

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

FRANKLIN TOWNSHIP COMMUNITY
SCHOOL CORPORATION
MARION COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
06/26/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-16
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	18-41
Schedule of Leases and Debt	42
Schedule of Capital Assets.....	43
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	46-48
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	50-51
Notes to Schedule of Expenditures of Federal Awards	52
Schedule of Findings and Questioned Costs	53-70
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	72-80
Corrective Action Plan	81-88
Other Reports.....	89

SCHEDULE OF OFFICIALS

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



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Franklin Township Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 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 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 May 21, 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

May 21, 2019



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Franklin Township Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated May 21, 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001, that we consider to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001.

Franklin Township Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

May 21, 2019

(This page intentionally left blank.)

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 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	\$ 10,433,588	\$ 60,479,363	\$ 58,188,245	\$ (10,237)	\$ 12,714,469	\$ 61,750,245	\$ 60,359,450	\$ (1,241,060)	\$ 12,864,204
Debt Service	3,965,364	19,818,470	18,639,881	(651,483)	4,492,470	21,030,456	18,637,180	(2,921,444)	3,964,302
Retirement/Severance Bond Debt Service	51,355	573,599	680,673	57,500	1,781	399,647	676,376	274,948	-
Capital Projects	293,173	3,721,424	4,033,898	500,978	481,677	4,428,745	4,812,787	1,650,000	1,747,635
School Transportation	1,111,818	3,899,252	4,012,216	-	998,854	4,069,850	4,327,312	755,017	1,496,409
School Bus Replacement	531,277	618,782	648,187	-	501,872	654,225	850,052	200,000	506,045
Rainy Day	20,400,042	-	2,536,765	-	17,863,277	23,475	1,076,524	1,000,000	17,810,228
Post-Retirement/Severance Future Benefits	-	-	-	-	-	-	-	250,000	250,000
Construction - 2006 Bond	1,586,517	2,029	-	-	1,588,546	3,455	391,616	-	1,200,385
Construction - Freshman Academy	183	-	-	-	183	-	183	-	-
School Lunch	2,573,373	4,751,489	4,681,824	-	2,643,038	4,836,209	4,963,269	13,480	2,529,458
Textbook Rental	576,945	1,035,277	775,656	93,983	930,549	1,062,429	1,276,946	96,496	812,528
Repair and Replacement	179,846	-	-	-	179,846	17,580	44,053	-	153,373
Levy Excess	-	54,752	-	-	54,752	-	-	(54,752)	-
Alternative Education	1,637	3,500	-	-	5,137	3,264	-	-	8,401
Early Intervention Grant	(26)	59,575	59,549	-	-	-	-	-	-
Early Intervention Grant - 2017	-	47,638	-	-	47,638	-	47,638	-	-
Early Intervention Grant - 2018	-	-	-	-	-	44,247	40,416	-	3,831
Lilly Counseling Grant	-	50,000	18,855	-	31,145	-	31,145	-	-
Prevention Matters Planning Grant	-	-	-	-	-	30,000	7,826	-	22,174
Instructional Support	-	-	-	-	-	42,060	12,685	-	29,375
Police Continuing Education	4,459	2,011	63	-	6,407	1,685	2,572	-	5,520
Plummer Scholarship	11,777	62	-	-	11,839	132	-	-	11,971
McKinzie Scholarship	10,940	56	500	-	10,496	118	-	-	10,614
Southerland Scholarship	21,016	111	500	-	20,627	228	500	-	20,355
Burton Scholarship	43,444	231	-	-	43,675	485	1,000	-	43,160
Marion County Health Department Wellness Grant	286	-	-	-	286	-	-	-	286
Autism Advocates of Indiana Grant	46	-	45	-	1	-	1	-	-
Drug Free Marion County Grant	617	-	617	-	-	-	-	-	-
Fast Track Program Donations	15,784	5,116	6,512	-	14,388	7,766	11,054	-	11,100
Thompson Crossing Language Library	4	-	-	(4)	-	-	-	-	-
Trademark Royalty	5,303	2,473	-	-	7,776	2,769	-	-	10,545
Teacher of the Year Donations	348	500	80	-	768	500	759	-	509
Lifetouch School Picture Fund	25,465	13,000	5,883	-	32,582	13,000	45,582	-	-
Answers for Autism Grant	2,009	-	2,009	-	-	-	-	-	-
State Public Health Wellness Grant	(1,575)	1,575	2,217	-	(2,217)	2,184	2,042	-	(2,075)
HSBT Wellness Grant	1,310	-	550	-	760	-	-	-	760
FTEF 11-22-33 Grant	4,046	6,989	11,198	-	(163)	5,748	5,585	-	-
16/17 Library Collection Development	-	12,500	12,500	-	-	-	-	-	-
17/18 Library Collection Development	-	-	-	-	-	12,500	12,308	-	192
Southside Special Serv/Reimbursement	(97,784)	306,062	454,559	-	(246,281)	382,616	136,335	-	-
Skillman Sponsorship Service/Reimb	-	100,000	7,982	-	92,018	-	47,930	-	44,088
CTECH Vending Fund	39,718	27,809	49,997	-	17,530	84,398	20,681	-	81,247
Transportation Vending Commissions	3,720	839	1,155	-	3,404	771	1,075	-	3,100
Maintenance Vending Commissions	215	203	296	-	122	202	-	-	324
Food Service/Pepsi Commission	1,109	-	75	-	1,034	25	505	-	554

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 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
Formative Assessment	7,002	82,729	89,731	-	-	79,299	79,299	-	-
High Ability 2015/2016	17,198	-	17,198	-	-	-	-	-	-
High Ability 2016/2017	-	67,324	62,306	-	5,018	-	5,018	-	-
High Ability 2017/2018	-	-	-	-	-	67,762	67,762	-	-
Tech Prep	160	-	156	(4)	-	-	-	-	-
CTE Teacher Prof Development	-	-	125	-	(125)	1,875	1,750	-	-
Medicaid Reimbursement	136,381	43,586	56,026	10,245	134,186	-	-	(134,186)	-
Secured Schools Safety Grant	-	50,000	50,000	-	-	-	-	-	-
Non-English Speaking Programs	-	-	-	-	-	68,500	63,395	-	5,105
Non-English Speaking Grant 14/15	-	1,961	1,961	-	-	-	-	-	-
Non-English Speaking Grant 15/16	8,919	-	8,919	-	-	-	-	-	-
Non-English Speaking Grant 16/17	-	59,315	55,957	-	3,358	-	3,358	-	-
School Technology	155,816	16,773	104,413	-	68,176	538,945	306,328	-	300,793
Career and Technical Performance Grant	-	31,623	23,544	-	8,079	32,141	30,459	-	9,761
Performance Based Awards	-	-	-	-	-	277,152	277,152	-	-
Miscellaneous Programs	(8,558)	112,263	112,357	-	(8,652)	110,766	110,631	-	(8,517)
Education Foundation Grant/Bryant	597	-	8,516	-	(7,919)	29,961	22,042	-	-
Title I 2017-2018	-	-	-	-	-	817,889	885,267	-	(67,378)
Title I School IMP Grant 17/18	-	-	-	-	-	36,876	37,834	-	(958)
Title I 2015-2016	(70,169)	253,669	183,500	-	-	-	-	-	-
Title I 2016-2017	-	921,867	977,001	-	(55,134)	129,942	74,808	-	-
Part B, IDEA Grant 2017/18 (611)	-	-	-	-	-	207,743	303,104	-	(95,361)
Drug Free Schools	-	-	-	-	-	67,008	69,400	-	(2,392)
Medicaid Reimbursement - Federal	67,112	32,771	28,066	-	71,817	65,558	154,201	134,186	117,360
Improving Teacher Quality, No Child Left, Title II, Part A	-	-	40,094	-	(40,094)	97,372	57,278	-	-
Title II, Part A 17/19	-	-	-	-	-	119,337	143,750	-	(24,413)
Title II, Part A 2014-16	-	9,651	9,651	-	-	-	-	-	-
Title II Part A 15/17	(6,371)	49,938	43,567	-	-	4,791	4,791	-	-
Title III - English Proficiency Migrant	-	33,618	36,534	-	(2,916)	15,551	12,667	-	(32)
Title III 2017/19	-	-	-	-	-	31,813	34,384	-	(2,571)
Title III 2013/15	-	1,839	1,839	-	-	-	-	-	-
Title III 2014/16	-	9,452	9,452	-	-	-	-	-	-
Title III 2015/17	(2,485)	26,272	23,798	-	(11)	8,530	8,519	-	-
PBIS Grant/Intecare/Adult & Child	5,408	13,930	5,960	-	13,378	-	13,378	-	-
Payroll	199,420	27,784,844	27,704,337	-	279,927	30,732,852	30,803,497	-	209,282
RevTrack Fee	-	-	-	-	-	2,069	2,060	-	9
Prepaid Student Meals	82,561	148,994	138,745	-	92,810	137,753	124,648	-	105,915
Miscellaneous Clearing	(358)	79,556	79,193	-	5	106,963	133,065	-	(26,097)
Totals	\$ 42,389,982	\$ 125,426,662	\$ 124,705,433	\$ 978	\$ 43,112,189	\$ 132,699,462	\$ 131,673,232	\$ 22,685	\$ 44,161,104

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

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

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with the Franklin Township Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2017 and 2018 totaled \$19,319,228 and \$19,313,556, respectively.

