

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

FRANKLIN COMMUNITY SCHOOL CORPORATION
JOHNSON COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED

05/17/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jeffery R. Mercer	07-01-16 to 06-30-19
Superintendent of Schools	Dr. David Clendening	07-01-16 to 06-30-19
President of the School Board	Bryan D. Wertz Kristi Ott Danny Vaught Bryan D. Wertz	07-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18 01-01-19 to 12-31-19



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Franklin Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, 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, 2016 to June 30, 2018.

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, 2016 to June 30, 2018, 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 April 24, 2019, 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

April 24, 2019



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Franklin Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated April 24, 2019, 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

April 24, 2019

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

FRANKLIN COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 4,299,486	\$ 32,867,643	\$ 33,484,748	\$ -	\$ 3,682,381	\$ 33,777,982	\$ 33,565,347	\$ 23	\$ 3,895,039
Debt Service	6,247,183	13,327,654	12,724,055	1,397	6,852,179	13,391,344	13,507,156	-	6,736,367
Capital Projects	1,256,889	3,289,733	3,108,803	-	1,437,819	3,433,754	4,129,933	-	741,640
School Transportation	109,356	2,084,299	2,193,654	-	1	2,241,513	2,241,512	-	2
School Bus Replacement	371,794	527,232	216,001	(250,000)	433,025	602,317	123,035	(400,000)	512,307
Rainy Day	6,097,885	172,873	391,937	250,000	6,128,821	94,316	561,395	400,000	6,061,742
Construction	-	-	-	-	-	-	-	-	-
2016 GO Bond	1,824,774	75,492	1,900,266	-	-	-	-	-	-
School Lunch	740,894	2,556,132	2,547,521	3,300	752,805	2,343,017	2,675,522	58	420,358
Textbook Rental	502,166	621,857	1,124,022	-	1	396,441	82,905	-	313,537
Levy Excess	-	-	-	-	-	-	-	-	-
Art Association	177,178	313,345	337,265	-	153,258	330,748	344,647	-	139,359
Child Care Program	67,893	321,517	231,556	-	157,854	362,466	299,221	-	221,099
Educational License Plates	566	428	769	-	225	488	-	-	713
SAFE School Haven	4,224	-	-	-	4,224	-	-	-	4,224
Early Intervention Grant 15-16	-	57,030	57,030	-	-	-	-	-	-
Early Intervention Grant 16-17	-	25,234	1,243	-	23,991	-	23,991	-	-
Early Intervention Grant 17-18	-	-	-	-	-	23,156	22,845	-	311
Lilly Counseling Grant 2017	-	49,999	31,077	-	18,922	-	14,435	-	4,487
Duke Energy - Summer LIT Grant	3,467	-	3,426	-	41	-	41	-	-
2015-2016 Ed. Foundation Grants	641	-	-	-	641	-	86	-	555
Destination Imagination	875	2,063	-	-	2,938	420	-	-	3,358
Robotics Club High School	5,200	-	5,173	-	27	-	-	-	27
Goldiblox Club Elementary	10,800	-	10,792	-	8	-	-	-	8
The Glick Fund Grant 16-17	-	7,500	7,500	-	-	-	-	-	-
Comm Foundation Grants 16-17	-	11,942	10,676	-	1,266	-	400	-	866
Branigin Found Grants 2017	-	24,500	7,055	-	17,445	1,805	18,698	-	552
NEA Foundation Grant	-	-	-	-	-	2,000	1,527	-	473
Techpoint Foundation Grant	-	-	-	-	-	500	500	-	-
Comm Foundation Grants 17-18	-	-	-	-	-	11,061	9,332	-	1,729
Branigin Found Grants 2018	-	-	-	-	-	24,800	7,595	-	17,205
Donations- Corporations	-	-	-	-	-	1,242	1,242	-	-
Technology Donations	9,450	-	9,450	-	-	6,570	6,370	-	200
Extra-Curricular Activities	-	40,000	40,000	-	-	-	-	-	-
P-Card Scholarships & Awards	98,140	45,990	33,019	-	111,111	11,517	75,327	-	47,301
HR Donation- Recognition Prgms	-	200	200	-	-	1,400	-	-	1,400
Fast Track - School Supplies	7,842	1,030	62	-	8,810	1,030	-	-	9,840
Essential Skills HS Donation	879	110	362	-	627	-	160	-	467
Linda Wall Memorial Needham	758	-	-	-	758	-	-	-	758
Cub Academy Preschool	82,350	330,207	320,922	-	91,635	447,000	396,399	-	142,236
Cub Pantry Donations	719	300	676	-	343	-	-	-	343
Cub Quest Enrichment	8,440	38,719	32,516	-	14,643	44,594	22,187	-	37,050
One Room School House	4,611	2,078	-	-	6,689	5,613	-	-	12,302
Northwood Outdoor Ed. Program	1,624	-	-	-	1,624	-	1,024	-	600

