

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

METROPOLITAN SCHOOL DISTRICT
OF PIKE TOWNSHIP
MARION COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
01/18/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Linda J. Searles	07-01-15 to 12-31-18
Superintendent of Schools	Nathaniel Jones Dr. Flora Reichanadter	07-01-15 to 12-31-16 01-01-17 to 06-30-19
President of the School Board	Larry Metzler Regina Randolph Cherlisa Richardson	01-01-15 to 12-31-15 01-01-16 to 12-31-17 01-01-18 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF PIKE TOWNSHIP, MARION COUNTY, INDIANA

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 2018, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

December 5, 2018



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

**TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF PIKE TOWNSHIP, 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 Metropolitan School District of Pike Township (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 5, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

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

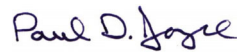
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 2017-001.

Metropolitan School District of Pike Township'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

December 5, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 8,901,198	\$ 75,720,658	\$ 77,289,762	\$ 1,317,363	\$ 8,649,457	\$ 78,103,077	\$ 79,710,348	\$ 976,745	\$ 8,018,931
Debt Service	4,864,083	13,272,938	10,524,073	(161,494)	7,451,454	12,431,589	14,279,246	(151,530)	5,452,267
Retirement/Severance Bond Debt Service	428,981	620,379	832,550	(1,856)	214,954	424,835	832,176	-	(192,387)
Capital Projects	9,016,665	15,144,251	18,035,099	33,584	6,159,401	14,618,685	15,719,439	(493,897)	4,564,750
School Transportation	74,377	8,334,208	7,989,277	31,979	451,287	8,323,912	8,493,363	1,136	282,972
School Bus Replacement	(736,690)	1,429,824	1,338,024	2,380	(642,510)	1,457,045	1,529,080	-	(714,545)
Rainy Day	10,000,000	-	-	-	10,000,000	-	-	1,000,000	11,000,000
District Wide Technology	-	-	-	-	-	27,484	255,705	11,944,456	11,716,235
Early Learning Center	-	-	-	-	-	-	5,395	-	(5,395)
District Wide Project - Phase 2	3,924,308	10,018	1,670,794	-	2,263,532	6,980	1,177,944	-	1,092,568
ECES Construction - Phase 1	3,164,561	5,792	2,715,380	-	454,973	1,238	456,211	-	-
ECES Construction - Phase 2	(884,010)	1,373	7,307,734	9,999,035	1,808,664	548	1,790,830	-	18,382
School Lunch	2,606,079	6,637,526	6,887,781	330,274	2,686,098	7,239,383	7,958,267	503,057	2,470,271
Textbook Rental	1,287,394	867,080	1,534,822	110,994	730,646	905,034	1,936,344	151,530	(149,134)
Self-Insurance	7,213,674	15,271,679	16,279,258	-	6,206,095	15,655,498	17,909,627	-	3,951,966
Child Care Program	216,217	1,359,382	1,305,673	-	269,926	1,356,923	1,578,319	-	48,530
Early Childhood Program	36,536	281,262	262,874	-	54,924	344,058	303,385	-	95,597
Alternative Education	-	109,030	109,030	-	-	126,016	-	-	126,016
SAFE School Haven	(38)	3,212	12,404	-	(9,230)	9,230	-	-	-
Charles Brooks PHS	4,083	-	150	-	3,933	-	925	-	3,008
Donations / Sponsors	-	6,000	-	-	6,000	-	6,000	-	-
JP Morgan Chase	-	2,799	2,799	-	-	-	-	-	-
District Projects	-	16,057	3,252	-	12,805	-	12,805	-	-
L.I.F.T. Foundation	-	46,550	38,800	-	7,750	5,750	13,500	-	-
School Police K-9	-	-	-	-	-	20,000	10,867	-	9,133
Professional Development	9,893	1,400	2,353	-	8,940	770	778	-	8,932
PHS/PFC Library Grant	39	42,950	21,278	-	21,711	21,250	42,954	-	7
Superintendents Scholarship	35,897	2,075	6,000	-	31,972	40	4,000	-	28,012
Instructional Support	174,442	-	172,870	249,018	250,590	-	237,297	220,228	233,521
PHS Performing Arts	2,824	-	2,172	-	652	8,480	8,480	-	652
Instructional Support Donations	22,624	68,143	42,781	-	47,986	44,199	35,553	-	56,632
3M Grant	-	13,500	4,101	-	9,399	11,100	7,901	-	12,598
Lilly Endowment Grants	7,390	7,500	7,703	-	7,187	7,500	7,866	-	6,821
Lilly Grant	-	-	-	-	-	50,000	18,542	-	31,458
District Concessions	-	6,220	-	-	6,220	3,234	1,073	-	8,381
District Athletic	6,568	20,000	10,607	-	15,961	10,290	5,347	-	20,904
Recreational Activities	14,459	26,421	5,045	-	35,835	40,450	42,667	-	33,618
Aquatics Rental	-	12,905	4,965	-	7,940	59,518	20,404	-	47,054
Pike Youth Basketball	4,462	14,209	14,008	-	4,663	10,178	7,231	-	7,610
Pike Youth Football	-	2,000	-	-	2,000	30,195	22,345	-	9,850
Pike Indy Hoops Basketball	85	-	-	-	85	-	-	-	85
Pike Childrens Theatre	-	-	5,810	5,810	-	-	3,350	29,835	26,485
Scholarships and Awards	2,023	-	559	-	1,464	-	941	-	523
Danny Elsharaiha Scholarship	8,875	-	2,000	-	6,875	-	2,000	-	4,875
Weldon Morgan Scholarship	2,651	-	-	-	2,651	-	300	-	2,351
Miscellaneous Programs	-	-	-	-	-	280	-	-	280
Scrap Metal Facilities	481	1,054	560	-	975	3,841	2,414	-	2,402
Donations for Security	1,422	802	1,611	-	613	2,010	685	-	1,938
Lost Library Book	10,280	2,290	1,098	-	11,472	1,954	334	-	13,092

