

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

PERRY TOWNSHIP SCHOOLS
MARION COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
01/31/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	J. Michael Bagley	07-01-15 to 12-31-18
Superintendent of Schools	Patrick W. Mapes	07-01-15 to 06-30-21
President of the School Board	Gwen E. Freeman Charles R. Mercer, Jr. Kenneth J. Mertz Edward T. Denning	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE PERRY TOWNSHIP SCHOOLS, MARION COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Perry Township Schools (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 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 November 7, 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

November 7, 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 PERRY TOWNSHIP SCHOOLS, 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 Perry Township Schools (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 November 7, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

Compliance and Other Matters

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

November 7, 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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PERRY TOWNSHIP SCHOOLS
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		Other Financing Sources (Uses)		Cash and Investments 06-30-16		Other Financing Sources (Uses)		Cash and Investments 06-30-17	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 12,381,506	\$ 106,455,032	\$ 102,259,711	\$ (2,304,216)	\$ 14,272,611	\$ 111,665,177	\$ 103,887,430	\$ (6,405,000)	\$ 15,645,358	
Referendum Tax Levy	7,796,651	12,555,421	6,746,527	(6,969,626)	6,635,919	14,610,894	12,220,265	4,373	9,030,921	
Debt Service	4,813,534	12,502,875	11,965,619	(613,326)	4,737,464	12,560,388	12,797,102	(867,761)	3,632,989	
Retirement/Severance Bond Debt Service	233,251	2,153,866	2,024,798	404	362,723	1,924,823	1,875,233	605	412,918	
Referendum Debt Exempt Capital	1,353,137	3,974,761	3,872,500	94,263	1,549,661	5,233,802	5,056,500	1,152	1,728,115	
Capital Projects	6,257,755	7,823,916	8,205,230	254,916	6,131,357	7,863,597	8,467,434	6,026	5,533,546	
School Transportation	3,969,797	8,125,113	8,187,207	32,411	3,940,114	8,012,697	8,445,356	(76,818)	3,430,637	
School Bus Replacement	2,953,283	1,579,819	2,216,122	45,244	2,362,224	2,098,363	577,545	497	3,883,539	
Rainy Day	17,651,486	-	5,663,658	9,000,000	20,987,828	-	10,375,443	6,100,000	16,712,385	
Retirement/Severance Bond	2,131,001	1,128	13,350	-	2,118,779	2,565	19,320	-	2,102,024	
6th Grade PMMS	12,702	5	6,545	-	6,162	7	30	-	6,139	
21 Century Technology	-	684	2,390,611	3,999,532	1,609,605	1,523	1,639,010	1,995,548	1,967,666	
Referendum Construction	2,253,096	1,404	2,053,249	-	201,251	-	194,925	-	6,326	
Referendum Construction STRG School	-	58,891,071	3,196,815	-	55,694,256	181,878	34,951,862	-	20,924,272	
School Lunch	1,840,843	8,881,946	9,045,266	(150,000)	1,527,523	9,473,017	9,231,406	(40,442)	1,728,692	
Textbook Rental	975,333	1,315,678	2,903,218	247,327	(364,880)	1,396,538	2,472,203	871,557	(568,988)	
Repair and Replacement	136,037	-	24,137	-	111,900	-	25,687	-	86,213	
Self-Insurance	1,105,173	28,117	360,702	600,000	1,372,588	975	437,794	596,768	1,532,537	
Levy Excess	122,113	-	-	(122,113)	-	47,647	-	(47,647)	-	
Child Care Program	431,939	478,707	307,988	37,441	640,099	570,156	755,231	-	455,024	
Alternative Education	90,196	53,074	42,466	-	100,804	55,599	26,445	-	129,958	
Early Intervention Grant	5,362	-	5,361	-	1	97,412	4,797	-	92,616	
School Intervention and Career Counseling	1,035	600	1,635	-	-	-	-	-	-	
CIM	-	-	-	-	-	50,000	27,098	-	22,902	
Donations	11,097	8,930	10,105	1,546	11,468	2,750	5,556	4,450	13,112	
Community Hospital	-	-	-	-	-	110,000	20,000	-	90,000	
Miscellaneous Programs	1,819	337,700	2,572	(96,546)	240,401	3,352	239,136	(3,950)	667	
Sum Schools Collaboration	6,583	-	-	-	6,583	-	-	-	6,583	
Girl Scout SHS	3,001	-	-	-	3,001	-	-	-	3,001	
Pre-School Donations	36,942	-	11,660	(23,253)	2,029	1,000	500	(500)	2,029	
NIET TAP Award	10,000	-	9,308	-	692	-	-	-	692	
On My Way Pre-K Grant	-	16,129	1,941	(14,188)	-	-	-	-	-	
PTEF Holder Field	-	125,000	125,000	-	-	-	-	-	-	
Indianapolis Foundation	11,276	25,000	17,003	-	19,273	25,000	27,581	-	16,692	
Partnership Coca-Cola	24,475	45,834	48,592	-	21,717	43,282	42,782	-	22,217	
Secured School Safety Grant	(62,045)	99,208	66,110	-	(28,947)	50,000	79,328	-	(58,275)	
Edison Gift	1,697	-	229	-	1,468	-	554	-	914	
Pre-School / On My Way	-	18,208	18,208	-	-	-	-	-	-	
PBIS Partnership	-	28,930	1,607	-	27,323	-	7,756	-	19,567	
Partnership for CE	-	1,000	-	-	1,000	1,000	-	-	2,000	
Formative Assessment	-	163,950	114,100	-	49,850	180,452	230,299	-	3	
Economic Education Mini Grant	32,828	86,549	114,594	-	4,783	89,562	88,940	-	5,405	
Non-English Speaking Programs	74,885	591,830	421,246	-	245,469	674,443	650,612	-	269,300	
School Technology	457,898	654,623	560,406	-	552,115	428,141	439,394	-	540,862	
Career and Technical Performance Grant	-	-	-	-	-	35,244	-	-	35,244	
Performance Grant	11,690	193,446	205,136	-	-	226,913	226,913	-	-	
Chin Dictionary	5,225	4,450	2,491	-	7,184	3,735	2,224	-	8,695	
Title I Basic 2010-11	(193,415)	3,739,998	3,973,180	-	(426,597)	3,459,919	3,611,090	-	(577,768)	
Distinguished Schools	(3,965)	5,000	1,035	-	-	-	-	-	-	
LSTA Reimbursement Grant	-	-	-	-	-	9,985	7,755	-	2,230	
Medicaid Reimbursement - Federal	170,249	46,989	-	-	217,238	85,838	242,497	-	60,579	
Medicaid Fee for Schools	-	-	-	-	-	162,283	51,296	-	110,987	
Improving Teacher Quality, No Child Left, Title II, Part A	(20,458)	315,715	323,606	-	(28,349)	237,957	241,639	-	(32,031)	
Title III - English Proficiency Migrant	(2,121)	292,749	303,698	-	(13,070)	255,437	323,926	-	(81,559)	
Influx Grant 12-13	(2,350)	45,215	49,597	-	(6,732)	41,370	44,742	-	(10,104)	
Refugee Grant	(64,953)	228,075	173,305	-	(10,183)	121,796	139,508	-	(27,895)	
Low Cost Extension	-	-	-	-	-	31,390	31,390	-	-	
TIF/TAP Fund	(48,639)	285,012	236,373	-	-	-	-	-	-	
Prepaid Lunches	-	-	-	-	-	1,693,012	1,493,352	(109,559)	90,101	
Clearing Account Control	984,789	27,962,762	27,950,430	-	997,121	29,016,665	29,029,984	-	983,802	
Totals	\$ 67,961,738	\$ 260,145,519	\$ 206,234,247	\$ 4,019,816	\$ 125,892,826	\$ 212,837,584	\$ 250,766,870	\$ 2,029,300	\$ 89,992,840	