FRANKLIN COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
Franklin Coaching Donations	1,500	1,828	2,185	-	1,143	9,500	9,719	-	924
Coke Fund Money	24,602	25,146	25,755	-	23,993	17,170	38,478	-	2,685
Scist Wellness Incentive	-	7,600	7,600	-	-	16,200	16,200	-	-
Formative Assessment	14,001	64,213	78,214	-	-	60,770	60,770	-	-
2015-2016 High Ability Grant	5,156	-	5,156	-	-	-	-	-	-
High Ability Grant 2016-2017	-	49,247	44,942	-	4,305	-	4,305	-	-
High Ability Grant 2017-18	-	-	-	-	-	48,958	48,886	-	72
Computer Consortium/Ed Tech Advance	(2,209)	2,209	-	-	-	-	-	-	-
2016 Drug Free Johnson County	2,485	-	2,485	-	-	-	-	-	-
2017 Drug Free Jo Co Grant	-	3,660	-	-	3,660	-	3,660	-	-
Medicaid Reimbursement	146,503	71,096	36,238	-	181,361	73,370	60,418	-	194,313
Secured Schools Safety Grant	(1,679)	5,952	8,938	-	(4,665)	5,795	1,184	-	(54)
Non-English Speaking Programs	-	-	-	-	-	13,780	7,528	-	6,252
2015-2016 Non-English Speaking	1,468	-	1,468	-	-	-	-	-	-
Non-English Speaking 2016-2017	-	13,278	8,053	-	5,225	-	5,225	-	-
School Technology	560,015	103,027	279,078	-	383,964	64,913	443,505	-	5,372
Career and Technical Performance Grant	-	8,742	-	-	8,742	17,672	-	-	26,414
FCHS/FCMS Mentoring PRG Grant	(2,107)	10,799	9,838	-	(1,146)	1,367	221	-	-
FCMS/FCMS Mentor Grant 2017-18	-	-	-	-	-	3,260	7,840	-	(4,580)
City IT Support	-	-	-	-	-	8,750	8,059	-	691
2015-2016 Title I, Part A	(78,240)	167,703	89,463	-	-	-	-	-	-
2015-2016 Title I, Part D	(44,252)	51,014	6,762	-	-	-	-	-	-
Title I Part A, 2016-2017	-	484,920	535,663	-	(50,743)	140,957	90,214	-	-
Title I, Part D 16-17 #84.010A	-	14,047	22,759	-	(8,712)	56,041	47,329	-	-
Title I, Part A 2017-2018	-	-	-	-	-	402,977	462,829	-	(59,852)
Title I, Part D 17-18 #84.010A	-	-	-	-	-	8,495	21,620	-	(13,125)
Stewart Homeless Assistance Act	-	40,618	43,580	-	(2,962)	16,417	13,455	-	-
McKinney-Vento Grant 17-18	-	-	-	-	-	37,591	43,250	-	(5,659)
2015-2016 McKinney-Vento Grant	(5,443)	26,901	21,458	-	-	-	-	-	-
Medicaid Reimbursement - Federal	271,538	169,356	112,912	-	327,982	174,519	153,016	-	349,485
Improving Teacher Quality, No Child Left, Title II, Part A	-	100,577	111,465	-	(10,888)	33,919	23,031	-	-
Title II, Part A FFY 2016	-	-	-	-	-	64,788	72,201	-	(7,413)
Title II Part A FFY 2017	-	-	-	-	-	70	70	-	-
2015-2016 Title II Part A	(9,215)	41,136	31,921	-	-	-	-	-	-
Title III - English Proficiency Migrant	(201)	359	158	-	-	-	-	-	-
2015-2017 Title III	(862)	1,019	157	-	-	-	-	-	-
Title III 2016-18 CFDA #84365A	-	3,164	3,344	-	(180)	5,728	5,625	-	(77)
Prepaid Food- Food Service	44,361	1,101,574	1,100,226	-	45,709	1,140,588	1,136,320	-	49,977
Payroll Withholding	-	7,913,994	7,913,994	-	-	8,067,743	8,037,700	-	30,043
Totals	\$ 22,863,505	\$ 67,278,286	\$ 69,335,588	\$ 4,697	\$ 20,810,900	\$ 68,048,432	\$ 68,955,490	\$ 81	\$ 19,903,923

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

FRANKLIN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

FRANKLIN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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.

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

F. Other Financing Sources and Uses

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

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

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

FRANKLIN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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.

FRANKLIN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

FRANKLIN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of grant funds that are required to be spent prior to reimbursement by the grantor agency. There were disbursements made from these funds at June 30, 2017 and 2018, that were not yet reimbursed.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with the Franklin Community Multi School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ended June 30, 2017 and 2018, totaled \$13,265,000 and \$13,715,500, respectively.

FRANKLIN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Subsequent Events*

The School Corporation issued General Obligation Bonds of 2018 with a principal amount of \$5,000,000, a date of sale of July 25, 2018, and a debt closing date of August 16, 2018. The proceeds will be used for capital renovations and improvements to school facilities throughout the district.

Note 10. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses the following benefits: medical, dental, vision, and life insurance. These benefits pose a liability to the School Corporation for this year and in future years. As of the date of the audit report, there were four retirees that were receiving benefits. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

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

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

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

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	2016 GO Bond	School Lunch
Cash and investments - beginning	\$ 4,299,486	\$ 6,247,183	\$ 1,256,889	\$ 109,356	\$ 371,794	\$ 6,097,885	\$ -	\$ 1,824,774	\$ 740,894
Receipts:									
Local sources	402,915	13,327,654	3,289,733	2,020,729	527,232	-	-	75,492	1,122,542
Intermediate sources	36	-	-	-	-	-	-	-	-
State sources	32,374,692	-	-	-	-	-	-	-	28,161
Federal sources	90,000	-	-	-	-	-	-	-	1,381,862
Interfund loans	-	-	-	62,570	-	172,873	-	-	-
Other receipts	-	-	-	1,000	-	-	-	-	23,567
Total receipts	32,867,643	13,327,654	3,289,733	2,084,299	527,232	172,873	-	75,492	2,556,132
Disbursements:									
Instruction	20,930,764	-	-	-	-	-	-	-	-
Support services	10,358,572	-	2,347,490	2,193,654	216,001	140,619	-	150,089	100
Noninstructional services	695,412	-	-	-	-	-	-	-	2,457,421
Facilities acquisition and construction	-	-	761,313	-	-	-	-	1,750,177	-
Debt service	1,500,000	12,724,055	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	90,000
Interfund loans	-	-	-	-	-	251,318	-	-	-
Total disbursements	33,484,748	12,724,055	3,108,803	2,193,654	216,001	391,937	-	1,900,266	2,547,521
Excess (deficiency) of receipts over disbursements	(617,105)	603,599	180,930	(109,355)	311,231	(219,064)	-	(1,824,774)	8,611
Other financing sources (uses):									
Proceeds of long-term debt	-	1,397	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	3,300
Transfers in	-	-	-	-	-	250,000	-	-	-
Transfers out	-	-	-	-	(250,000)	-	-	-	-
Total other financing sources (uses)	-	1,397	-	-	(250,000)	250,000	-	-	3,300
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(617,105)	604,996	180,930	(109,355)	61,231	30,936	-	(1,824,774)	11,911
Cash and investments - ending	\$ 3,682,381	\$ 6,852,179	\$ 1,437,819	\$ 1	\$ 433,025	\$ 6,128,821	\$ -	\$ -	\$ 752,805