OTHER INFORMATION - UNAUDITED

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

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

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 10,433,588	\$ 3,965,364	\$ 51,355	\$ 293,173	\$ 1,111,818	\$ 531,277	\$ 20,400,042	\$ -
Receipts:								
Local sources	1,403,897	19,818,470	573,599	3,721,424	3,866,798	618,782	-	-
State sources	59,072,756	-	-	-	27,436	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	2,710	-	-	-	5,018	-	-	-
Total receipts	60,479,363	19,818,470	573,599	3,721,424	3,899,252	618,782	-	-
Disbursements:								
Instruction	40,398,543	-	-	-	-	-	-	-
Support services	17,258,249	-	-	3,524,795	4,012,216	648,187	-	-
Noninstructional services	531,453	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	509,103	-	-	2,536,765	-
Debt service	-	18,639,881	680,673	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	58,188,245	18,639,881	680,673	4,033,898	4,012,216	648,187	2,536,765	-
Excess (deficiency) of receipts over disbursements	2,291,118	1,178,589	(107,074)	(312,474)	(112,964)	(29,405)	(2,536,765)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	978	-	-	-	-
Transfers in	8	-	57,500	500,000	-	-	-	-
Transfers out	(10,245)	(651,483)	-	-	-	-	-	-
Total other financing sources (uses)	(10,237)	(651,483)	57,500	500,978	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,280,881	527,106	(49,574)	188,504	(112,964)	(29,405)	(2,536,765)	-
Cash and investments - ending	\$ 12,714,469	\$ 4,492,470	\$ 1,781	\$ 481,677	\$ 998,854	\$ 501,872	\$ 17,863,277	\$ -

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

	Construction - 2006 Bond	Construction - Freshman Academy	School Lunch	Textbook Rental	Repair and Replacement	Levy Excess	Alternative Education
Cash and investments - beginning	\$ 1,586,517	\$ 183	\$ 2,573,373	\$ 576,945	\$ 179,846	\$ -	\$ 1,637
Receipts:							
Local sources	2,029	-	2,480,696	762,829	-	54,752	-
State sources	-	-	55,404	272,448	-	-	3,500
Federal sources	-	-	2,214,889	-	-	-	-
Other receipts	-	-	500	-	-	-	-
Total receipts	2,029	-	4,751,489	1,035,277	-	54,752	3,500
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	3,269	775,656	-	-	-
Noninstructional services	-	-	4,330,695	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	347,860	-	-	-	-
Total disbursements	-	-	4,681,824	775,656	-	-	-
Excess (deficiency) of receipts over disbursements	2,029	-	69,665	259,621	-	54,752	3,500
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	93,983	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	93,983	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,029	-	69,665	353,604	-	54,752	3,500
Cash and investments - ending	\$ 1,588,546	\$ 183	\$ 2,643,038	\$ 930,549	\$ 179,846	\$ 54,752	\$ 5,137

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

	Early Intervention Grant	Early Intervention Grant - 2017	Early Intervention Grant - 2018	Lilly Counseling Grant	Prevention Matters Planning Grant	Instructional Support	Police Continuing Education
Cash and investments - beginning	\$ (26)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,459
Receipts:							
Local sources	-	-	-	50,000	-	-	2,011
State sources	59,575	47,638	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	59,575	47,638	-	50,000	-	-	2,011
Disbursements:							
Instruction	59,026	-	-	-	-	-	-
Support services	523	-	-	18,855	-	-	63
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	59,549	-	-	18,855	-	-	63
Excess (deficiency) of receipts over disbursements	26	47,638	-	31,145	-	-	1,948
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	26	47,638	-	31,145	-	-	1,948
Cash and investments - ending	\$ -	\$ 47,638	\$ -	\$ 31,145	\$ -	\$ -	\$ 6,407

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

	Plummer Scholarship	McKinzie Scholarship	Southerland Scholarship	Burton Scholarship	Marion County Health Department Wellness Grant	Autism Advocates of Indiana Grant	Drug Free Marion County Grant
Cash and investments - beginning	\$ 11,777	\$ 10,940	\$ 21,016	\$ 43,444	\$ 286	\$ 46	\$ 617
Receipts:							
Local sources	62	56	111	231	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	62	56	111	231	-	-	-
Disbursements:							
Instruction	-	-	-	-	-	-	617
Support services	-	-	-	-	-	45	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	500	500	-	-	-	-
Total disbursements	-	500	500	-	-	45	617
Excess (deficiency) of receipts over disbursements	62	(444)	(389)	231	-	(45)	(617)
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	62	(444)	(389)	231	-	(45)	(617)
Cash and investments - ending	\$ 11,839	\$ 10,496	\$ 20,627	\$ 43,675	\$ 286	\$ 1	\$ -

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

	Fast Track Program Donations	Thompson Crossing Language Library	Trademark Royalty	Teacher of the Year Donations	Lifetouch School Picture Fund	Answers for Autism Grant	State Public Health Wellness Grant
Cash and investments - beginning	\$ 15,784	\$ 4	\$ 5,303	\$ 348	\$ 25,465	\$ 2,009	\$ (1,575)
Receipts:							
Local sources	5,116	-	2,473	500	13,000	-	1,575
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	5,116	-	2,473	500	13,000	-	1,575
Disbursements:							
Instruction	6,512	-	-	-	-	2,009	-
Support services	-	-	-	80	5,883	-	2,217
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	6,512	-	-	80	5,883	2,009	2,217
Excess (deficiency) of receipts over disbursements	(1,396)	-	2,473	420	7,117	(2,009)	(642)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(4)	-	-	-	-	-
Total other financing sources (uses)	-	(4)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,396)	(4)	2,473	420	7,117	(2,009)	(642)
Cash and investments - ending	\$ 14,388	\$ -	\$ 7,776	\$ 768	\$ 32,582	\$ -	\$ (2,217)

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

	HSBT Wellness Grant	FTEF 11-22-33 Grant	16/17 Library Collection Development	17/18 Library Collection Development	Southside Special Serv/ Reimbursement	Skillman Sponsorship Service/Reimb	CTECH Vending Fund
Cash and investments - beginning	\$ 1,310	\$ 4,046	\$ -	\$ -	\$ (97,784)	\$ -	\$ 39,718
Receipts:							
Local sources	-	6,989	12,500	-	306,062	100,000	27,809
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	6,989	12,500	-	306,062	100,000	27,809
Disbursements:							
Instruction	-	11,198	-	-	-	-	984
Support services	550	-	12,500	-	454,559	4,982	49,013
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	3,000	-
Total disbursements	550	11,198	12,500	-	454,559	7,982	49,997
Excess (deficiency) of receipts over disbursements	(550)	(4,209)	-	-	(148,497)	92,018	(22,188)
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	(550)	(4,209)	-	-	(148,497)	92,018	(22,188)
Cash and investments - ending	\$ 760	\$ (163)	\$ -	\$ -	\$ (246,281)	\$ 92,018	\$ 17,530

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

	Transportation Vending Commissions	Maintenance Vending Commissions	Food Service/ Pepsi Commission	Formative Assessment	High Ability 2015/2016	High Ability 2016/2017	High Ability 2017/2018
Cash and investments - beginning	\$ 3,720	\$ 215	\$ 1,109	\$ 7,002	\$ 17,198	\$ -	\$ -
Receipts:							
Local sources	839	203	-	-	-	-	-
State sources	-	-	-	82,729	-	67,324	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	839	203	-	82,729	-	67,324	-
Disbursements:							
Instruction	-	-	-	-	17,198	62,306	-
Support services	1,155	296	75	89,731	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,155	296	75	89,731	17,198	62,306	-
Excess (deficiency) of receipts over disbursements	(316)	(93)	(75)	(7,002)	(17,198)	5,018	-
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	(316)	(93)	(75)	(7,002)	(17,198)	5,018	-
Cash and investments - ending	\$ 3,404	\$ 122	\$ 1,034	\$ -	\$ -	\$ 5,018	\$ -