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

PERRY TOWNSHIP SCHOOLS
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.

PERRY TOWNSHIP SCHOOLS
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 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, self-insurance payments, and other disbursements not listed in another category above.

F. Other Financing Sources and Uses

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

Proceeds of long-term debt. Amounts received in relation to the issuance of bonds or other long-term debt issues.

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.

PERRY TOWNSHIP SCHOOLS
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.

PERRY TOWNSHIP SCHOOLS
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.

PERRY TOWNSHIP SCHOOLS
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. Negative balances in grant funds are due primarily to the time lapse between when expenditures are made by the School Corporation and when reimbursements are received from the granting agency. The Textbook Rental fund's deficit balances at June 30, 2016 and 2017, are due to the timeliness of textbook purchases and the receipt of textbook reimbursements from the state.

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with Perry Township Multischool Building Corporation of 1996 (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 \$14,348,500 and \$15,354,500, respectively.

PERRY TOWNSHIP SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

The School Corporation has entered into a capital lease with Central Nine Career Center 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 \$479,302 and \$479,471, respectively.

Note 9. Subsequent Events

On November 13, 2017, the School Board approved the renovation and new construction of learning spaces at Southport Middle School, Southport 6th Grade Academy, Perry Meridian Middle School, and Perry Meridian 6th Grade Academy, with an estimated cost of \$22,000,000. The anticipated start date of this project is April 2, 2018.

On May 31, 2018, the School Corporation issued General Obligation Bonds, Series 2018, in the amount of \$4,925,000. The proceeds will be used for technology and facility improvements throughout the School Corporation.

Note 10. Other Postemployment Benefits

The School Corporation provides to eligible retirees the following benefits:

Administrative staff and teachers, meeting specific agreed-upon criteria, receive up to \$2,000 in severance benefits.

Support staff, meeting specific agreed-upon criteria, receive an amount of \$25 for each unused accumulated sick leave day. The Board of Education provides \$1,000 annually to the employee's health plan and will contribute 85 percent of their annual life insurance premium.

These benefits pose a liability to the School Corporation for this year and in future years. More detailed 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 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.

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

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 12,381,506	\$ 7,796,651	\$ 4,813,534	\$ 233,251	\$ 1,353,137	\$ 6,257,755	\$ 3,969,797	\$ 2,953,283	\$ 17,651,486
Receipts:									
Local sources	1,189,433	12,555,421	12,502,875	2,153,866	3,974,761	7,823,916	7,729,475	1,579,819	-
State sources	105,265,599	-	-	-	-	-	382,654	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	12,984	-	-
Total receipts	106,455,032	12,555,421	12,502,875	2,153,866	3,974,761	7,823,916	8,125,113	1,579,819	-
Disbursements:									
Instruction	73,607,818	5,291,020	-	-	-	-	-	-	-
Support services	27,596,706	1,148,443	-	-	-	3,778,661	8,187,207	2,216,122	(1,805)
Noninstructional services	1,039,654	-	-	-	-	-	-	-	-
Facilities acquisition and construction	15,533	307,064	-	-	-	4,426,569	-	-	5,665,463
Debt services	-	-	11,965,619	2,024,798	3,872,500	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	102,259,711	6,746,527	11,965,619	2,024,798	3,872,500	8,205,230	8,187,207	2,216,122	5,663,658
Excess (deficiency) of receipts over disbursements	4,195,321	5,808,894	537,256	129,068	102,261	(381,314)	(62,094)	(636,303)	(5,663,658)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	1,801	2,164	404	723	3,627	1,287	10,278	-
Transfers in	2,050,000	28,573	-	-	93,540	266,289	161,908	34,966	9,000,000
Transfers out	(4,354,216)	(7,000,000)	(615,490)	-	-	(15,000)	(130,784)	-	-
Total other financing sources (uses)	(2,304,216)	(6,969,626)	(613,326)	404	94,263	254,916	32,411	45,244	9,000,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,891,105	(1,160,732)	(76,070)	129,472	196,524	(126,398)	(29,683)	(591,059)	3,336,342
Cash and investments - ending	\$ 14,272,611	\$ 6,635,919	\$ 4,737,464	\$ 362,723	\$ 1,549,661	\$ 6,131,357	\$ 3,940,114	\$ 2,362,224	\$ 20,987,828