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

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Student Success Grant	(7,779)	108,653	103,157	-	(2,283)	8,706	6,423	-	-
Cummins Behavioral Health	-	289,304	16,198	-	273,106	-	122,850	-	150,256
Vending	65,023	-	3,182	-	61,841	32,009	8,220	-	85,630
Formative Assessment	-	65,513	59,216	-	6,297	119,729	96,370	-	29,656
High Abilities Grant	27,120	75,373	66,946	-	35,547	73,815	76,705	-	32,657
Medicaid Reimbursement	50,327	117,072	58,456	-	108,943	134,823	40,392	-	203,374
Non-English Speaking Programs	15,907	373,291	298,661	-	90,537	369,282	406,831	-	52,988
School Technology	386,581	377,845	(19,063)	-	783,489	398,951	555,468	-	626,972
Career and Technical Performance Grant	-	-	-	-	-	21,551	-	-	21,551
Performance Based Awards	9,772	168,711	167,796	-	10,687	140,433	151,120	-	-
Excellence in Performance	-	28,736	28,736	-	-	-	-	-	-
Disability Determination	56	84	-	-	140	28	-	-	168
Project Lead the Way	6,485	30,000	30,935	-	5,550	-	5,550	-	-
GQE Remediation	76,564	-	22,459	-	54,105	-	54,105	-	-
Remediation ISTEP	48,298	-	34,183	-	14,115	-	2,418	-	11,697
Counseling Program	(19,693)	288,353	268,660	-	-	-	-	-	-
Title I	(261,309)	3,120,981	3,144,816	-	(285,144)	3,094,909	2,922,037	-	(112,272)
Title I School Improvement	-	4,800	7,212	-	(2,412)	14,961	30,988	-	(18,439)
Stewart Homeless Assistance Act	(3,212)	44,314	41,225	-	(123)	42,552	42,479	-	(50)
Special Ed Part B	(194,558)	1,948,198	2,227,978	-	(474,338)	2,130,079	2,166,449	-	(510,708)
Special Ed Preschool	(4,647)	54,357	61,063	-	(11,353)	64,339	62,836	-	(9,850)
Technology Assistance	-	36,518	36,518	-	-	-	-	-	-
Project Prevention	(15,505)	382,141	568,601	-	(201,965)	804,269	728,678	-	(126,374)
Peer Friends	20,219	2,250	8,518	-	13,951	2,475	4,310	-	12,116
Signage - District	2,847	-	-	-	2,847	-	-	-	2,847
Vocational and Technology Board Grants	(47,924)	1,125,586	1,111,230	-	(33,568)	1,276,478	1,624,675	-	(381,765)
Perkins Career Center	-	68,763	119,786	-	(51,023)	217,241	179,885	-	(13,667)
21st Century Learning Center	(62,629)	304,207	263,742	-	(22,164)	288,899	271,567	-	(4,832)
21st Century Scholar Success	-	1,000	-	-	1,000	3,550	-	-	4,550
21st Century / Cohort 7	(90,675)	341,720	279,796	-	(28,751)	304,991	280,740	-	(4,500)
Initiative 13	865	-	-	-	865	-	340	-	525
Improving Teacher Quality, No Child Left, Title II, Part A	(10,680)	150,938	152,113	-	(11,855)	151,304	144,432	-	(4,983)
Title III - English Proficiency Migrant	(21,118)	375,321	375,767	-	(21,564)	297,284	287,681	-	(11,961)
Title III PD 14-15	-	546	546	-	-	-	-	-	-
Title II/B Science Initiative	(28,371)	156,406	127,818	-	217	75,001	165,726	-	(90,508)
Coke	215,055	335,970	48,073	-	502,952	21,592	48,256	-	476,288
Elementary Skates	379	-	-	-	379	-	-	-	379
American Express	65	174	-	-	239	558	-	-	797
Warehouse	123,380	605,061	611,002	-	117,439	573,374	588,750	-	102,063
Refunds and Adjustments	912	95,439	93,929	-	2,422	31,819	28,476	-	5,765
Clearing Account	757,595	20,215,582	20,369,858	-	603,319	21,252,228	21,010,079	-	845,468
Totals	\$ 51,461,183	\$ 170,654,694	\$ 185,234,170	\$ 11,917,087	\$ 48,798,794	\$ 173,309,804	\$ 186,567,074	\$ 14,181,560	\$ 49,723,084

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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 some of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2017. Other funds with deficit balances were due to expenditures in excess of receipts.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Pike 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 school years ending June 30, 2016 and 2017, totaled \$7,841,000 and \$6,249,000, respectively.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Subsequent Events

On July 5, 2018, the School Corporation issued bonds in the amount of \$9,055,000 for the purpose of constructing and equipping a new early learning center and miscellaneous facility improvements.

On October 11, 2018, the School Corporation issued bonds in the amount of \$9,940,000 for the purpose of interior and exterior renovations and roofing at certain schools and miscellaneous facility improvements.

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OTHER INFORMATION - UNAUDITED

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

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

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 8,901,198	\$ 4,864,083	\$ 428,981	\$ 9,016,665	\$ 74,377	\$ (736,690)	\$ 10,000,000
Receipts:							
Local sources	1,184,910	13,272,938	620,379	15,144,251	8,334,208	1,429,824	-
Intermediate sources	25,655	-	-	-	-	-	-
State sources	74,426,006	-	-	-	-	-	-
Federal sources	84,087	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	75,720,658	13,272,938	620,379	15,144,251	8,334,208	1,429,824	-
Disbursements:							
Instruction	54,435,862	-	-	-	-	-	-
Support services	21,962,370	-	-	8,677,349	7,989,277	1,338,024	-
Noninstructional services	836,022	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	9,357,750	-	-	-
Debt service	-	10,524,073	832,550	-	-	-	-
Nonprogrammed charges	55,508	-	-	-	-	-	-
Total disbursements	77,289,762	10,524,073	832,550	18,035,099	7,989,277	1,338,024	-
Excess (deficiency) of receipts over disbursements	(1,569,104)	2,748,865	(212,171)	(2,890,848)	344,931	91,800	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	1,317,363	-	-	-	15,587	-	-
Transfers in	-	-	-	33,584	16,392	2,380	-
Transfers out	-	(161,494)	(1,856)	-	-	-	-
Total other financing sources (uses)	1,317,363	(161,494)	(1,856)	33,584	31,979	2,380	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(251,741)	2,587,371	(214,027)	(2,857,264)	376,910	94,180	-
Cash and investments - ending	\$ 8,649,457	\$ 7,451,454	\$ 214,954	\$ 6,159,401	\$ 451,287	\$ (642,510)	\$ 10,000,000

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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 For the Year Ended June 30, 2016

	District Wide Technology	Early Learning Center	District Wide Project - Phase 2	ECES Construction - Phase 1	ECES Construction - Phase 2	School Lunch	Textbook Rental
Cash and investments - beginning	\$ -	\$ -	\$ 3,924,308	\$ 3,164,561	\$ (884,010)	\$ 2,606,079	\$ 1,287,394
Receipts:							
Local sources	-	-	10,018	5,792	1,373	1,158,955	304,681
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	34,730	562,399
Federal sources	-	-	-	-	-	5,443,841	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	10,018	5,792	1,373	6,637,526	867,080
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	33,857	65,020	471	189,625	1,534,822
Noninstructional services	-	-	-	-	-	6,369,792	-
Facilities acquisition and construction	-	-	1,636,937	2,650,360	7,307,263	119,597	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	208,767	-
Total disbursements	-	-	1,670,794	2,715,380	7,307,734	6,887,781	1,534,822
Excess (deficiency) of receipts over disbursements	-	-	(1,660,776)	(2,709,588)	(7,306,361)	(250,255)	(667,742)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	9,999,035	-	-
Sale of capital assets	-	-	-	-	-	330,274	-
Transfers in	-	-	-	-	-	-	110,994
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	9,999,035	330,274	110,994
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,660,776)	(2,709,588)	2,692,674	80,019	(556,748)
Cash and investments - ending	\$ -	\$ -	\$ 2,263,532	\$ 454,973	\$ 1,808,664	\$ 2,686,098	\$ 730,646

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Self- Insurance	Child Care Program	Early Childhood Program	Alternative Education	SAFE School Haven	Charles Brooks PHS	Donations / Sponsors
Cash and investments - beginning	\$ 7,213,674	\$ 216,217	\$ 36,536	\$ -	\$ (38)	\$ 4,083	\$ -
Receipts:							
Local sources	15,236,679	1,222,562	245,031	-	-	-	6,000
Intermediate sources	-	-	-	-	-	-	-
State sources	-	136,820	36,231	109,030	-	-	-
Federal sources	-	-	-	-	3,212	-	-
Other receipts	35,000	-	-	-	-	-	-
Total receipts	15,271,679	1,359,382	281,262	109,030	3,212	-	6,000
Disbursements:							
Instruction	-	1,201,349	-	109,030	11,991	-	-
Support services	282,862	15,603	1,016	-	-	-	-
Noninstructional services	-	-	231,133	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	15,996,396	88,721	30,725	-	413	150	-
Total disbursements	16,279,258	1,305,673	262,874	109,030	12,404	150	-
Excess (deficiency) of receipts over disbursements	(1,007,579)	53,709	18,388	-	(9,192)	(150)	6,000
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,007,579)	53,709	18,388	-	(9,192)	(150)	6,000
Cash and investments - ending	\$ 6,206,095	\$ 269,926	\$ 54,924	\$ -	\$ (9,230)	\$ 3,933	\$ 6,000

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

	JP Morgan Chase	District Projects	L.I.F.T. Foundation	School Police K-9	Professional Development	PHS/PFC Library Grant	Superintendents Scholarship
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 9,893	\$ 39	\$ 35,897
Receipts:							
Local sources	2,799	16,057	-	-	1,400	42,950	75
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	46,550	-	-	-	2,000
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	2,799	16,057	46,550	-	1,400	42,950	2,075
Disbursements:							
Instruction	619	3,252	-	-	-	-	-
Support services	2,180	-	-	-	1,383	21,278	-
Noninstructional services	-	-	-	-	970	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	38,800	-	-	-	6,000
Total disbursements	2,799	3,252	38,800	-	2,353	21,278	6,000
Excess (deficiency) of receipts over disbursements	-	12,805	7,750	-	(953)	21,672	(3,925)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	12,805	7,750	-	(953)	21,672	(3,925)
Cash and investments - ending	\$ -	\$ 12,805	\$ 7,750	\$ -	\$ 8,940	\$ 21,711	\$ 31,972