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

	Tech Prep	CTE Teacher Prof Development	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	Non-English Speaking Grant 14/15	Non-English Speaking Grant 15/16
Cash and investments - beginning	\$ 160	\$ -	\$ 136,381	\$ -	\$ -	\$ -	\$ 8,919
Receipts:							
Local sources	-	-	-	-	-	1,961	-
State sources	-	-	43,586	50,000	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	43,586	50,000	-	1,961	-
Disbursements:							
Instruction	156	125	-	-	-	-	4,886
Support services	-	-	56,026	50,000	-	1,961	-
Noninstructional services	-	-	-	-	-	-	4,033
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	156	125	56,026	50,000	-	1,961	8,919
Excess (deficiency) of receipts over disbursements	(156)	(125)	(12,440)	-	-	-	(8,919)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	10,245	-	-	-	-
Transfers out	(4)	-	-	-	-	-	-
Total other financing sources (uses)	(4)	-	10,245	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(160)	(125)	(2,195)	-	-	-	(8,919)
Cash and investments - ending	\$ -	\$ (125)	\$ 134,186	\$ -	\$ -	\$ -	\$ -

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

	Non-English Speaking Grant 16/17	School Technology	Career and Technical Performance Grant	Performance Based Awards	Miscellaneous Programs	Education Foundation Grant/Bryant	Title I 2017-2018
Cash and investments - beginning	\$ -	\$ 155,816	\$ -	\$ -	\$ (8,558)	\$ 597	\$ -
Receipts:							
Local sources	-	6,145	-	-	112,263	-	-
State sources	59,315	10,628	31,623	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	59,315	16,773	31,623	-	112,263	-	-
Disbursements:							
Instruction	48,053	-	23,544	-	-	598	-
Support services	-	78,802	-	-	112,357	7,918	-
Noninstructional services	7,904	-	-	-	-	-	-
Facilities acquisition and construction	-	25,611	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	55,957	104,413	23,544	-	112,357	8,516	-
Excess (deficiency) of receipts over disbursements	3,358	(87,640)	8,079	-	(94)	(8,516)	-
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	3,358	(87,640)	8,079	-	(94)	(8,516)	-
Cash and investments - ending	\$ 3,358	\$ 68,176	\$ 8,079	\$ -	\$ (8,652)	\$ (7,919)	\$ -

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

	Title I School IMP Grant 17/18	Title I 2015-2016	Title I 2016-2017	Part B, IDEA Grant 2017/18 (611)	Drug Free Schools	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ -	\$ (70,169)	\$ -	\$ -	\$ -	\$ 67,112	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	253,669	921,867	-	-	32,771	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	253,669	921,867	-	-	32,771	-
Disbursements:							
Instruction	-	119,063	576,535	-	-	-	-
Support services	-	49,433	394,625	-	-	28,066	40,094
Noninstructional services	-	3,487	5,841	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	11,517	-	-	-	-	-
Total disbursements	-	183,500	977,001	-	-	28,066	40,094
Excess (deficiency) of receipts over disbursements	-	70,169	(55,134)	-	-	4,705	(40,094)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	70,169	(55,134)	-	-	4,705	(40,094)
Cash and investments - ending	\$ -	\$ -	\$ (55,134)	\$ -	\$ -	\$ 71,817	\$ (40,094)

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

	Title II, Part A 17/19	Title II, Part A 2014-16	Title II Part A 15/17	Title III - English Proficiency Migrant	Title III 2017/19	Title III 2013/15	Title III 2014/16
Cash and investments - beginning	\$ -	\$ -	\$ (6,371)	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	1,839	-
State sources	-	-	-	-	-	-	-
Federal sources	-	9,651	49,938	33,618	-	-	9,452
Other receipts	-	-	-	-	-	-	-
Total receipts	-	9,651	49,938	33,618	-	1,839	9,452
Disbursements:							
Instruction	-	-	-	36,534	-	-	9,452
Support services	-	9,651	43,567	-	-	1,839	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	9,651	43,567	36,534	-	1,839	9,452
Excess (deficiency) of receipts over disbursements	-	-	6,371	(2,916)	-	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	6,371	(2,916)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (2,916)	\$ -	\$ -	\$ -

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

	Title III 2015/17	PBIS Grant/ Intecare/ Adult & Child	Payroll	RevTrack Fee	Prepaid Student Meals	Miscellaneous Clearing	Totals
Cash and investments - beginning	\$ (2,485)	\$ 5,408	\$ 199,420	\$ -	\$ 82,561	\$ (358)	\$ 42,389,982
Receipts:							
Local sources	-	-	-	-	-	-	33,955,021
State sources	-	-	-	-	-	-	59,883,962
Federal sources	26,272	13,930	-	-	-	-	3,566,057
Other receipts	-	-	27,784,844	-	148,994	79,556	28,021,622
Total receipts	26,272	13,930	27,784,844	-	148,994	79,556	125,426,662
Disbursements:							
Instruction	23,798	5,960	-	-	-	-	41,407,097
Support services	-	-	-	-	-	-	27,737,238
Noninstructional services	-	-	-	-	-	-	4,883,413
Facilities acquisition and construction	-	-	-	-	-	-	3,071,479
Debt service	-	-	-	-	-	-	19,320,554
Nonprogrammed charges	-	-	27,704,337	-	138,745	79,193	28,285,652
Total disbursements	23,798	5,960	27,704,337	-	138,745	79,193	124,705,433
Excess (deficiency) of receipts over disbursements	2,474	7,970	80,507	-	10,249	363	721,229
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	978
Transfers in	-	-	-	-	-	-	661,736
Transfers out	-	-	-	-	-	-	(661,736)
Total other financing sources (uses)	-	-	-	-	-	-	978
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,474	7,970	80,507	-	10,249	363	722,207
Cash and investments - ending	\$ (11)	\$ 13,378	\$ 279,927	\$ -	\$ 92,810	\$ 5	\$ 43,112,189

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits
Cash and investments - beginning	\$ 12,714,469	\$ 4,492,470	\$ 1,781	\$ 481,677	\$ 998,854	\$ 501,872	\$ 17,863,277	\$ -
Receipts:								
Local sources	1,615,071	21,030,456	399,647	4,428,745	4,048,983	654,225	23,475	-
State sources	60,113,760	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	21,414	-	-	-	20,867	-	-	-
Total receipts	61,750,245	21,030,456	399,647	4,428,745	4,069,850	654,225	23,475	-
Disbursements:								
Instruction	41,292,362	-	-	-	-	-	-	-
Support services	18,418,273	-	-	4,405,677	4,327,312	850,052	14,000	-
Noninstructional services	648,815	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	407,110	-	-	1,062,524	-
Debt service	-	18,637,180	676,376	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	60,359,450	18,637,180	676,376	4,812,787	4,327,312	850,052	1,076,524	-
Excess (deficiency) of receipts over disbursements	1,390,795	2,393,276	(276,729)	(384,042)	(257,462)	(195,827)	(1,053,049)	-
Other financing sources (uses):								
Sale of capital assets	8,940	-	-	-	265	-	-	-
Transfers in	-	-	274,948	1,650,000	754,752	200,000	1,000,000	250,000
Transfers out	(1,250,000)	(2,921,444)	-	-	-	-	-	-
Total other financing sources (uses)	(1,241,060)	(2,921,444)	274,948	1,650,000	755,017	200,000	1,000,000	250,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	149,735	(528,168)	(1,781)	1,265,958	497,555	4,173	(53,049)	250,000
Cash and investments - ending	\$ 12,864,204	\$ 3,964,302	\$ -	\$ 1,747,635	\$ 1,496,409	\$ 506,045	\$ 17,810,228	\$ 250,000