PERRY TOWNSHIP SCHOOLS
 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	6th Grade PMMS	21 Century Technology	Referendum Construction	Referendum Construction STRG School	School Lunch	Textbook Rental	Repair and Replacement	Self- Insurance
Cash and investments - beginning	\$ 2,131,001	\$ 12,702	\$ -	\$ 2,253,096	\$ -	\$ 1,840,843	\$ 975,333	\$ 136,037	\$ 1,105,173
Receipts:									
Local sources	1,128	5	684	1,404	58,891,071	1,837,364	583,238	-	28,117
State sources	-	-	-	-	-	60,365	732,440	-	-
Federal sources	-	-	-	-	-	6,984,217	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	1,128	5	684	1,404	58,891,071	8,881,946	1,315,678	-	28,117
Disbursements:									
Instruction	-	-	-	-	-	-	121,127	-	-
Support services	13,350	75	570,150	500	-	122,679	2,782,091	24,137	360,702
Noninstructional services	-	-	-	-	-	8,922,587	-	-	-
Facilities acquisition and construction	-	6,470	1,820,461	2,052,749	3,196,815	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	13,350	6,545	2,390,611	2,053,249	3,196,815	9,045,266	2,903,218	24,137	360,702
Excess (deficiency) of receipts over disbursements	(12,222)	(6,540)	(2,389,927)	(2,051,845)	55,694,256	(163,320)	(1,587,540)	(24,137)	(332,585)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	3,999,532	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	2,050,000	-	247,327	-	600,000
Transfers out	-	-	-	-	(2,050,000)	(150,000)	-	-	-
Total other financing sources (uses)	-	-	3,999,532	-	-	(150,000)	247,327	-	600,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,222)	(6,540)	1,609,605	(2,051,845)	55,694,256	(313,320)	(1,340,213)	(24,137)	267,415
Cash and investments - ending	\$ 2,118,779	\$ 6,162	\$ 1,609,605	\$ 201,251	\$ 55,694,256	\$ 1,527,523	\$ (364,880)	\$ 111,900	\$ 1,372,588

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

	Levy Excess	Child Care Program	Alternative Education	Early Intervention Grant	School Intervention and Career Counseling	CIM	Donations	Community Hospital	Miscellaneous Programs
Cash and investments - beginning	\$ 122,113	\$ 431,939	\$ 90,196	\$ 5,362	\$ 1,035	\$ -	\$ 11,097	\$ -	\$ 1,819
Receipts:									
Local sources	-	-	-	-	600	-	8,930	-	337,700
State sources	-	478,707	53,074	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	478,707	53,074	-	600	-	8,930	-	337,700
Disbursements:									
Instruction	-	307,988	42,466	4,727	1,635	-	8,086	-	-
Support services	-	-	-	634	-	-	2,019	-	2,572
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	307,988	42,466	5,361	1,635	-	10,105	-	2,572
Excess (deficiency) of receipts over disbursements	-	170,719	10,608	(5,361)	(1,035)	-	(1,175)	-	335,128
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	37,441	-	-	-	-	1,546	-	-
Transfers out	(122,113)	-	-	-	-	-	-	-	(96,546)
Total other financing sources (uses)	(122,113)	37,441	-	-	-	-	1,546	-	(96,546)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(122,113)	208,160	10,608	(5,361)	(1,035)	-	371	-	238,582
Cash and investments - ending	\$ -	\$ 640,099	\$ 100,804	\$ 1	\$ -	\$ -	\$ 11,468	\$ -	\$ 240,401

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

	Sum Schools Collaboration	Girl Scout SHS	Pre-School Donations	NIET TAP Award	On My Way Pre-K Grant	PTEF Holder Field	Indianapolis Foundation	Partnership Coca-Cola	Secured School Safety Grant
Cash and investments - beginning	\$ 6,583	\$ 3,001	\$ 36,942	\$ 10,000	\$ -	\$ -	\$ 11,276	\$ 24,475	\$ (62,045)
Receipts:									
Local sources	-	-	-	-	16,129	125,000	25,000	45,834	99,208
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	16,129	125,000	25,000	45,834	99,208
Disbursements:									
Instruction	-	-	11,660	9,308	1,941	-	-	-	-
Support services	-	-	-	-	-	-	17,003	48,592	66,110
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	125,000	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	11,660	9,308	1,941	125,000	17,003	48,592	66,110
Excess (deficiency) of receipts over disbursements	-	-	(11,660)	(9,308)	14,188	-	7,997	(2,758)	33,098
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(23,253)	-	(14,188)	-	-	-	-
Total other financing sources (uses)	-	-	(23,253)	-	(14,188)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(34,913)	(9,308)	-	-	7,997	(2,758)	33,098
Cash and investments - ending	\$ 6,583	\$ 3,001	\$ 2,029	\$ 692	\$ -	\$ -	\$ 19,273	\$ 21,717	\$ (28,947)

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

	Edison Gift	Pre-School / On My Way	PBIS Partnership	Partnership for CE	Formative Assessment	Economic Education Mini Grant	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant
Cash and investments - beginning	\$ 1,697	\$ -	\$ -	\$ -	\$ -	\$ 32,828	\$ 74,885	\$ 457,898	\$ -
Receipts:									
Local sources	-	18,208	28,930	1,000	-	-	-	654,623	-
State sources	-	-	-	-	163,950	86,549	591,830	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	18,208	28,930	1,000	163,950	86,549	591,830	654,623	-
Disbursements:									
Instruction	-	-	-	-	114,100	114,594	359,719	-	-
Support services	229	-	1,607	-	-	-	55,089	560,406	-
Noninstructional services	-	-	-	-	-	-	6,438	-	-
Facilities acquisition and construction	-	18,208	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	229	18,208	1,607	-	114,100	114,594	421,246	560,406	-
Excess (deficiency) of receipts over disbursements	(229)	-	27,323	1,000	49,850	(28,045)	170,584	94,217	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(229)	-	27,323	1,000	49,850	(28,045)	170,584	94,217	-
Cash and investments - ending	\$ 1,468	\$ -	\$ 27,323	\$ 1,000	\$ 49,850	\$ 4,783	\$ 245,469	\$ 552,115	\$ -

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

	Performance Grant	Chin Dictionary	Title I Basic 2010-11	Distinguished Schools	LSTA Reimbursement Grant	Medicaid Reimbursement - Federal	Medicaid Fee For Schools	Improving Teacher Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ 11,690	\$ 5,225	\$ (193,415)	\$ (3,965)	\$ -	\$ 170,249	\$ -	\$ (20,458)
Receipts:								
Local sources	-	-	27,543	-	-	-	-	-
State sources	-	4,450	-	-	-	46,989	-	-
Federal sources	193,446	-	3,712,455	5,000	-	-	-	315,715
Other receipts	-	-	-	-	-	-	-	-
Total receipts	193,446	4,450	3,739,998	5,000	-	46,989	-	315,715
Disbursements:								
Instruction	-	-	2,595,382	-	-	-	-	-
Support services	205,136	2,491	1,295,249	1,035	-	-	-	323,606
Noninstructional services	-	-	82,549	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	205,136	2,491	3,973,180	1,035	-	-	-	323,606
Excess (deficiency) of receipts over disbursements	(11,690)	1,959	(233,182)	3,965	-	46,989	-	(7,891)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,690)	1,959	(233,182)	3,965	-	46,989	-	(7,891)
Cash and investments - ending	\$ -	\$ 7,184	\$ (426,597)	\$ -	\$ -	\$ 217,238	\$ -	\$ (28,349)