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

	Textbook Rental	Levy Excess	Art Association	Child Care Program	Educational License Plates	SAFE School Haven	Early Intervention Grant 15-16	Early Intervention Grant 16-17	Early Intervention Grant 17-18
Cash and investments - beginning	\$ 502,166	\$ -	\$ 177,178	\$ 67,893	\$ 566	\$ 4,224	\$ -	\$ -	\$ -
Receipts:									
Local sources	262,125	-	313,345	319,378	-	-	-	-	-
Intermediate sources	-	-	-	-	428	-	-	-	-
State sources	166,668	-	-	-	-	-	57,030	25,234	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	188,749	-	-	-	-	-	-	-	-
Other receipts	4,315	-	-	2,139	-	-	-	-	-
Total receipts	621,857	-	313,345	321,517	428	-	57,030	25,234	-
Disbursements:									
Instruction	-	-	-	-	769	-	-	-	-
Support services	951,149	-	-	3,064	-	-	57,030	1,243	-
Noninstructional services	-	-	337,265	228,492	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	172,873	-	-	-	-	-	-	-	-
Total disbursements	1,124,022	-	337,265	231,556	769	-	57,030	1,243	-
Excess (deficiency) of receipts over disbursements	(502,165)	-	(23,920)	89,961	(341)	-	-	23,991	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(502,165)	-	(23,920)	89,961	(341)	-	-	23,991	-
Cash and investments - ending	\$ 1	\$ -	\$ 153,258	\$ 157,854	\$ 225	\$ 4,224	\$ -	\$ 23,991	\$ -

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

	Lilly Counseling Grant 2017	Duke Energy - Summer LIT Grant	2015-2016 Ed. Foundation Grants	Destination Imagination	Robotics Club High School	Goldblox Club Elementary	The Glick Fund Grant 16-17	Comm Foundation Grants 16-17	Branigin Found Grants 2017
Cash and investments - beginning	\$ -	\$ 3,467	\$ 641	\$ 875	\$ 5,200	\$ 10,800	\$ -	\$ -	\$ -
Receipts:									
Local sources	49,999	-	-	2,063	-	-	7,500	11,942	24,500
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	49,999	-	-	2,063	-	-	7,500	11,942	24,500
Disbursements:									
Instruction	-	3,426	-	-	5,173	10,792	-	10,676	7,055
Support services	31,077	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	7,500	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	31,077	3,426	-	-	5,173	10,792	7,500	10,676	7,055
Excess (deficiency) of receipts over disbursements	18,922	(3,426)	-	2,063	(5,173)	(10,792)	-	1,266	17,445
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	18,922	(3,426)	-	2,063	(5,173)	(10,792)	-	1,266	17,445
Cash and investments - ending	\$ 18,922	\$ 41	\$ 641	\$ 2,938	\$ 27	\$ 8	\$ -	\$ 1,266	\$ 17,445

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

	NEA Foundation Grant	Techpoint Foundation Grant	Comm Foundation Grants 17-18	Branigin Found Grants 2018	Donations- Corporations	Technology Donations	Extra- Curricular Activities	P-Card Scholarships & Awards	HR Donation- Recognition Prgms
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,450	\$ -	\$ 98,140	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	40,000	45,990	200
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	40,000	45,990	200
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	9,450	-	33,019	200
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	40,000	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	9,450	40,000	33,019	200
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(9,450)	-	12,971	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	(9,450)	-	12,971	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,111	\$ -

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

	Fast Track - School Supplies	Essential Skills HS Donation	Linda Wall Memorial Needham	Cub Academy Preschool	Cub Pantry Donations	Cub Quest Enrichment	One Room School House	Northwood Outdoor Ed. Program	Franklin Coaching Donations
Cash and investments - beginning	\$ 7,842	\$ 879	\$ 758	\$ 82,350	\$ 719	\$ 8,440	\$ 4,611	\$ 1,624	\$ 1,500
Receipts:									
Local sources	1,030	110	-	329,239	300	38,719	2,078	-	1,828
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	968	-	-	-	-	-
Total receipts	1,030	110	-	330,207	300	38,719	2,078	-	1,828
Disbursements:									
Instruction	-	362	-	317,208	-	30,157	-	-	218
Support services	-	-	-	3,714	676	89	-	-	-
Noninstructional services	62	-	-	-	-	-	-	-	1,967
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	2,270	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	62	362	-	320,922	676	32,516	-	-	2,185
Excess (deficiency) of receipts over disbursements	968	(252)	-	9,285	(376)	6,203	2,078	-	(357)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	968	(252)	-	9,285	(376)	6,203	2,078	-	(357)
Cash and investments - ending	\$ 8,810	\$ 627	\$ 758	\$ 91,635	\$ 343	\$ 14,643	\$ 6,689	\$ 1,624	\$ 1,143

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

	Coke Fund Money	Scist Wellness Incentive	Formative Assessment	2015-2016 High Ability Grant	High Ability Grant 2016-2017	High Ability Grant 2017-18	Computer Consortium/ Ed Tech Advance	2016 Drug Free Johnson County
Cash and investments - beginning	\$ 24,602	\$ -	\$ 14,001	\$ 5,156	\$ -	\$ -	\$ (2,209)	\$ 2,485
Receipts:								
Local sources	25,146	7,600	-	-	-	-	2,209	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	64,213	-	49,247	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	25,146	7,600	64,213	-	49,247	-	2,209	-
Disbursements:								
Instruction	-	-	-	5,156	24,391	-	-	-
Support services	25,755	7,600	78,214	-	20,551	-	-	2,485
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	25,755	7,600	78,214	5,156	44,942	-	-	2,485
Excess (deficiency) of receipts over disbursements	(609)	-	(14,001)	(5,156)	4,305	-	2,209	(2,485)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(609)	-	(14,001)	(5,156)	4,305	-	2,209	(2,485)
Cash and investments - ending	\$ 23,993	\$ -	\$ -	\$ -	\$ 4,305	\$ -	\$ -	\$ -

