

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

FAYETTE COUNTY SCHOOL CORPORATION
FAYETTE COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
02/15/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	21-38
Schedule of Payables and Receivables	39
Schedule of Leases and Debt	40
Schedule of Capital Assets.....	41
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	44-46
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	49-51
Notes to Schedule of Expenditures of Federal Awards	52
Schedule of Findings and Questioned Costs	53-63
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	66-67
Corrective Action Plan	68-70
Other Reports.....	71

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director of Finance/Treasurer	Jane Kellam-Tollett	07-01-15 to 06-30-19
Superintendent of Schools	Dr. Russell Hodges Scott Collins	07-01-15 to 01-31-17 02-01-17 to 06-30-19
President of the School Board	Ralph Burchett Leslie Jacobs	07-01-15 to 12-31-16 01-01-17 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE FAYETTE COUNTY SCHOOL
CORPORATION, FAYETTE COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 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

December 19, 2018



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 FAYETTE COUNTY SCHOOL
CORPORATION, FAYETTE 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 Fayette County School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 19, 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.

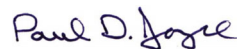
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

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

December 19, 2018

(This page intentionally left blank.)

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.

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

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 7,578,484	\$ 23,916,307	\$ 23,204,650	\$ 94,431	\$ 8,384,572	\$ 24,265,762	\$ 23,812,154	\$ 89,123	\$ 8,927,303
Debt Service	632,572	1,911,145	1,827,821	(75,475)	640,421	2,160,455	1,829,499	(137,363)	834,014
Retirement/Severance Bond Debt Service	62,477	195,844	191,406	-	66,915	209,970	191,168	-	85,717
Capital Projects	1,487,720	2,774,798	3,019,993	-	1,242,525	2,672,614	2,728,905	-	1,186,234
School Transportation	2,014,208	2,418,078	1,927,241	(496,201)	2,008,844	2,350,976	1,996,855	14,171	2,377,136
School Bus Replacement	485,591	302,157	319,882	-	467,866	304,294	51,856	-	720,304
Rainy Day	5,886,171	-	1,082,028	500,000	5,304,143	-	693,881	-	4,610,262
Retirement/Severance Bond	177,088	-	177,088	-	-	-	-	-	-
Post-Retirement/Severance Future Benefits	272,602	-	71,629	57,324	258,297	-	64,072	50,258	244,483
Construction	12,941	2	-	-	12,943	-	-	-	12,943
School Lunch	619,445	2,212,420	2,150,635	26	681,256	2,283,407	2,233,994	92	730,761
Corporation Textbook Rental	569,721	426,315	554,812	75,475	516,699	422,768	628,196	137,363	448,634
Technology Repair and Replacement	19,194	18,516	12,392	9	25,327	29,501	33,523	540	21,845
Centerville-Fayette-Rush Special Education Consortium	274,579	7,051	34,442	-	247,188	15,171	9,036	-	253,323
Joint Services and Supply - Area Vocational School	1,719,990	2,306,492	2,119,905	(287,349)	1,619,228	2,298,404	2,137,408	(153,509)	1,626,715
Whitewater Technical Capital Outlay	257,497	-	112,631	160,000	304,866	-	74,093	52,000	282,773
WCC CTE Performance	-	-	-	-	-	26,394	-	-	26,394
Child Care Program	6,621	171,227	148,802	519	29,565	164,968	154,866	51	39,718
Magic Moments Pres	5,393	11,354	11,299	-	5,448	19,600	21,075	8	3,981
Everton After School	19,546	12,647	6,729	-	25,464	9,041	5,278	-	29,227
Alternative Education	-	2,696	4,044	1,348	-	108	-	54	162
Early Literacy Grant	6,707	-	6,707	-	-	-	-	-	-
Frazer Literacy Early I	-	9,500	4,508	-	4,992	4,000	8,992	-	-
Early Intervention	-	-	-	-	-	16,474	-	-	16,474
Huffmeier Trust	20,771	3,309	500	-	23,580	6,133	500	-	29,213
Donations 2013-14	3,796	-	-	(3,796)	-	-	-	-	-
Donations 2014-15	44,323	-	44,323	-	-	-	-	-	-
Donations 2015-16	-	37,220	24,136	3,796	16,880	-	13,610	(3,270)	-
Donations 2016-17	-	12,274	-	-	12,274	31,029	30,839	-	12,464
Donation 2017-18	-	-	-	-	-	2,501	-	-	2,501
Jump Start	1,100	27,331	28,433	-	(2)	28,227	27,484	-	741
Lilly Counseling Grant	-	-	-	-	-	30,000	20,780	-	9,220
Adult and Continuing Education	45,136	7,231	23,403	-	28,964	7,604	13,004	-	23,564
Welfare Activities	12,832	14,040	14,143	-	12,729	13,880	15,763	-	10,846
FCSC Special Programs	32,910	13,364	17,013	1,402	30,663	11,348	46,005	4,149	155
Band Instruments	4,318	536	-	-	4,854	-	300	-	4,554
Formative Assessment	-	50,155	-	-	50,155	44,056	94,211	-	-
FCSC Gifted and Talented 2014-15	15,401	-	15,401	-	-	-	-	-	-
FCSC Gifted and Talented 2015-16	-	41,264	26,359	-	14,905	-	14,905	-	-
FCSC Gifted and Talented 2016-17	-	-	-	-	-	40,400	27,826	-	12,574
Tech Prep	1,283	-	-	-	1,283	550	916	3,270	4,187
Non-English Speaking Programs	-	-	-	-	-	-	-	-	-
School Technology	513	49,143	63,955	23,612	9,313	19,251	21,349	120	7,335
Career and Technical Performance Grant	-	-	-	-	-	33,673	2,313	-	31,360
Performance Based Awards	-	-	-	-	-	-	-	-	-

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

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Health Actions School	412	-	412	-	-	-	-	-	-
Wellness Grant 2014-15	(695)	1,200	505	-	-	-	-	-	-
Wellness Grant 2015-16	-	-	968	-	(968)	1,575	607	-	-
Wellness Grant 2016-17	-	-	-	-	-	-	1,500	-	(1,500)
Connersville Holding Corporation	27,684	-	-	-	27,684	-	-	-	27,684
Senator David Ford Technology	(357)	1,445	1,088	-	-	-	-	-	-
Young Authors	179	2,210	2,163	-	226	751	-	-	977
Textbook Rental	-	167,653	180,770	13,117	-	161,363	171,862	10,499	-
Title I 14-15	(88,269)	318,544	230,275	-	-	-	-	-	-
Title I 15-16	-	711,411	764,973	-	(53,562)	179,029	120,467	(5,000)	-
Title I 16-17	-	-	-	-	-	635,751	698,895	-	(63,144)
CFR Part B 2014-15	(95,040)	352,716	257,676	-	-	-	-	-	-
IDEA	-	1,081,088	1,192,451	-	(111,363)	358,378	247,015	-	-
CFSS Part B 16-17	-	-	-	-	-	1,044,465	1,179,681	-	(135,216)
CFSS 15-16 Preschool	-	63,225	63,888	-	(663)	663	-	-	-
CFSS 16-17 Preschool	-	-	-	-	-	65,006	65,006	-	-
WTCC Adult Based Education 2013-14	-	-	-	-	-	-	-	-	-
WTCC Adult Based Education 2014-15	(17,324)	27,059	9,735	-	-	-	-	-	-
ABE 15-16	-	65,176	88,487	-	(23,311)	51,087	27,776	-	-
ABE 16-17	-	-	-	-	-	59,799	75,754	-	(15,955)
Vocational and Technical Board Grants 2014-15	(25,196)	25,196	-	-	-	-	-	-	-
WTCC Perkins 15-16	-	148,091	147,453	(8,170)	(7,532)	15,319	7,787	-	-
WCC Perkins 16-17	-	-	-	-	-	138,276	147,977	(2,930)	(12,631)
Perkins (CTE Rural Grant)	(2,083)	2,083	-	-	-	-	-	-	-
Perkins Rural Grant	-	91,763	91,763	-	-	5,036	5,036	-	-
Medicaid Reimbursement - Federal	29,495	4,136	6,065	(5,583)	21,983	477	21,654	(690)	116
Title II - 2014-15	-	3,657	3,657	-	-	-	-	-	-
Title II - 2015-16	(15,577)	157,599	136,488	(6,889)	(1,355)	1,462	107	-	-
Title II - 2016-17	-	68,584	85,928	-	(17,344)	95,456	74,742	(7,678)	(4,308)
Title II - 2017-18	-	-	-	-	-	41,554	48,934	-	(7,380)
Rural/Low Income 2013-14	(11,994)	11,994	-	-	-	-	-	-	-
Rural/Low Income 2014-15	(133)	64,475	75,380	-	(11,038)	11,038	-	-	-
Rural/Low Income 2015-16	-	-	5,448	-	(5,448)	75,520	70,072	-	-
Head Start 2014-15	(24,926)	191,634	166,708	-	-	-	-	-	-
Head Start 2015-16	-	972,508	997,091	-	(24,583)	130,348	105,765	-	-
Head Start 2016-17	-	-	-	-	-	1,002,113	1,026,820	-	(24,707)
Food Service Deposits on Account	12,220	496,143	496,361	-	12,002	473,237	473,854	-	11,385
Food Service Concessions	-	112,673	111,953	-	720	112,489	120,719	-	(7,510)
Clearing	431,917	23,870,978	23,783,856	-	519,039	24,421,381	24,329,169	-	611,251
Totals	\$ 22,511,243	\$ 65,965,657	\$ 66,147,852	\$ 47,596	\$ 22,376,644	\$ 66,604,132	\$ 66,025,855	\$ 51,258	\$ 23,006,179