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Instructional Support	PHS Performing Arts	Instructional Support Donations	3M Grant	Lilly Endowment Grants	Lilly Grant	District Concessions
Cash and investments - beginning	\$ 174,442	\$ 2,824	\$ 22,624	\$ -	\$ 7,390	\$ -	\$ -
Receipts:							
Local sources	-	-	68,143	13,500	7,500	-	6,220
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	68,143	13,500	7,500	-	6,220
Disbursements:							
Instruction	-	-	22,720	4,101	7,703	-	-
Support services	171,120	-	13,641	-	-	-	-
Noninstructional services	1,750	2,172	6,420	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	172,870	2,172	42,781	4,101	7,703	-	-
Excess (deficiency) of receipts over disbursements	(172,870)	(2,172)	25,362	9,399	(203)	-	6,220
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	249,018	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	249,018	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	76,148	(2,172)	25,362	9,399	(203)	-	6,220
Cash and investments - ending	\$ 250,590	\$ 652	\$ 47,986	\$ 9,399	\$ 7,187	\$ -	\$ 6,220

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	District Athletic	Recreational Activities	Aquatics Rental	Pike Youth Basketball	Pike Youth Football	Pike Indy Hoops Basketball	Pike Childrens Theatre
Cash and investments - beginning	\$ 6,568	\$ 14,459	\$ -	\$ 4,462	\$ -	\$ 85	\$ -
Receipts:							
Local sources	20,000	26,421	12,905	14,209	2,000	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	20,000	26,421	12,905	14,209	2,000	-	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	5,810
Noninstructional services	10,607	5,045	4,965	14,008	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	10,607	5,045	4,965	14,008	-	-	5,810
Excess (deficiency) of receipts over disbursements	9,393	21,376	7,940	201	2,000	-	(5,810)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	5,810
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	5,810
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,393	21,376	7,940	201	2,000	-	-
Cash and investments - ending	\$ 15,961	\$ 35,835	\$ 7,940	\$ 4,663	\$ 2,000	\$ 85	\$ -

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
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 For the Year Ended June 30, 2016

	Scholarships and Awards	Danny Elsharaiha Scholarship	Weldon Morgan Scholarship	Miscellaneous Programs	Scrap Metal Facilities	Donations for Security	Lost Library Book
Cash and investments - beginning	\$ 2,023	\$ 8,875	\$ 2,651	\$ -	\$ 481	\$ 1,422	\$ 10,280
Receipts:							
Local sources	-	-	-	-	-	-	2,290
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	802	-
Federal sources	-	-	-	-	1,054	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	1,054	802	2,290
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	560	1,611	1,098
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	559	2,000	-	-	-	-	-
Total disbursements	559	2,000	-	-	560	1,611	1,098
Excess (deficiency) of receipts over disbursements	(559)	(2,000)	-	-	494	(809)	1,192
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(559)	(2,000)	-	-	494	(809)	1,192
Cash and investments - ending	\$ 1,464	\$ 6,875	\$ 2,651	\$ -	\$ 975	\$ 613	\$ 11,472

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	Student Success Grant	Cummins Behavioral Health	Vending	Formative Assessment	High Abilities Grant	Medicaid Reimbursement	Non-English Speaking Programs
Cash and investments - beginning	\$ (7,779)	\$ -	\$ 65,023	\$ -	\$ 27,120	\$ 50,327	\$ 15,907
Receipts:							
Local sources	108,653	289,304	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	65,513	75,373	117,072	373,291
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	108,653	289,304	-	65,513	75,373	117,072	373,291
Disbursements:							
Instruction	87,199	15,869	-	59,216	66,946	-	276,393
Support services	14,080	329	3,182	-	-	58,456	22,268
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	1,878	-	-	-	-	-	-
Total disbursements	103,157	16,198	3,182	59,216	66,946	58,456	298,661
Excess (deficiency) of receipts over disbursements	5,496	273,106	(3,182)	6,297	8,427	58,616	74,630
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,496	273,106	(3,182)	6,297	8,427	58,616	74,630
Cash and investments - ending	\$ (2,283)	\$ 273,106	\$ 61,841	\$ 6,297	\$ 35,547	\$ 108,943	\$ 90,537

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH
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 For the Year Ended June 30, 2016

	School Technology	Career and Technical Performance Grant	Performance Based Awards	Excellence in Performance	Disability Determination	Project Lead the Way	GQE Remediation
Cash and investments - beginning	\$ 386,581	\$ -	\$ 9,772	\$ -	\$ 56	\$ 6,485	\$ 76,564
Receipts:							
Local sources	-	-	-	-	-	30,000	-
Intermediate sources	-	-	-	-	-	-	-
State sources	377,845	-	168,711	28,736	84	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	377,845	-	168,711	28,736	84	30,000	-
Disbursements:							
Instruction	-	-	-	-	-	30,935	22,459
Support services	(19,063)	-	167,796	28,736	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	(19,063)	-	167,796	28,736	-	30,935	22,459
Excess (deficiency) of receipts over disbursements	396,908	-	915	-	84	(935)	(22,459)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	396,908	-	915	-	84	(935)	(22,459)
Cash and investments - ending	\$ 783,489	\$ -	\$ 10,687	\$ -	\$ 140	\$ 5,550	\$ 54,105

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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	Remediation ISTEP	Counseling Program	Title I	Title I School Improvement	Stewart Homeless Assistance Act	Special Ed Part B	Special Ed Preschool
Cash and investments - beginning	\$ 48,298	\$ (19,693)	\$ (261,309)	\$ -	\$ (3,212)	\$ (194,558)	\$ (4,647)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	288,353	-	-	-	-	54,357
Federal sources	-	-	3,120,981	4,800	44,314	1,948,198	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	288,353	3,120,981	4,800	44,314	1,948,198	54,357
Disbursements:							
Instruction	34,183	-	1,323,069	-	14,347	2,022,954	60,139
Support services	-	255,344	1,690,380	7,212	25,116	135,157	-
Noninstructional services	-	-	29,032	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	13,316	102,335	-	1,762	69,867	924
Total disbursements	34,183	268,660	3,144,816	7,212	41,225	2,227,978	61,063
Excess (deficiency) of receipts over disbursements	(34,183)	19,693	(23,835)	(2,412)	3,089	(279,780)	(6,706)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34,183)	19,693	(23,835)	(2,412)	3,089	(279,780)	(6,706)
Cash and investments - ending	\$ 14,115	\$ -	\$ (285,144)	\$ (2,412)	\$ (123)	\$ (474,338)	\$ (11,353)

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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 AND INVESTMENT BALANCES - REGULATORY BASIS
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	Technology Assistance	Project Prevention	Peer Friends	Signage - District	Vocational and Technology Board Grants	Perkins Career Center	21st Century Learning Center
Cash and investments - beginning	\$ -	\$ (15,505)	\$ 20,219	\$ 2,847	\$ (47,924)	\$ -	\$ (62,629)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	382,141	2,250	-	1,125,586	68,763	-
Federal sources	36,518	-	-	-	-	-	304,207
Other receipts	-	-	-	-	-	-	-
Total receipts	36,518	382,141	2,250	-	1,125,586	68,763	304,207
Disbursements:							
Instruction	36,518	-	8,518	-	802,790	69,266	256,948
Support services	-	548,343	-	-	277,969	47,240	-
Noninstructional services	-	1,680	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	18,578	-	-	30,471	3,280	6,794
Total disbursements	36,518	568,601	8,518	-	1,111,230	119,786	263,742
Excess (deficiency) of receipts over disbursements	-	(186,460)	(6,268)	-	14,356	(51,023)	40,465
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(186,460)	(6,268)	-	14,356	(51,023)	40,465
Cash and investments - ending	\$ -	\$ (201,965)	\$ 13,951	\$ 2,847	\$ (33,568)	\$ (51,023)	\$ (22,164)