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

	2017 Drug Free Jo Co Grant	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	2015-2016 Non-English Speaking	Non- English Speaking 2016-2017	School Technology	Career and Technical Performance Grant
Cash and investments - beginning	\$ -	\$ 146,503	\$ (1,679)	\$ -	\$ 1,468	\$ -	\$ 560,015	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	92,399	-
Intermediate sources	3,660	-	-	-	-	-	-	-
State sources	-	71,096	5,952	-	-	13,278	10,628	8,742
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	3,660	71,096	5,952	-	-	13,278	103,027	8,742
Disbursements:								
Instruction	-	28,102	-	-	1,468	3,894	-	-
Support services	-	8,136	8,938	-	-	3,749	279,078	-
Noninstructional services	-	-	-	-	-	410	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	36,238	8,938	-	1,468	8,053	279,078	-
Excess (deficiency) of receipts over disbursements	3,660	34,858	(2,986)	-	(1,468)	5,225	(176,051)	8,742
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,660	34,858	(2,986)	-	(1,468)	5,225	(176,051)	8,742
Cash and investments - ending	\$ 3,660	\$ 181,361	\$ (4,665)	\$ -	\$ -	\$ 5,225	\$ 383,964	\$ 8,742

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

	FCHS/FCMS Mentoring PRG Grant	FCMS/FCMS Mentor Grant 2017-18	City IT Support	2015-2016 Title I, Part A	2015-2016 Title I, Part D	Title I Part A, 2016-2017	Title I, Part D 16-17 #84.010A	Title I, Part A 2017-2018
Cash and investments - beginning	\$ (2,107)	\$ -	\$ -	\$ (78,240)	\$ (44,252)	\$ -	\$ -	\$ -
Receipts:								
Local sources	10,799	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	167,703	51,014	484,920	14,047	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	10,799	-	-	167,703	51,014	484,920	14,047	-
Disbursements:								
Instruction	-	-	-	78,323	6,762	508,273	16,759	-
Support services	9,838	-	-	10,637	-	22,203	6,000	-
Noninstructional services	-	-	-	503	-	5,187	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	9,838	-	-	89,463	6,762	535,663	22,759	-
Excess (deficiency) of receipts over disbursements	961	-	-	78,240	44,252	(50,743)	(8,712)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	961	-	-	78,240	44,252	(50,743)	(8,712)	-
Cash and investments - ending	\$ (1,146)	\$ -	\$ -	\$ -	\$ -	\$ (50,743)	\$ (8,712)	\$ -

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

	Title I, Part D 17-18 #84.010A	Stewart Homeless Assistance Act	McKinney-Vento Grant 17-18	2015-2016 McKinney-Vento Grant	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title II, Part A FFY 2016	Title II Part A FFY 2017
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (5,443)	\$ 271,538	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	40,618	-	26,901	169,356	100,577	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	40,618	-	26,901	169,356	100,577	-	-
Disbursements:								
Instruction	-	-	-	-	105,320	-	-	-
Support services	-	43,580	-	21,458	7,592	110,120	-	-
Noninstructional services	-	-	-	-	-	1,345	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	43,580	-	21,458	112,912	111,465	-	-
Excess (deficiency) of receipts over disbursements	-	(2,962)	-	5,443	56,444	(10,888)	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,962)	-	5,443	56,444	(10,888)	-	-
Cash and investments - ending	\$ -	\$ (2,962)	\$ -	\$ -	\$ 327,982	\$ (10,888)	\$ -	\$ -

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

	2015-2016 Title II Part A	Title III - English Proficiency Migrant	2015-2017 Title III	Title III 2016-18 CFDA#84365A	Prepaid Food- Food Service	Payroll Withholding	Totals
Cash and investments - beginning	\$ (9,215)	\$ (201)	\$ (862)	\$ -	\$ 44,361	\$ -	\$ 22,863,505
Receipts:							
Local sources	-	-	-	-	1,101,574	-	23,456,370
Intermediate sources	-	-	-	-	-	-	4,124
State sources	-	-	-	-	-	-	32,874,941
Federal sources	41,136	359	1,019	3,164	-	-	2,572,676
Interfund loans	-	-	-	-	-	-	424,192
Other receipts	-	-	-	-	-	7,913,994	7,945,983
Total receipts	41,136	359	1,019	3,164	1,101,574	7,913,994	67,278,286
Disbursements:							
Instruction	-	158	157	1,519	-	-	22,096,882
Support services	27,950	-	-	1,825	-	-	17,192,945
Noninstructional services	3,971	-	-	-	1,100,226	-	4,839,761
Facilities acquisition and construction	-	-	-	-	-	-	2,511,490
Debt service	-	-	-	-	-	-	14,224,055
Nonprogrammed charges	-	-	-	-	-	7,913,994	8,046,264
Interfund loans	-	-	-	-	-	-	424,191
Total disbursements	31,921	158	157	3,344	1,100,226	7,913,994	69,335,588
Excess (deficiency) of receipts over disbursements	9,215	201	862	(180)	1,348	-	(2,057,302)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	1,397
Sale of capital assets	-	-	-	-	-	-	3,300
Transfers in	-	-	-	-	-	-	250,000
Transfers out	-	-	-	-	-	-	(250,000)
Total other financing sources (uses)	-	-	-	-	-	-	4,697
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,215	201	862	(180)	1,348	-	(2,052,605)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (180)	\$ 45,709	\$ -	\$ 20,810,900

FRANKLIN COMMUNITY SCHOOL CORPORATION
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 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2018