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

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

FAYETTE COUNTY SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENT
 (Continued)

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

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

Note 8. Restatements

For the year ended June 30, 2016, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances:

Fund	Balance as of June 30, 2015	Prior Period Adjustment	Balance as of July 1, 2015
Food Service Deposits on Account	\$ -	\$ 12,220	\$ 12,220

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Holding Corporation

The School Corporation has entered into a capital lease with Connersville Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2016 and 2017, totaled \$1,793,500 and \$1,797,000, respectively.

Note 10. Subsequent Events

On October 31, 2017, the School Corporation issued General Obligation Bonds Series 2017 in the amount of \$2,000,000. The proceeds will be used for improving and renovating facilities throughout the School Corporation.

On September 12, 2017, the School Corporation applied and was approved for a Common School Construction loan in the amount of \$3,500,000 to fund the construction of a fieldhouse. To date, no funds have been drawn from the Common School Construction loan.

Note 11. Other Postemployment Benefits

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

(This page intentionally left blank.)

OTHER INFORMATION - UNAUDITED

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

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

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

(This page intentionally left blank.)

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 7,578,484	\$ 632,572	\$ 62,477	\$ 1,487,720	\$ 2,014,208	\$ 485,591	\$ 5,886,171	\$ 177,088	\$ 272,602	\$ 12,941
Receipts:										
Local sources	192,508	1,911,145	195,844	2,771,509	2,418,078	302,157	-	-	-	2
Intermediate sources	1,952,290	-	-	-	-	-	-	-	-	-
State sources	21,770,944	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	565	-	-	3,289	-	-	-	-	-	-
Total receipts	23,916,307	1,911,145	195,844	2,774,798	2,418,078	302,157	-	-	-	2
Disbursements:										
Instruction	15,371,424	-	-	-	-	-	20,632	177,088	-	-
Support services	7,622,960	-	-	1,642,745	1,927,241	319,882	59,499	-	71,629	-
Noninstructional services	210,266	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,377,248	-	-	1,001,897	-	-	-
Debt service	-	1,827,821	191,406	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	23,204,650	1,827,821	191,406	3,019,993	1,927,241	319,882	1,082,028	177,088	71,629	-
Excess (deficiency) of receipts over disbursements	711,657	83,324	4,438	(245,195)	490,837	(17,725)	(1,082,028)	(177,088)	(71,629)	2
Other financing sources (uses):										
Sale of capital assets	27,718	-	-	-	3,799	-	-	-	-	-
Transfers in	148,965	-	-	-	-	-	500,000	-	57,324	-
Transfers out	(82,252)	(75,475)	-	-	(500,000)	-	-	-	-	-
Total other financing sources (uses)	94,431	(75,475)	-	-	(496,201)	-	500,000	-	57,324	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	806,088	7,849	4,438	(245,195)	(5,364)	(17,725)	(582,028)	(177,088)	(14,305)	2
Cash and investments - ending	\$ 8,384,572	\$ 640,421	\$ 66,915	\$ 1,242,525	\$ 2,008,844	\$ 467,866	\$ 5,304,143	\$ -	\$ 258,297	\$ 12,943

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

	School Lunch	Corporation Textbook Rental	Technology Repair and Replacement	Centerville-Fayette-Rush Special Education Consortium	Joint Services and Supply - Area Vocational School	Whitewater Technical Capital Outlay	WCC CTE Performance	Child Care Program	Magic Moments Pres	Everton After School
Cash and investments - beginning	\$ 619,445	\$ 569,721	\$ 19,194	\$ 274,579	\$ 1,719,990	\$ 257,497	\$ -	\$ 6,621	\$ 5,393	\$ 19,546
Receipts:										
Local sources	530,983	389,315	18,516	-	2,306,492	-	-	143,112	11,354	12,647
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	13,130	37,000	-	7,051	-	-	-	28,115	-	-
Federal sources	1,668,307	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>2,212,420</u>	<u>426,315</u>	<u>18,516</u>	<u>7,051</u>	<u>2,306,492</u>	<u>-</u>	<u>-</u>	<u>171,227</u>	<u>11,354</u>	<u>12,647</u>
Disbursements:										
Instruction	-	-	-	31,222	1,482,049	-	-	-	11,299	-
Support services	45,432	554,812	12,392	3,220	637,856	-	-	11,145	-	-
Noninstructional services	2,105,203	-	-	-	-	-	-	137,657	-	6,729
Facilities acquisition and construction	-	-	-	-	-	112,631	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>2,150,635</u>	<u>554,812</u>	<u>12,392</u>	<u>34,442</u>	<u>2,119,905</u>	<u>112,631</u>	<u>-</u>	<u>148,802</u>	<u>11,299</u>	<u>6,729</u>
Excess (deficiency) of receipts over disbursements	<u>61,785</u>	<u>(128,497)</u>	<u>6,124</u>	<u>(27,391)</u>	<u>186,587</u>	<u>(112,631)</u>	<u>-</u>	<u>22,425</u>	<u>55</u>	<u>5,918</u>
Other financing sources (uses):										
Sale of capital assets	25	-	9	-	975	-	-	519	-	-
Transfers in	1	75,475	-	-	8,170	160,000	-	-	-	-
Transfers out	-	-	-	-	(296,494)	-	-	-	-	-
Total other financing sources (uses)	<u>26</u>	<u>75,475</u>	<u>9</u>	<u>-</u>	<u>(287,349)</u>	<u>160,000</u>	<u>-</u>	<u>519</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>61,811</u>	<u>(53,022)</u>	<u>6,133</u>	<u>(27,391)</u>	<u>(100,762)</u>	<u>47,369</u>	<u>-</u>	<u>22,944</u>	<u>55</u>	<u>5,918</u>
Cash and investments - ending	<u>\$ 681,256</u>	<u>\$ 516,699</u>	<u>\$ 25,327</u>	<u>\$ 247,188</u>	<u>\$ 1,619,228</u>	<u>\$ 304,866</u>	<u>\$ -</u>	<u>\$ 29,565</u>	<u>\$ 5,448</u>	<u>\$ 25,464</u>