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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	21st Century Scholar Success	21st Century / Cohort 7	Initiative 13	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - English Proficiency Migrant	Title III PD 14-15	Title II/B Science Initiative
Cash and investments - beginning	\$ -	\$ (90,675)	\$ 865	\$ (10,680)	\$ (21,118)	\$ -	\$ (28,371)
Receipts:							
Local sources	1,000	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	341,720	-	150,938	375,321	546	156,406
Other receipts	-	-	-	-	-	-	-
Total receipts	1,000	341,720	-	150,938	375,321	546	156,406
Disbursements:							
Instruction	-	273,048	-	-	348,890	546	-
Support services	-	-	-	146,559	26,877	-	121,045
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	6,748	-	5,554	-	-	6,773
Total disbursements	-	279,796	-	152,113	375,767	546	127,818
Excess (deficiency) of receipts over disbursements	1,000	61,924	-	(1,175)	(446)	-	28,588
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,000	61,924	-	(1,175)	(446)	-	28,588
Cash and investments - ending	\$ 1,000	\$ (28,751)	\$ 865	\$ (11,855)	\$ (21,564)	\$ -	\$ 217

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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	Coke	Elementary Skates	American Express	Warehouse	Refunds and Adjustments	Clearing Account	Totals
Cash and investments - beginning	\$ 215,055	\$ 379	\$ 65	\$ 123,380	\$ 912	\$ 757,595	\$ 51,461,183
Receipts:							
Local sources	335,970	-	174	-	-	-	59,179,171
Intermediate sources	-	-	-	-	-	-	25,655
State sources	-	-	-	-	-	-	78,482,643
Federal sources	-	-	-	-	-	-	12,016,143
Other receipts	-	-	-	605,061	95,439	20,215,582	20,951,082
Total receipts	335,970	-	174	605,061	95,439	20,215,582	170,654,694
Disbursements:							
Instruction	-	-	-	-	-	-	61,606,860
Support services	48,073	-	-	-	-	-	45,914,076
Noninstructional services	-	-	-	-	-	-	7,513,596
Facilities acquisition and construction	-	-	-	-	-	-	21,071,907
Debt service	-	-	-	-	-	-	11,356,623
Nonprogrammed charges	-	-	-	611,002	93,929	20,369,858	37,771,108
Total disbursements	48,073	-	-	611,002	93,929	20,369,858	185,234,170
Excess (deficiency) of receipts over disbursements	287,897	-	174	(5,941)	1,510	(154,276)	(14,579,476)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	9,999,035
Sale of capital assets	-	-	-	-	-	-	1,918,052
Transfers in	-	-	-	-	-	-	163,350
Transfers out	-	-	-	-	-	-	(163,350)
Total other financing sources (uses)	-	-	-	-	-	-	11,917,087
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	287,897	-	174	(5,941)	1,510	(154,276)	(2,662,389)
Cash and investments - ending	\$ 502,952	\$ 379	\$ 239	\$ 117,439	\$ 2,422	\$ 603,319	\$ 48,798,794

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 8,649,457	\$ 7,451,454	\$ 214,954	\$ 6,159,401	\$ 451,287	\$ (642,510)	\$ 10,000,000
Receipts:							
Local sources	1,957,945	12,431,589	424,835	14,618,685	8,323,912	1,457,045	-
Intermediate sources	37,325	-	-	-	-	-	-
State sources	75,989,735	-	-	-	-	-	-
Federal sources	118,072	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	78,103,077	12,431,589	424,835	14,618,685	8,323,912	1,457,045	-
Disbursements:							
Instruction	56,348,109	-	-	-	-	-	-
Support services	22,437,035	-	-	9,125,761	8,493,363	1,529,080	-
Noninstructional services	836,031	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	6,593,678	-	-	-
Debt service	-	14,279,246	832,176	-	-	-	-
Nonprogrammed charges	89,173	-	-	-	-	-	-
Total disbursements	79,710,348	14,279,246	832,176	15,719,439	8,493,363	1,529,080	-
Excess (deficiency) of receipts over disbursements	(1,607,271)	(1,847,657)	(407,341)	(1,100,754)	(169,451)	(72,035)	-
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	976,745	-	-	506,103	1,136	-	-
Transfers in	-	-	-	-	-	-	1,000,000
Transfers out	-	(151,530)	-	(1,000,000)	-	-	-
Total other financing sources (uses)	976,745	(151,530)	-	(493,897)	1,136	-	1,000,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(630,526)	(1,999,187)	(407,341)	(1,594,651)	(168,315)	(72,035)	1,000,000
Cash and investments - ending	\$ 8,018,931	\$ 5,452,267	\$ (192,387)	\$ 4,564,750	\$ 282,972	\$ (714,545)	\$ 11,000,000

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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	Distict Wide Technology	Early Learning Center	District Wide Project - Phase 2	ECES Construction - Phase 1	ECES Construction - Phase 2	School Lunch	Textbook Rental
Cash and investments - beginning	\$ -	\$ -	\$ 2,263,532	\$ 454,973	\$ 1,808,664	\$ 2,686,098	\$ 730,646
Receipts:							
Local sources	27,484	-	6,980	1,238	548	1,140,614	278,354
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	32,045	626,680
Federal sources	-	-	-	-	-	6,066,724	-
Other receipts	-	-	-	-	-	-	-
Total receipts	27,484	-	6,980	1,238	548	7,239,383	905,034
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	135,687	2,601	587,647	120,476	1,936,344
Noninstructional services	-	-	-	-	-	6,828,574	-
Facilities acquisition and construction	255,705	5,395	1,042,257	453,610	1,203,183	159,953	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	849,264	-
Total disbursements	255,705	5,395	1,177,944	456,211	1,790,830	7,958,267	1,936,344
Excess (deficiency) of receipts over disbursements	(228,221)	(5,395)	(1,170,964)	(454,973)	(1,790,282)	(718,884)	(1,031,310)
Other financing sources (uses):							
Proceeds of long-term debt	11,944,456	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	503,057	-
Transfers in	-	-	-	-	-	-	151,530
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	11,944,456	-	-	-	-	503,057	151,530
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,716,235	(5,395)	(1,170,964)	(454,973)	(1,790,282)	(215,827)	(879,780)
Cash and investments - ending	\$ 11,716,235	\$ (5,395)	\$ 1,092,568	\$ -	\$ 18,382	\$ 2,470,271	\$ (149,134)

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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	Self- Insurance	Child Care Program	Early Childhood Program	Alternative Education	SAFE School Haven	Charles Brooks PHS	Donations / Sponsors
Cash and investments - beginning	\$ 6,206,095	\$ 269,926	\$ 54,924	\$ -	\$ (9,230)	\$ 3,933	\$ 6,000
Receipts:							
Local sources	15,655,498	1,159,018	254,358	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	197,905	89,700	126,016	-	-	-
Federal sources	-	-	-	-	9,230	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	15,655,498	1,356,923	344,058	126,016	9,230	-	-
Disbursements:							
Instruction	-	1,234,619	-	-	-	-	6,000
Support services	996,732	12,706	917	-	-	-	-
Noninstructional services	-	25,000	265,655	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	16,912,895	305,994	36,813	-	-	925	-
Total disbursements	17,909,627	1,578,319	303,385	-	-	925	6,000
Excess (deficiency) of receipts over disbursements	(2,254,129)	(221,396)	40,673	126,016	9,230	(925)	(6,000)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,254,129)	(221,396)	40,673	126,016	9,230	(925)	(6,000)
Cash and investments - ending	\$ 3,951,966	\$ 48,530	\$ 95,597	\$ 126,016	\$ -	\$ 3,008	\$ -

