
Local sources	-	930	-	2,358,867	763,444	-	-
State sources	-	-	-	47,358	253,549	-	717
Federal sources	-	-	-	2,084,442	-	-	-
Other receipts	-	-	-	450	-	-	-
Total receipts	-	930	-	4,491,117	1,016,993	-	717
Disbursements:							
Instruction	9,631	-	-	-	-	-	2,384
Support services	-	-	-	3,480	1,222,783	-	-
Noninstructional services	-	-	-	4,199,655	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	479,122	-	-	-
Total disbursements	9,631	-	-	4,682,257	1,222,783	-	2,384
Excess (deficiency) of receipts over disbursements	(9,631)	930	-	(191,140)	(205,790)	-	(1,667)
Other financing sources (uses):							
Sale of capital assets	-	-	-	7,000	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	7,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,631)	930	-	(184,140)	(205,790)	-	(1,667)
Cash and investments - ending	\$ 72,731	\$ 1,585,457	\$ 183	\$ 2,316,598	\$ 201,359	\$ 179,846	\$ (1,667)

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

	Early Intervention Grant	Kitley INT/ Environmental Grant	Police Continuing Education	Plummer Scholarship	McKinzie Scholarship	Southernland Scholarship	Burton Scholarship
Cash and investments - beginning	\$ -	\$ 315	\$ 2,769	\$ 11,689	\$ 10,860	\$ 21,853	\$ 44,112
Receipts:							
Local sources	-	-	1,690	44	40	83	167
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	1,690	44	40	83	167
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	500	500
Total disbursements	-	-	-	-	-	500	500
Excess (deficiency) of receipts over disbursements	-	-	1,690	44	40	(417)	(333)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,690	44	40	(417)	(333)
Cash and investments - ending	\$ -	\$ 315	\$ 4,459	\$ 11,733	\$ 10,900	\$ 21,436	\$ 43,779

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

	Marion County Health Department Wellness Grant	Financial Literacy Grant	Autism Advocates of Indiana Grant	National City Bank Grant	Drug Free Marion County Grant	Fast Track Program Donations	Thompson Crossing Language Library
Cash and investments - beginning	\$ 1,379	\$ 2,000	\$ 389	\$ 181	\$ 1,003	\$ 12,613	\$ 1,017
Receipts:							
Local sources	-	-	-	-	-	8,409	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	8,409	-
Disbursements:							
Instruction	-	-	-	-	-	11,572	-
Support services	617	-	105	181	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	617	-	105	181	-	11,572	-
Excess (deficiency) of receipts over disbursements	(617)	-	(105)	(181)	-	(3,163)	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(617)	-	(105)	(181)	-	(3,163)	-
Cash and investments - ending	\$ 762	\$ 2,000	\$ 284	\$ -	\$ 1,003	\$ 9,450	\$ 1,017

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

	Trademark Royalty	Library Collection Development	Teacher of the Year Donations	Lifetouch School Picture Fund	Library Collection Dev 13/14	Answers for Autism Grant	State Public Health Wellness Grant
Cash and investments - beginning	\$ 1,856	\$ -	\$ 345	\$ 5,202	\$ 30	\$ 2,430	\$ -
Receipts:							
Local sources	1,533	-	1,000	9,000	-	-	1,200
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>1,533</u>	<u>-</u>	<u>1,000</u>	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	875	5,194	30	-	1,770
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>875</u>	<u>5,194</u>	<u>30</u>	<u>-</u>	<u>1,770</u>
Excess (deficiency) of receipts over disbursements	<u>1,533</u>	<u>-</u>	<u>125</u>	<u>3,806</u>	<u>(30)</u>	<u>-</u>	<u>(570)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,533</u>	<u>-</u>	<u>125</u>	<u>3,806</u>	<u>(30)</u>	<u>-</u>	<u>(570)</u>
Cash and investments - ending	<u>\$ 3,389</u>	<u>\$ -</u>	<u>\$ 470</u>	<u>\$ 9,008</u>	<u>\$ -</u>	<u>\$ 2,430</u>	<u>\$ (570)</u>

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

	HSBT Wellness Grant	FTEF 11-22-33 Grant	Library Enhancement Grant 14/15	15/16 Library Collection Development	Southside Special Serv/ Reimbursement	CTECH Vending Fund	Transportation Vending Commissions
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (126,873)	\$ 56,769	\$ 3,215
Receipts:							
Local sources	2,000	12,000	12,500	-	500,497	8,250	801
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>2,000</u>	<u>12,000</u>	<u>12,500</u>	<u>-</u>	<u>500,497</u>	<u>8,250</u>	<u>801</u>
Disbursements:							
Instruction	-	5,321	-	-	23,863	1,890	-
Support services	-	-	12,135	-	451,462	14,172	856
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>5,321</u>	<u>12,135</u>	<u>-</u>	<u>475,325</u>	<u>16,062</u>	<u>856</u>
Excess (deficiency) of receipts over disbursements	<u>2,000</u>	<u>6,679</u>	<u>365</u>	<u>-</u>	<u>25,172</u>	<u>(7,812)</u>	<u>(55)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,000</u>	<u>6,679</u>	<u>365</u>	<u>-</u>	<u>25,172</u>	<u>(7,812)</u>	<u>(55)</u>
Cash and investments - ending	<u>\$ 2,000</u>	<u>\$ 6,679</u>	<u>\$ 365</u>	<u>\$ -</u>	<u>\$ (101,701)</u>	<u>\$ 48,957</u>	<u>\$ 3,160</u>

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

	Maintenance Vending Commissions	Food Service/ Pepsi Commission	Formative Assessment	High Ability Grant 12/13	High Ability Grant 13/14	High Ability Grant 14/15	High Ability Grant 15/16
Cash and investments - beginning	\$ -	\$ 1,153	\$ -	\$ -	\$ 48,129	\$ -	\$ -
Receipts:							
Local sources	185	-	-	-	-	-	-
State sources	-	-	-	-	-	66,624	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	185	-	-	-	-	66,624	-
Disbursements:							
Instruction	-	-	-	-	48,129	24,454	-
Support services	131	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	131	-	-	-	48,129	24,454	-
Excess (deficiency) of receipts over disbursements	54	-	-	-	(48,129)	42,170	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	54	-	-	-	(48,129)	42,170	-
Cash and investments - ending	\$ 54	\$ 1,153	\$ -	\$ -	\$ -	\$ 42,170	\$ -

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

	Tech Prep	Medicaid Reimbursement	Secured Schools Safety Grant	Non English Speaking Grant 12/13	Non English Speaking Grant 13/14	Non English Speaking Grant 14/15	Non English Speaking Grant 15/16
Cash and investments - beginning	\$ -	\$ 23,849	\$ -	\$ -	\$ 17,904	\$ -	\$ -
Receipts:							
Local sources	1,000	-	-	-	-	-	-
State sources	10,507	18,951	40,695	-	-	28,307	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	11,507	18,951	40,695	-	-	28,307	-
Disbursements:							
Instruction	11,347	-	-	-	17,904	6,651	-
Support services	-	869	40,695	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	11,347	869	40,695	-	17,904	6,651	-
Excess (deficiency) of receipts over disbursements	160	18,082	-	-	(17,904)	21,656	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	160	18,082	-	-	(17,904)	21,656	-
Cash and investments - ending	\$ 160	\$ 41,931	\$ -	\$ -	\$ -	\$ 21,656	\$ -