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

	Alternative Education	Early Literacy Grant	Frazer Literacy Early I	Early Intervention	Huffmeier Trust	Donations 2013-14	Donations 2014-15	Donations 2015-16	Donations 2016-17	Donation 2017-18
Cash and investments - beginning	\$ -	\$ 6,707	\$ -	\$ -	\$ 20,771	\$ 3,796	\$ 44,323	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	3,309	-	-	37,220	12,274	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	2,696	-	9,500	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	2,696	-	9,500	-	3,309	-	-	37,220	12,274	-
Disbursements:										
Instruction	4,044	-	4,508	-	-	-	40,973	15,491	-	-
Support services	-	6,707	-	-	-	-	1,600	7,060	-	-
Noninstructional services	-	-	-	-	-	-	1,750	1,585	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	500	-	-	-	-	-
Total disbursements	4,044	6,707	4,508	-	500	-	44,323	24,136	-	-
Excess (deficiency) of receipts over disbursements	(1,348)	(6,707)	4,992	-	2,809	-	(44,323)	13,084	12,274	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	1,348	-	-	-	-	-	-	3,796	-	-
Transfers out	-	-	-	-	-	(3,796)	-	-	-	-
Total other financing sources (uses)	1,348	-	-	-	-	(3,796)	-	3,796	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(6,707)	4,992	-	2,809	(3,796)	(44,323)	16,880	12,274	-
Cash and investments - ending	\$ -	\$ -	\$ 4,992	\$ -	\$ 23,580	\$ -	\$ -	\$ 16,880	\$ 12,274	\$ -

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

	Jump Start	Lilly Counseling Grant	Adult and Continuing Education	Welfare Activities	FCSC Special Programs	Band Instruments	Formative Assessment	FCSC Gifted and Talented 2014-15	FCSC Gifted and Talented 2015-16	FCSC Gifted and Talented 2016-17
Cash and investments - beginning	\$ 1,100	\$ -	\$ 45,136	\$ 12,832	\$ 32,910	\$ 4,318	\$ -	\$ 15,401	\$ -	\$ -
Receipts:										
Local sources	27,331	-	7,231	14,040	13,240	536	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	50,155	-	41,264	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	124	-	-	-	-	-
Total receipts	27,331	-	7,231	14,040	13,364	536	50,155	-	41,264	-
Disbursements:										
Instruction	23,040	-	23,403	-	611	-	-	15,401	26,359	-
Support services	5,393	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	14,143	15,158	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	1,244	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	28,433	-	23,403	14,143	17,013	-	-	15,401	26,359	-
Excess (deficiency) of receipts over disbursements	(1,102)	-	(16,172)	(103)	(3,649)	536	50,155	(15,401)	14,905	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	1,402	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	1,402	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,102)	-	(16,172)	(103)	(2,247)	536	50,155	(15,401)	14,905	-
Cash and investments - ending	\$ (2)	\$ -	\$ 28,964	\$ 12,729	\$ 30,663	\$ 4,854	\$ 50,155	\$ -	\$ 14,905	\$ -

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

	Tech Prep	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Performance Based Awards	Health Actions School	Wellness Grant 2014-15	Wellness Grant 2015-16	Wellness Grant 2016-17
Cash and investments - beginning	\$ 1,283	\$ -	\$ 513	\$ -	\$ -	\$ 412	\$ (695)	\$ -	\$ -
Receipts:									
Local sources	-	-	50	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	49,093	-	-	-	1,200	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	49,143	-	-	-	1,200	-	-
Disbursements:									
Instruction	-	-	190	-	-	-	-	77	-
Support services	-	-	63,765	-	-	412	505	891	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	63,955	-	-	412	505	968	-
Excess (deficiency) of receipts over disbursements	-	-	(14,812)	-	-	(412)	695	(968)	-
Other financing sources (uses):									
Sale of capital assets	-	-	32	-	-	-	-	-	-
Transfers in	-	-	23,580	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	23,612	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	8,800	-	-	(412)	695	(968)	-
Cash and investments - ending	\$ 1,283	\$ -	\$ 9,313	\$ -	\$ -	\$ -	\$ -	\$ (968)	\$ -

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

	Connersville Holding Corporation	Senator David Ford Technology	Young Authors	Textbook Rental	Title I 14-15	Title I 15-16	Title I 16-17	CFR Part B 2014-15	IDEA
Cash and investments - beginning	\$ 27,684	\$ (357)	\$ 179	\$ -	\$ (88,269)	\$ -	\$ -	\$ (95,040)	\$ -
Receipts:									
Local sources	-	-	2,210	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	1,445	-	167,653	-	-	-	-	-
Federal sources	-	-	-	-	318,544	711,411	-	352,716	1,081,088
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	1,445	2,210	167,653	318,544	711,411	-	352,716	1,081,088
Disbursements:									
Instruction	-	-	-	-	142,818	282,178	-	188,542	901,156
Support services	-	1,088	-	-	84,454	454,581	-	69,134	291,295
Noninstructional services	-	-	2,163	-	3,003	28,214	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	180,770	-	-	-	-	-
Total disbursements	-	1,088	2,163	180,770	230,275	764,973	-	257,676	1,192,451
Excess (deficiency) of receipts over disbursements	-	357	47	(13,117)	88,269	(53,562)	-	95,040	(111,363)
Other financing sources (uses):									
Sale of capital assets	-	-	-	13,117	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	13,117	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	357	47	-	88,269	(53,562)	-	95,040	(111,363)
Cash and investments - ending	\$ 27,684	\$ -	\$ 226	\$ -	\$ -	\$ (53,562)	\$ -	\$ -	\$ (111,363)

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

	CFSS Part B 16-17	CFSS 15-16 Preschool	CFSS 16-17 Preschool	WTCC Adult Based Education 2013-14	WTCC Adult Based Education 2014-15	ABE 15-16	ABE 16-17	Vocational and Technical Board Grants 2014-15	WTCC Perkins 15-16
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (17,324)	\$ -	\$ -	\$ (25,196)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	63,225	-	-	27,059	65,176	-	25,196	148,091
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	63,225	-	-	27,059	65,176	-	25,196	148,091
Disbursements:									
Instruction	-	-	-	-	9,735	88,487	-	-	73,420
Support services	-	63,888	-	-	-	-	-	-	74,033
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	63,888	-	-	9,735	88,487	-	-	147,453
Excess (deficiency) of receipts over disbursements	-	(663)	-	-	17,324	(23,311)	-	25,196	638
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(8,170)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(8,170)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(663)	-	-	17,324	(23,311)	-	25,196	(7,532)
Cash and investments - ending	\$ -	\$ (663)	\$ -	\$ -	\$ -	\$ (23,311)	\$ -	\$ -	\$ (7,532)

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

	WCC Perkins 16-17	Perkins (CTE Rural Grant)	Perkins Rural Grant	Medicaid Reimbursement - Federal	Title II - 2014-15	Title II - 2015-16	Title II - 2016-17	Title II - 2017-18	Rural/ Low Income 2013-14
Cash and investments - beginning	\$ -	\$ (2,083)	\$ -	\$ 29,495	\$ -	\$ (15,577)	\$ -	\$ -	\$ (11,994)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	2,083	91,763	4,136	3,657	157,599	68,584	-	11,994
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	2,083	91,763	4,136	3,657	157,599	68,584	-	11,994
Disbursements:									
Instruction	-	-	91,763	2,978	-	114,417	84,316	-	-
Support services	-	-	-	3,087	3,657	22,071	1,612	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	91,763	6,065	3,657	136,488	85,928	-	-
Excess (deficiency) of receipts over disbursements	-	2,083	-	(1,929)	-	21,111	(17,344)	-	11,994
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(5,583)	-	(6,889)	-	-	-
Total other financing sources (uses)	-	-	-	(5,583)	-	(6,889)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,083	-	(7,512)	-	14,222	(17,344)	-	11,994
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 21,983	\$ -	\$ (1,355)	\$ (17,344)	\$ -	\$ -

