

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

MILL CREEK COMMUNITY SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
12/13/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lori Bennett	07-01-15 to 12-31-18
Superintendent of Schools	James A. Diagostino	07-01-15 to 06-30-19
President of the School Board	Timothy Whicker James Bryant	07-01-15 to 12-31-17 01-01-18 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE MILL CREEK COMMUNITY SCHOOL CORPORATION, HENDRICKS COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 30, 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 30, 2018



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302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2769

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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 MILL CREEK COMMUNITY SCHOOL
CORPORATION, HENDRICKS 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 Mill Creek Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated October 30, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters


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

Mill Creek 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 30, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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MILL CREEK COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 3,241,939	\$ 9,469,139	\$ 9,713,970	\$ 58	\$ 2,997,166	\$ 9,651,812	\$ 10,320,081	\$ 14,977	\$ 2,343,874
Debt Service	1,252,765	2,714,585	2,620,365	(2,692)	1,344,293	2,798,716	2,685,693	(6,606)	1,450,710
Retirement/Severance Bond Debt Service	173,515	284,916	288,831	-	169,600	199,195	284,054	-	84,741
Capital Projects	685,832	1,335,686	1,452,823	700	569,395	1,339,047	1,431,496	-	476,946
School Transportation	576,600	1,062,972	839,017	-	800,555	1,026,154	825,509	865	1,002,065
School Bus Replacement	40,745	31,304	58,783	-	13,266	97,982	15,187	-	96,061
Rainy Day	593,475	79,077	-	-	672,552	-	-	-	672,552
Construction	39,554	-	39,554	-	-	-	-	-	-
School Lunch	297,911	618,622	555,209	-	361,324	568,351	686,665	-	243,010
Textbook Rental	117,966	139,870	116,296	2,692	144,232	137,154	174,998	6,606	112,994
Self-Insurance	198	15,691	15,370	-	519	32,677	29,040	-	4,156
Levy Excess	865	-	-	-	865	-	-	(865)	-
Educational License Plates	916	206	-	-	1,122	206	110	-	1,218
Early Intervention Grant	-	11,733	9,055	-	2,678	8,753	9,669	-	1,762
Instructional Support	6,420	4,700	7,973	-	3,147	3,319	3,881	-	2,585
Extra-Curricular Activities	746	821	613	-	954	112	832	-	234
Miscellaneous Programs	1,007	1,925	2,121	-	811	3,020	2,750	-	1,081
Formative Assessment	-	17,865	15,221	-	2,644	17,718	20,362	-	-
Education Technology	(147,450)	380,990	233,540	-	-	-	-	-	-
Medicaid Reimbursement	18,147	13,060	6,083	-	25,124	11,150	32,815	-	3,459
Secured Schools Safety Grant	(20,809)	40,714	19,905	-	-	80,850	80,850	-	-
Recreational Activities	1,480	-	1,480	-	-	-	-	-	-
Non-English Speaking Programs	-	2,286	-	-	2,286	1,200	3,486	-	-
School Technology	3,122	8,724	8,724	-	3,122	10,628	8,640	-	5,110
Career and Technical Performance Grant	-	-	-	-	-	7,662	7,662	-	-
Performance Based Awards	2,541	(2,541)	-	-	-	-	-	-	-
Miscellaneous Programs	175	101	-	-	276	44	-	-	320
WCHSC	9,592	-	-	-	9,592	-	-	-	9,592
Senator David Ford Technology	(2,133)	4,394	4,761	-	(2,500)	2,500	-	-	-
Biology Grant	14,977	-	-	-	14,977	-	-	(14,977)	-
Title I	(18,124)	165,440	147,052	-	264	154,809	153,438	-	1,635
Innovative Education Program Strategies Title V (Part A)	946	-	-	-	946	-	946	-	-
Medicaid Reimbursement - Federal	30,555	12,713	4,431	-	38,837	7,533	4,681	-	41,689
Improving Teacher Quality, No Child Left, Title II, Part A	(8,466)	22,117	13,651	-	-	53,461	62,118	-	(8,657)
Prepaid Lunch	-	-	-	-	-	162,324	160,837	-	1,487
Payroll Withholding	25,400	4,049,944	4,042,740	-	32,604	4,250,921	4,234,908	-	48,617
Totals	\$ 6,940,407	\$ 20,487,054	\$ 20,217,568	\$ 758	\$ 7,210,651	\$ 20,627,298	\$ 21,240,708	\$ -	\$ 6,597,241

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

MILL CREEK COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

MILL CREEK COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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 services. 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.