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	2016 GO Bond	School Lunch
Cash and investments - beginning	\$ 3,682,381	\$ 6,852,179	\$ 1,437,819	\$ 1	\$ 433,025	\$ 6,128,821	\$ -	\$ -	\$ 752,805
Receipts:									
Local sources	547,781	13,391,344	3,428,446	2,190,526	599,349	14,591	-	-	1,164,604
Intermediate sources	81	-	-	-	-	-	-	-	-
State sources	33,150,120	-	-	-	-	-	-	-	25,859
Federal sources	80,000	-	-	-	-	-	-	-	1,126,559
Interfund loans	-	-	-	50,115	-	79,725	-	-	-
Other receipts	-	-	5,308	872	2,968	-	-	-	25,995
Total receipts	33,777,982	13,391,344	3,433,754	2,241,513	602,317	94,316	-	-	2,343,017
Disbursements:									
Instruction	21,167,416	-	-	-	-	-	-	-	-
Support services	10,351,851	-	3,292,750	2,178,945	123,035	510,000	-	-	100
Noninstructional services	746,080	-	-	-	-	-	-	-	2,595,421
Facilities acquisition and construction	-	-	837,183	-	-	-	-	-	-
Debt service	1,300,000	13,507,156	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	80,001
Interfund loans	-	-	-	62,567	-	51,395	-	-	-
Total disbursements	33,565,347	13,507,156	4,129,933	2,241,512	123,035	561,395	-	-	2,675,522
Excess (deficiency) of receipts over disbursements	212,635	(115,812)	(696,179)	1	479,282	(467,079)	-	-	(332,505)
Other financing sources (uses):									
Sale of capital assets	23	-	-	-	-	-	-	-	58
Transfers in	-	-	-	-	-	5,400,000	-	-	-
Transfers out	-	-	-	-	(400,000)	(5,000,000)	-	-	-
Total other financing sources (uses)	23	-	-	-	(400,000)	400,000	-	-	58
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	212,658	(115,812)	(696,179)	1	79,282	(67,079)	-	-	(332,447)
Cash and investments - ending	\$ 3,895,039	\$ 6,736,367	\$ 741,640	\$ 2	\$ 512,307	\$ 6,061,742	\$ -	\$ -	\$ 420,358

FRANKLIN COMMUNITY SCHOOL CORPORATION
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	Textbook Rental	Levy Excess	Art Association	Child Care Program	Educational License Plates	SAFE School Haven	Early Intervention Grant 15-16	Early Intervention Grant 16-17	Early Intervention Grant 17-18
Cash and investments - beginning	\$ 1	\$ -	\$ 153,258	\$ 157,854	\$ 225	\$ 4,224	\$ -	\$ 23,991	\$ -
Receipts:									
Local sources	226,634	-	324,856	359,386	-	-	-	-	-
Intermediate sources	-	-	-	-	488	-	-	-	-
State sources	165,023	-	-	-	-	-	-	-	23,156
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	4,784	-	5,892	3,080	-	-	-	-	-
Total receipts	396,441	-	330,748	362,466	488	-	-	-	23,156
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	67,029	-	-	24,651	-	-	-	23,991	22,845
Noninstructional services	-	-	344,647	274,570	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	15,876	-	-	-	-	-	-	-	-
Total disbursements	82,905	-	344,647	299,221	-	-	-	23,991	22,845
Excess (deficiency) of receipts over disbursements	313,536	-	(13,899)	63,245	488	-	-	(23,991)	311
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	313,536	-	(13,899)	63,245	488	-	-	(23,991)	311
Cash and investments - ending	\$ 313,537	\$ -	\$ 139,359	\$ 221,099	\$ 713	\$ 4,224	\$ -	\$ -	\$ 311

FRANKLIN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2018

	Lilly Counseling Grant 2017	Duke Energy - Summer LIT Grant	2015-2016 Ed. Foundation Grants	Destination Imagination	Robotics Club High School	Goldiblox Club Elementary	The Glick Fund Grant 16-17	Comm Foundation Grants 16-17	Branigin Found Grants 2017
Cash and investments - beginning	\$ 18,922	\$ 41	\$ 641	\$ 2,938	\$ 27	\$ 8	\$ -	\$ 1,266	\$ 17,445
Receipts:									
Local sources	-	-	-	420	-	-	-	-	1,805
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	420	-	-	-	-	1,805
Disbursements:									
Instruction	-	41	86	-	-	-	-	400	18,698
Support services	14,435	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	14,435	41	86	-	-	-	-	400	18,698
Excess (deficiency) of receipts over disbursements	(14,435)	(41)	(86)	420	-	-	-	(400)	(16,893)
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	(14,435)	(41)	(86)	420	-	-	-	(400)	(16,893)
Cash and investments - ending	\$ 4,487	\$ -	\$ 555	\$ 3,358	\$ 27	\$ 8	\$ -	\$ 866	\$ 552

FRANKLIN COMMUNITY SCHOOL CORPORATION
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 For the Year Ended June 30, 2018

	NEA Foundation Grant	Techpoint Foundation Grant	Comm Foundation Grants 17-18	Branigin Found Grants 2018	Donations- Corporations	Technology Donations	Extra- Curricular Activities	P-Card Scholarships & Awards	HR Donation- Recognition Prgms
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,111	\$ -
Receipts:									
Local sources	2,000	500	11,061	24,800	1,242	6,570	-	11,517	1,400
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	2,000	500	11,061	24,800	1,242	6,570	-	11,517	1,400
Disbursements:									
Instruction	1,527	500	9,332	7,595	-	-	-	-	-
Support services	-	-	-	-	-	6,370	-	75,327	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	1,242	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,527	500	9,332	7,595	1,242	6,370	-	75,327	-
Excess (deficiency) of receipts over disbursements	473	-	1,729	17,205	-	200	-	(63,810)	1,400
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	473	-	1,729	17,205	-	200	-	(63,810)	1,400
Cash and investments - ending	\$ 473	\$ -	\$ 1,729	\$ 17,205	\$ -	\$ 200	\$ -	\$ 47,301	\$ 1,400

FRANKLIN COMMUNITY SCHOOL CORPORATION
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 For the Year Ended June 30, 2018