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

	Rural/ Low Income 2014-15	Rural/ Low Income 2015-16	Head Start 2014-15	Head Start 2015-16	Head Start 2016-17	Food Service Deposits on Account	Food Service Concessions	Clearing	Totals
Cash and investments - beginning	\$ (133)	\$ -	\$ (24,926)	\$ -	\$ -	\$ 12,220	\$ -	\$ 431,917	\$ 22,511,243
Receipts:									
Local sources	-	-	-	-	-	496,143	112,673	-	11,929,919
Intermediate sources	-	-	-	-	-	-	-	-	1,952,290
State sources	-	-	-	-	-	-	-	-	22,179,246
Federal sources	64,475	-	191,634	972,508	-	-	-	-	6,029,246
Other receipts	-	-	-	-	-	-	-	23,870,978	23,874,956
Total receipts	64,475	-	191,634	972,508	-	496,143	112,673	23,870,978	65,965,657
Disbursements:									
Instruction	-	-	101,375	907,026	-	-	-	-	20,236,022
Support services	75,380	5,448	26,237	88,184	-	-	111,953	-	14,371,248
Noninstructional services	-	-	-	-	-	-	-	-	2,525,871
Facilities acquisition and construction	-	-	39,096	1,881	-	-	-	-	2,533,997
Debt service	-	-	-	-	-	-	-	-	2,019,227
Nonprogrammed charges	-	-	-	-	-	496,361	-	23,783,856	24,461,487
Total disbursements	75,380	5,448	166,708	997,091	-	496,361	111,953	23,783,856	66,147,852
Excess (deficiency) of receipts over disbursements	(10,905)	(5,448)	24,926	(24,583)	-	(218)	720	87,122	(182,195)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	47,596
Transfers in	-	-	-	-	-	-	-	-	978,659
Transfers out	-	-	-	-	-	-	-	-	(978,659)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	47,596
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,905)	(5,448)	24,926	(24,583)	-	(218)	720	87,122	(134,599)
Cash and investments - ending	\$ (11,038)	\$ (5,448)	\$ -	\$ (24,583)	\$ -	\$ 12,002	\$ 720	\$ 519,039	\$ 22,376,644

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 8,384,572	\$ 640,421	\$ 66,915	\$ 1,242,525	\$ 2,008,844	\$ 467,866	\$ 5,304,143	\$ -	\$ 258,297	\$ 12,943
Receipts:										
Local sources	182,811	2,160,455	209,970	2,639,496	2,350,976	304,294	-	-	-	-
Intermediate sources	103	-	-	-	-	-	-	-	-	-
State sources	24,079,091	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	3,757	-	-	33,118	-	-	-	-	-	-
Total receipts	<u>24,265,762</u>	<u>2,160,455</u>	<u>209,970</u>	<u>2,672,614</u>	<u>2,350,976</u>	<u>304,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:										
Instruction	15,853,090	-	-	-	-	-	224,546	-	-	-
Support services	7,759,110	-	-	1,772,393	1,996,855	51,856	103,859	-	64,072	-
Noninstructional services	199,954	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	956,512	-	-	365,476	-	-	-
Debt service	-	1,829,499	191,168	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>23,812,154</u>	<u>1,829,499</u>	<u>191,168</u>	<u>2,728,905</u>	<u>1,996,855</u>	<u>51,856</u>	<u>693,881</u>	<u>-</u>	<u>64,072</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>453,608</u>	<u>330,956</u>	<u>18,802</u>	<u>(56,291)</u>	<u>354,121</u>	<u>252,438</u>	<u>(693,881)</u>	<u>-</u>	<u>(64,072)</u>	<u>-</u>
Other financing sources (uses):										
Sale of capital assets	20,448	-	-	-	14,171	-	-	-	-	-
Transfers in	118,987	-	-	-	-	-	-	-	50,258	-
Transfers out	(50,312)	(137,363)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>89,123</u>	<u>(137,363)</u>	<u>-</u>	<u>-</u>	<u>14,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,258</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>542,731</u>	<u>193,593</u>	<u>18,802</u>	<u>(56,291)</u>	<u>368,292</u>	<u>252,438</u>	<u>(693,881)</u>	<u>-</u>	<u>(13,814)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 8,927,303</u>	<u>\$ 834,014</u>	<u>\$ 85,717</u>	<u>\$ 1,186,234</u>	<u>\$ 2,377,136</u>	<u>\$ 720,304</u>	<u>\$ 4,610,262</u>	<u>\$ -</u>	<u>\$ 244,483</u>	<u>\$ 12,943</u>

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

	School Lunch	Corporation Textbook Rental	Technology Repair and Replacement	Centerville- Fayette- Rush Special Education Consortium	Joint Services and Supply - Area Vocational School	Whitewater Technical Capital Outlay	WCC CTE Performance	Child Care Program	Magic Moments Pres	Everton After School
Cash and investments - beginning	\$ 681,256	\$ 516,699	\$ 25,327	\$ 247,188	\$ 1,619,228	\$ 304,866	\$ -	\$ 29,565	\$ 5,448	\$ 25,464
Receipts:										
Local sources	529,739	261,405	29,501	14,933	2,298,404	-	26,394	131,351	19,600	9,041
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	12,332	161,363	-	238	-	-	-	33,617	-	-
Federal sources	1,741,336	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>2,283,407</u>	<u>422,768</u>	<u>29,501</u>	<u>15,171</u>	<u>2,298,404</u>	<u>-</u>	<u>26,394</u>	<u>164,968</u>	<u>19,600</u>	<u>9,041</u>
Disbursements:										
Instruction	-	-	-	8,615	1,512,878	-	-	-	21,075	-
Support services	22,781	628,196	33,523	421	624,530	-	-	12,593	-	-
Noninstructional services	2,211,213	-	-	-	-	-	-	142,273	-	5,278
Facilities acquisition and construction	-	-	-	-	-	74,093	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>2,233,994</u>	<u>628,196</u>	<u>33,523</u>	<u>9,036</u>	<u>2,137,408</u>	<u>74,093</u>	<u>-</u>	<u>154,866</u>	<u>21,075</u>	<u>5,278</u>
Excess (deficiency) of receipts over disbursements	<u>49,413</u>	<u>(205,428)</u>	<u>(4,022)</u>	<u>6,135</u>	<u>160,996</u>	<u>(74,093)</u>	<u>26,394</u>	<u>10,102</u>	<u>(1,475)</u>	<u>3,763</u>
Other financing sources (uses):										
Sale of capital assets	92	-	540	-	1,180	-	-	51	8	-
Transfers in	-	137,363	-	-	62,930	52,000	-	-	-	-
Transfers out	-	-	-	-	(217,619)	-	-	-	-	-
Total other financing sources (uses)	<u>92</u>	<u>137,363</u>	<u>540</u>	<u>-</u>	<u>(153,509)</u>	<u>52,000</u>	<u>-</u>	<u>51</u>	<u>8</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>49,505</u>	<u>(68,065)</u>	<u>(3,482)</u>	<u>6,135</u>	<u>7,487</u>	<u>(22,093)</u>	<u>26,394</u>	<u>10,153</u>	<u>(1,467)</u>	<u>3,763</u>
Cash and investments - ending	<u>\$ 730,761</u>	<u>\$ 448,634</u>	<u>\$ 21,845</u>	<u>\$ 253,323</u>	<u>\$ 1,626,715</u>	<u>\$ 282,773</u>	<u>\$ 26,394</u>	<u>\$ 39,718</u>	<u>\$ 3,981</u>	<u>\$ 29,227</u>