MILL CREEK COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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.

MILL CREEK 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.

MILL CREEK 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. Negative Receipts

The financial statement contains receipts which appear as negative entries for the Performance Based Awards fund. This is a result of the correction of errors from the prior period. The error made in the prior period was corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative receipt was shown in the current period.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursement for expenditures made by the School Corporation were not received by June 30, 2016 and 2017.

MILL CREEK COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Holding Corporations

The School Corporation has entered into capital leases with the Mill Creek East Elementary 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 years ended June 30, 2016 and 2017, totaled \$1,088,000 and \$1,092,000, respectively.

The School Corporation has entered into a capital lease with the Mill Creek 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 years ended June 30, 2016 and 2017, totaled \$638,500 and \$778,500, respectively.

Note 10. Subsequent Events

On January 11, 2018, the School Corporation obtained a loan from the North Salem State Bank to purchase a solar energy station for Mill Creek East Elementary School. The total amount borrowed was \$1,107,149 with semiannual payments of \$39,487 beginning June 30, 2018, and ending December 31, 2037.

The School Corporation entered into a lease with the Mill Creek Community Schools Building Corporation for renovations and improvements. The debt is for \$4,285,000 for the purpose of renovations and improvements. The lease was approved on March 4, 2018, with a payments beginning July 15, 2019, and final payment January 15, 2027.

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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.

MILL CREEK 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	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 3,241,939	\$ 1,252,765	\$ 173,515	\$ 685,832	\$ 576,600	\$ 40,745	\$ 593,475	\$ 39,554	\$ 297,911	\$ 117,966
Receipts:										
Local sources	82,569	2,714,585	284,916	1,335,686	1,060,427	31,304	79,077	-	371,932	106,530
Intermediate sources	2,380	-	-	-	-	-	-	-	-	-
State sources	9,382,460	-	-	-	-	-	-	-	8,656	33,340
Federal sources	-	-	-	-	-	-	-	-	238,034	-
Other receipts	1,730	-	-	-	2,545	-	-	-	-	-
Total receipts	9,469,139	2,714,585	284,916	1,335,686	1,062,972	31,304	79,077	-	618,622	139,870
Disbursements:										
Instruction	6,562,071	-	-	-	-	-	-	-	-	-
Support services	3,053,896	-	-	759,246	827,366	58,783	-	-	312	116,296
Noninstructional services	87,652	-	-	-	-	-	-	-	529,401	-
Facilities acquisition and construction	10,330	-	-	677,698	11,651	-	-	39,054	25,496	-
Debt services	21	2,620,365	288,831	15,879	-	-	-	500	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,713,970	2,620,365	288,831	1,452,823	839,017	58,783	-	39,554	555,209	116,296
Excess (deficiency) of receipts over disbursements	(244,831)	94,220	(3,915)	(117,137)	223,955	(27,479)	79,077	(39,554)	63,413	23,574
Other financing sources (uses):										
Sale of capital assets	58	-	-	700	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	2,692
Transfers out	-	(2,692)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	58	(2,692)	-	700	-	-	-	-	-	2,692
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(244,773)	91,528	(3,915)	(116,437)	223,955	(27,479)	79,077	(39,554)	63,413	26,266
Cash and investments - ending	\$ 2,997,166	\$ 1,344,293	\$ 169,600	\$ 569,395	\$ 800,555	\$ 13,266	\$ 672,552	\$ -	\$ 361,324	\$ 144,232