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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	JP Morgan Chase	District Projects	L.I.F.T. Foundation	School Police K-9	Professional Development	PHS/PFC Library Grant	Superintendents Scholarship
Cash and investments - beginning	\$ -	\$ 12,805	\$ 7,750	\$ -	\$ 8,940	\$ 21,711	\$ 31,972
Receipts:							
Local sources	-	-	-	20,000	770	21,250	40
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	5,750	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	5,750	20,000	770	21,250	40
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	10,867	778	42,954	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	12,805	13,500	-	-	-	4,000
Total disbursements	-	12,805	13,500	10,867	778	42,954	4,000
Excess (deficiency) of receipts over disbursements	-	(12,805)	(7,750)	9,133	(8)	(21,704)	(3,960)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(12,805)	(7,750)	9,133	(8)	(21,704)	(3,960)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 9,133	\$ 8,932	\$ 7	\$ 28,012

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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	Instructional Support	PHS Performing Arts	Instructional Support Donations	3M Grant	Lilly Endowment Grants	Lilly Grant	District Concessions
Cash and investments - beginning	\$ 250,590	\$ 652	\$ 47,986	\$ 9,399	\$ 7,187	\$ -	\$ 6,220
Receipts:							
Local sources	-	8,480	44,199	11,100	7,500	50,000	3,234
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	8,480	44,199	11,100	7,500	50,000	3,234
Disbursements:							
Instruction	-	4,597	24,539	7,901	7,866	-	-
Support services	237,297	1,074	10,359	-	-	18,542	-
Noninstructional services	-	2,809	655	-	-	-	1,073
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	237,297	8,480	35,553	7,901	7,866	18,542	1,073
Excess (deficiency) of receipts over disbursements	(237,297)	-	8,646	3,199	(366)	31,458	2,161
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	220,228	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	220,228	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,069)	-	8,646	3,199	(366)	31,458	2,161
Cash and investments - ending	\$ 233,521	\$ 652	\$ 56,632	\$ 12,598	\$ 6,821	\$ 31,458	\$ 8,381

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 OTHER FINANCING SOURCES (USES), AND CASH
 AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	District Athletic	Recreational Activities	Aquatics Rental	Pike Youth Basketball	Pike Youth Football	Pike Indy Hoops Basketball	Pike Childrens Theatre
Cash and investments - beginning	\$ 15,961	\$ 35,835	\$ 7,940	\$ 4,663	\$ 2,000	\$ 85	\$ -
Receipts:							
Local sources	10,290	40,450	59,518	10,178	30,195	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	10,290	40,450	59,518	10,178	30,195	-	-
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	1,572	3,000	-	-	-	3,350
Noninstructional services	5,347	41,095	17,404	7,231	22,345	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	5,347	42,667	20,404	7,231	22,345	-	3,350
Excess (deficiency) of receipts over disbursements	4,943	(2,217)	39,114	2,947	7,850	-	(3,350)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	29,835
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	29,835
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,943	(2,217)	39,114	2,947	7,850	-	26,485
Cash and investments - ending	\$ 20,904	\$ 33,618	\$ 47,054	\$ 7,610	\$ 9,850	\$ 85	\$ 26,485

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

	Scholarships and Awards	Danny Elsharaiha Scholarship	Weldon Morgan Scholarship	Miscellaneous Programs	Scrap Metal Facilities	Donations for Security	Lost Library Book
Cash and investments - beginning	\$ 1,464	\$ 6,875	\$ 2,651	\$ -	\$ 975	\$ 613	\$ 11,472
Receipts:							
Local sources	-	-	-	-	-	-	1,954
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	280	-	2,010	-
Federal sources	-	-	-	-	3,841	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	280	3,841	2,010	1,954
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	2,414	685	334
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	941	2,000	300	-	-	-	-
Total disbursements	941	2,000	300	-	2,414	685	334
Excess (deficiency) of receipts over disbursements	(941)	(2,000)	(300)	280	1,427	1,325	1,620
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(941)	(2,000)	(300)	280	1,427	1,325	1,620
Cash and investments - ending	\$ 523	\$ 4,875	\$ 2,351	\$ 280	\$ 2,402	\$ 1,938	\$ 13,092

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

	Student Success Grant	Cummins Behavioral Health	Vending	Formative Assessment	High Abilities Grant	Medicaid Reimbursement	Non-English Speaking Programs
Cash and investments - beginning	\$ (2,283)	\$ 273,106	\$ 61,841	\$ 6,297	\$ 35,547	\$ 108,943	\$ 90,537
Receipts:							
Local sources	8,706	-	32,009	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	119,729	73,815	134,823	369,282
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	8,706	-	32,009	119,729	73,815	134,823	369,282
Disbursements:							
Instruction	1,887	121,863	-	96,370	73,516	-	377,307
Support services	4,536	987	8,220	-	3,189	40,392	29,524
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	6,423	122,850	8,220	96,370	76,705	40,392	406,831
Excess (deficiency) of receipts over disbursements	2,283	(122,850)	23,789	23,359	(2,890)	94,431	(37,549)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,283	(122,850)	23,789	23,359	(2,890)	94,431	(37,549)
Cash and investments - ending	\$ -	\$ 150,256	\$ 85,630	\$ 29,656	\$ 32,657	\$ 203,374	\$ 52,988

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

	School Technology	Career and Technical Performance Grant	Performance Based Awards	Excellence in Performance	Disability Determination	Project Lead the Way	GQE Remediation
Cash and investments - beginning	\$ 783,489	\$ -	\$ 10,687	\$ -	\$ 140	\$ 5,550	\$ 54,105
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	398,951	21,551	140,433	-	28	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	398,951	21,551	140,433	-	28	-	-
Disbursements:							
Instruction	-	-	-	-	-	5,550	54,105
Support services	555,468	-	151,120	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	555,468	-	151,120	-	-	5,550	54,105
Excess (deficiency) of receipts over disbursements	(156,517)	21,551	(10,687)	-	28	(5,550)	(54,105)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(156,517)	21,551	(10,687)	-	28	(5,550)	(54,105)
Cash and investments - ending	\$ 626,972	\$ 21,551	\$ -	\$ -	\$ 168	\$ -	\$ -

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

	Remediation ISTEP	Counseling Program	Title I	Title I School Improvement	Stewart Homeless Assistance Act	Special Ed Part B	Special Ed Preschool
Cash and investments - beginning	\$ 14,115	\$ -	\$ (285,144)	\$ (2,412)	\$ (123)	\$ (474,338)	\$ (11,353)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	64,339
Federal sources	-	-	3,094,909	14,961	42,552	2,130,079	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	3,094,909	14,961	42,552	2,130,079	64,339
Disbursements:							
Instruction	2,418	-	1,268,509	5,348	23,545	1,994,703	61,502
Support services	-	-	1,556,987	25,640	17,772	118,944	-
Noninstructional services	-	-	23,640	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	72,901	-	1,162	52,802	1,334
Total disbursements	2,418	-	2,922,037	30,988	42,479	2,166,449	62,836
Excess (deficiency) of receipts over disbursements	(2,418)	-	172,872	(16,027)	73	(36,370)	1,503
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,418)	-	172,872	(16,027)	73	(36,370)	1,503
Cash and investments - ending	\$ 11,697	\$ -	\$ (112,272)	\$ (18,439)	\$ (50)	\$ (510,708)	\$ (9,850)

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

	Technology Assistance	Project Prevention	Peer Friends	Signage - District	Vocational and Technology Board Grants	Perkins Career Center	21st Century Learning Center
Cash and investments - beginning	\$ -	\$ (201,965)	\$ 13,951	\$ 2,847	\$ (33,568)	\$ (51,023)	\$ (22,164)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	804,269	2,475	-	1,276,478	217,241	-
Federal sources	-	-	-	-	-	-	288,899
Other receipts	-	-	-	-	-	-	-
Total receipts	-	804,269	2,475	-	1,276,478	217,241	288,899
Disbursements:							
Instruction	-	-	4,310	-	1,197,159	74,536	257,393
Support services	-	709,355	-	-	404,452	103,560	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	19,323	-	-	23,064	1,789	14,174
Total disbursements	-	728,678	4,310	-	1,624,675	179,885	271,567
Excess (deficiency) of receipts over disbursements	-	75,591	(1,835)	-	(348,197)	37,356	17,332
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	75,591	(1,835)	-	(348,197)	37,356	17,332
Cash and investments - ending	\$ -	\$ (126,374)	\$ 12,116	\$ 2,847	\$ (381,765)	\$ (13,667)	\$ (4,832)