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

	Alternative Education	Early Literacy Grant	Frazer Literacy Early I	Early Intervention	Huffmeier Trust	Donations 2013-14	Donations 2014-15	Donations 2015-16	Donations 2016-17	Donation 2017-18
Cash and investments - beginning	\$ -	\$ -	\$ 4,992	\$ -	\$ 23,580	\$ -	\$ -	\$ 16,880	\$ 12,274	\$ -
Receipts:										
Local sources	-	-	-	-	6,133	-	-	-	31,029	2,501
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	108	-	4,000	16,474	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	108	-	4,000	16,474	6,133	-	-	-	31,029	2,501
Disbursements:										
Instruction	-	-	3,607	-	-	-	-	2,971	21,515	-
Support services	-	-	5,385	-	-	-	-	10,379	3,335	-
Noninstructional services	-	-	-	-	-	-	-	260	251	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	5,738	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	500	-	-	-	-	-
Total disbursements	-	-	8,992	-	500	-	-	13,610	30,839	-
Excess (deficiency) of receipts over disbursements	108	-	(4,992)	16,474	5,633	-	-	(13,610)	190	2,501
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	54	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(3,270)	-	-
Total other financing sources (uses)	54	-	-	-	-	-	-	(3,270)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	162	-	(4,992)	16,474	5,633	-	-	(16,880)	190	2,501
Cash and investments - ending	\$ 162	\$ -	\$ -	\$ 16,474	\$ 29,213	\$ -	\$ -	\$ -	\$ 12,464	\$ 2,501

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

	Jump Start	Lilly Counseling Grant	Adult and Continuing Education	Welfare Activities	FCSC Special Programs	Band Instruments	Formative Assessment	FCSC Gifted and Talented 2014-15	FCSC Gifted and Talented 2015-16	FCSC Gifted and Talented 2016-17
Cash and investments - beginning	\$ (2)	\$ -	\$ 28,964	\$ 12,729	\$ 30,663	\$ 4,854	\$ 50,155	\$ -	\$ 14,905	\$ -
Receipts:										
Local sources	28,227	30,000	7,604	13,880	11,155	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	44,056	-	-	40,400
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	193	-	-	-	-	-
Total receipts	28,227	30,000	7,604	13,880	11,348	-	44,056	-	-	40,400
Disbursements:										
Instruction	21,849	-	13,004	-	444	-	-	-	14,905	27,826
Support services	5,635	20,780	-	-	-	-	94,211	-	-	-
Noninstructional services	-	-	-	15,763	14,962	300	-	-	-	-
Facilities acquisition and construction	-	-	-	-	30,599	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	27,484	20,780	13,004	15,763	46,005	300	94,211	-	14,905	27,826
Excess (deficiency) of receipts over disbursements	743	9,220	(5,400)	(1,883)	(34,657)	(300)	(50,155)	-	(14,905)	12,574
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	4,149	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	4,149	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	743	9,220	(5,400)	(1,883)	(30,508)	(300)	(50,155)	-	(14,905)	12,574
Cash and investments - ending	\$ 741	\$ 9,220	\$ 23,564	\$ 10,846	\$ 155	\$ 4,554	\$ -	\$ -	\$ -	\$ 12,574

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

	Tech Prep	Non-English Speaking Programs	School Technology	Career and Technical Performance Grant	Performance Based Awards	Health Actions School	Wellness Grant 2014-15	Wellness Grant 2015-16	Wellness Grant 2016-17
Cash and investments - beginning	\$ 1,283	\$ -	\$ 9,313	\$ -	\$ -	\$ -	\$ -	\$ (968)	\$ -
Receipts:									
Local sources	550	-	55	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	19,196	-	-	-	-	1,575	-
Federal sources	-	-	-	33,673	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	550	-	19,251	33,673	-	-	-	1,575	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	4
Support services	916	-	21,349	2,313	-	-	-	607	1,496
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	916	-	21,349	2,313	-	-	-	607	1,500
Excess (deficiency) of receipts over disbursements	(366)	-	(2,098)	31,360	-	-	-	968	(1,500)
Other financing sources (uses):									
Sale of capital assets	-	-	120	-	-	-	-	-	-
Transfers in	3,270	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	3,270	-	120	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,904	-	(1,978)	31,360	-	-	-	968	(1,500)
Cash and investments - ending	\$ 4,187	\$ -	\$ 7,335	\$ 31,360	\$ -	\$ -	\$ -	\$ -	\$ (1,500)

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

	Connersville Holding Corporation	Senator David Ford Technology	Young Authors	Textbook Rental	Title I 14-15	Title I 15-16	Title I 16-17	CFR Part B 2014-15	IDEA
Cash and investments - beginning	\$ 27,684	\$ -	\$ 226	\$ -	\$ -	\$ (53,562)	\$ -	\$ -	\$ (111,363)
Receipts:									
Local sources	-	-	751	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	161,363	-	-	-	-	-
Federal sources	-	-	-	-	-	179,029	635,751	-	358,378
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	751	161,363	-	179,029	635,751	-	358,378
Disbursements:									
Instruction	-	-	-	-	-	37,540	326,472	-	187,344
Support services	-	-	-	-	-	80,311	366,270	-	59,671
Noninstructional services	-	-	-	-	-	2,616	6,153	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	171,862	-	-	-	-	-
Total disbursements	-	-	-	171,862	-	120,467	698,895	-	247,015
Excess (deficiency) of receipts over disbursements	-	-	751	(10,499)	-	58,562	(63,144)	-	111,363
Other financing sources (uses):									
Sale of capital assets	-	-	-	10,499	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(5,000)	-	-	-
Total other financing sources (uses)	-	-	-	10,499	-	(5,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	751	-	-	53,562	(63,144)	-	111,363
Cash and investments - ending	\$ 27,684	\$ -	\$ 977	\$ -	\$ -	\$ -	\$ (63,144)	\$ -	\$ -

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

	CFSS Part B 16-17	CFSS 15-16 Preschool	CFSS 16-17 Preschool	WTCC Adult Based Education 2013-14	WTCC Adult Based Education 2014-15	ABE 15-16	ABE 16-17	Vocational and Technical Board Grants 2014-15	WTCC Perkins 15-16
Cash and investments - beginning	\$ -	\$ (663)	\$ -	\$ -	\$ -	\$ (23,311)	\$ -	\$ -	\$ (7,532)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	1,044,465	663	65,006	-	-	51,087	59,799	-	15,319
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	1,044,465	663	65,006	-	-	51,087	59,799	-	15,319
Disbursements:									
Instruction	882,298	-	-	-	-	27,776	75,754	-	1,860
Support services	297,383	-	65,006	-	-	-	-	-	5,927
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,179,681	-	65,006	-	-	27,776	75,754	-	7,787
Excess (deficiency) of receipts over disbursements	(135,216)	663	-	-	-	23,311	(15,955)	-	7,532
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(135,216)	663	-	-	-	23,311	(15,955)	-	7,532
Cash and investments - ending	\$ (135,216)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,955)	\$ -	\$ -

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

	WCC Perkins 16-17	Perkins (CTE Rural Grant)	Perkins Rural Grant	Medicaid Reimbursement - Federal	Title II - 2014-15	Title II - 2015-16	Title II - 2016-17	Title II - 2017-18	Rural/ Low Income 2013-14
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 21,983	\$ -	\$ (1,355)	\$ (17,344)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	138,276	-	5,036	477	-	1,462	95,456	41,554	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	138,276	-	5,036	477	-	1,462	95,456	41,554	-
Disbursements:									
Instruction	38,512	-	5,036	21,654	-	-	58,718	48,934	-
Support services	109,465	-	-	-	-	107	16,024	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	147,977	-	5,036	21,654	-	107	74,742	48,934	-
Excess (deficiency) of receipts over disbursements	(9,701)	-	-	(21,177)	-	1,355	20,714	(7,380)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(2,930)	-	-	(690)	-	-	(7,678)	-	-
Total other financing sources (uses)	(2,930)	-	-	(690)	-	-	(7,678)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,631)	-	-	(21,867)	-	1,355	13,036	(7,380)	-
Cash and investments - ending	\$ (12,631)	\$ -	\$ -	\$ 116	\$ -	\$ -	\$ (4,308)	\$ (7,380)	\$ -