MILL CREEK 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

	Self- Insurance	Levy Excess	Educational License Plates	Early Intervention Grant	Instructional Support	Extra- Curricular Activities	Miscellaneous Programs	Formative Assessment	Education Technology
Cash and investments - beginning	\$ 198	\$ 865	\$ 916	\$ -	\$ 6,420	\$ 746	\$ 1,007	\$ -	\$ (147,450)
Receipts:									
Local sources	15,691	-	-	-	1,950	821	1,925	-	-
Intermediate sources	-	-	206	-	2,750	-	-	-	-
State sources	-	-	-	11,733	-	-	-	17,865	380,990
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	15,691	-	206	11,733	4,700	821	1,925	17,865	380,990
Disbursements:									
Instruction	-	-	-	8,425	4,082	613	-	15,221	-
Support services	15,370	-	-	630	3,891	-	2,121	-	233,540
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	15,370	-	-	9,055	7,973	613	2,121	15,221	233,540
Excess (deficiency) of receipts over disbursements	321	-	206	2,678	(3,273)	208	(196)	2,644	147,450
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	321	-	206	2,678	(3,273)	208	(196)	2,644	147,450
Cash and investments - ending	\$ 519	\$ 865	\$ 1,122	\$ 2,678	\$ 3,147	\$ 954	\$ 811	\$ 2,644	\$ -

MILL CREEK 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

	Medicaid Reimbursement	Secured Schools Safety Grant	Recreational Activities	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Performance Based Awards	Miscellaneous Programs	WCHSC
Cash and investments - beginning	\$ 18,147	\$ (20,809)	\$ 1,480	\$ -	\$ 3,122	\$ -	\$ 2,541	\$ 175	\$ 9,592
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	13,060	40,714	-	2,286	8,724	-	(2,541)	101	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	13,060	40,714	-	2,286	8,724	-	(2,541)	101	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	6,083	19,905	753	-	8,724	-	-	-	-
Noninstructional services	-	-	727	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	6,083	19,905	1,480	-	8,724	-	-	-	-
Excess (deficiency) of receipts over disbursements	6,977	20,809	(1,480)	2,286	-	-	(2,541)	101	-
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	6,977	20,809	(1,480)	2,286	-	-	(2,541)	101	-
Cash and investments - ending	\$ 25,124	\$ -	\$ -	\$ 2,286	\$ 3,122	\$ -	\$ -	\$ 276	\$ 9,592

MILL CREEK 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

	Senator David Ford Technology	Biology Grant	Title I	Innovative Education Program Strategies Title V (Part A)	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Prepaid Lunch	Payroll Withholding	Totals
Cash and investments - beginning	\$ (2,133)	\$ 14,977	\$ (18,124)	\$ 946	\$ 30,555	\$ (8,466)	\$ -	\$ 25,400	\$ 6,940,407
Receipts:									
Local sources	-	-	-	-	-	-	-	-	6,087,413
Intermediate sources	-	-	-	-	-	-	-	-	5,336
State sources	4,394	-	-	-	-	-	-	-	9,901,782
Federal sources	-	-	165,440	-	12,713	22,117	-	-	438,304
Other receipts	-	-	-	-	-	-	-	4,049,944	4,054,219
Total receipts	4,394	-	165,440	-	12,713	22,117	-	4,049,944	20,487,054
Disbursements:									
Instruction	-	-	143,957	-	3,209	1,837	-	-	6,739,415
Support services	2,500	-	3,095	-	1,222	11,814	-	-	5,125,547
Noninstructional services	-	-	-	-	-	-	-	-	617,780
Facilities acquisition and construction	2,261	-	-	-	-	-	-	-	766,490
Debt services	-	-	-	-	-	-	-	-	2,925,596
Nonprogrammed charges	-	-	-	-	-	-	-	4,042,740	4,042,740
Total disbursements	4,761	-	147,052	-	4,431	13,651	-	4,042,740	20,217,568
Excess (deficiency) of receipts over disbursements	(367)	-	18,388	-	8,282	8,466	-	7,204	269,486
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	758
Transfers in	-	-	-	-	-	-	-	-	2,692
Transfers out	-	-	-	-	-	-	-	-	(2,692)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	758
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(367)	-	18,388	-	8,282	8,466	-	7,204	270,244
Cash and investments - ending	\$ (2,500)	\$ 14,977	\$ 264	\$ 946	\$ 38,837	\$ -	\$ -	\$ 32,604	\$ 7,210,651