PERRY TOWNSHIP SCHOOLS
 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 - English Proficiency Migrant	Influx Grant 12-13	Refugee Grant	Low Cost Extension	TIF/TAP Fund	Prepaid Lunches	Clearing Account Control	Totals
Cash and investments - beginning	\$ (2,121)	\$ (2,350)	\$ (64,953)	\$ -	\$ (48,639)	\$ -	\$ 984,789	\$ 67,961,738
Receipts:								
Local sources	-	-	-	-	-	-	-	112,241,282
State sources	-	-	-	-	-	-	-	107,866,607
Federal sources	292,749	45,215	228,075	-	285,012	-	-	12,061,884
Other receipts	-	-	-	-	-	-	27,962,762	27,975,746
Total receipts	292,749	45,215	228,075	-	285,012	-	27,962,762	260,145,519
Disbursements:								
Instruction	163,882	49,597	172,745	-	-	-	-	82,977,795
Support services	137,366	-	560	-	236,373	-	-	49,755,095
Noninstructional services	2,450	-	-	-	-	-	-	10,053,678
Facilities acquisition and construction	-	-	-	-	-	-	-	17,634,332
Debt services	-	-	-	-	-	-	-	17,862,917
Nonprogrammed charges	-	-	-	-	-	-	27,950,430	27,950,430
Total disbursements	303,698	49,597	173,305	-	236,373	-	27,950,430	206,234,247
Excess (deficiency) of receipts over disbursements	(10,949)	(4,382)	54,770	-	48,639	-	12,332	53,911,272
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	3,999,532
Sale of capital assets	-	-	-	-	-	-	-	20,284
Transfers in	-	-	-	-	-	-	-	14,571,590
Transfers out	-	-	-	-	-	-	-	(14,571,590)
Total other financing sources (uses)	-	-	-	-	-	-	-	4,019,816
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,949)	(4,382)	54,770	-	48,639	-	12,332	57,931,088
Cash and investments - ending	\$ (13,070)	\$ (6,732)	\$ (10,183)	\$ -	\$ -	\$ -	\$ 997,121	\$ 125,892,826

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

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 14,272,611	\$ 6,635,919	\$ 4,737,464	\$ 362,723	\$ 1,549,661	\$ 6,131,357	\$ 3,940,114	\$ 2,362,224	\$ 20,987,828
Receipts:									
Local sources	2,198,547	14,610,894	12,560,388	1,924,823	5,233,802	7,863,597	7,881,618	1,703,532	-
State sources	109,466,630	-	-	-	-	-	130,820	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	259	394,831	-
Total receipts	111,665,177	14,610,894	12,560,388	1,924,823	5,233,802	7,863,597	8,012,697	2,098,363	-
Disbursements:									
Instruction	73,800,101	6,938,436	-	-	-	-	-	-	-
Support services	28,933,883	1,672,859	-	-	-	4,749,532	8,445,356	577,545	-
Noninstructional services	1,114,573	-	-	-	-	-	-	-	-
Facilities acquisition and construction	38,873	3,608,970	-	-	-	3,717,902	-	-	10,375,443
Debt services	-	-	12,797,102	1,875,233	5,056,500	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	103,887,430	12,220,265	12,797,102	1,875,233	5,056,500	8,467,434	8,445,356	577,545	10,375,443
Excess (deficiency) of receipts over disbursements	7,777,747	2,390,629	(236,714)	49,590	177,302	(603,837)	(432,659)	1,520,818	(10,375,443)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	4,373	3,796	605	1,152	21,026	2,303	497	-
Transfers in	-	-	-	-	-	-	47,647	-	6,100,000
Transfers out	(6,405,000)	-	(871,557)	-	-	(15,000)	(126,768)	-	-
Total other financing sources (uses)	(6,405,000)	4,373	(867,761)	605	1,152	6,026	(76,818)	497	6,100,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,372,747	2,395,002	(1,104,475)	50,195	178,454	(597,811)	(509,477)	1,521,315	(4,275,443)
Cash and investments - ending	\$ 15,645,358	\$ 9,030,921	\$ 3,632,989	\$ 412,918	\$ 1,728,115	\$ 5,533,546	\$ 3,430,637	\$ 3,883,539	\$ 16,712,385

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

	Retirement/ Severance Bond	6th Grade PMMS	21 Century Technology	Referendum Construction	Referendum Construction STRG School	School Lunch	Textbook Rental	Repair and Replacement	Self- Insurance
Cash and investments - beginning	\$ 2,118,779	\$ 6,162	\$ 1,609,605	\$ 201,251	\$ 55,694,256	\$ 1,527,523	\$ (364,880)	\$ 111,900	\$ 1,372,588
Receipts:									
Local sources	2,565	7	1,523	-	181,878	1,676,473	624,656	-	975
State sources	-	-	-	-	-	62,780	771,882	-	-
Federal sources	-	-	-	-	-	7,733,764	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	2,565	7	1,523	-	181,878	9,473,017	1,396,538	-	975
Disbursements:									
Instruction	-	-	-	-	-	-	136,822	-	-
Support services	19,320	30	250,282	-	-	129,720	2,335,381	25,687	437,794
Noninstructional services	-	-	-	-	-	9,101,686	-	-	-
Facilities acquisition and construction	-	-	1,388,728	194,925	34,951,862	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	19,320	30	1,639,010	194,925	34,951,862	9,231,406	2,472,203	25,687	437,794
Excess (deficiency) of receipts over disbursements	(16,755)	(23)	(1,637,487)	(194,925)	(34,769,984)	241,611	(1,075,665)	(25,687)	(436,819)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	1,995,548	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	191,999	871,557	-	596,768
Transfers out	-	-	-	-	-	(232,441)	-	-	-
Total other financing sources (uses)	-	-	1,995,548	-	-	(40,442)	871,557	-	596,768
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,755)	(23)	358,061	(194,925)	(34,769,984)	201,169	(204,108)	(25,687)	159,949
Cash and investments - ending	\$ 2,102,024	\$ 6,139	\$ 1,967,666	\$ 6,326	\$ 20,924,272	\$ 1,728,692	\$ (568,988)	\$ 86,213	\$ 1,532,537