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

	Construction - 2006 Bond	Construction - Freshman Academy	School Lunch	Textbook Rental	Repair and Replacement	Levy Excess	Alternative Education
Cash and investments - beginning	\$ 1,588,546	\$ 183	\$ 2,643,038	\$ 930,549	\$ 179,846	\$ 54,752	\$ 5,137
Receipts:							
Local sources	3,455	-	2,438,621	771,179	-	-	-
State sources	-	-	55,998	291,250	-	-	3,264
Federal sources	-	-	2,341,080	-	-	-	-
Other receipts	-	-	510	-	17,580	-	-
Total receipts	3,455	-	4,836,209	1,062,429	17,580	-	3,264
Disbursements:							
Instruction	-	-	-	-	7,249	-	-
Support services	-	-	3,071	1,276,946	36,804	-	-
Noninstructional services	-	-	4,580,026	-	-	-	-
Facilities acquisition and construction	391,616	183	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	380,172	-	-	-	-
Total disbursements	391,616	183	4,963,269	1,276,946	44,053	-	-
Excess (deficiency) of receipts over disbursements	(388,161)	(183)	(127,060)	(214,517)	(26,473)	-	3,264
Other financing sources (uses):							
Sale of capital assets	-	-	13,480	-	-	-	-
Transfers in	-	-	-	96,496	-	-	-
Transfers out	-	-	-	-	-	(54,752)	-
Total other financing sources (uses)	-	-	13,480	96,496	-	(54,752)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(388,161)	(183)	(113,580)	(118,021)	(26,473)	(54,752)	3,264
Cash and investments - ending	\$ 1,200,385	\$ -	\$ 2,529,458	\$ 812,528	\$ 153,373	\$ -	\$ 8,401

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

	Early Intervention Grant	Early Intervention Grant - 2017	Early Intervention Grant - 2018	Lilly Counseling Grant	Prevention Matters Planning Grant	Instructional Support	Police Continuing Education
Cash and investments - beginning	\$ -	\$ 47,638	\$ -	\$ 31,145	\$ -	\$ -	\$ 6,407
Receipts:							
Local sources	-	-	-	-	30,000	42,060	1,685
State sources	-	-	44,247	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	44,247	-	30,000	42,060	1,685
Disbursements:							
Instruction	-	47,638	-	-	-	12,685	-
Support services	-	-	40,416	31,145	7,826	-	2,572
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	47,638	40,416	31,145	7,826	12,685	2,572
Excess (deficiency) of receipts over disbursements	-	(47,638)	3,831	(31,145)	22,174	29,375	(887)
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	-	(47,638)	3,831	(31,145)	22,174	29,375	(887)
Cash and investments - ending	\$ -	\$ -	\$ 3,831	\$ -	\$ 22,174	\$ 29,375	\$ 5,520

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

	Plummer Scholarship	McKinzie Scholarship	Southerland Scholarship	Burton Scholarship	Marion County Health Department Wellness Grant	Autism Advocates of Indiana Grant	Drug Free Marion County Grant
Cash and investments - beginning	\$ 11,839	\$ 10,496	\$ 20,627	\$ 43,675	\$ 286	\$ 1	\$ -
Receipts:							
Local sources	132	118	228	485	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	132	118	228	485	-	-	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	1	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	500	1,000	-	-	-
Total disbursements	-	-	500	1,000	-	1	-
Excess (deficiency) of receipts over disbursements	132	118	(272)	(515)	-	(1)	-
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	132	118	(272)	(515)	-	(1)	-
Cash and investments - ending	\$ 11,971	\$ 10,614	\$ 20,355	\$ 43,160	\$ 286	\$ -	\$ -

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

	Fast Track Program Donations	Thompson Crossing Language Library	Trademark Royalty	Teacher of the Year Donations	Lifetouch School Picture Fund	Answers for Autism Grant	State Public Health Wellness Grant
Cash and investments - beginning	\$ 14,388	\$ -	\$ 7,776	\$ 768	\$ 32,582	\$ -	\$ (2,217)
Receipts:							
Local sources	7,766	-	2,769	500	13,000	-	2,184
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	7,766	-	2,769	500	13,000	-	2,184
Disbursements:							
Instruction	11,054	-	-	-	-	-	-
Support services	-	-	-	759	45,582	-	2,042
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	11,054	-	-	759	45,582	-	2,042
Excess (deficiency) of receipts over disbursements	(3,288)	-	2,769	(259)	(32,582)	-	142
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	(3,288)	-	2,769	(259)	(32,582)	-	142
Cash and investments - ending	\$ 11,100	\$ -	\$ 10,545	\$ 509	\$ -	\$ -	\$ (2,075)

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

	HSBT Wellness Grant	FTEF 11-22-33 Grant	16/17 Library Collection Development	17/18 Library Collection Development	Southside Special Serv/ Reimbursement	Skillman Sponsorship Service/Reimb	CTECH Vending Fund
Cash and investments - beginning	\$ 760	\$ (163)	\$ -	\$ -	\$ (246,281)	\$ 92,018	\$ 17,530
Receipts:							
Local sources	-	5,748	-	12,500	382,616	-	84,398
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	5,748	-	12,500	382,616	-	84,398
Disbursements:							
Instruction	-	5,585	-	-	-	1,980	1,010
Support services	-	-	-	12,308	136,335	-	19,671
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	45,950	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	5,585	-	12,308	136,335	47,930	20,681
Excess (deficiency) of receipts over disbursements	-	163	-	192	246,281	(47,930)	63,717
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	-	163	-	192	246,281	(47,930)	63,717
Cash and investments - ending	\$ 760	\$ -	\$ -	\$ 192	\$ -	\$ 44,088	\$ 81,247

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

	Transportation Vending Commissions	Maintenance Vending Commissions	Food Service/ Pepsi Commission	Formative Assessment	High Ability 2015/2016	High Ability 2016/2017	High Ability 2017/2018
Cash and investments - beginning	\$ 3,404	\$ 122	\$ 1,034	\$ -	\$ -	\$ 5,018	\$ -
Receipts:							
Local sources	771	202	25	-	-	-	-
State sources	-	-	-	79,299	-	-	67,762
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	771	202	25	79,299	-	-	67,762
Disbursements:							
Instruction	-	-	-	-	-	5,018	67,762
Support services	1,075	-	505	79,299	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,075	-	505	79,299	-	5,018	67,762
Excess (deficiency) of receipts over disbursements	(304)	202	(480)	-	-	(5,018)	-
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	(304)	202	(480)	-	-	(5,018)	-
Cash and investments - ending	\$ 3,100	\$ 324	\$ 554	\$ -	\$ -	\$ -	\$ -

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

	Tech Prep	CTE Teacher Prof Development	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking Programs	Non-English Speaking Grant 14/15	Non-English Speaking Grant 15/16
Cash and investments - beginning	\$ -	\$ (125)	\$ 134,186	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	1,875	-	-	68,500	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	1,875	-	-	68,500	-	-
Disbursements:							
Instruction	-	1,750	-	-	61,831	-	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	1,564	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	1,750	-	-	63,395	-	-
Excess (deficiency) of receipts over disbursements	-	125	-	-	5,105	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(134,186)	-	-	-	-
Total other financing sources (uses)	-	-	(134,186)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	125	(134,186)	-	5,105	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 5,105	\$ -	\$ -

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

	Non-English Speaking Grant 16/17	School Technology	Career and Technical Performance Grant	Performance Based Awards	Miscellaneous Programs	Education Foundation Grant/Bryant	Title I 2017-2018
Cash and investments - beginning	\$ 3,358	\$ 68,176	\$ 8,079	\$ -	\$ (8,652)	\$ (7,919)	\$ -
Receipts:							
Local sources	-	524,695	-	21	110,766	-	-
State sources	-	14,250	32,141	277,131	-	29,961	-
Federal sources	-	-	-	-	-	-	817,889
Other receipts	-	-	-	-	-	-	-
Total receipts	-	538,945	32,141	277,152	110,766	29,961	817,889
Disbursements:							
Instruction	2,088	14,647	30,459	277,152	-	-	476,933
Support services	-	43,952	-	-	110,631	22,042	400,370
Noninstructional services	1,270	-	-	-	-	-	7,964
Facilities acquisition and construction	-	247,729	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	3,358	306,328	30,459	277,152	110,631	22,042	885,267
Excess (deficiency) of receipts over disbursements	(3,358)	232,617	1,682	-	135	7,919	(67,378)
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	(3,358)	232,617	1,682	-	135	7,919	(67,378)
Cash and investments - ending	\$ -	\$ 300,793	\$ 9,761	\$ -	\$ (8,517)	\$ -	\$ (67,378)