	Fast Track - School Supplies	Essential Skills HS Donation	Linda Wall Memorial Needham	Cub Academy Preschool	Cub Pantry Donations	Cub Quest Enrichment	One Room School House	Northwood Outdoor Ed. Program	Franklin Coaching Donations
Cash and investments - beginning	\$ 8,810	\$ 627	\$ 758	\$ 91,635	\$ 343	\$ 14,643	\$ 6,689	\$ 1,624	\$ 1,143
Receipts:									
Local sources	1,030	-	-	445,225	-	44,594	5,613	-	9,500
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	1,775	-	-	-	-	-
Total receipts	1,030	-	-	447,000	-	44,594	5,613	-	9,500
Disbursements:									
Instruction	-	160	-	391,267	-	22,187	-	1,024	1,250
Support services	-	-	-	5,132	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	8,469
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	160	-	396,399	-	22,187	-	1,024	9,719
Excess (deficiency) of receipts over disbursements	1,030	(160)	-	50,601	-	22,407	5,613	(1,024)	(219)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,030	(160)	-	50,601	-	22,407	5,613	(1,024)	(219)
Cash and investments - ending	\$ 9,840	\$ 467	\$ 758	\$ 142,236	\$ 343	\$ 37,050	\$ 12,302	\$ 600	\$ 924

FRANKLIN COMMUNITY SCHOOL CORPORATION
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 For the Year Ended June 30, 2018

	Coke Fund Money	Scist Wellness Incentive	Formative Assessment	2015-2016 High Ability Grant	High Ability Grant 2016-2017	High Ability Grant 2017-18	Computer Consortium/ Ed Tech Advance	2016 Drug Free Johnson County
Cash and investments - beginning	\$ 23,993	\$ -	\$ -	\$ -	\$ 4,305	\$ -	\$ -	\$ -
Receipts:								
Local sources	17,170	16,200	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	60,770	-	-	48,958	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	17,170	16,200	60,770	-	-	48,958	-	-
Disbursements:								
Instruction	-	-	-	-	4,305	48,886	-	-
Support services	38,478	16,200	60,770	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	38,478	16,200	60,770	-	4,305	48,886	-	-
Excess (deficiency) of receipts over disbursements	(21,308)	-	-	-	(4,305)	72	-	-
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	(21,308)	-	-	-	(4,305)	72	-	-
Cash and investments - ending	\$ 2,685	\$ -	\$ -	\$ -	\$ -	\$ 72	\$ -	\$ -

FRANKLIN COMMUNITY SCHOOL CORPORATION
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 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	2017 Drug Free Jo Co Grant	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	2015-2016 Non-English Speaking	Non- English Speaking 2016-2017	School Technology	Career and Technical Performance Grant
Cash and investments - beginning	\$ 3,660	\$ 181,361	\$ (4,665)	\$ -	\$ -	\$ 5,225	\$ 383,964	\$ 8,742
Receipts:								
Local sources	-	-	-	-	-	-	50,663	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	73,370	5,795	12,500	-	-	14,250	17,672
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	1,280	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	73,370	5,795	13,780	-	-	64,913	17,672
Disbursements:								
Instruction	-	9,926	-	1,432	-	4,677	-	-
Support services	3,660	50,492	1,184	4,616	-	388	443,505	-
Noninstructional services	-	-	-	200	-	160	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	1,280	-	-	-	-
Total disbursements	3,660	60,418	1,184	7,528	-	5,225	443,505	-
Excess (deficiency) of receipts over disbursements	(3,660)	12,952	4,611	6,252	-	(5,225)	(378,592)	17,672
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,660)	12,952	4,611	6,252	-	(5,225)	(378,592)	17,672
Cash and investments - ending	\$ -	\$ 194,313	\$ (54)	\$ 6,252	\$ -	\$ -	\$ 5,372	\$ 26,414

FRANKLIN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	FCHS/FCMS Mentoring PRG Grant	FCMS/FCMS Mentor Grant 2017-18	City IT Support	2015-2016 Title I, Part A	2015-2016 Title I, Part D	Title I Part A, 2016-2017	Title I, Part D 16-17 #84.010A	Title I, Part A 2017-2018
Cash and investments - beginning	\$ (1,146)	\$ -	\$ -	\$ -	\$ -	\$ (50,743)	\$ (8,712)	\$ -
Receipts:								
Local sources	1,367	3,260	8,750	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	140,957	56,041	402,977
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	1,367	3,260	8,750	-	-	140,957	56,041	402,977
Disbursements:								
Instruction	-	-	-	-	-	70,658	47,329	401,332
Support services	221	7,840	8,059	-	-	18,808	-	53,569
Noninstructional services	-	-	-	-	-	748	-	7,928
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	221	7,840	8,059	-	-	90,214	47,329	462,829
Excess (deficiency) of receipts over disbursements	1,146	(4,580)	691	-	-	50,743	8,712	(59,852)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,146	(4,580)	691	-	-	50,743	8,712	(59,852)
Cash and investments - ending	\$ -	\$ (4,580)	\$ 691	\$ -	\$ -	\$ -	\$ -	\$ (59,852)

FRANKLIN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Title I, Part D 17-18 #84.010A	Stewart Homeless Assistance Act	McKinney-Vento Grant 17-18	2015-2016 McKinney-Vento Grant	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title II, Part A FFY 2016	Title II Part A FFY 2017
Cash and investments - beginning	\$ -	\$ (2,962)	\$ -	\$ -	\$ 327,982	\$ (10,888)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	8,495	16,417	37,591	-	174,519	33,919	64,788	70
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	8,495	16,417	37,591	-	174,519	33,919	64,788	70
Disbursements:								
Instruction	16,620	-	-	-	98,003	-	-	-
Support services	5,000	13,455	43,250	-	55,013	23,031	70,921	70
Noninstructional services	-	-	-	-	-	-	1,280	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	21,620	13,455	43,250	-	153,016	23,031	72,201	70
Excess (deficiency) of receipts over disbursements	(13,125)	2,962	(5,659)	-	21,503	10,888	(7,413)	-
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	(13,125)	2,962	(5,659)	-	21,503	10,888	(7,413)	-
Cash and investments - ending	\$ (13,125)	\$ -	\$ (5,659)	\$ -	\$ 349,485	\$ -	\$ (7,413)	\$ -