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

	21st Century Scholar Success	21st Century / Cohort 7	Initiative 13	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - English Proficiency Migrant	Title III PD 14-15	Title II/B Science Initiative
Cash and investments - beginning	\$ 1,000	\$ (28,751)	\$ 865	\$ (11,855)	\$ (21,564)	\$ -	\$ 217
Receipts:							
Local sources	3,550	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	304,991	-	151,304	297,284	-	75,001
Other receipts	-	-	-	-	-	-	-
Total receipts	3,550	304,991	-	151,304	297,284	-	75,001
Disbursements:							
Instruction	-	266,467	-	-	273,844	-	-
Support services	-	-	340	137,084	13,837	-	161,489
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	14,273	-	7,348	-	-	4,237
Total disbursements	-	280,740	340	144,432	287,681	-	165,726
Excess (deficiency) of receipts over disbursements	3,550	24,251	(340)	6,872	9,603	-	(90,725)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,550	24,251	(340)	6,872	9,603	-	(90,725)
Cash and investments - ending	\$ 4,550	\$ (4,500)	\$ 525	\$ (4,983)	\$ (11,961)	\$ -	\$ (90,508)

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

	Coke	Elementary Skates	American Express	Warehouse	Refunds and Adjustments	Clearing Account	Totals
Cash and investments - beginning	\$ 502,952	\$ 379	\$ 239	\$ 117,439	\$ 2,422	\$ 603,319	\$ 48,798,794
Receipts:							
Local sources	21,592	-	558	-	-	-	58,123,676
Intermediate sources	-	-	-	-	-	-	37,325
State sources	-	-	-	-	-	-	80,693,535
Federal sources	-	-	-	-	-	-	12,597,847
Other receipts	-	-	-	573,374	31,819	21,252,228	21,857,421
Total receipts	21,592	-	558	573,374	31,819	21,252,228	173,309,804
Disbursements:							
Instruction	-	-	-	-	-	-	63,793,963
Support services	48,256	-	-	-	-	-	49,802,727
Noninstructional services	-	-	-	-	-	-	8,076,859
Facilities acquisition and construction	-	-	-	-	-	-	9,713,781
Debt service	-	-	-	-	-	-	15,111,422
Nonprogrammed charges	-	-	-	588,750	28,476	21,010,079	40,068,322
Total disbursements	48,256	-	-	588,750	28,476	21,010,079	186,567,074
Excess (deficiency) of receipts over disbursements	(26,664)	-	558	(15,376)	3,343	242,149	(13,257,270)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	11,944,456
Sale of capital assets	-	-	-	-	-	-	2,237,104
Transfers in	-	-	-	-	-	-	1,151,530
Transfers out	-	-	-	-	-	-	(1,151,530)
Total other financing sources (uses)	-	-	-	-	-	-	14,181,560
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26,664)	-	558	(15,376)	3,343	242,149	924,290
Cash and investments - ending	\$ 476,288	\$ 379	\$ 797	\$ 102,063	\$ 5,765	\$ 845,468	\$ 49,723,084

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METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2017

<u>Government</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,817,850</u>	<u>\$ 510,136</u>

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF LEASES AND DEBT
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Pike Township Multi-School Building Corporation	Guion Creek MS	\$ 2,446,000	12/19/2013	12/31/2019
Pike Township Multi-School Building Corporation	Guion Creek MS and District-Wide Improvements	2,456,000	12/17/2014	12/31/2020
Pike Township Multi-School Building Corporation	Guion Creek MS and District-Wide Improvements	<u>2,393,000</u>	07/15/2013	01/15/2019
Total of annual lease payments		<u>\$ 7,295,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	College Park Elementary	\$ 6,655,000	\$ 3,411,700
General obligation bonds	Technology Equipment	11,710,000	364,990
General obligation bonds	Eagle Creek Elementary	<u>9,505,000</u>	<u>2,185,100</u>
Totals		<u>\$ 27,870,000</u>	<u>\$ 5,961,790</u>

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF CAPITAL ASSETS
June 30, 2017

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

	Ending Balance
Governmental activities:	
Land	\$ 8,077,060
Buildings	411,827,507
Improvements other than buildings	25,678,045
Machinery, equipment, and vehicles	27,275,570
Construction In Progress	<u>2,370,040</u>
Total capital assets	<u>\$ 475,228,222</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF PIKE TOWNSHIP, MARION COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. Except as discussed below, 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 Child Nutrition Cluster

As described in item 2017-010 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Activities Allowed or Unallowed and Allowable Costs/Cost Principles 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)

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on 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 the Child Nutrition Cluster for the period of July 1, 2015 to June 30, 2017.

Basis for Qualified Opinion on Child and Adult Care Food Program

As described in item 2017-004 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 Child and Adult Care Food Program regarding Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Equipment and Real Property Management; Procurement and Suspension and Debarment; and Matching, Level of Effort, Earmarking. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

Qualified Opinion on Child and Adult Care Food Program

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Child and Adult Care Food Program* 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 and Adult Care Food Program for the period of July 1, 2015 to June 30, 2017.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2015 to June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003, 2017-005, 2017-006, 2017-007, 2017-008, and 2017-009. 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 2017-002, 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008, and 2017-009, 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

December 5, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2015-2016	\$ -	\$ 1,474,670	\$ -	\$ -
			FY 2016-2017	-	-	-	1,701,200
Total - School Breakfast Program				-	1,474,670	-	1,701,200
National School Lunch Program	Indiana Department of Education	10.555	FY 2015-2016	-	3,434,791	-	-
			FY 2016-2017	-	-	-	3,699,629
Commodities			FY 2015-2016	-	351,174	-	-
Commodities			FY 2016-2017	-	-	-	510,720
Total - National School Lunch Program				-	3,785,965	-	4,210,349
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2015-2016	-	101,285	-	-
			FY 2016-2017	-	-	-	120,975
Total - Summer Food Service Program for Children				-	101,285	-	120,975
Total - Child Nutrition Cluster				-	5,361,920	-	6,032,524
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2015-2016	-	433,095	-	-
			FY 2016-2017	-	-	-	529,056
Total - Child and Adult Care Food Program				-	433,095	-	529,056
Total - Department of Agriculture				-	5,795,015	-	6,561,580
<u>Department of Labor</u>							
YouthBuild	Direct grant	17.274	25415-14-60-A18	-	1,125,586	-	1,276,478
Total - Department of Labor				-	1,125,586	-	1,276,478
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027	14214-073-PN01	-	181,892	-	-
			14215-073-PN01	-	467,917	-	183,846
			14216-067-PN01	-	1,298,389	-	925,527
			14217-067-PN01	-	-	-	1,020,706
Technical Assistance			99914-73-TA01	-	36,518	-	-
Total - Special Education Grants to States				-	1,984,716	-	2,130,079

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Special Education Preschool Grants		84.173					
			45715-073-PN01	-	16,640	-	-
			45716-067-PN01	-	37,717	-	24,194
			45717-067-PN01	-	-	-	40,145
Total - Special Education Preschool Grants				-	54,357	-	64,339
Total - Special Education Cluster (IDEA)				-	2,039,073	-	2,194,418
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
			15-5350	-	996,108	-	-
			16-5350	-	2,124,873	-	931,575
			17-5350	-	-	-	2,133,334
Title I School Improvement Grants			2016-2017	-	4,800	-	14,961
Total - Title I Grants to Local Educational Agencies				-	3,125,781	-	3,079,870
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048					
			16-4700-5350	-	68,763	-	92,159
			17-4700-5350	-	-	-	125,082
Total - Career and Technical Education - Basic Grants to States				-	68,763	-	217,241
School Safety National Activities	Direct grant	84.184					
			S184M140038	-	382,141	-	804,269
Education for Homeless Children and Youth	Indiana Department of Education	84.196					
			7000S196A140015	-	29,384	-	-
			A58-5-15SS-2326	-	14,930	-	20,071
			7000S196A160015	-	-	-	22,481
Total - Education for Homeless Children and Youth				-	44,314	-	42,552
Innovative Approaches to Literacy, Full-service Community Schools; and Promise Neighborhoods	Direct grant	84.215					
			Q216F110312	-	288,353	-	-
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
			A58-5-15DL-2351	-	122,118	-	-
			A58-6-16DL-0220	-	182,089	-	77,594
			A58-7-17DL-0015	-	-	-	211,305
			A58-5-15DL-0158	-	156,150	-	-
			A58-6-16DL-3054	-	185,570	-	117,511
			A58-7-17DL-0054	-	-	-	187,480
Total - Twenty-First Century Community Learning Centers				-	645,927	-	593,890