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

	Title I School IMP Grant 17/18	Title I 2015-2016	Title I 2016-2017	Part B, IDEA Grant 2017/18 (611)	Drug Free Schools	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ -	\$ -	\$ (55,134)	\$ -	\$ -	\$ 71,817	\$ (40,094)
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	36,876	-	129,942	207,743	67,008	65,558	97,372
Other receipts	-	-	-	-	-	-	-
Total receipts	36,876	-	129,942	207,743	67,008	65,558	97,372
Disbursements:							
Instruction	37,834	-	16,820	-	67,400	2,545	-
Support services	-	-	50,078	303,104	2,000	136,163	57,278
Noninstructional services	-	-	7,910	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	15,493	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	37,834	-	74,808	303,104	69,400	154,201	57,278
Excess (deficiency) of receipts over disbursements	(958)	-	55,134	(95,361)	(2,392)	(88,643)	40,094
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	134,186	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	134,186	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(958)	-	55,134	(95,361)	(2,392)	45,543	40,094
Cash and investments - ending	\$ (958)	\$ -	\$ -	\$ (95,361)	\$ (2,392)	\$ 117,360	\$ -

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

	Title II, Part A 17/19	Title II, Part A 2014-16	Title II Part A 15/17	Title III - English Proficiency Migrant	Title III 2017/19	Title III 2013/15	Title III 2014/16
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (2,916)	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	119,337	-	4,791	15,551	31,813	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	119,337	-	4,791	15,551	31,813	-	-
Disbursements:							
Instruction	-	-	-	12,667	33,428	-	-
Support services	137,461	-	4,791	-	-	-	-
Noninstructional services	6,289	-	-	-	956	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	143,750	-	4,791	12,667	34,384	-	-
Excess (deficiency) of receipts over disbursements	(24,413)	-	-	2,884	(2,571)	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,413)	-	-	2,884	(2,571)	-	-
Cash and investments - ending	\$ (24,413)	\$ -	\$ -	\$ (32)	\$ (2,571)	\$ -	\$ -

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

	Title III 2015/17	PBIS Grant/ Intecare/ Adult & Child	Payroll	RevTrack Fee	Prepaid Student Meals	Miscellaneous Clearing	Totals
Cash and investments - beginning	\$ (11)	\$ 13,378	\$ 279,927	\$ -	\$ 92,810	\$ 5	\$ 43,112,189
Receipts:							
Local sources	-	-	-	-	-	-	36,636,526
State sources	-	-	-	-	-	-	61,079,438
Federal sources	8,530	-	-	-	-	-	3,943,490
Other receipts	-	-	30,732,852	2,069	137,753	106,963	31,040,008
Total receipts	8,530	-	30,732,852	2,069	137,753	106,963	132,699,462
Disbursements:							
Instruction	8,005	13,378	-	-	-	-	42,509,280
Support services	-	-	-	-	-	-	30,979,541
Noninstructional services	-	-	-	-	-	-	5,254,794
Facilities acquisition and construction	-	-	-	-	-	-	2,170,605
Debt service	-	-	-	-	-	-	19,313,556
Nonprogrammed charges	514	-	30,803,497	2,060	124,648	133,065	31,445,456
Total disbursements	8,519	13,378	30,803,497	2,060	124,648	133,065	131,673,232
Excess (deficiency) of receipts over disbursements	11	(13,378)	(70,645)	9	13,105	(26,102)	1,026,230
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	22,685
Transfers in	-	-	-	-	-	-	4,360,382
Transfers out	-	-	-	-	-	-	(4,360,382)
Total other financing sources (uses)	-	-	-	-	-	-	22,685
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11	(13,378)	(70,645)	9	13,105	(26,102)	1,048,915
Cash and investments - ending	\$ -	\$ -	\$ 209,282	\$ 9	\$ 105,915	\$ (26,097)	\$ 44,161,104

FRANKLIN TOWNSHIP 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 Township Multi-School Building Corporation	2015 B Series Bond Issue	\$ 1,606,150	7/15/2015	7/15/2027
Franklin Township Multi-School Building Corporation	2007 Bond Issue - 2016 Refunding	5,473,725	1/15/2017	7/15/2026
Franklin Township Multi-School Building Corporation	2011 Bond Issue	7,117,350	7/10/2011	1/10/2022
Franklin Township Multi-School Building Corporation	2009 Bond Issue - Central Nine Career Center	132,821	1/15/2010	7/15/2020
Franklin Township Multi-School Building Corporation	2012 A Series Bond Issue	1,056,613	12/31/2012	12/31/2036
Franklin Township Multi-School Building Corporation	2012 B Series Bond Issue	2,650,000	12/31/2012	12/21/2034
Franklin Township Multi-School Building Corporation	2015 A Series Bond Issue	<u>442,375</u>	7/15/2015	1/15/2026
Total governmental activities		<u>18,479,034</u>		
Total of annual lease payments		<u><u>\$ 18,479,034</u></u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Retirement/Severance Bonds	\$ 64,590	\$ 64,590
Totals		<u><u>\$ 64,590</u></u>	<u><u>\$ 64,590</u></u>

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

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for Each Major Federal Program

We have audited the Franklin Township Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *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.

Basis for Qualified Opinion on the Child Nutrition Cluster

As described in item 2018-004 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

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

As described in items 2018-007 and 2018-008 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Special Education Cluster (IDEA) regarding Reporting; Matching, Level of Effort, Earmarking; and Procurement and Suspension and Debarment compliance requirements. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on the Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Child Nutrition Cluster for the period of July 1, 2016 to June 30, 2018.

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on the Special Education Cluster (IDEA)* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Special Education Cluster (IDEA) for the period of July 1, 2016 to June 30, 2018.

Unmodified Opinion on Title I Grants to Local Educational Agencies

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 Title I Grants to Local Educational Agencies for the period of July 1, 2016 to June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-005 and 2018-006. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

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


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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2018-002, 2018-003, 2018-004, 2018-005, 2018-006, 2018-007, and 2018-008, that we consider to be material weaknesses.

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

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

May 21, 2019

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 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
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY2017	\$ -	\$ 400,996	\$ -	\$ -
			FY2018	-	-	-	393,115
Total - School Breakfast Program				-	400,996	-	393,115
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
			FY2017	-	1,776,820	-	-
			FY2018	-	-	-	1,915,049
National School Lunch Program - Commodities			FY2017	-	347,763	-	-
			FY2018	-	-	-	337,596
Total - National School Lunch Program				-	2,124,583	-	2,252,645
Special Milk Program for Children							
Special Milk Program for Children	Indiana Department of Education	10.556					
			FY2017	-	1,917	-	-
			FY2018	-	-	-	2,225
Total - Special Milk Program for Children				-	1,917	-	2,225
Summer Food Service Program for Children							
Summer Food Service Program for Children	Indiana Department of Education	10.559					
			FY2017	-	35,156	-	-
			FY2018	-	-	-	30,691
Total - Summer Food Service Program for Children				-	35,156	-	30,691
Total - Child Nutrition Cluster				-	2,562,652	-	2,678,676
Total - Department of Agriculture				-	2,562,652	-	2,678,676
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States							
FY15 IDEA Part B 611 Special Education	Indiana Department of Education	84.027	14215-051-PN01	-	145,676	-	-
FY16 IDEA Part B 611 Special Education			14216-051-PN01	-	757,177	-	107,358
FY17 IDEA Part B 611 Special Education			14217-051-PN01	-	826,369	-	910,354
FY18 IDEA Part B 611 Special Education			18611-051-PN01	-	-	-	806,923
Total - Special Education Grants to States				-	1,729,222	-	1,824,635
Special Education Preschool Grants							
FY15 IDEA Part B 619 Preschool Special Education	Indiana Department of Education	84.173	45715-051-PN01	-	1,686	-	-
FY16 IDEA Part B 619 Preschool Special Education			45716-051-PN01	-	16,537	-	-

FRANKLIN TOWNSHIP 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
FY17 IDEA Part B 619 Preschool Special Education			45717-051-PN01	-	23,277	-	33,686
FY18 IDEA Part B 619 Preschool Special Education			18619-051-PN01	-	-	-	15,398
Total - Special Education Preschool Grants				-	41,500	-	49,084
Total - Special Education Cluster (IDEA)				-	1,770,722	-	1,873,719
Title I Grants to Local Educational Agencies Title I, Part A	Indiana Department of Education	84.010	16-5310	8,768	253,669	-	-
			17-5310	-	921,867	-	129,942
			18-5310	-	-	4,583	817,889
Title I School Improvement			18-5310	-	-	-	36,876
Total - Title I Grants to Local Educational Agencies				8,768	1,175,536	4,583	984,707
English Language Acquisition State Grants Title III Language Instruction for Limited English Proficient and Immigrant Students	Indiana Department of Education	84.365	13-5310	-	1,839	-	-
			14-5310	9,452	9,452	-	-
			15-5310	905	26,272	-	8,530
			16-5310	-	33,618	-	15,551
			17-5310	-	-	-	31,813
Total - English Language Acquisition State Grants				10,357	71,181	-	55,894
Supporting Effective Instruction State Grants Title II Part A	Indiana Department of Education	84.367	14-5310	784	9,651	-	-
			15-5310	2,326	49,937	-	4,791
			16-5310	-	-	4,457	97,372
			17-5310	-	-	-	119,337
Total - Supporting Effective Instruction State Grants				3,110	59,588	4,457	221,500
Student Support and Academic Enrichment Program Title IV Part A Student Support and Academic Enrichment Grants	Indiana Department of Education	84.424	19-5310	-	-	4,063	67,008
Total - Department of Education				-	-	4,063	67,008
<u>Department of Health and Human Services</u> Medicaid Cluster Medical Assistance Program Medicaid Reimbursement - MAC	Indiana Department of Family and Social Services	93.778	FY17	-	32,770	-	-
			FY18	-	-	-	199,743
Total - Department of Health and Human Services				-	32,770	-	199,743
Total federal awards expended				\$ 22,235	\$ 5,672,449	\$ 13,103	\$ 6,081,247