MILL CREEK 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, 2017

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 2,997,166	\$ 1,344,293	\$ 169,600	\$ 569,395	\$ 800,555	\$ 13,266	\$ 672,552	\$ -	\$ 361,324	\$ 144,232
Receipts:										
Local sources	222,006	2,798,716	199,195	1,323,429	1,024,190	97,982	-	-	330,020	103,118
Intermediate sources	32	-	-	-	-	-	-	-	-	-
State sources	9,429,474	-	-	-	-	-	-	-	7,982	34,036
Federal sources	-	-	-	-	-	-	-	-	230,332	-
Other receipts	300	-	-	15,618	1,964	-	-	-	17	-
Total receipts	9,651,812	2,798,716	199,195	1,339,047	1,026,154	97,982	-	-	568,351	137,154
Disbursements:										
Instruction	6,884,464	-	-	-	-	-	-	-	-	-
Support services	3,325,094	-	-	768,710	805,252	15,187	-	-	185	174,998
Noninstructional services	91,344	-	-	-	-	-	-	-	669,673	-
Facilities acquisition and construction	17,477	-	-	568,366	20,257	-	-	-	16,807	-
Debt services	1,674	2,685,693	284,054	94,420	-	-	-	-	-	-
Nonprogrammed charges	28	-	-	-	-	-	-	-	-	-
Total disbursements	10,320,081	2,685,693	284,054	1,431,496	825,509	15,187	-	-	686,665	174,998
Excess (deficiency) of receipts over disbursements	(668,269)	113,023	(84,859)	(92,449)	200,645	82,795	-	-	(118,314)	(37,844)
Other financing sources (uses):										
Transfers in	14,977	-	-	-	865	-	-	-	-	6,606
Transfers out	-	(6,606)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	14,977	(6,606)	-	-	865	-	-	-	-	6,606
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(653,292)	106,417	(84,859)	(92,449)	201,510	82,795	-	-	(118,314)	(31,238)
Cash and investments - ending	\$ 2,343,874	\$ 1,450,710	\$ 84,741	\$ 476,946	\$ 1,002,065	\$ 96,061	\$ 672,552	\$ -	\$ 243,010	\$ 112,994

MILL CREEK 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, 2017

	Self- Insurance	Levy Excess	Educational License Plates	Early Intervention Grant	Instructional Support	Extra- Curricular Activities	Miscellaneous Programs	Formative Assessment	Education Technology
Cash and investments - beginning	\$ 519	\$ 865	\$ 1,122	\$ 2,678	\$ 3,147	\$ 954	\$ 811	\$ 2,644	\$ -
Receipts:									
Local sources	32,677	-	-	-	1,167	112	3,020	-	-
Intermediate sources	-	-	206	-	2,152	-	-	-	-
State sources	-	-	-	8,753	-	-	-	17,718	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	32,677	-	206	8,753	3,319	112	3,020	17,718	-
Disbursements:									
Instruction	-	-	-	9,669	2,530	832	-	20,362	-
Support services	29,040	-	110	-	1,251	-	2,750	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	100	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	29,040	-	110	9,669	3,881	832	2,750	20,362	-
Excess (deficiency) of receipts over disbursements	3,637	-	96	(916)	(562)	(720)	270	(2,644)	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(865)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(865)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,637	(865)	96	(916)	(562)	(720)	270	(2,644)	-
Cash and investments - ending	\$ 4,156	\$ -	\$ 1,218	\$ 1,762	\$ 2,585	\$ 234	\$ 1,081	\$ -	\$ -