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

	School Technology	Miscellaneous Programs	Education Foundation Grant/ Bryant	2012 Dieselwise Indiana Grant	Title I - 12/13	Title I - 13/14	Title I - 14/15
Cash and investments - beginning	\$ 228,969	\$ -	\$ 4,396	\$ -	\$ -	\$ (65,904)	\$ -
Receipts:							
Local sources	46,805	-	2,547	-	-	-	-
State sources	7,671	-	-	-	-	-	-
Federal sources	-	-	-	-	-	211,553	768,685
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>54,476</u>	<u>-</u>	<u>2,547</u>	<u>-</u>	<u>-</u>	<u>211,553</u>	<u>768,685</u>
Disbursements:							
Instruction	-	-	3,714	-	-	38,149	567,772
Support services	4,210	-	-	-	-	104,834	269,339
Noninstructional services	-	-	-	-	-	2,666	2,098
Facilities acquisition and construction	91,104	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>95,314</u>	<u>-</u>	<u>3,714</u>	<u>-</u>	<u>-</u>	<u>145,649</u>	<u>839,209</u>
Excess (deficiency) of receipts over disbursements	<u>(40,838)</u>	<u>-</u>	<u>(1,167)</u>	<u>-</u>	<u>-</u>	<u>65,904</u>	<u>(70,524)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(40,838)</u>	<u>-</u>	<u>(1,167)</u>	<u>-</u>	<u>-</u>	<u>65,904</u>	<u>(70,524)</u>
Cash and investments - ending	<u>\$ 188,131</u>	<u>\$ -</u>	<u>\$ 3,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (70,524)</u>

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

	Title I - 15/16	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Technology Related Assistance for Individuals with Disabilities	Medicaid Reimbursement - Federal	Title II Part A Teacher Improvement	Title II Part A 12/13	Title II Part A 13/14
Cash and investments - beginning	\$ -	\$ -	\$ (29)	\$ 64,283	\$ -	\$ (11,550)	\$ (5,647)
Receipts:							
Local sources	-	-	-	-	-	-	1,200
State sources	-	-	-	-	-	-	-
Federal sources	-	-	9,203	28,123	-	13,363	29,662
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	9,203	28,123	-	13,363	30,862
Disbursements:							
Instruction	-	-	12,452	-	-	-	-
Support services	-	-	-	25,717	-	1,813	24,374
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	12,452	25,717	-	1,813	24,374
Excess (deficiency) of receipts over disbursements	-	-	(3,249)	2,406	-	11,550	6,488
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(3,249)	2,406	-	11,550	6,488
Cash and investments - ending	\$ -	\$ -	\$ (3,278)	\$ 66,689	\$ -	\$ -	\$ 841

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

	Title II Part A 14/16	Title II Part A 15/17	Title III - 11/12	Title III - 12/13	Title III - 13/15	Title III Supplemental WIDA	Title III - 14/16
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (40)	\$ (808)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	61,987	-	-	13,135	21,711	1,119	17,182
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>61,987</u>	<u>-</u>	<u>-</u>	<u>13,135</u>	<u>21,711</u>	<u>1,119</u>	<u>17,182</u>
Disbursements:							
Instruction	-	-	-	13,095	20,949	1,119	19,753
Support services	68,180	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>68,180</u>	<u>-</u>	<u>-</u>	<u>13,095</u>	<u>20,949</u>	<u>1,119</u>	<u>19,753</u>
Excess (deficiency) of receipts over disbursements	<u>(6,193)</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>762</u>	<u>-</u>	<u>(2,571)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(6,193)</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>762</u>	<u>-</u>	<u>(2,571)</u>
Cash and investments - ending	<u>\$ (6,193)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46)</u>	<u>\$ -</u>	<u>\$ (2,571)</u>

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

	Title III - 15/17	PBIS Grant/ Intecare/ Adult&Child	Miscellaneous Clearing	Prepaid Student Meals	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 68,423	\$ 161,139	\$ 37,533,734
Receipts:						
Local sources	-	-	-	-	-	33,498,587
State sources	-	-	-	-	-	55,489,684
Federal sources	-	-	-	-	-	3,289,589
Other receipts	-	-	3,719,323	120,882	12,592,839	16,552,145
Total receipts	-	-	3,719,323	120,882	12,592,839	108,830,005
Disbursements:						
Instruction	-	-	-	-	-	38,669,802
Support services	-	-	-	-	-	25,143,974
Noninstructional services	-	-	-	-	-	4,682,208
Facilities acquisition and construction	-	-	-	-	-	1,233,408
Debt service	-	-	-	-	-	19,757,436
Nonprogrammed charges	-	-	3,720,523	124,123	12,595,866	16,920,634
Total disbursements	-	-	3,720,523	124,123	12,595,866	106,407,462
Excess (deficiency) of receipts over disbursements	-	-	(1,200)	(3,241)	(3,027)	2,422,543
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	7,465
Transfers in	-	-	-	-	-	610,345
Transfers out	-	-	-	-	-	(610,345)
Total other financing sources (uses)	-	-	-	-	-	7,465
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,200)	(3,241)	(3,027)	2,430,008
Cash and investments - ending	\$ -	\$ -	\$ (1,200)	\$ 65,182	\$ 158,112	\$ 39,963,742

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 12,061,257	\$ 4,046,654	\$ 61,954	\$ 709,731	\$ 1,016,360	\$ 520,260	\$ 16,606,198
Receipts:							
Local sources	1,512,811	20,291,218	633,390	3,649,405	3,515,684	444,428	-
State sources	58,308,667	-	-	-	59,764	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	2,700	-	-	-	13,142	-	-
Total receipts	59,824,178	20,291,218	633,390	3,649,405	3,588,590	444,428	-
Disbursements:							
Instruction	40,481,862	-	-	-	-	-	-
Support services	16,452,630	-	-	4,477,481	3,759,439	476,320	-
Noninstructional services	517,355	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	956,686	-	-	206,156
Debt service	-	18,641,279	614,535	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	57,451,847	18,641,279	614,535	5,434,167	3,759,439	476,320	206,156
Excess (deficiency) of receipts over disbursements	2,372,331	1,649,939	18,855	(1,784,762)	(170,849)	(31,892)	(206,156)
Other financing sources (uses):							
Sale of capital assets	-	-	-	383	-	-	-
Transfers in	-	-	-	1,450,000	266,307	42,909	4,000,000
Transfers out	(4,000,000)	(1,731,229)	(29,454)	(82,179)	-	-	-
Total other financing sources (uses)	(4,000,000)	(1,731,229)	(29,454)	1,368,204	266,307	42,909	4,000,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,627,669)	(81,290)	(10,599)	(416,558)	95,458	11,017	3,793,844
Cash and investments - ending	\$ 10,433,588	\$ 3,965,364	\$ 51,355	\$ 293,173	\$ 1,111,818	\$ 531,277	\$ 20,400,042