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	Indiana Department of Education	84.330	A58-6-16AS-0214 A58-7-17AS-4056	- -	4,116 -	- -	- 3,528
Total - Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)				-	4,116	-	3,528
English Language Acquisition State Grants	Indiana Department of Education	84.365	01114-046-PN01 01115-067-PN01 01116-068-PN01 01117-065-PN01 A58-4-14OT-2060	- - - - -	78,887 161,369 135,065 - 546	- - - - -	- 32,708 63,451 201,125 -
Total - English Language Acquisition State Grants				-	375,867	-	297,284
Mathematics and Science Partnerships Title II Part B MSP Title II Part B MSP	Indiana Department of Education	84.366	A58-5-15CI-2375 A58-6-16CI-3740	- -	156,406 -	- -	- 75,001
Total - Mathematics and Science Partnerships				-	156,406	-	75,001
Supporting Effective Instruction State Grants Title II Part A	Indiana Department of Education	84.367	13-5350 14-5350 S367A150015	- - -	67,715 52,550 30,673	- - -	- 97,174 54,130
Total - Supporting Effective Instruction State Grants				-	150,938	-	151,304
Total - Department of Education				-	7,281,679	-	7,459,357
<u>Social Security Administration</u> Disability Insurance/SSI Cluster Social Security Disability Insurance	Direct grant	96.001		-	84	-	84
Total - Disability Insurance/SSI Cluster				-	84	-	84
Total - Social Security Administration				-	84	-	84
Total federal awards expended				\$ -	\$ 14,202,364	\$ -	\$ 15,297,499

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

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

Note 2. Summary of Significant Accounting Policies

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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 weaknesses 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
	Child Nutrition Cluster	Qualified
10.558	Child and Adult Care Food Program	Qualified
17.274	YouthBuild	Unmodified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.184	School Safety National Activities	Unmodified
84.287	Twenty-First Century Community Learning Centers	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$884,996

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2017-001

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-001.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 effective 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. One employee prepared the federal award information entered into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

Context

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster expenditures were understated by \$23,215 and overstated by \$160,147 for the periods ending June 30, 2016 and 2017, respectively. Included in the Child Nutrition Cluster misstatement was the omission of the National School Lunch Program Commodities.
2. The Child and Adult Care Food Program expenditures were understated by \$293,229 for the period ending June 30, 2016.
3. The YouthBuild grant expenditures were overstated by \$887,708 for the period ending June 30, 2017.
4. The Special Education Cluster (IDEA) expenditures were understated by \$36,518 and overstated by \$1,377,510 for the periods ending June 30, 2016 and 2017, respectively.
5. The Title I Grants to Local Educational Agencies expenditures were overstated by \$30,000 and by \$1,368,321 for the periods ending June 30, 2016 and 2017, respectively.
6. The Career and Technical Education - Basic Grants to States expenditures were overstated by \$68,763 for the period ending June 30, 2017.
7. The School Safety National Activities expenditures were overstated by \$257,544 for the period ending June 30, 2017.
8. The Education for Homeless Children and Youth expenditures were overstated by \$18,454 for the period ending June 30, 2017.
9. The Innovative Approaches to Literacy, Full-service Community Schools; and Promise Neighborhoods expenditures were overstated by \$95,488 for the period ending June 30, 2017.
10. The Twenty-First Century Community Learning Centers expenditures were overstated by \$283,142 for the period ending June 30, 2017.
11. The Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants) expenditures were understated by \$4,116 and by \$3,528 for the periods ending June 30, 2016 and 2017, respectively.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

12. The English Language Acquisition State Grants expenditures were overstated by \$161,811 for the period ending June 30, 2017.
13. The Supporting Effective Instruction State Grants expenditures were overstated by \$73,244 for the period ending June 30, 2017.
14. The Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities was reported in error, resulting in an overstatement of \$36,518 for the period ending June 30, 2016.
15. Not all CFDA numbers, program names, grants, and identifying numbers were correct or listed.

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 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:

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendations

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.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-002

Subject: Child Nutrition Cluster - Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Finding: Material Weakness

Repeat Finding

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

Condition

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

The School Corporation had not established procedures to monitor the School Lunch fund monthly cash balance (net cash resources) to ensure that it was limited to the three months average expenditures. A review process was not established to document the monitoring of the cash balances (net cash resources).

Context

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

Criteria

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

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 Cash Management compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-003

Subject: Child Nutrition Cluster - Suspension and Debarment

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017

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 requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation did not have internal controls, policies, or procedures in place to ensure that vendors were not suspended or debarred from participation in federal award programs.

Context

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CRF 180.300 states:

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

You do this by:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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 controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

FINDING 2017-004

Subject: Child and Adult Care Food Program - Activities Allowed or Unallowed,
Allowable Costs/Cost Principles, Equipment, Procurement and
Suspension and Debarment, Earmarking
Federal Agency: Department of Agriculture
Federal Program: Child and Adult Food Care Program
CFDA Number: 10.558
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles;
Equipment and Real Property Management; Procurement and
Suspension and Debarment; 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 compliance requirements listed above.

It could not be determined if the School Corporation complied with the compliance requirements listed above. All Department of Agriculture reimbursements received during the audit period were receipted into the School Lunch fund (800). No control account was established to identify expenditures from program funds separately from other Department of Agriculture expenditures.

Context

The lack of controls was a systemic problem throughout the audit period. Documentation was not provided to enable the determination of the School Corporation's compliance with the compliance requirements listed above.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 3016.20(b)(2) states:

"*Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

7 CFR 3016.42 states in part:

"(a) *Applicability.*

(1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:

(i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or

(ii) otherwise reasonably considered as pertinent to the program regulations or the grant Agreement . . .

(b) *Length of retention period.*

(1) Except as otherwise provided, records must be retained for three years . . ."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest, and be supported by documentation."

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 documentation was maintained and made available related to the compliance requirements listed above.

Effect

The failure to retain and provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the compliance requirements listed above.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure appropriate documentation is maintained and made available for audit related to the compliance requirements listed above.

Views of Responsible Officials

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

FINDING 2017-005

Subject: Child and Adult Care Food Program - Reporting

Federal Agency: Department of Agriculture

Federal Program: Child and Adult Care Food Program

CFDA Number: 10.558

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Other Matters

Condition

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

The meal counts reported on the Sponsor Claim Summary (reimbursement) report were incorrectly reported. Tests of reports for the months of October 2015, May 2016, and March 2017, identified an over-reported amount of 341 meals.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 3016.20(b) states in part:

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

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:
. . .

- (2) 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. . . .

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. . . ."

Cause

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

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance 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 controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

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

FINDING 2017-006

Subject: YouthBuild - Procurement and Suspension and Debarment

Federal Agency: Department of Labor

Federal Program: YouthBuild

CFDA Number: 17.274

Federal Award Number and Year (or Other Identifying Number): 25415-14-60-A18

Pass-Through Entity: Direct Grant

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-006.

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.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Procurement

The School Corporation did not competitively procure its external evaluator. All procurement actions should be conducted in a manner that provides for full and open competition. Pike Township named the evaluator in the grant's Statement of Work and, therefore, did not perform a competitive procurement action of its services. Based on the Uniform Guidance's determinations, the external evaluator is considered a contractor and not a subrecipient of the grant and would not justify a lack of a competitive procurement.