MILL CREEK 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, 2017

	Medicaid Reimbursement	Secured Schools Safety Grant	Recreational Activities	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Performance Based Awards	Miscellaneous Programs	WCHSC
Cash and investments - beginning	\$ 25,124	\$ -	\$ -	\$ 2,286	\$ 3,122	\$ -	\$ -	\$ 276	\$ 9,592
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	11,150	80,850	-	1,200	10,628	-	-	44	-
Federal sources	-	-	-	-	-	7,662	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	11,150	80,850	-	1,200	10,628	7,662	-	44	-
Disbursements:									
Instruction	-	-	-	3,486	-	4,839	-	-	-
Support services	32,815	80,850	-	-	8,640	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	2,823	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	32,815	80,850	-	3,486	8,640	7,662	-	-	-
Excess (deficiency) of receipts over disbursements	(21,665)	-	-	(2,286)	1,988	-	-	44	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21,665)	-	-	(2,286)	1,988	-	-	44	-
Cash and investments - ending	\$ 3,459	\$ -	\$ -	\$ -	\$ 5,110	\$ -	\$ -	\$ 320	\$ 9,592

MILL CREEK 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, 2017

	Senator David Ford Technology	Biology Grant	Title I	Innovative Education Program Strategies Title V (Part A)	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Prepaid Lunch	Payroll Withholding	Totals
Cash and investments - beginning	\$ (2,500)	\$ 14,977	\$ 264	\$ 946	\$ 38,837	\$ -	\$ -	\$ 32,604	\$ 7,210,651
Receipts:									
Local sources	-	-	-	-	-	-	-	-	6,135,632
Intermediate sources	-	-	-	-	-	-	-	-	2,390
State sources	2,500	-	-	-	-	-	-	-	9,604,335
Federal sources	-	-	154,809	-	7,533	53,461	-	-	453,797
Other receipts	-	-	-	-	-	-	162,324	4,250,921	4,431,144
Total receipts	2,500	-	154,809	-	7,533	53,461	162,324	4,250,921	20,627,298
Disbursements:									
Instruction	-	-	151,288	-	3,506	10,319	-	-	7,091,295
Support services	-	-	2,150	946	1,175	51,799	-	-	5,300,952
Noninstructional services	-	-	-	-	-	-	-	-	761,017
Facilities acquisition and construction	-	-	-	-	-	-	-	-	625,830
Debt services	-	-	-	-	-	-	-	-	3,065,841
Nonprogrammed charges	-	-	-	-	-	-	160,837	4,234,908	4,395,773
Total disbursements	-	-	153,438	946	4,681	62,118	160,837	4,234,908	21,240,708
Excess (deficiency) of receipts over disbursements	2,500	-	1,371	(946)	2,852	(8,657)	1,487	16,013	(613,410)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	22,448
Transfers out	-	(14,977)	-	-	-	-	-	-	(22,448)
Total other financing sources (uses)	-	(14,977)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,500	(14,977)	1,371	(946)	2,852	(8,657)	1,487	16,013	(613,410)
Cash and investments - ending	\$ -	\$ -	\$ 1,635	\$ -	\$ 41,689	\$ (8,657)	\$ 1,487	\$ 48,617	\$ 6,597,241

MILL CREEK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 381,180</u>	<u>\$ 9,654</u>

MILL CREEK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Mill Creek Multi-School Building Corporation	Multi-School Building	\$ 389,500	12/23/2004	01/15/2018
Signature Public Funding	Solar project MCW	70,000	08/14/2015	08/14/2030
Star Equipment Finance	Copiers	24,420	01/13/2016	03/13/2021
Mill Creek East Elementary School Building Corporation	East Elementary Refinance	519,000	04/02/2008	01/10/2018
Mill Creek East Elementary School Building Corporation	Energy Project	950,500	06/02/2011	12/31/2018
Mill Creek East Elementary School Building Corporation	East Elementary Addtl Refinance	<u>113,500</u>	04/13/2017	01/15/2025
Total of annual lease payments		<u>\$ 2,066,920</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	CHS Science Labs		\$ 244,000	\$ 102,762
General obligation bonds	renovations to existing schools		1,520,000	56,785
General obligation bonds	Severance Funding		152,363	152,363
Notes and loans payable	Common School Fund loan - Technology devices - A1833		74,050	30,286
Notes and loans payable	Common School Fund loan - Technology devices - A1939		117,960	30,596
Notes and loans payable	Common School Fund loan - Technology devices - A2741		132,300	30,650
Notes and loans payable	Common School Fund loan - Technology devices - A2862		75,723	22,338
Notes and loans payable	Comon School Fund loan - Cadet Center - A0531		<u>10,260,000</u>	<u>450,000</u>
Totals			<u>\$ 12,576,396</u>	<u>\$ 875,780</u>