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

	Retirement/ Severance Bond	Construction - 2006 Bond	Construction - Freshman Academy	School Lunch	Textbook Rental	Repair and Replacement	Alternative Education
Cash and investments - beginning	\$ 72,731	\$ 1,585,457	\$ 183	\$ 2,316,598	\$ 201,359	\$ 179,846	\$ (1,667)
Receipts:							
Local sources	-	1,060	-	2,478,493	769,481	-	-
State sources	-	-	-	53,510	268,468	-	3,304
Federal sources	-	-	-	2,190,464	-	-	-
Other receipts	-	-	-	470	-	-	-
Total receipts	-	1,060	-	4,722,937	1,037,949	-	3,304
Disbursements:							
Instruction	9,631	-	-	-	-	-	-
Support services	-	-	-	4,106	746,009	-	-
Noninstructional services	-	-	-	4,206,652	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	63,100	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	255,404	-	-	-
Total disbursements	72,731	-	-	4,466,162	746,009	-	-
Excess (deficiency) of receipts over disbursements	(72,731)	1,060	-	256,775	291,940	-	3,304
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	83,646	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	83,646	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(72,731)	1,060	-	256,775	375,586	-	3,304
Cash and investments - ending	\$ -	\$ 1,586,517	\$ 183	\$ 2,573,373	\$ 576,945	\$ 179,846	\$ 1,637

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

	Early Intervention Grant	Kitley INT/ Environmental Grant	Police Continuing Education	Plummer Scholarship	McKinzie Scholarship	Southernland Scholarship	Burton Scholarship
Cash and investments - beginning	\$ -	\$ 315	\$ 4,459	\$ 11,733	\$ 10,900	\$ 21,436	\$ 43,779
Receipts:							
Local sources	-	-	3,983	44	40	80	165
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	3,983	44	40	80	165
Disbursements:							
Instruction	26	315	-	-	-	-	-
Support services	-	-	3,983	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	500	500
Total disbursements	26	315	3,983	-	-	500	500
Excess (deficiency) of receipts over disbursements	(26)	(315)	-	44	40	(420)	(335)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26)	(315)	-	44	40	(420)	(335)
Cash and investments - ending	\$ (26)	\$ -	\$ 4,459	\$ 11,777	\$ 10,940	\$ 21,016	\$ 43,444

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

	Marion County Health Department Wellness Grant	Financial Literacy Grant	Autism Advocates of Indiana Grant	National City Bank Grant	Drug Free Marion County Grant	Fast Track Program Donations	Thompson Crossing Language Library
Cash and investments - beginning	\$ 762	\$ 2,000	\$ 284	\$ -	\$ 1,003	\$ 9,450	\$ 1,017
Receipts:							
Local sources	-	-	-	-	-	7,550	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	7,550	-
Disbursements:							
Instruction	-	-	-	-	386	1,216	1,013
Support services	476	2,000	238	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	476	2,000	238	-	386	1,216	1,013
Excess (deficiency) of receipts over disbursements	(476)	(2,000)	(238)	-	(386)	6,334	(1,013)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(476)	(2,000)	(238)	-	(386)	6,334	(1,013)
Cash and investments - ending	\$ 286	\$ -	\$ 46	\$ -	\$ 617	\$ 15,784	\$ 4

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

	Trademark Royalty	Library Collection Development	Teacher of the Year Donations	Lifetouch School Picture Fund	Library Collection Dev 13/14	Answers for Autism Grant	State Public Health Wellness Grant
Cash and investments - beginning	\$ 3,389	\$ -	\$ 470	\$ 9,008	\$ -	\$ 2,430	\$ (570)
Receipts:							
Local sources	1,914	-	1,000	18,000	-	2,009	1,005
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	1,914	-	1,000	18,000	-	2,009	1,005
Disbursements:							
Instruction	-	-	-	-	-	2,430	-
Support services	-	-	1,122	1,543	-	-	2,010
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	-	1,122	1,543	-	2,430	2,010
Excess (deficiency) of receipts over disbursements	1,914	-	(122)	16,457	-	(421)	(1,005)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,914	-	(122)	16,457	-	(421)	(1,005)
Cash and investments - ending	\$ 5,303	\$ -	\$ 348	\$ 25,465	\$ -	\$ 2,009	\$ (1,575)

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

	HSBT Wellness Grant	FTEF 11-22-33 Grant	Library Enhancement Grant 14/15	15/16 Library Collection Development	Southside Special Serv/ Reimbursement	CTECH Vending Fund	Transportation Vending Commissions
Cash and investments - beginning	\$ 2,000	\$ 6,679	\$ 365	\$ -	\$ (101,701)	\$ 48,957	\$ 3,160
Receipts:							
Local sources	-	-	-	12,500	403,752	26,070	779
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	12,500	403,752	26,070	779
Disbursements:							
Instruction	-	2,633	-	-	-	1,431	-
Support services	690	-	365	12,500	399,835	33,878	219
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	690	2,633	365	12,500	399,835	35,309	219
Excess (deficiency) of receipts over disbursements	(690)	(2,633)	(365)	-	3,917	(9,239)	560
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(690)	(2,633)	(365)	-	3,917	(9,239)	560
Cash and investments - ending	\$ 1,310	\$ 4,046	\$ -	\$ -	\$ (97,784)	\$ 39,718	\$ 3,720

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

	Maintenance Vending Commissions	Food Service/ Pepsi Commission	Formative Assessment	High Ability Grant 12/13	High Ability Grant 13/14	High Ability Grant 14/15	High Ability Grant 15/16
Cash and investments - beginning	\$ 54	\$ 1,153	\$ -	\$ -	\$ -	\$ 42,170	\$ -
Receipts:							
Local sources	224	-	-	-	-	-	-
State sources	-	-	13,133	-	-	-	66,266
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	224	-	13,133	-	-	-	66,266
Disbursements:							
Instruction	-	-	-	-	-	18,257	49,068
Support services	63	44	6,131	-	-	23,913	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	63	44	6,131	-	-	42,170	49,068
Excess (deficiency) of receipts over disbursements	161	(44)	7,002	-	-	(42,170)	17,198
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	161	(44)	7,002	-	-	(42,170)	17,198
Cash and investments - ending	\$ 215	\$ 1,109	\$ 7,002	\$ -	\$ -	\$ -	\$ 17,198

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

	Tech Prep	Medicaid Reimbursement	Secured Schools Safety Grant	Non English Speaking Grant 12/13	Non English Speaking Grant 13/14	Non English Speaking Grant 14/15	Non English Speaking Grant 15/16
Cash and investments - beginning	\$ 160	\$ 41,931	\$ -	\$ -	\$ -	\$ 21,656	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	96,193	-	-	-	-	54,521
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	96,193	-	-	-	-	54,521
Disbursements:							
Instruction	-	-	-	-	-	21,283	40,649
Support services	-	1,743	-	-	-	373	-
Noninstructional services	-	-	-	-	-	-	4,953
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	1,743	-	-	-	21,656	45,602
Excess (deficiency) of receipts over disbursements	-	94,450	-	-	-	(21,656)	8,919
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	94,450	-	-	-	(21,656)	8,919
Cash and investments - ending	\$ 160	\$ 136,381	\$ -	\$ -	\$ -	\$ -	\$ 8,919