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

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

Note 1. Basis of Presentation

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

Note 3. Special Education Cooperative

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

FRANKLIN TOWNSHIP COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

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

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

FINDING 2018-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Condition

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

The School Corporation had not established an effective system of internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's SEFA. The Officials prepared the federal award information entered into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

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

Context

The SEFA presented for audit contained the following errors:

1. Due to an error on the Expenditure Report of Federal Dollars for Local SEFA Completion report completed at the Special Education Cooperative used by the School Corporation, the amount reported on the School Corporation's SEFA for Special Education Part B 611 was overstated \$491,372 for the period ending June 30, 2018.
2. Due to an error on the Expenditure Report of Federal Dollars for Local SEFA Completion report completed at the Special Education Cooperative used by the School Corporation, the amount reported on the School Corporation's SEFA for Preschool Special Education Part B 619 was overstated by \$15,530 for the period ending June 30, 2018.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Criteria

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through

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

entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the School Corporation's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

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

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-002

Subject: Child Nutrition Cluster - Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Special Milk Program for Children, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.556, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY2017, FY2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-004.

Condition

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

One employee was responsible for completing and submitting the monthly reimbursement requests. There was no oversight, review, or approval by anyone else at the School Corporation ensuring the accuracy of the reports.

Context

The lack of controls was a systemic issue, which occurred 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 to ensure compliance with the grant agreement and the Reporting compliance requirement.

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

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2018-003

Subject: National School Lunch Program - Special Tests and Provisions - Paid Lunch Equity
Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program
CFDA Number: 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2017, FY2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Material Weakness

Condition

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

The School Corporation had not designed or implemented an adequate system of internal controls to ensure that paid lunch prices were properly calculated and implemented. There was no oversight, review, or approval of the paid lunch equity calculations prior to submission to the School Board and to the Indiana Department of Education. Paid lunch equity calculations were prepared and submitted by the Child Nutrition Director without any additional oversight or review.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

Cause

Management had not developed a system of internal controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Effect

The failure to establish an effective internal control system, which includes segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Special Tests and Provision - Paid Lunch Equity compliance requirement.

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 Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Views of Responsible Officials

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

FINDING 2018-004

Subject: School Breakfast Program, National School Lunch Program - Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2017, FY2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-002.

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

Condition

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

The monthly cash balance (net cash resources) for the School Lunch fund exceeded the three months average expenditures throughout the entire audit period.

Context

The lack of controls and noncompliance were systemic issues, which occurred 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). . . ."

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

7 CFR 220.7(e) states in part:

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

. . .

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

Cause

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

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Cash Management compliance requirement.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2018-005

Subject: School Breakfast Program, National School Lunch Program - Program Income
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 Requirement: Program Income
Audit Findings: Material Weakness, Other Matters

Condition

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

The School Corporation had not established an effective internal control system to ensure that program income was being properly receipted into the Prepaid Student Meals fund and then transferred to the School Lunch fund. At the end of each month, only net changes to the prepaid student accounts were being posted to the Prepaid Student Meals fund. The Prepaid Student Meals fund was being reconciled to the subsidiary accounts of the individual students each month. Additionally, lunch revenue earned was being properly posted to the School Lunch fund each month.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

7 CFR 210.14(c) states:

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

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

7 CFR 220.7(e) states in part:

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

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

When a student puts money into their individual meal account, it should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while money is in the student's individual account, the balance should not be included in Fund 800 School Lunch. A school should set up a clearing account with the fund number of 8400 Prepaid School Lunch Accounts, which is included in Chapter 4 of the State Board of Accounts Uniform Compliance Guidelines for Indiana Public School Corporations. When a student brings in a deposit the receipt should be recorded to fund 8400 using receipt account 1630 Special Functions. After the student has charged meals, you should disburse the amount charged from 8400 using expenditure account 31900 Other Food Services and receipt this into fund 800 using the Food Services receipt accounts 1611-1623 at the time established in a written school policy to ensure accurate monthly reporting. At this point the receipts are considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis it is required that the balance of the 8400 fund be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019)

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Program Income compliance requirement.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement and the Program Income compliance requirement.

Views of Responsible Officials

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

FINDING 2018-006

Subject: Title I Grants to Local Educational Agencies - Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 16-5310, 17-5310, 18-5310
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the procurement requirements. The School Corporation had not established an effective system of internal controls to ensure that proper procurement methods were selected prior to purchasing goods related to small purchases.

The School Corporation's procurement policy did not address individual procedures for micro-purchase, small purchase, and sealed bid procurements or establish a threshold for each method. The School Corporation did not comply with the procurement requirements for small purchases and micro-purchases.

Small Purchases

All items tested that were subject to the small purchase procurement requirements were not in compliance. The School Corporation did not obtain price or rate quotations from other vendors or document the basis for purchasing from these vendors.

Micro-Purchases

All items tested that were subject to the micro-purchase procurement requirements were not in compliance. The School Corporation did not distribute micro-purchases equitably among qualified suppliers.

Context

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

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

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). . . ."

2 CFR 200.318 states in part:

"(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part. . . .

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the procurement requirements.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the procurement requirements.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement and the procurement requirements.

Views of Responsible Officials

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

FINDING 2018-007

Subject: Special Education Cluster (IDEA) - Reporting; Matching, Level of Effort, Earmarking

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14215-051-PN01, 45715-051-PN01,
14216-051-PN01, 45716-051-PN01,
14217-051-PN01, 45717-051-PN01,
18611-051-PN01, 18619-051-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Reporting; Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting and Matching, Level of Effort, Earmarking compliance requirements.

Reporting

The School Corporation was a participating member school corporation of the Southside Special Services of Marion County Special Education Cooperative (Cooperative). The School Corporation designated a fiscal agent from the Cooperative to receive and manage the funding of the special education programs. The School Corporation relied on the Cooperative to comply with reporting requirements; however, because the grant agreements were between the Indiana Department of Education and each member school corporation of the Cooperative, the School Corporation was ultimately responsible for ensuring compliance with the requirements.

The Cooperative was unable to locate multiple reports throughout the audit period. In fiscal year 2016-2017, 24 of the 40 required Quarterly Proportionate Share Monitoring Reports could not be provided. In 2017-2018, neither of the two required Final Financial Reports could be provided. Therefore, testing of these reports could not be performed.

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

Matching, Level of Effort, Earmarking

We were unable to identify the specific expenditures assigned with the Quarterly Proportionate Shares and CEIS Monitoring reports. We were unable to confirm that the appropriate level of expenditures were made for nonpublic proportionate shares or CEIS.

The four Quarterly Proportionate Share Monitoring Reports for Non Public Schools selected were not presented for audit.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. The lack of adequate supporting documentation prevented the determination of the School Corporation's compliance with the Reporting and Matching, Level of Effort, Earmarking compliance requirements.

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). . . ."

34 CFR 80.20(b) states in part:

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

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

2 CFR 200.302(a) states:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See also § 200.450 Lobbying."

2 CFR 200.302(b)(2) states in part: "Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

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

Cause

Management had not developed a system of internal controls that would have ensured that adequate supporting documentation was maintained and made available for audit related to the Reporting and Matching, Level of Effort, Earmarking compliance requirements.

Effect

The failure to establish an effective internal control system and provide adequate supporting documentation prevented the determination of the School Corporation compliance with the grant agreement and the Reporting and Matching, Level of Effort, Earmarking compliance requirements.

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 that adequate supporting documentation will be maintained and available for audit related to the grant agreement and the Reporting and Matching, Level of Effort, Earmarking compliance requirements.