FRANKLIN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	2015-2016 Title II Part A	Title III - English Proficiency Migrant	2015-2017 Title III	Title III 2016-18 CFDA#84365A	Prepaid Food- Food Service	Payroll Withholding	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (180)	\$ 45,709	\$ -	\$ 20,810,900
Receipts:							
Local sources	-	-	-	-	1,140,588	-	24,052,792
Intermediate sources	-	-	-	-	-	-	569
State sources	-	-	-	-	-	-	33,597,473
Federal sources	-	-	-	5,728	-	-	2,148,061
Interfund loans	-	-	-	-	-	-	131,120
Other receipts	-	-	-	-	-	8,067,743	8,118,417
Total receipts	-	-	-	5,728	1,140,588	8,067,743	68,048,432
Disbursements:							
Instruction	-	-	-	2,046	-	-	22,326,697
Support services	-	-	-	3,579	-	-	17,618,570
Noninstructional services	-	-	-	-	1,136,320	-	5,115,823
Facilities acquisition and construction	-	-	-	-	-	-	838,425
Debt service	-	-	-	-	-	-	14,807,156
Nonprogrammed charges	-	-	-	-	-	8,037,700	8,117,701
Interfund loans	-	-	-	-	-	-	131,118
Total disbursements	-	-	-	5,625	1,136,320	8,037,700	68,955,490
Excess (deficiency) of receipts over disbursements	-	-	-	103	4,268	30,043	(907,058)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	81
Transfers in	-	-	-	-	-	-	5,400,000
Transfers out	-	-	-	-	-	-	(5,400,000)
Total other financing sources (uses)	-	-	-	-	-	-	81
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	103	4,268	30,043	(906,977)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (77)	\$ 49,977	\$ 30,043	\$ 19,903,923

FRANKLIN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,200,282</u>	<u>\$ -</u>

FRANKLIN COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Franklin Community Multi School Building Corporation	7/8 Middle School - First Mtg Ser 2007	\$ 2,446,500	7/15/2007	7/15/2029
Franklin Community Multi School Building Corporation	High School - First Mtg 2007A Ad Valorem Prop Refund Ser 2013 First Mtg Ser 2005	9,221,000	1/15/2006	1/15/2027
Franklin Community Multi School Building Corporation	CBIS - First Mtg Rfnd Ser 2007	<u>2,053,000</u>	7/10/2007	1/10/2023
Total of annual lease payments		<u>\$ 13,720,500</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2011 GO Bonds - Capital Improvements	\$ 350,000	\$ 354,813
General obligation bonds	2014 GO Bonds - Capital Improvements	1,445,000	500,133
General obligation bonds	2016 GO Bond - Capital Improvements	<u>2,000,000</u>	<u>123,750</u>
Totals		<u>\$ 3,795,000</u>	<u>\$ 978,696</u>

FRANKLIN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2018

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	\$ 6,106,053
Buildings	98,473,431
Improvements other than buildings	3,672,617
Machinery, equipment, and vehicles	<u>2,355,928</u>
Total capital assets	<u>\$ 110,608,029</u>

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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: (324) 232-2513
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Franklin Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2016 to June 30, 2018.

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

Report on Internal Control over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 item 2018-001, that we consider to be a material weakness.

The School Corporation's response to the internal control over compliance finding 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

April 24, 2019

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

FRANKLIN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Reimbursement			FY2017	\$ -	\$ 247,986	\$ -	\$ -
School Breakfast Reimbursement			FY2018	-	-	-	206,447
Total - School Breakfast Program				-	247,986	-	206,447
National School Lunch Program	Indiana Department of Education	10.555					
			FY2017	-	1,021,856	-	-
			FY2018	-	-	-	800,240
National School Lunch Commodities			FY2017	-	207,547	-	-
			FY2018	-	-	-	192,054
After School Snack Reimbursement			FY2017	-	27,641	-	-
			FY2018	-	-	-	29,333
Total - National School Lunch Program				-	1,257,044	-	1,021,627
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Service Program			FY2017	-	84,379	-	-
			FY2018	-	-	-	90,539
Total - Summer Food Service Program for Children				-	84,379	-	90,539
Total - Child Nutrition Cluster and Department of Agriculture				-	1,589,409	-	1,318,613
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
FY2015 Federal Part B 611 (5240)			14215-033-PN01	-	6	-	-
FY2016 Federal Part B 611 (5200)			14216-031-PN01	-	301,994	-	-
FY2017 Federal Part B 611 (5210)			14217-031-PN01	-	771,817	-	312,103
FY2018 Federal Part B 611 (5230)			18611-031-PN01	-	-	-	787,893
Total - Special Education Grants to States				-	1,073,817	-	1,099,996
Special Education Preschool Grants	Indiana Department of Education	84.173					
FY2018 Federal Part B 619 (5400)			18619-031-PN01	-	-	-	21,747
FY2016 Federal Part B 619 (5430)			45716-031-PN01	-	6,839	-	-
FY2017 Federal Part B 619 (5420)			45717-031-PN01	-	20,439	-	4,503
Total - Special Education Preschool Grants				-	27,278	-	26,250
Total - Special Education Cluster (IDEA)				-	1,101,095	-	1,126,246