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

	School Technology	Miscellaneous Programs	Education Foundation Grant/ Bryant	2012 Dieselwise Indiana Grant	Title I - 12/13	Title I - 13/14	Title I - 14/15
Cash and investments - beginning	\$ 188,131	\$ -	\$ 3,229	\$ -	\$ -	\$ -	\$ (70,524)
Receipts:							
Local sources	60,348	109,756	1,200	-	-	-	-
State sources	8,724	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	236,096
Other receipts	-	-	-	-	-	-	-
Total receipts	69,072	109,756	1,200	-	-	-	236,096
Disbursements:							
Instruction	-	-	3,832	-	-	-	106,498
Support services	3,230	118,314	-	-	-	-	46,233
Noninstructional services	-	-	-	-	-	-	12,841
Facilities acquisition and construction	98,157	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	101,387	118,314	3,832	-	-	-	165,572
Excess (deficiency) of receipts over disbursements	(32,315)	(8,558)	(2,632)	-	-	-	70,524
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(32,315)	(8,558)	(2,632)	-	-	-	70,524
Cash and investments - ending	\$ 155,816	\$ (8,558)	\$ 597	\$ -	\$ -	\$ -	\$ -

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

	Title I - 15/16	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Technology Related Assistance for Individuals with Disabilities	Medicaid Reimbursement - Federal	Title II Part A Teacher Improvement	Title II Part A 12/13	Title II Part A 13/14
Cash and investments - beginning	\$ -	\$ -	\$ (3,278)	\$ 66,689	\$ -	\$ -	\$ 841
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	867,123	-	14,268	28,476	-	-	9,303
Other receipts	-	-	-	-	-	-	-
Total receipts	867,123	-	14,268	28,476	-	-	9,303
Disbursements:							
Instruction	613,297	-	10,990	-	-	-	-
Support services	321,801	-	-	28,053	-	-	10,144
Noninstructional services	2,194	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	937,292	-	10,990	28,053	-	-	10,144
Excess (deficiency) of receipts over disbursements	(70,169)	-	3,278	423	-	-	(841)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(70,169)	-	3,278	423	-	-	(841)
Cash and investments - ending	\$ (70,169)	\$ -	\$ -	\$ 67,112	\$ -	\$ -	\$ -

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

	Title II Part A 14/16	Title II Part A 15/17	Title III - 11/12	Title III - 12/13	Title III - 13/15	Title III Supplemental WIDA	Title III - 14/16
Cash and investments - beginning	\$ (6,193)	\$ -	\$ -	\$ -	\$ (46)	\$ -	\$ (2,571)
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	28,168	51,155	-	-	13,034	-	33,194
Other receipts	-	-	-	-	-	-	-
Total receipts	28,168	51,155	-	-	13,034	-	33,194
Disbursements:							
Instruction	-	-	-	-	12,988	-	30,623
Support services	21,975	57,526	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	21,975	57,526	-	-	12,988	-	30,623
Excess (deficiency) of receipts over disbursements	6,193	(6,371)	-	-	46	-	2,571
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,193	(6,371)	-	-	46	-	2,571
Cash and investments - ending	\$ -	\$ (6,371)	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Title III - 15/17	PBIS Grant/ Intecare/ Adult&Child	Miscellaneous Clearing	Prepaid Student Meals	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (1,200)	\$ 65,182	\$ 158,112	\$ 39,963,742
Receipts:						
Local sources	-	-	-	-	-	33,946,389
State sources	-	-	-	-	-	58,932,550
Federal sources	20,637	15,000	-	-	-	3,506,918
Other receipts	-	-	5,532,324	127,099	15,017,456	20,693,191
Total receipts	20,637	15,000	5,532,324	127,099	15,017,456	117,079,048
Disbursements:						
Instruction	23,122	9,592	-	-	-	41,441,142
Support services	-	-	-	-	-	27,014,387
Noninstructional services	-	-	-	-	-	4,743,995
Facilities acquisition and construction	-	-	-	-	-	1,260,999
Debt service	-	-	-	-	-	19,318,914
Nonprogrammed charges	-	-	5,531,482	109,720	14,976,148	20,873,754
Total disbursements	23,122	9,592	5,531,482	109,720	14,976,148	114,653,191
Excess (deficiency) of receipts over disbursements	(2,485)	5,408	842	17,379	41,308	2,425,857
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	383
Transfers in	-	-	-	-	-	5,842,862
Transfers out	-	-	-	-	-	(5,842,862)
Total other financing sources (uses)	-	-	-	-	-	383
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,485)	5,408	842	17,379	41,308	2,426,240
Cash and investments - ending	\$ (2,485)	\$ 5,408	\$ (358)	\$ 82,561	\$ 199,420	\$ 42,389,982

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Franklin Township Multi-School Building Corporation	2015 B Series Bond Issue	\$ 1,602,675	07/15/15	07/15/27
Franklin Township Multi-School Building Corporation	2007 Bond Issue	5,471,500	07/15/07	01/15/29
Franklin Township Multi-School Building Corporation	2011 Bond Issue	7,114,050	07/10/11	01/10/22
Franklin Township Multi-School Building Corporation	2007 Bond Issue - Central Nine Career Center	140,093	01/15/08	07/15/18
Franklin Township Multi-School Building Corporation	2009 Bond Issue - Central Nine Career Center	132,703	01/15/10	07/15/20
Franklin Township Multi-School Building Corporation	2012 A Series Bond Issue	1,056,613	12/31/12	12/31/36
Franklin Township Multi-School Building Corporation	2012 B Series Bond Issue	2,650,000	12/31/12	12/21/34
Franklin Township Multi-School Building Corporation	2015 A Series Bond Issue	<u>445,175</u>	07/15/15	01/15/26
Total governmental activities		<u>18,612,809</u>		
Total of annual lease payments		<u>\$ 18,612,809</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Retirement/Severance Bonds	\$ 1,294,590	\$ 680,673
Totals		<u>\$ 1,294,590</u>	<u>\$ 680,673</u>

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

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 7,752,563
Buildings	280,304,913
Improvements other than buildings	2,878,451
Machinery, equipment, and vehicles	<u>11,517,701</u>
Total governmental activities	<u>302,453,628</u>
Total capital assets	<u><u>\$ 302,453,628</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

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

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

As described in item 2016-005 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/Cost Principles that are applicable to the Title I Grants to Local Educational Agencies program. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

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

As described in item 2016-007 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/Cost Principles that are applicable to the Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

As described in items 2016-008 and 2016-009 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Special Education Cluster (IDEA) regarding Cash Management, Reporting, and Period of Performance. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

***Basis for Qualified Opinion on Child Nutrition Cluster***

As described in item 2016-002 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

***Qualified Opinion on Title I Grants to Local Educational Agencies***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Title I Grants to Local Educational Agencies program for the period of July 1, 2014 to June 30, 2016.

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

In our opinion, except for the noncompliance related to Allowable Costs/Cost Principles, and except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of the Special Education Cluster (IDEA) regarding Cash Management, Reporting, and Period of Performance, described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) for the period of July 1, 2014 to June 30, 2016.

***Qualified Opinion on Child Nutrition Cluster***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2014 to June 30, 2016.

***Other Matters***

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

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

**Report on Internal Control over Compliance**


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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, 2016-008, and 2016-009 to be material weaknesses.