Views of Responsible Officials

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

FINDING 2018-008

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-051-PN01, 14217-051-PN01,
45717-051-PN01, 18611-051-PN01,
18619-051-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

Condition

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

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

The School Corporation was a participating member school corporation of the Southside Special Services of Marion County Special Education Cooperative (Cooperative). The School Corporation designated a fiscal agent from the Cooperative to receive and manage the funding of the special education programs. The School Corporation relied on the Cooperative to comply with the procurement and suspension and debarment requirements; however, because the grant agreements were between the Indiana Department of Education and each member school corporation of the Cooperative, the School Corporation was ultimately responsible for ensuring compliance with the requirements.

Procurement

The School Corporation had not established effective controls to ensure that proper procurement procedures were followed by the Cooperative. The School Corporation did not have internal controls in place to ensure that the purchasing methods used by the Cooperative complied with its procurement procedures and applicable state, local, and federal requirements. Additionally, the School Corporation did not have internal controls in place to ensure that the Cooperative properly documented the history of its procurements, including the rationale for method of procurement, selection of contract type, basis for contractor selection, and the basis for the contract price.

The Cooperative did not provide price or rate quotes from an adequate number of sources for purchases of goods or services costing \$3,500 - \$150,000, which fell within the small purchase procedures. The Cooperative also did not document the rationale for the method of procurement, in cases where competition was limited and that the limitation was justified.

The Cooperative did not provide bid documentation for a contract with a vendor that exceeded the simplified acquisition threshold of \$150,000. Full and open competition could not be substantiated for the \$293,307 paid to this vendor during July 1, 2017 through June 30, 2018.

Suspension and Debarment

The Cooperative did not have internal controls in place to ensure that contracted vendors who exceeded \$25,000 in the aggregate were not suspended or debarred from participation in the federal program.

The Cooperative entered into contracts with vendors that exceeded \$25,000. They did not perform any procedures to verify that the vendor was not suspended or debarred, or otherwise excluded from, or ineligible for, participation in the federal program prior to the contract.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. The lack of supporting documentation prevented the determination of the School Corporation's compliance with the Procurement and Suspension and Debarment compliance requirement.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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

2 CFR 200.318 states in part:

"(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part. . . .

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . .

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;

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

- (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- (iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- (v) Any or all bids may be rejected if there is a sound documented reason. . . ."

2 CFR 180.300 states:

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

You do this by:

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

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

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

Effect

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

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure that adequate supporting documentation will be maintained and available for audit related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

AUDITEE-PREPARED DOCUMENTS

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

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal Year: July 1, 2014 to June 30, 2016

Contact Person Responsible for Corrective Action: Fred McWhorter

Contact Phone Number: 317-803-5002

Status of Audit Finding: Controls have been put in place that financial documents are reviewed by other individuals with financial knowledge besides those preparing the documents prior to financial reporting.

A handwritten signature in black ink, appearing to read "Fred McWhorter", is written over a horizontal line.

Fred McWhorter

A handwritten title "COO / Treasurer" is written in black ink over a horizontal line.

(Title)

A handwritten date "5/14/19" is written in black ink over a horizontal line.

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-002

Fiscal Year: July 1, 2014 to June 30, 2016

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

Contact Person Responsible for Corrective Action: Fred McWhorter

Contact Phone Number: 317-803-5002

Status of Audit Finding: In the previous audit report this was a Section III finding and the corrective action plan was documented in the audit report. Whereas the action plan detailed how future expenses would be considered to decrease the cash balance to be in compliance with maintaining a cash balance that did not exceed the average expenditures in a three-month period, that audit wasn't completed until after the current audit period under review.

Therefore, the corrective action plan submitted for the last audit still applies. Currently there are plans to expend dollars directly for food service facility, equipment and program improvements to lower the cash balance. In addition, the Food Service Director will meet with the Director of Business no less than quarterly to document and review cash balances and formulate any necessary plan to stay in compliance.

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

Fred McWhorter

A handwritten title in black ink, appearing to read "COO/Treasurer".

(Title)

A handwritten date in black ink, appearing to read "5/14/19".

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-003

Fiscal Year: July 1, 2014 to June 30, 2016

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

Contact Person Responsible for Corrective Action: Fred McWhorter

Contact Phone Number: 317-803-5002

Status of Audit Finding: The previous audit report determined that free and reduced eligibility for the breakfast and lunch programs was made by one individual without oversight or review of another individual. Whereas no errors were noted in the audit regarding eligibility we agree that internal controls to segregate duties would place the School Corporation at less risk of noncompliance. Whereas the last audit report wasn't completed until after this audit period under review the corrective action plan from the last audit still applies.

The Food Service Director implement adequate procedures to ensure compliance with Eligibility requirements. Determination of eligibility is reviewed by a second individual familiar with the eligibility requirements. This finding has been corrected for the current audit period.

A handwritten signature in cursive script that reads "Fred McWhorter".

Fred McWhorter

A handwritten title in cursive script that reads "COO / Treasurer".

(Title)

A handwritten date in cursive script that reads "5/14/19".

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-004

Fiscal Year: July 1, 2014 to June 30, 2016

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

Contact Person Responsible for Corrective Action: Fred McWhorter

Contact Phone Number: 317-803-5002

Status of Audit Finding: The previous audit report determined that reports, monthly reimbursement requests and the annual financial report for the breakfast, lunch, special milk and summer food service programs was made by one individual without oversight or review of another individual. Whereas no errors were noted in the audit regarding the accuracy of these reports or reimbursements we agree that internal controls to segregate duties would place the School Corporation at less risk of noncompliance. Whereas the last audit report wasn't completed until after this audit period under review the corrective action plan from the last audit still applies.

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

A handwritten signature in black ink, appearing to read "Fred McWhorter", is written above a horizontal line.

Fred McWhorter

A handwritten title in black ink, appearing to read "COO / Treasurer", is written above a horizontal line.

(Title)

A handwritten date in black ink, appearing to read "5/14/19", is written above a horizontal line.

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-005

Fiscal Year: July 1, 2014 to June 30, 2016

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

Contact Person Responsible for Corrective Action: Fred McWhorter

Contact Phone Number: 317-803-5002

Status of Audit Finding: Semi-annual certifications and time and effort logs were not found for all Title I employees sampled by the auditors. Payments to employees were not deemed incorrect, the forms just couldn't be found. The district had a turnover of staff responsible for this documentation and wasn't able to locate the forms. Whereas the last audit report wasn't completed until after this audit period under review the corrective action plan from the last audit still applies.

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

A handwritten signature in cursive script that reads "Fred McWhorter".

Fred McWhorter

A handwritten title in cursive script that reads "COO / Treasurer".

(Title)

A handwritten date in cursive script that reads "5/14/19".

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-006

Fiscal Year: July 1, 2014 to June 30, 2016

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

Contact Person Responsible for Corrective Action: Fred McWhorter

Contact Phone Number: 317-803-5002

Status of Audit Finding: The previous audit determined that reimbursement requests, Final Expenditure Reports and State Per Pupil Expenditure Reports for the Title I program was made by one individual without oversight or review of another individual. Whereas no errors were noted in the audit regarding the accuracy of these reports and reimbursement requests we agree that internal controls to segregate duties would place the School Corporation at less risk of noncompliance. Whereas the last audit report wasn't completed until after this audit period under review the corrective action plan from the last audit still applies.

The Chief Innovations Officer responsible for the Title I grant will implement adequate procedures to ensure compliance. Reports and reimbursement requests will be reviewed by a second individual familiar with the process.

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

Fred McWhorter

COO / Treasurer

(Title)

5/14/19

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-007

Fiscal Year: July 1, 2014 to June 30, 2016
Pass-Through Entity or Federal Grantor Agency: Department of Education
Contact Person Responsible for Corrective Action: Fred McWhorter
Contact Phone Number: 317-803-5002

Status of Audit Finding: The previous audit report found that The Southside Special Services of Marion County (Cooperative) oversaw the Special Education Grants to States and Special Education Preschool Grants for the audit period. When they were audited it was noted that semi-annual certifications and time and effort logs were not maintained on behalf of Franklin Township Community School Corporation. Whereas the last audit report wasn't completed until after this audit period under review the corrective action plan from the last audit still applies.

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

A handwritten signature in black ink, appearing to read "Fred McWhorter", is written above a horizontal line.

Fred McWhorter

A handwritten title "COO / Treasurer" is written above a horizontal line.

(Title)

A handwritten date "5/14/19" is written above a horizontal line.