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MILL CREEK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2017

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

	<u>Ending Balance</u>
Governmental activities:	
Buildings	\$ 71,669,597
Improvements other than buildings	1,062,209
Machinery, equipment, and vehicles	<u>10,233,014</u>
Total capital assets	<u>\$ 82,964,820</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE MILL CREEK COMMUNITY SCHOOL
CORPORATION, HENDRICKS COUNTY, INDIANA

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

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

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


Paul D. Joyce, CPA
State Examiner

October 30, 2018

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

MILL CREEK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 2016	\$ -	\$ 37,324	\$ -	\$ -
School Breakfast Program			FY 2017	-	-	-	36,111
Total - School Breakfast Program				-	37,324	-	36,111
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 2016	-	200,330	-	-
National School Lunch Program			FY 2017	-	-	-	193,721
National School Lunch Program - Commodities			FY 2016	-	44,811	-	-
National School Lunch Program - Commodities			FY 2017	-	-	-	43,761
Total - National School Lunch Program				-	245,141	-	237,482
Special Milk Program for Children							
Special Milk Program for Children	Indiana Department of Education	10.556					
Special Milk Program for Children			FY 2016	-	380	-	-
Special Milk Program for Children			FY 2017	-	-	-	500
Total - Special Milk Program for Children				-	380	-	500
Total - Child Nutrition Cluster				-	282,845	-	274,093
Total - Department of Agriculture				-	282,845	-	274,093
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States							
Special Education_Grants to States	Indiana Department of Education	84.027					
FY 2014 Federal Part B 611 Grant			14214-048-PN01	-	7,375	-	-
FY 2015 Federal Part B 611 Grant			14215-048-PN01	-	104,654	-	685
FY 2016 Federal Part B 611 Grant			14216-046-PN01	-	172,958	-	147,263
FY 2017 Federal Part B 611 Grant			14217-046-PN01	-	-	-	223,576
Total - Special Education_Grants to States				-	284,987	-	371,524
Special Education_Preschool Grants							
Special Education_Preschool Grants	Indiana Department of Education	84.173					
FY 2014 Preschool 619 Grant			45714-048-PN01	-	805	-	-
FY 2015 Preschool 619 Grant			45715-048-PN01	-	253	-	8,884
FY 2016 Preschool 619 Grant			45716-046-PN01	-	-	-	371
FY 2017 Preschool 619 Grant			45717-046-PN01	-	-	-	224
Total - Special Education_Preschool Grants				-	1,058	-	9,479
Total - Special Education Cluster (IDEA)				-	286,045	-	381,003

MILL CREEK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
2014-2015 Title I Grant			15-3335	-	40,733	-	-
2015-2016 Title I Grant			16-3335	-	124,708	-	16,711
2016-2017 Title I Grant			17-3335	-	-	-	138,098
Total - Title I Grants to Local Educational Agencies				-	165,441	-	154,809
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III			01115-110-PN01	-	840	-	143
Title III			01117-207-PN01	-	-	-	787
Total - English Language Acquisition State Grants				-	840	-	930
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
2014-2015 Title II Grant			14-3335	-	22,117	-	17,730
2015-2016 Title II Grant			15-3335	-	-	-	35,731
Total - Supporting Effective Instruction State Grants				-	22,117	-	53,461
Total - Department of Education				-	474,443	-	590,203
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Indiana Family & Social Services	93.778					
Medicaid Reimbursement - Federal			SFY16	-	12,713	-	-
Medicaid Reimbursement - Federal			SFY17	-	-	-	7,533
Total - Medicaid Cluster				-	12,713	-	7,533
Total - Department of Health and Human Services				-	12,713	-	7,533
Total federal awards expended				\$ -	\$ 770,001	\$ -	\$ 871,829

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

MILL CREEK 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, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

Note 2. Summary of Significant Accounting Policies

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

Note 3. Special Education Cooperative

The School Corporation is a member of a Special Education 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 Special Education Cooperative.