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

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

  
Paul D. Joyce, CPA  
State Examiner

October 25, 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.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program							
School Breakfast Program							
	Indiana Department of Education	10.553					
			FY2015	\$ -	\$ 388,908	\$ -	\$ -
			FY2016	-	-	-	412,660
				-	388,908	-	412,660
Total - School Breakfast Program							
National School Lunch Program							
National School Lunch Program							
	Indiana Department of Education	10.555					
			FY2015	-	1,656,654	-	-
			FY2016	-	-	-	1,745,087
National School Lunch Program - Commodities							
			FY2015	-	259,879	-	-
			FY2016	-	-	-	265,146
				-	1,916,533	-	2,010,233
Total - National School Lunch Program							
Special Milk Program for Children							
Special Milk Program for Children							
	Indiana Department of Education	10.556					
			FY2015	-	2,008	-	-
			FY2016	-	-	-	1,830
				-	2,008	-	1,830
Total - Special Milk Program for Children							
Summer Food Service Program for Children							
Summer Food Service Program for Children							
	Indiana Department of Education	10.559					
			FY2015	-	36,872	-	-
			FY2016	-	-	-	30,887
				-	36,872	-	30,887
Total - Summer Food Service Program for Children							
Total - Child Nutrition Cluster							
Total - Department of Agriculture							
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States							
	Indiana Department of Education	84.027					
			14213-053-PN01	-	45,415	-	-
			14214-053-PN01	-	517,579	-	90,766
			14215-053-PN01	-	853,879	-	623,161
			14216-053-PN01	-	-	-	799,988
			99914-053-PN01	-	7,493	-	26,410
				-	1,424,366	-	1,540,325
Total - Special Education_Grants to States							
Special Education_Preschool Grants							
	Indiana Department of Education	84.173					
			45714-053-PN01	-	13,670	-	-
			45715-053-PN01	-	28,377	-	15,417
			45716-053-PN01	-	-	-	27,211
				-	42,047	-	42,628
Total - Special Education_Preschool Grants							
Total - Special Education Cluster (IDEA)							
Title I, Part A Cluster							
Title I Grants to Local Educational Agencies							
	Indiana Department of Education	84.010					
			14-5310	2,780	211,553	-	-
			15-5310	-	768,685	-	236,096
			16-5310	-	-	150	867,123
				2,780	980,238	150	1,103,219
Total - Title I, Part A Cluster							

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III Language Instruction for Limited English Proficient and Immigrant Students			12-5310	7,737	13,135	-	-
Title III Language Instruction for Limited English Proficient and Immigrant Students			01113-395-PN01	34	1,119	-	-
Title III Language Instruction for Limited English Proficient and Immigrant Students			13-5310	237	21,711	8,130	13,034
Title III Language Instruction for Limited English Proficient and Immigrant Students			14-5310	151	17,182	-	33,194
Title III Language Instruction for Limited English Proficient and Immigrant Students			15-5310	-	-	-	20,637
Total - English Language Acquisition State Grants				8,159	53,147	8,130	66,865
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A Improving Teacher Quality State Grant			12-5310	1,826	13,363	-	-
Title II Part A Improving Teacher Quality State Grant			13-5310	5,934	29,662	1,267	9,303
Title II Part A Improving Teacher Quality State Grant			14-5310	452	61,987	5,339	28,168
Title II Part A Improving Teacher Quality State Grant			15-5310	-	-	-	51,155
Total - Supporting Effective Instruction State Grants				8,212	105,012	6,606	88,626
Total - Department of Education				19,151	2,604,810	14,886	2,841,663
<u>Department of Health and Human Services</u>							
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	Indiana Department of Health and Human Services	93.079		-	400	-	-
Total - Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance				-	400	-	-
Medicaid Cluster							
Medical Assistance Program	Indiana Office of Medicaid Policy and Planning	93.778					
INMAC				-	28,291	-	28,476
Total - Medicaid Cluster				-	28,291	-	28,476
Assistance Programs for Chronice Disease Prevention and Control	Indiana Department of Health and Human Services	93.945		-	1,200	-	1,005
Total - Assistance Programs for Chronice Disease Prevention and Control				-	1,200	-	1,005
Total - Department of Health and Human Services				-	29,891	-	29,481
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036		-	29,424	-	-
Total - Disaster Grants - Public Assistance (Presidentially Declared Disasters)				-	29,424	-	-
Total - Department of Homeland Security				-	29,424	-	-
Total federal awards expended				\$ 19,151	\$ 5,008,446	\$ 14,886	\$ 5,326,754

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

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

**Note 1. Basis of Presentation**

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

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

**Note 2. Summary of Significant Accounting Policies**

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

**Note 3. Special Education Cooperative**

The School Corporation is a member of a Special Education Cooperative (Cooperative). As a result, some activity for the Special Education Cluster (IDEA) that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

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

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

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

**FINDING 2016-001**

Subject: Internal Controls over Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Repeat Finding*

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

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

*Condition*

The School Corporation had not separated incompatible activities related to financial transactions and reporting. There was a lack of adequate segregation of duties as the School Corporation had not separated incompatible activities related to financial close and reporting. One employee prepared and submitted the financial information to the Indiana Department of Education with no additional review or approval.

*Context*

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

*Criteria*

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

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

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

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

*Cause*

Management of the School Corporation had not established a proper system of internal control that would ensure proper financial reporting.

*Effect*

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

*Recommendation*

We recommended that the School Corporation's management establish controls related to financial reporting.

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

*Views of Responsible Officials*

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

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

**FINDING 2016-002**

Subject: School Breakfast Program, National School Lunch Program - Cash Management

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY2015, FY2016

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Cash Management

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2014-002.

*Condition*

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

The monthly cash balances (net cash resources) of the School Lunch fund exceeded 3 months average expenditures for all 24 months during the audit period.

*Context*

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

*Criteria*

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

7 CFR 220.7(e) states in part:

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

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

*Cause*

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

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

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

***FINDING 2016-003***

Subject: School Breakfast Program, National School Lunch Program - Eligibility  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY2015, FY2016  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Eligibility  
Audit Finding: Material Weakness

*Condition*

The School Corporation had not designed or implemented adequate procedures to ensure compliance with eligibility requirements. Determination of eligibility was made by one individual without the oversight or review of another individual.

*Context*

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

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

Management had not developed a system of internal controls that segregated key functions to ensure compliance with the compliance requirement listed above.

*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 Eligibility compliance requirement.

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2016-004**

Subject: Child Nutrition Cluster - Reporting

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.556, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY2015, FY2016

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

*Condition*

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement. One employee was responsible for completing and submitting required reports, including the monthly reimbursement requests and Annual Financial Reports. There was no oversight, review, or approval by anyone else at the School Corporation to ensure the accuracy of the reports.

*Context*

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

*Criteria*

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2016-005**

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 14-5310, 15-5310, 16-5310  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Allowable Costs/Cost Principles  
Audit Findings: Material Weakness, Modified Opinion

*Condition*

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

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

During a sample testing of employees for the required time and effort documentation, Semi-Annual Certifications and time and effort logs were not provided by the School Corporation for 83 percent of the employees sampled.

*Context*

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

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

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

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

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

- **TAS Programs:**

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

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

- **School wide programs:**

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

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

*Cause*

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

*Effect*

The failure to establish an effective internal control system, which would include segregation of duties, enabled noncompliance with the grant agreement and the compliance requirement listed above.

*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 compliance requirement listed above.