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

	Levy Excess	Child Care Program	Alternative Education	Early Intervention Grant	School Intervention and Career Counseling	CIM	Donations	Community Hospital	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 640,099	\$ 100,804	\$ 1	\$ -	\$ -	\$ 11,468	\$ -	\$ 240,401
Receipts:									
Local sources	47,647	-	-	-	-	50,000	2,750	110,000	3,352
State sources	-	570,156	55,599	97,412	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	47,647	570,156	55,599	97,412	-	50,000	2,750	110,000	3,352
Disbursements:									
Instruction	-	755,231	26,445	3,304	-	-	414	20,000	-
Support services	-	-	-	1,493	-	27,098	5,142	-	1,636
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	237,500
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	755,231	26,445	4,797	-	27,098	5,556	20,000	239,136
Excess (deficiency) of receipts over disbursements	47,647	(185,075)	29,154	92,615	-	22,902	(2,806)	90,000	(235,784)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	4,450	-	-
Transfers out	(47,647)	-	-	-	-	-	-	-	(3,950)
Total other financing sources (uses)	(47,647)	-	-	-	-	-	4,450	-	(3,950)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(185,075)	29,154	92,615	-	22,902	1,644	90,000	(239,734)
Cash and investments - ending	\$ -	\$ 455,024	\$ 129,958	\$ 92,616	\$ -	\$ 22,902	\$ 13,112	\$ 90,000	\$ 667

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

	Sum Schools Collaboration	Girl Scout SHS	Pre-School Donations	NIET TAP Award	On My Way Pre-K Grant	PTEF Holder Field	Indianapolis Foundation	Partnership Coca-Cola	Secured School Safety Grant
Cash and investments - beginning	\$ 6,583	\$ 3,001	\$ 2,029	\$ 692	\$ -	\$ -	\$ 19,273	\$ 21,717	\$ (28,947)
Receipts:									
Local sources	-	-	1,000	-	-	-	25,000	43,282	50,000
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,000	-	-	-	25,000	43,282	50,000
Disbursements:									
Instruction	-	-	500	-	-	-	-	-	-
Support services	-	-	-	-	-	-	27,581	42,782	79,328
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	500	-	-	-	27,581	42,782	79,328
Excess (deficiency) of receipts over disbursements	-	-	500	-	-	-	(2,581)	500	(29,328)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(500)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(500)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	(2,581)	500	(29,328)
Cash and investments - ending	\$ 6,583	\$ 3,001	\$ 2,029	\$ 692	\$ -	\$ -	\$ 16,692	\$ 22,217	\$ (58,275)

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

	Edison Gift	Pre-School / On My Way	PBIS Partnership	Partnership for CE	Formative Assessment	Economic Education Mini Grant	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant
Cash and investments - beginning	\$ 1,468	\$ -	\$ 27,323	\$ 1,000	\$ 49,850	\$ 4,783	\$ 245,469	\$ 552,115	\$ -
Receipts:									
Local sources	-	-	-	1,000	-	-	-	428,141	-
State sources	-	-	-	-	180,452	89,562	674,443	-	35,244
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	1,000	180,452	89,562	674,443	428,141	35,244
Disbursements:									
Instruction	-	-	-	-	230,299	88,940	442,840	-	-
Support services	554	-	7,756	-	-	-	197,905	439,394	-
Noninstructional services	-	-	-	-	-	-	8,901	-	-
Facilities acquisition and construction	-	-	-	-	-	-	966	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	554	-	7,756	-	230,299	88,940	650,612	439,394	-
Excess (deficiency) of receipts over disbursements	(554)	-	(7,756)	1,000	(49,847)	622	23,831	(11,253)	35,244
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(554)	-	(7,756)	1,000	(49,847)	622	23,831	(11,253)	35,244
Cash and investments - ending	\$ 914	\$ -	\$ 19,567	\$ 2,000	\$ 3	\$ 5,405	\$ 269,300	\$ 540,862	\$ 35,244

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

	Performance Grant	Chin Dictionary	Title I Basic 2010-11	Distinguished Schools	LSTA Reimbursement Grant	Medicaid Reimbursement - Federal	Medicaid Fee For Schools	Teacher Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ -	\$ 7,184	\$ (426,597)	\$ -	\$ -	\$ 217,238	\$ -	\$ (28,349)
Receipts:								
Local sources	-	-	43,073	-	-	-	-	-
State sources	-	3,735	-	-	9,985	85,838	162,283	-
Federal sources	226,913	-	3,416,846	-	-	-	-	237,957
Other receipts	-	-	-	-	-	-	-	-
Total receipts	226,913	3,735	3,459,919	-	9,985	85,838	162,283	237,957
Disbursements:								
Instruction	-	-	2,302,495	-	-	-	15,581	-
Support services	226,913	2,224	1,249,588	-	7,755	242,497	35,715	241,639
Noninstructional services	-	-	59,007	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	226,913	2,224	3,611,090	-	7,755	242,497	51,296	241,639
Excess (deficiency) of receipts over disbursements	-	1,511	(151,171)	-	2,230	(156,659)	110,987	(3,682)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,511	(151,171)	-	2,230	(156,659)	110,987	(3,682)
Cash and investments - ending	\$ -	\$ 8,695	\$ (577,768)	\$ -	\$ 2,230	\$ 60,579	\$ 110,987	\$ (32,031)

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

	Title III - English Proficiency Migrant	Influx Grant 12-13	Refugee Grant	Low Cost Extension	TIF/TAP Fund	Prepaid Lunches	Clearing Account Control	Totals
Cash and investments - beginning	\$ (13,070)	\$ (6,732)	\$ (10,183)	\$ -	\$ -	\$ -	\$ 997,121	\$ 125,892,826
Receipts:								
Local sources	-	-	-	-	-	-	-	57,270,523
State sources	-	-	-	-	-	-	-	112,396,821
Federal sources	255,437	41,370	121,796	31,390	-	-	-	12,065,473
Other receipts	-	-	-	-	-	1,693,012	29,016,665	31,104,767
Total receipts	255,437	41,370	121,796	31,390	-	1,693,012	29,016,665	212,837,584
Disbursements:								
Instruction	273,063	(922)	125,467	30,986	-	-	-	85,190,002
Support services	50,863	44,564	10,088	-	-	-	-	50,519,904
Noninstructional services	-	1,100	3,953	404	-	-	-	10,289,624
Facilities acquisition and construction	-	-	-	-	-	-	-	54,515,169
Debt services	-	-	-	-	-	-	-	19,728,835
Nonprogrammed charges	-	-	-	-	-	1,493,352	29,029,984	30,523,336
Total disbursements	323,926	44,742	139,508	31,390	-	1,493,352	29,029,984	250,766,870
Excess (deficiency) of receipts over disbursements	(68,489)	(3,372)	(17,712)	-	-	199,660	(13,319)	(37,929,286)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	1,995,548
Sale of capital assets	-	-	-	-	-	-	-	33,752
Transfers in	-	-	-	-	-	82,441	-	7,894,862
Transfers out	-	-	-	-	-	(191,999)	-	(7,894,862)
Total other financing sources (uses)	-	-	-	-	-	(109,559)	-	2,029,300
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(68,489)	(3,372)	(17,712)	-	-	90,101	(13,319)	(35,899,986)
Cash and investments - ending	\$ (81,559)	\$ (10,104)	\$ (27,895)	\$ -	\$ -	\$ 90,101	\$ 983,802	\$ 89,992,840