MILL CREEK 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 weakness identified?	no
Significant deficiency identified?	yes
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weakness identified?	no
Significant deficiency identified?	yes
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Special Education Cluster (IDEA)	Unmodified

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

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

FINDING 2017-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Significant Deficiency

Condition

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

The School Corporation had not implemented a system of internal controls to ensure that federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which was the source of the SEFA, was accurate prior to submission. One employee prepared the federal award information without a system of oversight or review.

MILL CREEK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

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

Criteria

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

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

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

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

Cause

Management of the School Corporation had not established a proper system of internal control to ensure proper reporting of the SEFA.

Effect

The failure to establish controls could have enabled misstatements or irregularities to remain undetected.

Recommendation

We recommended that the School Corporation establish a system of internal controls related to preparation of the SEFA.

Views of Responsible Officials

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

MILL CREEK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-002

Subject: Special Education Cluster (IDEA) - Reporting
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 14214-048-PN01, 14215-048-PN01,
14216-046-PN01, 14217-046-PN01,
45714-048-PN01, 45715-048-PN01,
45716-046-PN01, 45717-046-PN01

Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Significant Deficiency

Condition

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

Effective internal controls were not established to ensure the accuracy of two of the three Data Collection Reports - Termination Report and Disciplinary (Expulsion and Suspension) Report. The Termination Report and Disciplinary (Expulsion and Suspension) Report were prepared and submitted by one employee with no review or approval to ensure its accuracy.

Context

The lack of an effective internal control system related to reporting was isolated to the two Data Collection Reports.

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). . . ."

MILL CREEK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

The School Corporation's management had not developed a system of internal controls to ensure compliance with the reporting requirements.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

AUDITEE-PREPARED DOCUMENTS

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



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001 - ALLOWABLE COSTS/COST PRINCIPLES

Fiscal year in which the finding initially occurred: 2013-2014 and 2014-2015

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

Contact Person Responsible for Corrective Action: Jim Diagostino, Superintendent and Lori Bennett, Treasurer, and Director of Child Nutrition, Aramark

Contact Phone Number: 317-539-9200

Status of Audit Finding:

The Superintendent, or business office designee, will verify bi-weekly the charges for salaries and wages with our Mill Creek food service employee who worked solely on the Child Nutrition program. The employee or supervisory official having first-hand knowledge of the work performed by the employee will sign the certification to be prepared and maintained by Mill Creek Community School Corporation. These controls will establish compliance with the grant and the Allowable Costs/Cost Principles.

This process began by October 20, 2017.

(Signature)

Superintendent

(Title)

10/20/17

(Date)



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-002 – CASH MANAGEMENT

Fiscal year in which the finding initially occurred: 2013-2014 and 2014-2015

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

Contact Person Responsible for Corrective Action: Jim Diagostino, Superintendent and Lori Bennett, Treasurer, and Director of Child Nutrition, Aramark

Contact Phone Number: 317-539-9200

Status of Audit Finding:

The Superintendent, or business office designee, with respect to the food service fund, will limit its net cash resource to an amount that does not exceed three months average expenditure. Monthly fund reports are analyzed and assessed to meet or exceed the net cash resource amount. We are working towards decreasing this balance so it falls within the limits. Since July 1, 2015 we have replaced serving cabinets, milk coolers, tables, ovens, ice machines, and various other items. Expenditure for equipment and repairs in the Child Nutrition program are being repaired and/or replaced when they reach the end of their useful life. These controls will establish compliance with the grant agreement and the Cash Management requirement.

This process began by December 31, 2017.