*Views of Responsible Officials*

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

**FINDING 2016-006**

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

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 14-5310, 15-5310, 16-5310

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management; Matching, Level of Effort, Earmarking;  
Period of Performance; Reporting

Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the cash management, earmarking, period of performance, and reporting requirements.

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

*Cash Management*

One employee was primarily responsible for preparing reimbursement requests, which documented that expenses were incurred prior to requesting reimbursement. An oversight or review process, or other compensating control, had not been established to ensure that the cash management requirements were followed.

*Earmarking*

One employee was primarily responsible for preparing reimbursement requests, which documented the earmarking expenses for which the School Corporation was requesting reimbursement. An oversight or review process, or other compensating control, had not been established to ensure that the calculated earmarking expenses being requested for reimbursement were correct.

*Period of Performance*

One employee was primarily responsible for preparing reimbursement requests, which documented the period of performance for which the School Corporation was requesting reimbursement. An oversight or review process, or other compensating control, had not been established to ensure that the expenses being requested for reimbursement were within the allowable period of performance.

*Reporting*

One employee was primarily responsible for preparing reimbursement requests, Final Expenditure Reports, and State Per Pupil Expenditure (SPPE) Reports. An oversight or review process, or other compensating control, had not been established to ensure that the required reports were accurate.

*Context*

The lack of controls was a systemic problem, which occurred throughout the audit period.

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

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

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the compliance requirements listed above.

*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 compliance requirements listed above.

*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 compliance requirements listed above.

*Views of Responsible Officials*

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

**FINDING 2016-007**

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

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-053-PN01, 14214-053-PN01,  
14215-053-PN01, 14216-053-PN01,  
45714-053-PN01, 45715-053-PN01,  
45716-053-PN01, 99914-053-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

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

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

*Condition*

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

The School Corporation was a member of Southside Special Services of Marion County (Cooperative). The Cooperative operated the special education program and managed the special education grant funds for the School Corporation. The School Corporation also requested reimbursement from the Cooperative for some employees paid through the School Corporation.

The School Corporation had not designed or implemented adequate policies or procedures to ensure that Semi-Annual Certifications and time and effort records were being maintained by the Cooperative or the School Corporation in compliance with program requirements.

The School Corporation did not ensure that proper Semi-Annual Certifications and time and effort records were maintained on all full- and part-time employees paid from the special education funds for the audit period.

Testing at the Cooperative level for fiscal year 2014-2015 indicated the Cooperative did not comply with the time and effort requirements for some employees tested.

Testing was also performed at the School Corporation level for employees paid by the School Corporation. During fiscal year 2014-2015, the School Corporation provided computer-generated Semi-Annual Certifications for the three employees selected for testing; however, they were not signed by the supervisor. During fiscal year 2015-2016, the School Corporation started using Personnel Activity Reports (PARs) as their time and effort logs. The one PAR selected for testing for fiscal year 2015-2016 was completed and signed by the employee; however, there was no evidence of review or approval by a supervisor with direct knowledge of time charged. In further review of the time and effort files provided for the audit period, it was determined that the files were incomplete and most of the employees paid from special education funds at the local level did not have supporting documentation for time and effort in the files.

*Context*

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

*Criteria*

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

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

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

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

*Cause*

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

*Effect*

The failure to establish an internal control system enabled noncompliance with the grant agreement and the compliance requirement listed above.

*Questioned Costs*

There were no questioned costs identified.

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

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2016-008**

Subject: Special Education Cluster (IDEA) - Cash Management and Reporting

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers (or Other Identifying Numbers): 14213-053-PN01, 14214-053-PN01,  
14215-053-PN01, 14216-053-PN01,  
45714-053-PN01, 45715-053-PN01,  
45716-053-PN01, 99914-053-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

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

*Condition*

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

An effective internal control system was not in place at the Cooperative in order to ensure that documentation was maintained to support the member School Corporation's compliance with requirements related to the grant agreement and the Cash Management and Reporting compliance requirements.

Reimbursement requests were completed every two weeks by the Cooperative throughout the audit period. Detailed supporting documentation used to prepare the reimbursement requests was not maintained by the Cooperative. As a result, it could not be determined whether the expenditures claimed were correct and for the period stated on the reimbursement requests.

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

The Cooperative was unable to provide 13 out of 19 Quarterly Monitoring Reports for Proportionate Shares for Non-Public Schools that were due during the audit period. Additionally, the Cooperative was only able to provide one of the Final Financial Reports that were due during the audit period.

*Context*

The lack of controls was systemic, occurring throughout the audit period. The lack of reports and supporting documentation prevented the determination of the School Corporation's compliance with the Cash Management and Reporting compliance requirements.

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

34 CFR 80.21(d) states:

"*Reimbursement.* Reimbursement shall be the preferred method when the requirements in para-graph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement."

34 CFR 80.20(b) states in part:

"The financial management systems of other grantees and subgrantees must meet the following standards:

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

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

2 CFR 200.302(a) states in part:

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

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:  
. . .

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

*Cause*

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

*Effect*

The failure to establish an effective internal control system and provide sufficient supporting documentation prevented the determination of the School Corporation's compliance with the grant agreement and the compliance requirements listed above.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure that documentation related to the grant agreement and the compliance requirements listed above will be maintained and available for audit.

*Views of Responsible Officials*

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

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

***FINDING 2016-009***

Subject: Special Education Cluster (IDEA) - Period of Performance  
Federal Agency: Department of Education  
Federal Programs: Special Education\_Grants to States, Special Education\_Preschool Grants  
CFDA Numbers: 84.027, 84.173  
Federal Award Numbers and Years (or Other Identifying Numbers): 14213-053-PN01, 14214-053-PN01,  
14215-053-PN01, 14216-053-PN01,  
45714-053-PN01, 45715-053-PN01,  
45716-053-PN01, 99914-053-PN01

Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Period of Performance  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2014-005.

*Condition*

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

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

Reimbursement requests were completed every two weeks by the Cooperative throughout the audit period. Detailed supporting documentation used to prepare the reimbursement requests was not maintained. As a result, it could not be determined whether the expenditures claimed were correct and for the period stated on the reimbursement requests.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period. The lack of supporting documentation for reimbursement requests was isolated to the 2014-2015 school year.

*Criteria*

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

34 CFR 80.23(a) states:

"*General.* Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period."

*Cause*

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

*Effect*

The failure to establish an effective internal control system and provide sufficient supporting documentation prevented the determination of the School Corporation's compliance with the grant agreement and the compliance requirement listed above.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

#### AUDITEE-PREPARED DOCUMENTS

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

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

Dawn A. Downer  
Kelly L. Foulk  
Judy L. Shore  
Scott Sullivan  
Larry J. Walker



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS


### FINDING 2014-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Fiscal Year: July 1, 2012 to June 30, 2014

Contact Person Responsible for Corrective Action: Chad Blacklock

Contact Phone Number: 317-803-5002

Status of Audit Finding: In the previous audit this was considered a Section II finding and no corrective action plan was documented in the audit report. However, for the current period internal controls are now in place that financial documents are reviewed by other individuals besides those preparing the documents prior to financial reporting. This segregation of duties and monitoring is designed to provide reasonable assurance that misstatements are prevented, or detected in a timely manner.