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

	Rural/ Low Income 2014-15	Rural/ Low Income 2015-16	Head Start 2014-15	Head Start 2015-16	Head Start 2016-17	Food Service Deposits on Account	Food Service Concessions	Clearing	Totals
Cash and investments - beginning	\$ (11,038)	\$ (5,448)	\$ -	\$ (24,583)	\$ -	\$ 12,002	\$ 720	\$ 519,039	\$ 22,376,644
Receipts:									
Local sources	-	-	-	-	-	473,237	112,489	-	11,885,981
Intermediate sources	-	-	-	-	-	-	-	-	103
State sources	-	-	-	-	-	-	-	-	24,573,813
Federal sources	11,038	75,520	-	130,348	1,002,113	-	-	-	5,685,786
Other receipts	-	-	-	-	-	-	-	24,421,381	24,458,449
Total receipts	11,038	75,520	-	130,348	1,002,113	473,237	112,489	24,421,381	66,604,132
Disbursements:									
Instruction	-	-	-	98,690	931,111	-	-	-	20,468,028
Support services	-	70,072	-	6,075	93,808	-	120,719	-	14,527,433
Noninstructional services	-	-	-	-	-	-	-	-	2,599,023
Facilities acquisition and construction	-	-	-	1,000	1,901	-	-	-	1,435,319
Debt service	-	-	-	-	-	-	-	-	2,020,667
Nonprogrammed charges	-	-	-	-	-	473,854	-	24,329,169	24,975,385
Total disbursements	-	70,072	-	105,765	1,026,820	473,854	120,719	24,329,169	66,025,855
Excess (deficiency) of receipts over disbursements	11,038	5,448	-	24,583	(24,707)	(617)	(8,230)	92,212	578,277
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	51,258
Transfers in	-	-	-	-	-	-	-	-	424,862
Transfers out	-	-	-	-	-	-	-	-	(424,862)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	51,258
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,038	5,448	-	24,583	(24,707)	(617)	(8,230)	92,212	629,535
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (24,707)	\$ 11,385	\$ (7,510)	\$ 611,251	\$ 23,006,179

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2017

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 1,919,872</u>	<u>\$ 313,471</u>

FAYETTE COUNTY SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Connersville Middle School Lease	Building Improvements	\$ 1,070,500	12/31/2011	12/31/2026
Connersville Middle School Lease	Qualified School Construction Bonds	225,000	6/30/2010	12/31/2020
Connersville Middle School Lease	Qualified Zone Academy Bonds	756,000	12/31/2014	6/30/2018
US Bank	Operating Copier Lease	<u>31,454</u>	11/15/2014	8/15/2018
Total of annual lease payments		<u>\$ 2,082,954</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Retirement and Severance	\$ 400,000	\$ 195,112
Notes and loans payable	Common School Technology Loan	<u>73,798</u>	<u>30,183</u>
Totals		<u>\$ 473,798</u>	<u>\$ 225,295</u>

FAYETTE COUNTY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2017

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 5,500
Buildings	128,359,160
Improvements other than buildings	822,427
Machinery, equipment, and vehicles	<u>12,697,614</u>
Total governmental activities	<u>141,884,701</u>
Total capital assets	<u><u>\$ 141,884,701</u></u>

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE FAYETTE COUNTY SCHOOL
CORPORATION, FAYETTE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Fayette County School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on 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.

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

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.

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, 2017-003, 2017-005, and 2017-006. 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, 2017-004, 2017-005, and 2017-006, that we consider to be material weaknesses.

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

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

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


Paul D. Joyce, CPA
State Examiner

December 19, 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.

(This page intentionally left blank.)

FAYETTE COUNTY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 6-30-17
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
			FY 15-16	\$ 428,266	\$ -
			FY 16-17	-	488,597
Total - School Breakfast Program				<u>428,266</u>	<u>488,597</u>
National School Lunch Program					
	Indiana Department of Education	10.555			
			FY 15-16	1,047,804	-
			FY 16-17	-	1,020,925
Afterschool Snack Commodities			FY 15-17	15,085	5,967
			FY 15-17	<u>142,922</u>	<u>203,808</u>
Total - National School Lunch Program				<u>1,205,811</u>	<u>1,230,700</u>
Summer Food Service Program for Children					
	Indiana Department of Education	10.559			
			FY 15-16	97,834	-
			FY 16-17	-	93,139
Total - Summer Food Service Program for Children				<u>97,834</u>	<u>93,139</u>
Total - Child Nutrition Cluster				<u>1,731,911</u>	<u>1,812,436</u>
Child and Adult Care Food Program					
	Indiana Department of Education	10.558			
			FY 15-16	79,317	-
			FY 16-17	-	132,708
Total - Child and Adult Care Food Program				<u>79,317</u>	<u>132,708</u>
Child Nutrition Discretionary Grants Limited Availability					
	Indiana Department of Education	10.579	7182014IN810342	-	5,321
Total - Department of Agriculture				<u>1,811,228</u>	<u>1,950,465</u>

FAYETTE COUNTY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 6-30-17
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027			
			14215-071-PN01	261,950	-
			14216-065-PN01	760,118	292,650
			14217-065-PN01	-	791,551
				<u>1,022,068</u>	<u>1,084,201</u>
Total - Special Education_Grants to States					
Special Education_Preschool Grants	Indiana Department of Education	84.173			
			45716-065-PN01	50,329	663
			45717-065-PN01	-	51,654
				<u>50,329</u>	<u>52,317</u>
Total - Special Education_Preschool Grants					
Total - Special Education Cluster (IDEA)				<u>1,072,397</u>	<u>1,136,518</u>
Adult Education - Basic Grants to States	New Castle Community School Corp.	84.002			
			FY 14-15	27,059	-
			FY 15-16	65,176	51,087
			FY 16-17	-	59,799
				<u>92,235</u>	<u>110,886</u>
Total - Adult Education - Basic Grants to States					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			15-2395	318,544	-
			16-2395	711,411	179,029
			17-2395	-	635,751
				<u>1,029,955</u>	<u>814,780</u>
Total - Title I Grants to Local Educational Agencies					
Career and Technical Education -- Basic Grants to States	Indiana Department of Education	84.048			
			14-4700-2395	27,279	-
			15-4700-2395	239,855	20,355
			16-4700-2395	-	138,276
				<u>267,134</u>	<u>158,631</u>
Total - Career and Technical Education -- Basic Grants to States					

FAYETTE COUNTY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 6-30-17
Rural Education	Indiana Department of Education	84.358	13-2395	11,994	-
			14-2395	64,475	11,038
			15-2395	-	75,520
Total - Rural Education				76,469	86,558
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367	13-2395	3,657	-
			14-2395	157,599	1,462
			15-2395	68,584	95,456
			16-2395	-	41,554
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				229,840	138,472
Total - Department of Education				2,768,030	2,445,845
<u>Department of Health and Human Services</u>					
Medicaid Cluster					
Medical Assistance Program	Indiana Department of Education	93.778	FY 15-16	4,136	-
			FY 16-17	-	477
Total - Medical Assistance Program				4,136	477
Total - Medicaid Cluster				4,136	477
Head Start	Direct Grant	93.600	05CH8315/02	191,634	-
			05CH8315/03	972,508	130,348
			05CH8315/04	-	1,002,113
Total - Head Start				1,164,142	1,132,461
Total - Department of Health and Human Services				1,168,278	1,132,938
Total federal awards expended				\$ 5,747,536	\$ 5,529,248

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

FAYETTE COUNTY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Summary of Significant Accounting Policies

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

FAYETTE COUNTY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	no
Significant deficiency identified?	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
84.010	Child Nutrition Cluster	Unmodified
93.600	Title I Grants to Local Educational Agencies	Unmodified
93.600	Head Start	Unmodified

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

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

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-001

Subject: Child Nutrition Cluster - Internal Controls
 Federal Agency: Department of Agriculture
 Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
 CFDA Numbers: 10.553, 10.555, 10.559
 Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17
 Pass-Through Entity: Indiana Department of Education
 Compliance Requirements: Cash Management, Special Tests and Provisions - Paid Lunch Equity
 Audit Finding: Material Weakness

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

Repeat Finding

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

Condition

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

Cash Management

The School Corporation had not established a control to ensure the School Lunch fund's net cash resources did not exceed the three months average expenditures.