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE PERRY TOWNSHIP SCHOOLS, MARION COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002 and 2017-003. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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

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

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

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

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

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

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

November 7, 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.

PERRY TOWNSHIP SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 15-16 FY 16-17	\$ - -	\$ 1,673,919 -	\$ - -	\$ - 1,835,009
Total - School Breakfast Program				-	1,673,919	-	1,835,009
National School Lunch Program	Indiana Department of Education	10.555	FY 15-16 FY 16-17 FY 15-17	- - -	4,954,676 - 494,930	- - -	- 5,492,331 680,150
Total - National School Lunch Program				-	5,449,606	-	6,172,481
Special Milk Program for Children	Indiana Department of Education	10.556	FY 15-16 FY 16-17	- -	1,775 -	- -	- 1,505
Total - Special Milk Program for Children				-	1,775	-	1,505
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 15-16 FY 16-17	- -	307,872 -	- -	- 310,124
Total - Summer Food Service Program for Children				-	307,872	-	310,124
Total - Child Nutrition Cluster				-	7,433,172	-	8,319,119
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 16-17	-	-	-	37,759
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579	A58-6-16SS-088	-	-	-	20,000
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582	FY 15-16 FY 16-17	- -	44,373 -	- -	- 37,035
Total - Fresh Fruit and Vegetable Program				-	44,373	-	37,035
Total - Department of Agriculture				-	7,477,545	-	8,413,913
<u>Institute of Museum and Library Services</u>							
Grants to States	Indiana State Library	45.310	T16-1-1(24)	-	-	-	9,985
Total - Institute of Museum and Library Services				-	-	-	9,985
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027	14214-053-PN01 14215-053-PN01 14216-053-PN01 14217-053-PN01 99914-053-PN01	- - - - -	187,881 1,282,826 1,707,511 - 53,400	- - - - -	- 299,886 1,616,134 1,823,631 -
Technical Assistance				-	53,400	-	-
Total - Special Education_Grants to States				-	3,231,618	-	3,739,651

PERRY TOWNSHIP SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Special Education_Preschool Grants	Indiana Department of Education	84.173					
			45715-053-PN01	-	36,369	-	3,976
			45716-053-PN01	-	65,137	-	39,586
			45717-053-PN01	-	-	-	54,722
Total - Special Education_Preschool Grants				-	101,506	-	98,284
Total - Special Education Cluster (IDEA)				-	3,333,124	-	3,837,935
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
			15-5340	-	709,447	-	-
			16-5340	-	3,008,008	-	947,081
			17-5340	-	-	-	2,469,764
Total - Title I Grants to Local Educational Agencies				-	3,717,455	-	3,416,845
English Language Acquisition State Grants	Indiana Department of Education	84.365					
			01117-004-FLUX	-	-	-	35,710
			01114-045-PN01	-	9,059	-	-
			01115-002-FLUX	-	45,215	-	5,660
			01115-066-PN01	-	236,243	-	48,105
			01116-067-PN01	-	47,446	-	207,331
Total - English Language Acquisition State Grants				-	337,963	-	296,806
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
			13-5340	-	81,956	-	-
			14-5340	-	233,759	-	78,494
			15-5340	-	-	-	159,464
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	315,715	-	237,958
Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)	Indiana Department of Education	84.374					
			15-5340	-	285,012	-	-
Total - Department of Education				-	7,989,269	-	7,789,544
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
			FY 15-16	-	46,989	-	-
			FY 16-17	-	-	-	85,838
Total - Medical Assistance Program				-	46,989	-	85,838
Total - Medicaid Cluster				-	46,989	-	85,838
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Indiana Department of Education	93.566					
			700REFSOCVCF17	-	-	-	76,704
Refugee and Entrant Assistance Discretionary Grants	Indiana Department of Education	93.576					
			700REFSCHLIMF14	-	228,076	-	76,482
Total - Department of Health and Human Services				-	275,065	-	239,024
Total federal awards expended				\$ -	\$ 15,741,879	\$ -	\$ 16,452,466

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

PERRY TOWNSHIP SCHOOLS
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. The Special Education Cooperative operates the special education programs for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the Schedule of Expenditures of Federal Awards is not presented as receipts and disbursements in the financial statement.

PERRY TOWNSHIP SCHOOLS
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 deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

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

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

Dollar threshold used to distinguish between Type A and Type B programs: \$965,830

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

No matters are reportable.

PERRY TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-001

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): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

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

Condition

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

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the Monthly Sponsor Claims (claims for reimbursement) were accurate prior to submission. One person prepared and submitted the reports. There was no segregation of duties, such as an oversight, review, or approval process.

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). . . ."

PERRY TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-002

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles, Program Income,
and Special Tests and Provisions - School Food Accounts

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): FY 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles, Program Income, Special
Tests and Provisions - School Food Accounts

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles, Program Income, and Special Tests and Provisions - School Food Accounts compliance requirements.

PERRY TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Allowable Costs/Cost Principles, Program Income, Special Tests and Provisions

Management of the School Corporation had not established an effective internal control system to ensure that transfers from the School Lunch fund were for the benefit of food service. The School Corporation transferred \$150,000 from the School Lunch fund to the Self-Insurance fund for both fiscal years 2015-2016 and 2016-2017 to fund worker's compensation costs allocated to food service employees. The School Corporation did not use an indirect cost rate or maintain adequate documentation to support the transfer from the School Lunch fund to the Self-Insurance fund for funding of worker's compensation costs allocated to food service employees.