  
\_\_\_\_\_  
Fred McWhorter II  
  
*COO / Treasurer*  
\_\_\_\_\_  
Title  
  
*9/28/2018*  
\_\_\_\_\_  
Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

Dawn A. Downer  
Kelly L. Foulk  
Judy L. Shore  
Scott Sullivan  
Larry J. Walker



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2014-002 – CASH MANAGEMENT

Fiscal Year: July 1, 2012 to June 30, 2014


Pass-Through Entity or Federal Grantor Agency: Department of Agriculture

Contact Person Responsible for Corrective Action: Chad Blacklock

Contact Phone Number: 317-803-5002

Status of Audit Finding: In the previous audit this was considered a Section III finding and the corrective action plan was documented in the audit report. Whereas the action plan detailed how future expenditures would be considered to decrease the cash balance to be in compliance with maintaining a cash balance that did not exceed the average expenditures in a three-month period, some of those expenditures did not occur and continued monitoring was not documented.

Currently, there are plans to expend dollars directly for food service facility, equipment and program improvements to lower the cash balance. We anticipate this being complete in 2019. In addition, the Food Service Director will meet with the Director of Business no less than quarterly to document and review cash balances and formulate any necessary plan to stay in compliance.

  
\_\_\_\_\_  
Fred McWhorter II  
*COO / Treasurer*  
\_\_\_\_\_  
Title  
*9/28/2018*  
\_\_\_\_\_  
Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

Dawn A. Downer  
Kelly L. Foulk  
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Larry J. Walker



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2014-003 – ALLOWABLE COSTS/COST PRINCIPLES

Fiscal Year: July 1, 2012 to June 30, 2014

Pass-Through Entity or Federal Grantor Agency: Department of Education

Contact Person Responsible for Corrective Action: Chad Blacklock

Contact Phone Number: 317-803-5002

Status of Audit Finding: In the previous audit this was considered a Section III finding and the corrective action plan was documented in the audit report. Whereas the action plan detailed how South Side Special Services of Marion County would begin doing monthly reconciliations of their payroll distribution report to their list of PARs and Certifications for the same period and have their payroll specialist prepare the documents and have the Treasurer sign off on the accuracy of the report there was no documentation that this correction occurred.

Effective July 1, 2018 Franklin Township Community School Corporation withdrew from the South Side Services of Marion County and now solely oversees their special education and special education preschool grants. Internal controls have been put in place to segregate duties related to the grant and to certify that employees paid with grant funds worked solely on that program for the period covered by the certification.

Handwritten signature of Fred McWhorter II in blue ink.

Fred McWhorter II

Handwritten title "COO / Treasurer" in blue ink.

Title

Handwritten date "9/28/2018" in blue ink.

Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

Dawn A. Downer  
Kelly L. Foulk  
Judy L. Shore  
Scott Sullivan  
Larry J. Walker



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2014-004 – CASH MANAGEMENT AND REPORTING

Fiscal Year: July 1, 2012 to June 30, 2014

Pass-Through Entity or Federal Grantor Agency: Department of Education

Contact Person Responsible for Corrective Action: Chad Blacklock

Contact Phone Number: 317-803-5002

Status of Audit Finding: In the previous audit this was considered a Section III finding and the corrective action plan was documented in the audit report. Whereas the action plan detailed how South Side Special Services of Marion County would have their Treasurer begin keeping detailed expenditure reports that reconcile with the reimbursement reports submitted for federal grant reimbursement and have their Executive Director sign off on the accuracy of the report, there was no documentation that this correction occurred.

Effective July 1, 2018 Franklin Township Community School Corporation withdrew from the South Side Services of Marion County and now solely oversees their special education and special education preschool grants. Internal controls have been put in place to segregate duties related to the grant and to certify that reimbursement requests are based on actual expenditures.

A handwritten signature in blue ink, appearing to read "Fred McWhorter II".

\_\_\_\_\_  
Fred McWhorter II

\_\_\_\_\_  
COO / Treasurer

\_\_\_\_\_  
Title

\_\_\_\_\_  
9/28/2018

\_\_\_\_\_  
Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

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Kelly L. Foulk  
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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDING 2014-005 – PERIOD OF AVAILABILITY

Fiscal Year: July 1, 2012 to June 30, 2014

Pass-Through Entity or Federal Grantor Agency: Department of Education

Contact Person Responsible for Corrective Action: Chad Blacklock

Contact Phone Number: 317-803-5002

Status of Audit Finding: In the previous audit this was considered a Section III finding and the corrective action plan was documented in the audit report. Whereas grant reports regarding the Period of Availability were regularly reviewed, currently it is now documented by others with grant knowledge and signed off to the accuracy of those reports.

A handwritten signature in blue ink that reads "Fred McWhorter II".

Fred McWhorter II

A handwritten title in blue ink that reads "COO/Treasurer".

Title

A handwritten date in blue ink that reads "9/28/2018".

Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

Dawn A. Downer  
Kelly L. Foulk  
Judy L. Shore  
Scott Sullivan  
Larry J. Walker



## CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Fred McWhorter  
Contact Phone Number: 317-862-2411

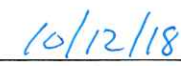
Views of Responsible Official: Whereas this is a repeat finding from the previous audit report, it was considered a Section II Finding so no formal corrective action plan was required to be submitted by the Treasurer, Chad Blacklock at that time. Whereas the audit discovered no errors or irregularities in the financial information submitted it just didn't have multiple people approving the submission. Segregation of duties and monitoring is important to provide reasonable assurance that misstatements are prevented, or detected in a timely manner.

Description of Corrective Action Plan: Controls will be put in place that financial documents are reviewed by other individuals with financial knowledge besides those preparing the documents prior to financial reporting.

Anticipated Completion Date: January 1, 2019

  
\_\_\_\_\_  
Fred McWhorter II

  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Date

6141 South Franklin Road  
Indianapolis, In 46259

PHONE (317) 862-2411  
FAX (317) 862-7238  
WEB SITE <http://www.ftcsc.k12.in.us>

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

Dawn A. Downer  
Kelly L. Foulk  
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Scott Sullivan  
Larry J. Walker



## CORRECTIVE ACTION PLAN

FINDING 2016-002

Contact Person Responsible for Corrective Action: Fred McWhorter  
Contact Phone Number: 317-862-2411


Views of Responsible Official: This is a repeat finding in which the School Lunch fund exceeded 3-months average expenditures for all 24 months during the audit. The previous corrective action plan detailed how future expenditures would be considered to decrease the cash balance to be in compliance with maintaining a cash balance that did not exceed the average expenditures in a three-month period. Some of those expenditures did not occur and continued monitoring was not documented.

Description of Corrective Action Plan: The Food Service Director will review with the Treasurer or Deputy Treasurer no less than quarterly the cash balance of the School Lunch fund and if warranted, formulate and document a plan to spend excess cash to be in compliance with 7 CFR 210.14(b) and 7 CFR 220.7(e).

Anticipated Completion Date: January 1, 2019.

  
\_\_\_\_\_  
Fred McWhorter II

  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

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Scott Sullivan  
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## CORRECTIVE ACTION PLAN

FINDING 2016-003

Contact Person Responsible for Corrective Action: Fred McWhorter  
Contact Phone Number: 317-862-2411

Views of Responsible Official: The audit determined that free and reduced eligibility for the breakfast and lunch programs was made by one individual without oversight or review of another individual. Whereas no errors were noted in the audit regarding eligibility we agree that internal controls to segregate duties would place the School Corporation at less risk of noncompliance.