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)

The School Corporation had not designed or implemented adequate policies or procedures to ensure the accuracy of the Paid Lunch Equity calculations. The Food Service Director was responsible for compliance with Paid Lunch Equity requirements. An oversight, review process, or other compensating control had not been established.

Context

The lack of controls over the compliance requirements identified above was a systemic problem. There were no documented internal controls for these requirements during the audit period.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Cash Management and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

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

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Cash Management and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Cash Management and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Views of Responsible Officials

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

FINDING 2017-002

Subject: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Repeat Finding

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

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. There were no controls in place to ensure that vendors were not suspended or debarred from participating in federal programs.

Context

The School Corporation did not comply with the suspension and debarment requirements to verify that awarded contracts exceeding \$25,000 were not with suspended or debarred entities. There was no evidence provided that a search of the SAM exclusions was conducted, that certification from the entity was collected, or that a clause or condition was added to the contract.

The lack of controls and the noncompliance were systemic issues. The School Corporation did not comply with the suspension and debarment requirements throughout the audit period.

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

Criteria

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

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provide 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). . . ."

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 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

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, which could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

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

Views of Responsible Officials

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

FINDING 2017-003

Subject: Child Nutrition Cluster - Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
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 Reporting compliance requirement.

The School Corporation had a consulting agreement with a private vendor to oversee the School Corporation's food service operations. The Food Service Director and Assistant Food Service Director were employees of the private vendor. The Food Service Director filed the required School Food Authority (SFA) Verification Collection Reports and Annual Financial Reports (AFR), while the Assistant Food Service Director filed the required Sponsor Claims (claims for reimbursement) to the Indiana Department of Education for the Child Nutrition Cluster programs. There was no control in place to ensure that the reports were correct.

The AFRs filed for the fiscal years ending June 30, 2016, and June 30, 2017, did not agree with the School Corporation's financial records. The School Corporation implemented controls subsequent to the audit period for the SFA Verification Collection Reports, AFRs, and Sponsor Claims.

Context

The lack of internal controls was a systemic issue occurring throughout the audit period and enabled noncompliance with the reporting requirements.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

7 CFR 3016.20(b) states in part:

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

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

2 CFR 200.302(b)(2) states in part:

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

Cause

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

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

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. We also recommended that the School Corporation comply with 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.

Auditor's Response

Child Nutrition Cluster (CFDA #10.553, #10.555, #10.559) grantees are required to complete and submit AFRs that show summary financial data of Child Nutrition Cluster program operations, including, but not limited to: income, expenses, and account balances. As part of our procedures to test Child Nutrition Cluster reporting compliance requirements, we tested two AFRs filed for fiscal years ending June 30, 2016,

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

and June 30, 2017. The results of the compliance testing identified that the presented summary financial data on both reports was not materially supported by the School Corporation's records. Upon further investigation, we found that the School Corporation contracted a service organization to handle the day-to-day school lunch program operations and complete AFRs on the School Corporation's behalf. The service organization completed the two reports tested based on their own financial records of the School Corporation's school lunch program. Through inquiry, we identified that there was a timing difference of financial activity between the service organization's financial records and the School Corporation's financial records. During the time of the audit, no reconciliation was available for audit to identify the differences in order to determine whether the AFRs were accurate.

FINDING 2017-004

Subject: Head Start - Cash Management

Federal Agency: Department of Health and Human Services

Federal Program: Head Start

CFDA Number: 93.600

Federal Award Numbers and Years (or Other Identifying Numbers): 05CH8315/02, 05CH8315/03,
05CH8315/04

Compliance Requirement: Cash Management

Audit Finding: Material Weakness

Condition

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

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program expenditures were either paid or used for immediate disbursement prior to the School Corporation requesting funds. One person prepared and submitted the requests for funds. There was no segregation of duties such as an oversight, review, or approval process over request submissions.

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. . . ."

Cause

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

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

Auditor's Response

The School Corporation requested reimbursement of Head Start (CFDA #93.600) expenditures through the Payment Management System. Head Start grantees are not required to complete an SF-270, Request for Advance or Reimbursement report. So, the School Corporation documented their reimbursement request information on an in-house produced form, which detailed the reimbursement request date and request amount. As part of our procedures to understand the unit's internal controls over the Cash Management compliance requirement, we inspected four in-house produced reimbursement request forms, and saw no evidence to indicate that a review of the request took place. Upon further investigation through inquiry, neither the School Corporation, nor Head Start management could provide evidence that the submitted reimbursement requests were prepared/submitted by one School Corporation representative and reviewed by a different School Corporation representative with sufficient knowledge to ensure that program costs were paid for by School Corporation funds before reimbursement was requested from the Federal Government.

FINDING 2017-005

Subject: Head Start - Reporting

Federal Agency: Department of Health and Human Services

Federal Program: Head Start

CFDA Number: 93.600

Federal Award Numbers and Years (or Other Identifying Numbers): 05CH8315/02, 05CH8315/03

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement to ensure that the Federal Financial Reports (SF-425) were accurate prior to submission.

The SF-425 final reports filed by the School Corporation for the reporting periods ending September 30, 2015 and 2016, did not agree with the School Corporation's financial records. The total cash receipts, as well as the total cash disbursements reported for both periods, did not materially agree to the School

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

Corporation's Head Start funds activity. Furthermore, the School Corporation incorrectly stated on their September 30, 2016 report that they received a non-federal share waiver of \$31,860. The Department of Health and Human Services neither approved, nor denied the waiver.

Context

Internal control issues were systemic issues occurring throughout the audit period and enabled noncompliance with the reporting requirements.

Criteria

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

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

7 CFR 3016.20(b) states in part:

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

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

Cause

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

Effect

The failure to establish internal controls enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

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. We also recommended that the School Corporation comply with 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.

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

Auditor's Response

Head Start (CFDA #93.600) grantees are required to complete and submit SF-425, Federal Financial Reports that show summary financial data of Head Start program operations, including, but not limited to: federal cash receipt transactions and federal cash disbursement transactions. As part of our procedures to test Head Start reporting compliance requirements, we tested two final SF-425, Federal Financial Reports. The results of the compliance testing identified that federal cash receipt transactions and federal cash disbursement transactions on both reports were not materially supported by the School Corporation's records. Upon further investigation, we found that the unit had reported quarterly amounts, not the required cumulative amounts as outlined in the SF-425 Federal Financial Report instructions.

FINDING 2017-006

Subject: Head Start - Allowable Costs/Cost Principles

Federal Agency: Department of Health and Human Services

Federal Program: Head Start

CFDA Number: 93.600

Federal Award Numbers and Years (or Other Identifying Numbers): 05CH8315/02, 05CH8315/03,
05CH8315/04

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement to ensure that all costs charged to the Head Start program were allowable.

Expenditures made by the School Corporation out of the Head Start funds for student transportation were paid without adequate documentation to ensure compliance with the Allowable Costs/Cost Principles compliance requirement. The transportation costs in question totaled \$38,003.

Context

Internal control issues were systemic issues occurring throughout the audit period and enabled noncompliance with the Allowable Costs/Cost Principles requirements.

Criteria

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

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

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:

- (a) Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

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

(b) Be allocable to Federal awards under the provisions of this Circular. . . .