(Signature)

Superintendent

(Title)

10/12/18

(Date)



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-003 – REPORTING

Fiscal year in which the finding initially occurred: 2013-2014 and 2014-2015

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

Contact Person Responsible for Corrective Action: Jim Diagostino, Superintendent and Lori Bennett, Treasurer, and Director of Child Nutrition, Aramark

Contact Phone Number: 317-539-9200

Status of Audit Finding:

With new knowledge of 7 CFR section 245.6a(h), and the verification and recordkeeping requirements of the Child Nutrition Program, the Superintendent, or business office designee, will review and approve the monthly claims for reimbursement. We are working towards reviewing the annual financial report and the annual verification summary also. These controls are helping to establish compliance with the grant agreement and the reporting requirement.

A handwritten signature in black ink, appearing to be "Jim Diagostino".

(Signature)

A handwritten title in black ink, appearing to be "Superintendent".

(Title)

A handwritten date in black ink, appearing to be "10/12/18".

(Date)



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-004 – SPECIAL TEST & PROVISIONS – VERIFICATION OF FREE AND REDUCED APPLICATIONS

Fiscal year in which the finding initially occurred: 2013-2014 and 2014-2015

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

Contact Person Responsible for Corrective Action: Jim Diagostino, Superintendent and Lori Bennett, Treasurer, and Director of Child Nutrition, Aramark

Contact Phone Number: 317-539-9200

Status of Audit Finding:

The Superintendent, or business office designee, will review and approve a sample of Free and Reduced applications upon initial review and approval from our Director of Child Nutrition. In addition, these officials will re-verify at least 3% (3 percent) of the approved applications. These controls will establish compliance with the grant agreement and the Special Test and Provisions requirements.

This process began by December 2017.

(Signature)

Superintendent

(Title)

10/12/18

(Date)



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-005 – SPECIAL TEST & PROVISIONS – PAID LUNCH EQUITY

Fiscal year in which the finding initially occurred: 2013-2014 and 2014-2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Dept of Education
Contact Person Responsible for Corrective Action: Jim Diagostino, Superintendent and Lori Bennett, Treasurer, and Director of Child Nutrition, Aramark and MCCSC Board of Trustees
Contact Phone Number: 317-539-9200

Status of Audit Finding:

The Superintendent, or business office designee, will review and approve the Paid Lunch Equity upon initial review and approval from our Director of Child Nutrition. The Paid Lunch Equity documentation will be reviewed and approved by the Mill Creek School Community School Corporation Board of Trustees. These controls will establish compliance with the grant agreement and the Special Test Provision requirement.

This process began by June 13, 2018.

(Signature)

(Title)

(Date)

Mill Creek Community School Corporation

6631 S. CR 200 W· Clayton, IN 46118



Administrative Services Center

317-539-9200· Fax: 844-303-1811

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Jim Diagostino, Superintendent, and Lori Bennett, Treasurer

Contact Phone Number: 317-539-9200

Views of Responsible Official: We agree with the finding.

Description of Corrective Action Plan:

The Treasurer will prepare the Schedule of Expenditures of Federal Awards report. Prior to the submission of the SEFA annual report, the Superintendent and Assistant Superintendent will review the annual report and verify by signing and dating. The associated documentation of the SEFA will be reviewed on a routine basis.

Anticipated Completion Date: November 30, 2018

A handwritten signature in black ink, appearing to be "CJA", written over a horizontal line.

(Signature)

Superintendent

(Title)

10-18-18

(Date)

Mill Creek Community School Corporation

6631 S. CR 200 W Clayton, IN 46118



Administrative Services Center

317-539-9200 Fax: 844-303-1811

CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person Responsible for Corrective Action: Jim Diagostino, Superintendent, and Lori Bennett, Treasurer

Contact Phone Number: 317-539-9200

Views of Responsible Official: We agree with the finding.

Description of Corrective Action Plan:

The Database Administrative Assistant/Software Support Specialist will prepare the Data Collection reports. Prior to the submission of the Data Collection reports, the Superintendent, or designee, will review the Data Collection Reports related to Special Education with supporting documentation and verify by signing and dating. The associated documentation of the Data Collection Reports will be reviewed on a routine basis by building administrators.

Anticipated Completion Date: November 30, 2018

A handwritten signature in black ink, appearing to be "CJA", written over a horizontal line.

(Signature)

Superintendent

(Title)

10-18-18

(Date)

OTHER REPORTS

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