Program Income

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded in the financial records. The School Corporation did not transfer the correct amount of sales from the Prepaid Lunches fund. The transfer from the Prepaid Lunches fund (8400) to the School Lunch fund (800) was the difference between the ending balance in the 8400 fund and the ending prepaid food trust account balance from the food service computer program. The actual program income generated from food service operations was not transferred or recorded.

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. . . ."

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 A, Part C states in part:

"1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

PERRY TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- b. Be allocable to Federal awards under the provisions of this Circular. . . .
- j. Be adequately documented. . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . ."

7 CFR 210.14(a) states in part:

"Nonprofit school food service. School food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, *except that*, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. . . ."

7 CFR 210.14(c) states:

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

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

7 CFR 220.7(e) states in part:

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

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

PERRY TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

7 CFR 225.6(e) states in part:

"State-Sponsor Agreement. A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to: . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

7 CFR 215.7(d) states:

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

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles, Program Income, and Special Tests and Provisions - School Food Accounts compliance requirements.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the Allowable Costs/Cost Principles, Program Income, and Special Tests and Provisions - School Food Accounts compliance requirements could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

Questioned costs identified totaled \$300,000.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles, Program Income, and Special Tests and Provisions - School Food Accounts compliance requirements.

Views of Responsible Officials

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

PERRY TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2017-003

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

Condition

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

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

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

Context

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

PERRY TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

2 CFR 180.300 states:

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

You do this by:

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

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the suspension and debarment requirements.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the suspension and debarment requirements could have resulted in a loss of federal funds to the School Corporation.

Questioned Costs

There were no question costs identified.

Recommendation

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

Views of Responsible Officials

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

PERRY TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2017-004

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Comparability
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 15-5340, 16-5340, 17-5340
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Comparability
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior year. The prior audit finding number was 2015-007.

Condition

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

Comparability reports were completed and submitted by a single member of Title I management. No controls procedures were identified to ensure the accuracy of the report submitted.

Context

The lack of internal 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). . . ."

PERRY TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls to ensure compliance with the Special Tests and Provisions - Comparability compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, to ensure compliance with the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



Perry Township Schools

6548 Orinoco Avenue
Indianapolis, IN 46227-4820

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2015

Contact Person Responsible for Corrective Action: J. Michael Bagley (Chief Financial Officer)

Contact Phone Number: (317) 789-3761

Status of Audit Finding: The Payroll Supervisor, Payroll Clerk, Business Office Specialist and Chief Financial Officer began initialing the reviewed payroll documents in July of 2016. These bi-weekly documents are housed in the Business Office Specialist's office.

FINDING 2015-002

Fiscal year in which the finding initially occurred: 2015

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

Contact Person Responsible for Corrective Action: J. Michael Bagley (Chief Financial Officer),
Chyrie Thompson (Director of Food Service)

Contact Phone Number: (317) 789-3761
(317) 789 3745

Status of Audit Finding:

Payroll review began in July 2016 and the Payroll Approval process from Finding 2015-001 in the Business Office is in place. Bi-weekly documents are housed in the Business Office Specialist's office.

Cash Management: Since July of 2017, the Director of Food Services completes, and signs, a monthly expenditure and balance report, which is checked against the previous three-month's average expenditures. The report is reviewed for accuracy and signed by either the Asst. Food Service Director of the Food Service Bookkeeper. The Food Service Director keeps the report; the Business Office has a copy available for inspection if needed.

Eligibility: As of August 2017, Food Service team members enter information from the paper applications into Skyward. The list is printed out of Skyward and verified for accuracy. Three percent are selected and from the list of applications for verification. The reports are kept by the Food Service Department; the Business Office has a sample copy available for inspection if needed.

Special Tests and Provisions-Verification: As of November 2017, Food Service team members enter verification information from the documentation supplied by the parents in Skyward. Those are then check for accuracy and documented. The documentation is kept by the Food Service Department; the Business Office has a sample copy available for inspection if needed.

FINDING 2015-003

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: J. Michael Bagley (Chief Financial Officer),
Chyrie Thompson (Director of Food Service)

Contact Phone Number: (317) 789-3761
(317) 789 3745

Status of Audit Finding: as of July 2016, the Food Service Bookkeeper or the Deputy Treasurer receipts all receipts from prepayments into the Prepaid Food Account, 8400. Documentation is maintained in the Food Service Department and the Business Office has a copy of a sample available for inspection if needed.

FINDING 2015-004

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: J. Michael Bagley (Chief Financial Officer),
Chyrie Thompson (Director of Food Service)

Contact Phone Number: (317) 789-3761
(317) 789 3745

Status of Audit Finding: As of July 2017 all DOE Financial Reports, Claims for Reimbursement, Verification Reports and Other Special Reports are prepared by the Food Service Department and reviewed for accuracy. They are signed by Food Service Team Management and by the Reviewer for double-checking. Based on USDA requirements, the Skyward Food Service program selects the required number of applications that are to be verified. Letter(s) are prepared for those selected and sent to the households. As of October 1, 2017, copies of the Letters are filed with a copy of the original application and all documentation submitted for verification. Documentation is kept by the Food Service Department; the Business Office has a sample copy available for inspection if needed.

FINDING 2015-005

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: J. Michael Bagley (Chief Financial Officer),
Chyrie Thompson (Director of Food Service)

Contact Phone Number: (317) 789-3761
(317) 789 3745

Status of Audit Finding: As of July 2016, the Paid Lunch Equity calculation is completed by the Food Service Director and verified by another Food Service staff member. Copies of all documentation for the calculation of the Paid Lunch Equity is kept in the Food Service Office, the Business Office has a sample copy available for inspection if needed. Perry Township Schools has not requested a waiver from the IDOE since the audit finding. If that need arises in the future, Perry Township Food Service would maintain verification and copies of all communications with IDOE concerning the waiver.

FINDING 2015-006

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: J. Michael Bagley (Chief Financial Officer),
Chyrie Thompson (Director of Food Service)

Contact Phone Number: (317) 789-3761
(317) 789 3745

Status of Audit Finding: The current vendor was selected through a cooperative RFP through our Service Center, the Central Indiana Education Service Center. The RFP is on file with the Service Center and actually is currently in the hands of State Board of Accounts Auditors conducting an audit now. The Suspension and Debarment was checked against the Federal SAMs Website. The Business Office has documentation of the award and SAMs verification and a printout is maintained in the file and is available if needed. .