(j) Be adequately documented. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish internal controls enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were \$38,003 of questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENTS

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



Fayette County School Corporation

1401 Spartan Drive • Connersville, IN 47331
Phone (765) 825-2178 • Fax (765) 825-8060

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2015

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett (Director of Finance),
Scott Collins (Superintendent)

Contact Phone Number: (765) 825-2178

Status of Audit Finding: Schedule of Federal Assistance as well as the entire annual report submitted on Gateway is reviewed by the Superintendent or his designee and a signature on the report denotes the review was completed. Copies of the report with signature are maintained in the Director of Finance'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: Jane Kellam-Tollett (Director of Finance),
Rachel O'Brien (Food Service Director)

Contact Phone Number: (765) 825-2178

Status of Audit Finding:

Cash Management-A spreadsheet with month end cash balance is prepared by the Director of Finance and reviewed by the Food Service Director and maintained in the Director of Finance's office. Excess cash is discussed with Indiana Division of School Nutrition.

Eligibility-A spreadsheet denoting signatures of reviewer, verification sample reviewer, and accuracy reviewer is maintained in the Director of Finance's office. Eligibility is calculated by computer program and the system documents enterer and by whom changes are made, if applicable.

Program Income-A spreadsheet is used to verify daily cash deposits and reconciled to bank activity. Spreadsheet is prepared by food service based on building sales activity and deposits and a second spreadsheet is prepared in the business office based on banking activity. The two are then verified and differences are reconciled.

Reporting—The food Service director prepares all state reports including claims for reimbursement. These claims are then send to the Director of Finance for Review and signature. The claims are then balanced to the deposit into the bank account from the state for the applicable reimbursement. Documentation is kept in the Director of Finance's office.

Special Tests and Provisions-For for verification of free and reduce price lunches please see eligibility section above and a spreadsheet denoting signatures for application reviewer, data entry verifier, accuracy calculation and final 5% verification testing is maintained in the Director of Finance's office. For paid lunch equity, a copy of the calculation prepared by the Director of Food Service is reviewed by the Director of Finance is kept in the Director of Finance's office.

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: Jane Kellam-Tollett (Director of Finance),
Rachel O'Brien (Food Service Director)

Contact Phone Number: (765) 825-2178

Status of Audit Finding: Documentation is currently printed from SAMS and maintained in the food service federal compliance notebook maintained in the Director of Finance's office.

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: Jane Kellam-Tollett (Director of Finance),
Various Federal Grant Administrators

Contact Phone Number: (765) 825-2178

Status of Audit Finding: Time and effort logs and semi-annual certifications for various federal grants are maintained in a Time and Effort notebook located in the Director of Finance's office.

Jane Kellam Tollett
(Signature)

Director of Finance
(Title)

11/28/18

(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).)



Fayette County School Corporation

1401 Spartan Drive • Connersville, IN 47331
Phone (765) 825-2178 • Fax (765) 825-8060

CORRECTIVE ACTION PLAN

FINDING 2017-001 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett, Director of Finance
Rachel O'Brian, Director of Food Service
Contact Phone Number: 765-825-2178

Views of Responsible Official: This finding was corrected immediately following the prior audit; however, due to the delinquent audit the finding was not corrected prior to June 30, 2017.

Description of Corrective Action Plan:

Cash Management: A spreadsheet will be created to calculate a three month average of expenditures and compare that amount with the month-end cash balance of the school lunch fund. The expenditure amounts will come from the financial accounting system's fund and budget history reports. The Director of Finance will maintain the spreadsheet. The spreadsheet will be reviewed monthly by the Director of Food Service (Assistant Director of Food Service in the absence of the Food Service Director). The document will be signed or initialed and dated monthly by the Director of Finance and the Director of Food Service. Cash balance will be maintained at an acceptable amount. Excess amounts will be reported to the Indiana division of school nutrition along with a plan for expenditure. The spreadsheet and supporting documentation will be kept in accordance with the state and federal retention guidelines.

Special Tests and Provisions-Paid Lunch Equity --The Food Service Director (or Assistant Director in the absence of the Director) will complete the paid lunch equity calculations annually. The calculations will be provided to the Director of Finance for review and for presentation to the Board of School trustees in consideration for paid lunch rate changes. A copy will be maintained in the Food Service Internal Control notebook. All documentation will be kept in accordance with state and federal retention guidelines.

Anticipated Completion Date: August 2018

FINDING 2017-002 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett, Director of Finance
Rachel O'Brian, Director of Food Service
Contact Phone Number: 765-825-2178

Views of Responsible Official: This finding was corrected immediately following the prior audit; however, due to the delinquent audit the finding was not corrected prior to June 30, 2017.

Description of Corrective Action Plan: Fayette County School Corporation will print the supporting documentation from SAM for required contractors. Documentation will be maintained in the Food Service Internal Control Notebook. All documentation will be kept in accordance with state and federal retention schedules.

Anticipated Completion Date: August 2018

FINDING 2017-003 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett, Director of Finance
Rachel O'Brian, Director of Food Service
Contact Phone Number: 765-825-2178

Views of Responsible Official: AFR will not agree with the school corporation records. The food service expenses paid by the private vendor are not reimbursed by the school corporation until the month following expenditure.

Description of Corrective Action Plan: Fayette County School Corporation maintains a spreadsheet that accounts for vendor and local payments for food service expenses. This spreadsheet will be used to prepare the AFR. The Director of Finance and the Director of Food Service will work together and both sign the AFR to document agreement with the data submitted.

Anticipated Completion Date: Filing of the 2018-2019 AFR (Annual Financial Report)

FINDING 2017-004 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett, Director of Finance
Kelly Pflum McCullum, Director of Early Childhood
Contact Phone Number: 765-825-2178

Views of Responsible Official: Claims were submitted by Head Start Program with a copy immediately sent to Central Office to monitor for receipt of funds. Reimbursements were posted as received, generally within two days of the reimbursement claim submission. The Head Start Program experiences audits and desktop reviews outside of the audits performed by the State Board of Accounts, to which there has never been any concern expressed that the school corporation lacks adequate internal controls over cash management.

Description of Corrective Action Plan: Future claims for reimbursement will be signed by the preparer and by the Director of Finance/Treasurer or the Deputy Treasurer at the time of submission. Claim amounts will continue to be verified to cash balance to ensure excess cash is not kept on hand.

Reporting: The Food Service Director (or Assistant Director in the absence of the Director) will complete the monthly reimbursement requests and the Annual Financial Report. The reports will be forwarded along with the supporting documentation to the Director of Finance for review and verification prior to submission and a copy will be maintained in the Food Service Internal Control notebook. The Director of Finance will initial and date the reports. All documents will be kept in accordance with state and federal retention guidelines.

Anticipated Completion Date: December 2018

FINDING 2017-005 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett, Director of Finance
Kelly Pflum McCullum, Director of Early Childhood
Contact Phone Number: 765-825-2178

Views of Responsible Official: Federal Financial Reports (SF-425) have been prepared the same way for a multitude of years. The Head Start Program experiences audits and desktop reviews outside of the audits performed by the State Board of Accounts, to which there has never been any concern expressed relative to the format submitted.

Description of Corrective Action Plan: The SF-425 final reports filed by the school corporation will include cumulative data instead of the current quarter data in the top section of the form.

Anticipated Completion Date: December 2018

FINDING 2017-006 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Jane Kellam-Tollett, Director of Finance
Kelly Pflum McCullum, Director of Early Childhood
Darrell Drew, Director of Transportation
Contact Phone Number: 765-825-2178

Views of Responsible Official: Due to the turn over three times in the Director of Transportation position since the reimbursement was prepared, the school corporation did have difficulty locating the documentation. Documentation provided did exceed the questioned cost of \$38,003.

Description of Corrective Action Plan: Beginning in January 2019 salaries and fringe benefits for the team of head start bus drivers will be charged to separate accounts from regular and special education bus drivers. Additionally, as these buses are only used to provide services for the head start program the mileage will be documented at the start of the school year, the end of the first semester and the end of the second semester to calculate the mileage chargeable to the Head Start Program. All documentation will be attached to the claim for reimbursement.

Anticipated Completion Date: January 2019

Jane Kellam Tollett
(Signature)

Director of Finance
(Title)

12/19/18
(Date)

OTHER REPORTS

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