Description of Corrective Action Plan: The Food Service Director will implement adequate procedures to ensure compliance with Eligibility requirements. Determination of eligibility will be reviewed by a second individual familiar with the eligibility process.

Anticipated Completion Date: January 1, 2019.

Handwritten signature of Fred McWhorter II in blue ink.

Fred McWhorter II

Handwritten title "COO / Treasurer" in blue ink.

Title

Handwritten date "10/12/18" in blue ink.

Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

Dawn A. Downer  
Kelly L. Foulk  
Judy L. Shore  
Scott Sullivan  
Larry J. Walker



## CORRECTIVE ACTION PLAN

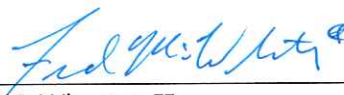
FINDING 2016-004

Contact Person Responsible for Corrective Action: Fred McWhorter  
Contact Phone Number: 317-862-2411

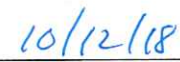
Views of Responsible Official: The audit determined that reports, monthly reimbursement requests and the annual financial report for the breakfast, lunch, special milk and summer food service programs was made by one individual without oversight or review of another individual. Whereas no errors were noted in the audit regarding the accuracy of these reports or reimbursement requests we agree that internal controls to segregate duties would place the School Corporation at less risk of noncompliance.

Description of Corrective Action Plan: The Food Service Director will implement adequate procedures to ensure compliance. Reports and reimbursement requests will be reviewed by a second individual familiar with the process.

Anticipated Completion Date: January 1, 2019.

  
\_\_\_\_\_  
Fred McWhorter II

  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

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## CORRECTIVE ACTION PLAN

FINDING 2016-005

Contact Person Responsible for Corrective Action: Fred McWhorter  
Contact Phone Number: 317-862-2411

Views of Responsible Official: Semi-annual certifications and time and effort logs were not found for all Title I employees sampled by the auditors. Payments to employees were not deemed incorrect the forms just couldn't be found. The district had a turnover of staff responsible for this documentation and wasn't able to locate the forms. Had the audit been performed in a more-timely manner instead of two years late we believe these forms would have been located.

Description of Corrective Action Plan: The Chief Innovations Officer responsible for the Title I grant will ensure that semi-annual certifications and time and effort logs are properly maintained for audit.

Anticipated Completion Date: January 1, 2019.

  
\_\_\_\_\_  
Fred McWhorter II

COO / Treasurer  
\_\_\_\_\_  
Title

10/22/18  
\_\_\_\_\_  
Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

Dawn A. Downer  
Kelly L. Foulk  
Judy L. Shore  
Scott Sullivan  
Larry J. Walker



## CORRECTIVE ACTION PLAN

FINDING 2016-006

Contact Person Responsible for Corrective Action: Fred McWhorter  
Contact Phone Number: 317-862-2411

Views of Responsible Official: The audit determined that reimbursement requests for the Title I program was made by one individual without oversight or review of another individual. Whereas no errors were noted in the audit regarding the accuracy of these reimbursement requests we agree that internal controls to segregate duties would place the School Corporation at less risk of noncompliance.

Description of Corrective Action Plan: The Chief Innovations Officer responsible for the Title I grant will implement adequate procedures to ensure compliance. Reimbursement requests will be reviewed by a second individual familiar with the process.

Anticipated Completion Date: January 1, 2019.

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\_\_\_\_\_  
Fred McWhorter II

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\_\_\_\_\_  
Title

Handwritten date "10/12/18" in blue ink.

\_\_\_\_\_  
Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

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Judy L. Shore  
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Larry J. Walker



## CORRECTIVE ACTION PLAN

FINDING 2016-007

Contact Person Responsible for Corrective Action: Fred McWhorter  
Contact Phone Number: 317-862-2411

Views of Responsible Official: The Southside Special Services of Marion County (Cooperative) oversaw the Special Education Grants to States and Special Education Preschool Grants for the audit period. When they were audited it was noted that semi-annual certifications and time and effort logs were not maintained on behalf of Franklin Township Community School Corporation. The previous corrective action plan evidently was not implemented to fidelity to correct this noncompliance.

Description of Corrective Action Plan: Effective July 1, 2018 the School Corporation withdrew from the Southside Special Services of Marion County (Cooperative) and will oversee and implement the Special Education Grants to States and Special Education Preschool Grant moving forward. The Chief Special Education Officer responsible for these grants will ensure that semi-annual certifications and time and effort logs will be prepared when applicable.

Anticipated Completion Date: July 1, 2018

Handwritten signature of Fred McWhorter II in blue ink.

Fred McWhorter II

Handwritten signature "COO / Treasurer" in blue ink.

Title

Handwritten date "10/12/18" in blue ink.

Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

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Kelly L. Foulk  
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Scott Sullivan  
Larry J. Walker



## CORRECTIVE ACTION PLAN

FINDING 2016-008

Contact Person Responsible for Corrective Action: Fred McWhorter  
Contact Phone Number: 317-862-2411


Views of Responsible Official: The Southside Special Services of Marion County (Cooperative) oversaw the Special Education Grants to States and Special Education Preschool Grants for the audit period. When audited it was noted that the cooperative did not maintain supporting documentation to prepare reimbursement requests and that all monitoring reports were not completed. The previous corrective action plan evidently was not implemented to fidelity to correct this noncompliance.

Description of Corrective Action Plan: Effective July 1, 2018 the School Corporation withdrew from the Southside Special Services of Marion County (Cooperative) and will oversee and implement the Special Education Grants to States and Special Education Preschool Grant directly moving forward. The Chief Special Education Officer responsible for these grants will ensure that reimbursement requests and reports are prepared timely and documentation maintained.

Anticipated Completion Date: July 1, 2018

  
\_\_\_\_\_  
Fred McWhorter II

  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Date

# Franklin Township Community School Corporation

Dr. Bruce A. Hibbard, Superintendent

**Board of Education:**

Dawn A. Downer  
Kelly L. Foulk  
Judy L. Shore  
Scott Sullivan  
Larry J. Walker



## CORRECTIVE ACTION PLAN

FINDING 2016-009

Contact Person Responsible for Corrective Action: Fred McWhorter  
Contact Phone Number: 317-862-2411


Views of Responsible Official: The Southside Special Services of Marion County (Cooperative) oversaw the Special Education Grants to States and Special Education Preschool Grants for the audit period. When audited it was noted that the cooperative did not maintain supporting documentation to prepare reimbursement requests and to ensure they were part of the correct reimbursement period. The previous corrective action plan evidently was not implemented to fidelity to correct this noncompliance.

Description of Corrective Action Plan: Effective July 1, 2018 the School Corporation withdrew from the Southside Special Services of Marion County (Cooperative) and will oversee and implement the Special Education Grants to States and Special Education Preschool Grant directly moving forward. The Chief Special Education Officer responsible for these grants will ensure separation of duties, that reimbursement requests are prepared for the applicable period and proper documentation maintained.

Anticipated Completion Date: July 1, 2018

  
\_\_\_\_\_  
Fred McWhorter II

  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
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/>.