FINDING 2015-007

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: Andrea Larkin (Title I Administrator),
Lisa Harrison (Fiscal Coordinator)

Contact Phone Number: (317) 789-3798
(317) 789 3725

Status of Audit Finding:

Comparability: The 2017-2018 Comparability Report was completed by the Title I Administrator and reviewed by the Fiscal Coordinator. Both signed the report documentation prior to online submission. A copy of the report and supporting documentation is stored in the Title I Administrator's office and available for review.

Payroll: The Payroll Supervisor, Payroll Clerk, Business Office Specialist and Chief Financial Officer began initialing the reviewed payroll documents in July of 2016. These bi-weekly documents are housed in the Business Office Specialist's office.

FINDING 2015-008

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: J. Michael Bagley (Chief Financial Officer),
Lisa Harrison (Fiscal Coordinator)

Contact Phone Number: (317) 789-3761
(317) 789 3725

Status of Audit Finding: The Reimbursement request continues to be prepared by the Fiscal Coordinator after the close of the business month using the Expenditure Activity Report available in FMS. Information from this report is transferred to an Excel spreadsheet listing each grant category. Additional reports available in FMS are used for cross checking. The online reimbursement request is completed and submitted by the Fiscal Coordinator and the submission is reviewed and initialed by both the Fiscal Coordinator and the CFO. Copies are kept by both the CFO and Fiscal Coordinator and available for review.

FINDING 2015-009

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: Andrea Larkin (Title I Administrator),
Lisa Harrison (Fiscal Coordinator)

Contact Phone Number: (317) 789-3798
(317) 789 3725


Status of Audit Finding: The Payroll Supervisor, Payroll Clerk, Business Office Specialist and Chief Financial Officer began initialing the reviewed payroll documents in July of 2016. These bi-weekly documents are housed in the Business Office Specialist's office.

FINDING 2015-010

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: Jane Pollard (Title III Administrator),
Lisa Harrison (Fiscal Coordinator)

Contact Phone Number: (317) 789-3777
(317) 789 3725

Status of Audit Finding: The Title III Administrator maintains a central file location within the EL Department where all Semi-Annual Certification forms are filed. Forms are completed for each six-month period and sent to the appropriate supervisor for signing and dating. The EL Department secretary is responsible for monitoring the return of the signed Semi-Annual forms on a timely basis and sends reminders as necessary. All forms are in this central location and available for audit review.



(Signature)

Chief Financial Officer

(Title)

October 17, 2018

(Date)

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



Perry Township Schools

6548 Orinoco Avenue • Indianapolis, IN • 46227-4820

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: J. Michael Bagley and Chyrie Thompson
Contact Phone Number (317) 789-3761 and (317) 789-3745

Views of Responsible Official:

The district concurs with this repeat finding from the immediate prior year audit. The repeat nature of the finding is due to the timing of the prior audit concluding at the end of the current audit cycle, which did not allow time to implement the corrective action. The overlap in the audit ensured the repeat nature of the finding.

Description of Corrective Action Plan:

Beginning July 2017, all Department of Education Financial Reports, Claims for Reimbursement, Verification Reports and Other Special Reports are prepared by the Director or Assistant Director of Food Services and are reviewed for accuracy by the Director or Assistant Director of Food Services or the Food Service Bookkeeper requiring two separate signatures for documentation. The reports are printed, dated, and signed first by the person completing the report and then by the designated person reviewing the report for accuracy. All reports are retained. These Internal Controls are ongoing.

Anticipated Completion Date: July, 2017



Perry Township Schools

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FINDING 2017-002

Contact Person Responsible for Corrective Action: J. Michael Bagley
Contact Phone Number: (317) 789-3761

Views of Responsible Official: **Allowable Costs/Cost Principles, Program Income, Special Tests and Provisions**

The district concurs that neither the indirect cost rate methodology nor the direct cost methodology were used to determine the amount of transfer made from the Food Service Fund to the Worker's Compensation Fund.

Description of Corrective Action Plan:

The district will refund the Food Service Fund for the fiscal years 2015-2016, 2016-2017, and 2017-2018 using the following calculation:

(Amount Transferred from Food Service minus the Direct Cost incurred by Food Service employees equals the amount refunded by transfer to the Food Service Fund) An independent calculation will be made for each of the fiscal years mentioned above.

The Perry Township Worker's Compensation program is self-insured. The Direct Cost for Food Service employees will be obtained through our Worker's Compensation Consultant JWF Specialty. The document that will be used is the Payment Register reported by employee and employee group. The Payment Register can be reconciled with the invoices paid during each year.

Anticipated Completion Date: March, 2019

Views of Responsible Official: **Program Income**

The district concurs with the finding. The district uses the Skyward Student Data Base for recording student and adult payments and food purchases. This database previously had not been programmed by Skyward to generate the reporting necessary to determine the non-prepaid payments. After working with Skyward for several months on this issue, these reports became available in March 2018.

Description of Corrective Action Plan:

As of March 2018, the newly created Payment and Purchase summary report is available. This report is used to determine the payments made on non-prepaid accounts. This information allows the Food Service Bookkeeper to calculate and reconcile the transfer amount from Fund 8400 to Fund 0800.

Anticipated Completion Date: March 2018



Perry Township Schools

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FINDING 2017-003

Contact Person Responsible for Corrective Action: J. Michael Bagley and P. Ann Schmidt
Contact Phone Number: Contact Phone Number (317) 789-3761 and (317) 789-3796

Views of Responsible Official:

The district concurs with the identified finding.

Description of Corrective Action Plan:

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

Anticipated Completion Date: July 1, 2018



Perry Township Schools

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FINDING 2017-004

Contact Person Responsible for Corrective Action: Title I Administrator, Jane Pollard
Fiscal Coordinator, Lisa Harrison
Contact Phone Number: (317) 789-3777 and (317) 789-3725

Views of Responsible Official:

The district concurs that this is a repeat finding from the immediate prior year. The repeat nature of the finding is due to the timing of the prior audit concluding at the end of the current audit cycle, which did not allow time to implement the corrective action. The overlap in the audit ensured the repeat nature of the finding.

Description of Corrective Action Plan:

Effective with the Fall 2017 submission, the Title I Administrator will continue to complete and submit the Comparability Report. Prior to submission, the report will be reviewed by the Fiscal Coordinator and initialed in agreement. Future submissions will contain the signature of the Title I Administrator and initials of the Fiscal Coordinator

Anticipated Completion Date: Fall 2017 Submission



J. Michael Bagley

Chief Financial Officer

November 7, 2018

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/>.