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-008

Fiscal Year: July 1, 2014 to June 30, 2016
Pass-Through Entity or Federal Grantor Agency: Department of Education
Contact Person Responsible for Corrective Action: Fred McWhorter
Contact Phone Number: 317-803-5002

Status of Audit Finding: The Southside Special Services of Marion County (Cooperative) oversaw the Special Education Grants to States and Special Education Preschool Grants for the audit period. When audited it was noted that the cooperative did not maintain supporting documentation to prepare reimbursement requests and that all monitoring reports were not completed. Whereas the last audit report wasn't completed until after this audit period under review the corrective action plan from the last audit still applies.

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

A handwritten signature in cursive script that reads "Fred McWhorter".

Fred McWhorter

A handwritten signature in cursive script that reads "COO / Treasurer".

(Title)

A handwritten date in cursive script that reads "5/14/19".

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-009

Fiscal Year: July 1, 1014 to June 30, 2016

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

Contact Person Responsible for Corrective Action: Fred McWhorter

Contact Phone Number: 317-803-5002

Status of Audit Finding: The Southside Special Services of Marion County (Cooperative) oversaw the Special Education Grants to States and Special Education Preschool Grants for the audit period. When audited it was noted that the cooperative did not maintain supporting documentation to prepare reimbursement requests and to ensure they were part of the correct reimbursement period. Whereas the last audit report wasn't completed until after this audit period under review the corrective action plan from the last audit still applies.

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

A handwritten signature in black ink, appearing to read "Fred McWhorter", is written above a horizontal line.

Fred McWhorter

A handwritten title "COO / Treasurer" is written above a horizontal line.

(Title)

A handwritten date "5/14/19" is written above a horizontal line.

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



FINDING 2018-001

Contact Person Responsible for Corrective Action: Fred McWhorter
Contact Phone Number: 317-803-5002

Views of Responsible Official: An error on the "Expenditure of Federal Dollars for Local SEFA Completion" report completed at the Special Education Cooperative used by the School Corporation created an overstatement on the School Corporation's SEFA report for Special Education Part B 611 and Preschool Special Education Part B 619. We concur with the finding.

Description of Corrective Action Plan: An audit adjustment was proposed and accepted to the School Corporations SEFA. Effective July 1, 2018 the School Corporation withdrew from the Southside Special Services of Marion County (Cooperative) and will oversee and implement the Special Education Grants to States and Special Education Preschool Grant moving forward.

Anticipated Completion Date: July 1, 2019



(Signature)

COO / Treasurer

(Title)

5/21/19

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



FINDING 2018-002

Contact Person Responsible for Corrective Action: Fred McWhorter
Contact Phone Number: 317-803-5002

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

Description of Corrective Action Plan: Due to the fact that the previous audit report for the two-year period ending June 30, 2016 wasn't completed until after this audit period, this finding was repeated. It was not possible to avoid this repeat finding since it wasn't identified and could not be addressed during the current audit period under review. The Food Service Director will implement adequate procedures to ensure compliance. Reimbursement requests will be reviewed by a second individual familiar with the process.


Anticipated Completion Date: January 1, 2019



(Signature)



(Title)



(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



FINDING 2018-003

Contact Person Responsible for Corrective Action: Fred McWhorter
Contact Phone Number: 317-803-5002

Views of Responsible Official: The audit determined that the Child Nutrition Director without oversight or review by another determined the paid lunch equity calculations prior to submission to the School Board and Indiana Department of Education. Whereas no errors were noted in the audit regarding the accuracy of these calculations we concur that internal controls to segregate duties would place the School Corporation at less risk of noncompliance.

Description of Corrective Action Plan: The Child Nutrition Director will implement adequate procedures to ensure compliance. Paid lunch equity calculations will be reviewed by a second individual familiar with the process prior to submission.

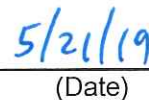
Anticipated Completion Date: July 1, 2019



(Signature)



(Title)



(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



FINDING 2018-004

Contact Person Responsible for Corrective Action: Fred McWhorter
Contact Phone Number: 317-803-5002

Views of Responsible Official: The audit determined that the monthly cash balance for the School Lunch fund exceeded 3-months average expenditures for all 24 months during the audit period. We concur that the School Lunch fund had too much cash on hand.

Description of Corrective Action Plan: Due to the fact that the previous audit report for the two-year period ending June 30, 2016 wasn't completed until after this audit period, this finding was repeated. It was not possible to avoid this repeat finding since it wasn't identified and could not be addressed during the current audit period under review. The Child Nutrition Director will review with the Treasurer or Deputy Treasurer no less than quarterly the cash balance of the School Lunch fund and if warranted formulate and document a plan to spend excess cash to be in compliance with 7 CFR 210.14(b) and 7 CFR 220.7(e).

Anticipated Completion Date: January 1, 2019

Fred McWhorter

(Signature)

COO / Treasurer

(Title)

5/21/19

(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



FINDING 2018-005

Contact Person Responsible for Corrective Action: Fred McWhorter
Contact Phone Number: 317-803-5002

Views of Responsible Official: The audit determined that only net changes in the Prepaid Student accounts were being posted to the Prepaid Student Meal fund. Whereas no errors were determined in the balances of individual student accounts and lunch revenue earned was being properly posted to the School Lunch fund we concur that posting the gross amount of program income to the Prepaid Student Meal fund and then transferring funds to the School Lunch fund will place the School Corporation at less risk of noncompliance.

Description of Corrective Action: The Child Nutrition Director will implement adequate procedures to ensure compliance. Gross revenue will be receipted to the Prepaid Student Meal fund and transferred to the School Lunch fund when appropriate.

Anticipated Completion Date: July 1, 2019



(Signature)



(Title)



(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



FINDING 2018-006

Contact Person Responsible for Corrective Action: Fred McWhorter
Contact Phone Number: 317-803-5002

Views of Responsible Official: The audit determined that the Federal "Small Purchases" and "Micro-Purchases" procurement methods were not in compliance with requirements. This requirement evidently has been in place for a couple of years but the rule was never brought to the attention of the School Corporation through the State Board of Accounts nor the Granting agencies until this year. The School Corporation followed the State of Indiana procurement rules.

Description of Corrective Action: The Title I Director will implement adequate procedures to ensure compliance with the federal procurement rules related to "Small Purchases" and "Micro-Purchases" procurement methods.

Anticipated Completion Date: July 1, 2019



(Signature)



(Title)



(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



FINDING 2018-007

Contact Person Responsible for Corrective Action: Fred McWhorter
Contact Phone Number: 317-803-5002


Views of Responsible Official: The Southside Special Services of Marion County (Cooperative) oversaw the Special Education Grants to States and Special Education Preschool Grants for the audit period. When audited it was noted that the cooperative was unable to provide multiple report related to proportionate share monitoring and final financial reports.

Description of Corrective Action: Effective July 1, 2018 the School Corporation withdrew from the Southside Special Services of Marion County (Cooperative) and will oversee and implement the Special Education Grants to States and Special Education Preschool Grant moving forward. The Chief Special Education Officer responsible for these grants will ensure that internal controls for Federal reporting, matching, level of effort and earmarking are implemented.

Anticipated Completion Date: January 1, 2019



(Signature)



(Title)



(Date)

Franklin Township Community School Corporation

Dr. Bruce Hibbard, Superintendent

Board of Education:

Dawn A. Downer
Kelly L. Foulk
Judy L. Shore
Zachary T. Smith
Larry J. Walker



FINDING 2018-008

Contact Person Responsible for Corrective Action: Fred McWhorter
Contact Phone Number: 317-803-5002

Views of Responsible Official: The audit determined that the School Corporation's special education cooperative was not in compliance with the "Small Purchases" procurement method nor provided bid documentation for a contract that exceeded the "Simplified Acquisition" dollar amount threshold. In addition, the cooperative didn't have a process in place to ensure that vendors were not suspended or debarred from participation in federal programs. The vendors were not determined to be suspended or debarred and the small purchases procurement method rule was never brought to the attention of the School Corporation through the State Board of Accounts nor the granting agencies until this year.

Description of Corrective Action: Effective July 1, 2018 the School Corporation withdrew from the Southside Special Services of Marion County (Cooperative) and will oversee and implement the Special Education Grants to States and Special Education Preschool Grant moving forward. The Chief Special Education Officer responsible for these grants will ensure that Federal procurement, suspension and debarment internal controls will be implemented.

Anticipated Completion Date: July 1, 2019



(Signature)



(Title)



(Date)

OTHER REPORTS

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