FRANKLIN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
2015-2016 Title I Basic (4117)			#16-4225	-	167,703	-	-
2017-2018 Title I Basic (4121)			#18-4225	-	-	-	402,977
2016-2017 Title I Basic (4119)			17-4225	-	484,920	-	140,957
2015-2016 Title I Delinquent (4118)			SY1516	-	51,014	-	-
2016-2017 Title I Delinquent (4120)			SY1617	-	14,047	-	56,041
2017-2018 Title I Delinquent (4122)			SY1718	-	-	-	8,495
Total - Title I Grants to Local Educational Agencies				-	717,684	-	608,470
Education for Homeless Children and Youth	Indiana Department of Education	84.196					
2015-2016 McKinney-Vento (5119)			7000S196A150015	-	26,901	-	-
2016-2017 McKinney-Vento (5110)			7000S196A160015	-	40,618	-	16,417
2017-2018 McKinney-Vento (5111)			7000S196A170015	-	-	-	37,591
Total - Education for Homeless Children and Youth				-	67,519	-	54,008
English Language Acquisition State Grants	Indiana Department of Education	84.365					
2016-2018 Title III (6888)			0117-040-PN01	-	3,164	-	5,728
2015-2017 Title III (6887)			0116-040-PN01	-	1,019	-	-
2014-2016 Title III (6886)			0115-040-PN01	-	359	-	-
Total - English Language Acquisition State Grants				-	4,542	-	5,728
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
2015-2016 Title II Part A (6849)			FFY2014	-	41,136	-	-
2016-2017 Title II Part A (6840)			FFY2015	-	100,577	-	33,919
FFY 2016 Title II PartA (6841)			FFY2016	-	-	-	64,788
FFY 2017 Title II Part A (6842)			FFY2017	-	-	-	70
Total - Supporting Effective Instruction State Grants				-	141,713	-	98,777
Total - Department of Education				-	2,032,553	-	1,893,229
Total federal awards expended				\$ -	\$ 3,621,962	\$ -	\$ 3,211,842

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. 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.

FRANKLIN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit finding 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
84.367	Child Nutrition Cluster Supporting Effective Instruction State Grants	Unmodified 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 2018-001

Subject: School Breakfast Program, National School Lunch Program - Internal Controls
 Federal Agency: Department of Agriculture
 Federal Programs: School Breakfast Program, National School Lunch Program
 CFDA Numbers: 10.553, 10.555
 Federal Award Numbers and Years (or Other Identifying Numbers): FY2017, FY2018
 Pass-Through Entity: Indiana Department of Education
 Compliance Requirements: Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)
 Audit Finding: Material Weakness

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

Condition

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

Reporting

The School Corporation had not designed or implemented adequate policies and procedures to ensure that there was a proper segregation of duties over reporting. The Verification Summary Reports were prepared and submitted by one individual without any review, approval, or oversight to ensure their accuracy.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The School Corporation had not designed and implemented adequate policies and procedures to ensure that there was a proper segregation of duties over Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement. The School Corporation relied on one employee to perform the key functions related to verification, without evidence of a review, approval, or oversight procedure to ensure its accuracy.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

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

Effect

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

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement and the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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



Dr. David Clendening
Superintendent

Mrs. Deb Brown-Nally
Executive Director of Curriculum & Instruction

Mr. Jeff Mercer
Executive Director of Finance

Mr. Matt Sprout
Director of Technology

Mr. Jeff Sewell
Director of Operations

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING

2016-001

Fiscal year in which the finding initially occurred:
Contact Person Responsible for Corrective Action:
Contact Phone Number:

2014
Jeffrey R. Mercer
(317) 346-8700

Status of Audit Finding:

The timing of the original finding (2014) made it impossible for us to correct in the 2016 audit period. The requested adjustments were made following our 2014 Audit and remain in place today.

- ✓ On August 1, 2015, a report of current customer account balances was run for all students and adult accounts by school building. The total dollar amount for each building was transferred into newly created meal prepayment accounts established for each school.
- ✓ In addition, beginning August 1, 2015 all meal pre-payments are being posted and receipted into the separate clearing accounts for each school building.
- ✓ On a monthly basis, as the sales of meals are made, the amount of money equal to the dollars expended for meals and ala carte purchases are transferred from the "holding/clearing" account into the Food Service revenue accounts for each school.
- ✓ A new deposit worksheet has been developed and implemented to ensure that all sales are accurately receipted as recorded on the Meal Magic sales reports (the Z and Cash – Out reports). The sales reports are run by the individual school building cafeteria manager who then prepares the deposit worksheet and bank deposit slip. After the manager takes the deposit for the day to the bank, the deposit slip and worksheet are sent to the Food Service office. The worksheet is checked for accuracy by one of the FS office staff. This individual initials the worksheet. The deposit information is entered/posted to the appropriate building revenue account in our financial program (Komputrol/Skyward) by another FS office staff person. Another Meal Magic financial activity report is run for each building and compared to the receipt posting report as an additional check for accuracy. The receipts are then given to the Deputy Treasurer for review.



Dr. David Clendening
Superintendent

Mrs. Deb Brown-Nally
Executive Director of Curriculum & Instruction

Mr. Jeff Mercer
Executive Director of Finance

Mr. Matt Sprout
Director of Technology

Mr. Jeff Sewell
Director of Operations

CORRECTIVE ACTION PLAN

Finding 2018-001

Contact Person Responsible for Corrective Action:
Contact Phone Number:

Jeff Mercer
(317) 346-8700

Views of Responsible Official:

We concur with the finding

Description of Corrective Action Plan:

The Food Service department has implemented the following internal controls related to the Verification process:

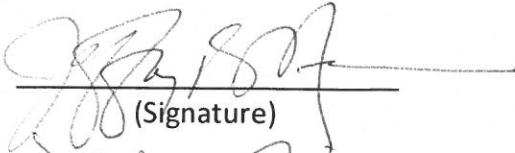
After the Director runs the list of applications to be verified, an Office Assistant will pull the applications and confirm that they were processed accurately. This individual will complete the confirmation and sign off on each application.

The Director will run Direct Verification on the State site, an Office Assistant will confirm these results and initial.

After notices are sent to families and documentation is received, the Director will enter this information. An Office Assistant will confirm that the information entered is correct and post a note in the Meal Magic program that the income entered was correct and confirmed.

Lastly, after all applications are verified and the summary report is entered by the Director in the State CNP site, an Office Assistant will verify that the numbers are entered correctly prior to the submission of the report. After submission the report will be printed and initialed by an Office Assistant.

Details of this process can be found in the Food Service Internal controls Verification procedures.


(Signature)

Director of Finance
(Title)

4/22/2019
(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/>.