Suspension and Debarment

The School Corporation did not have internal controls, policies, or procedures in place to ensure that vendors were not suspended and debarred from participation in federal award programs.

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). . . ."

2 CFR 200.319(a) states:

"All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (2) Requiring unnecessary experience and excessive bonding;
- (3) Noncompetitive pricing practices between firms or between affiliated companies;
- (4) Noncompetitive contracts to consultants that are on retainer contracts;

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (5) Organizational conflicts of interest;
- (6) Specifying only a 'brand name' product instead of allowing 'an equal' product to be offered and describing the performance or other relevant requirements of the procurement; and
- (7) Any arbitrary action in the procurement process."

2 CRF 180.300 states:

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

You do this by:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2017-007

Subject: YouthBuild - Allowable Costs/Cost Principles

Federal Agency: Department of Labor

Federal Program: YouthBuild

CFDA Number: 17.274

Federal Award Number and Year (or Other Identifying Number): 25415-14-60-A18

Pass-Through Entity: Direct Grant

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

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

Effective controls were not in place to ensure that only applicable employees were paid from program funds. The School Corporation did not maintain proper time records on all full and part-time employees paid from the YouthBuild grant.

Context

The lack of controls and noncompliance was a systemic problem 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). . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; . . .
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Cause

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

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-008

Subject: YouthBuild - Equipment

Federal Agency: Department of Labor

Federal Program: YouthBuild

CFDA Number: 17.274

Federal Award Number and Year (or Other Identifying Number): 25415-14-60-A18

Pass-Through Entity: Direct Grant

Compliance Requirement: Equipment and Real Property Management

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 Equipment and Real Property Management compliance requirement.

The School Corporation's property records did not contain all of the equipment acquired. Furthermore, equipment that was listed in the property records did not always include all of the required information.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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). . . ."

2 CFR 200.313(d) states in part:

"*Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. . . ."

Cause

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

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

FINDING 2017-009

Subject: School Safety National Activities - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: School Safety National Activities

CFDA Number: 84.184

Federal Award Number and Year (or Other Identifying Number): S184M140038

Pass-Through Entity: Direct Grant

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

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

Effective controls were not in place to ensure that only applicable employees were paid from program funds. The School Corporation did not maintain proper time records on all full and part-time employees paid from the School Safety National Activities grant.

Context

The lack of controls and noncompliance was a systemic problem 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). . . ."

2 CFR 200.430(i) states in part:

"Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; . . .
- (ii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Cause

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

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-010

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015-2016, FY 2016-2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Modified Opinion

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
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 Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

The School Corporation did not have internal controls, policies, or procedures in place to ensure that construction renovation expenditures paid out of the School Lunch fund were approved by the Indiana Department of Education (IDOE). The School Corporation did not have evidence of prior written approval from the IDOE for preliminary construction renovation expenses paid from the School Lunch fund during the audit period.

Context

The lack of effective controls and the noncompliance were isolated to the construction renovation expenses identified in the *Condition*.

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(a) states in part:

"Nonprofit school food service. School food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, *except that*, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. Expenditures of nonprofit school food service revenues shall be in accordance with the financial management system established by the State agency under § 210.19(a) of this part. . . ."

2 CFR 200.439 states in part:

". . . (b) The following rules of allowability must apply to equipment and other capital expenditures: . . .

- (3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency, or pass-through entity. . . ."

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls that would have ensured the construction renovation costs were in compliance with Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Questioned Costs

The \$625,447 of the construction renovation allocated to the School Lunch fund was considered questioned costs.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Views of Responsible Officials

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

Auditor's Response

During the planning stages of the renovation, the School Corporation was in contact with officials from the School and Community Nutrition Department of the IDOE via email and provided detailed plans and estimated costs of the renovation as a proposed solution to the excess cash balance in the School Lunch fund. Despite this communication with the IDOE, the School Corporation did not receive an explicit approval or denial in regards to the use of School Lunch funds for the construction renovation.

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AUDITEE-PREPARED DOCUMENTS

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



METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP

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Aaron V. Groves

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001 - Preparation of the Schedule of Expenditures of Federal Awards

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30, 2015

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: (317) 387-2206

Status of Audit Finding: The MSD of Pike Township Assistant CFO and Accounts Payable Supervisor review the Schedule of Expenditure of Federal Awards (SEFA) as prepared by the Fiscal Grant Supervisor and in addition to the review, the Assistant CFO and/or Accounts Payable Supervisor will initial and date the file copy as proof of review.

FINDING 2015-002 – Cash Management – National School Lunch Program

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30, 2015

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

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: (317) 387-2206

Status of Audit Finding: On August 22, 2016, MSD of Pike Township e-mailed the requested information for pending kitchen renovations and equipment purchases to the Financial Specialist at IDOE School and Community. From that date forward, MSD of Pike Township will notify the Financial Specialist at IDOE School and Community Nutrition in advance when planning to hold excess cash in the Food Service Fund for pending Improvements or equipment purchases.

FINDING 2015-003 – Reporting – National School Lunch Program

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30, 2015

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

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: (317) 387-2206

Status of Audit Finding: The MSD of Pike Township Assistant CFO and the Food Service Provider prepare the AFR together and supporting documentation and signature documents are retained with a copy of the AFR.



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Fiscal Grant Manager

FINDING 2015-004 – Program Income – National School Lunch Program

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30, 2015

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

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: (317) 387-2206

Status of Audit Finding: This item was corrected June 20, 2015 once the district learned in a seminar that a clearing fund was required for the handling of prepaid accounts.

FINDING 2015-005 – Special Tests and Provisions Verification of Free and Reduced Price Applications – National School Lunch Program

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30, 2015

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

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: (317) 387-2206

Status of Audit Finding: In the summer of 2016, MSD of Pike Township implemented a new software system ("Mosaic") that would address sample selection issues experienced with the previous system. In addition, MSD of Pike Township will work with the Food Service Provider to develop procedures to assure that sample size of the verification requirement is met and not exceeded.

FINDING 2015-006 – Suspension and Debarment – YCC Grant

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30, 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: United States Department of Labor

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: (317) 387-2206

Status of Audit Finding: The supporting documentation from SAM.gov for this contractor has been printed out and added to the folder. MSD of Pike Township is exploring the addition of a clause to future contracts to include this documentation as a condition of doing business.



Fiscal Grant Manager

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FINDING 2015-007 – Equipment and Real Property Management – Pep Grant

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30, 2015

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

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: (317) 387-2206

Status of Audit Finding: The Fiscal Grant Manager makes a copy of equipment purchases invoices for the Grant Program Manager to sign off on the inventory worksheet annually.

FINDING 2015-008 – Suspension and Debarment – Pep Grant

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30, 2015

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

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: (317) 387-2206

Status of Audit Finding: The supporting documentation from SAM.gov for this contractor has been printed out and added to the folder. MSD of Pike Township is exploring the addition of a clause to future contracts to include this documentation as a condition of doing business.

FINDING 2015-009 – Cash Management – Grants

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30, 2015

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

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: (317) 387-2206

Status of Audit Finding: The Fiscal Grant Manager will request reimbursement based on actual expenditures and will sign off on the requests along with the Grant Managers.



Fiscal Grant Manager

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FINDING 2015-010 – Special Test and Provisions – Participation of Private School Children Title I

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30, 2015

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

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: (317) 387-2206

Status of Audit Finding: The Curriculum Secretary will continue to contact the private schools in the district via e-mail and copy the Director of Curriculum, but in addition, the Director of Curriculum will respond back via e-mail or print and sign the e-mail as proof of review.



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Linda J. Searles, RSBO
Chief Financial Officer

Darlene Eberhardt, Secretary

CORRECTIVE ACTION PLAN

FINDING 2017-001 Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: While the MSD of Pike Township Assistant CFO and Fiscal Grant Manager have always reviewed the Schedule of Expenditures of Federal Awards (SEFA), we inadvertently entered the correct information in the wrong column. We have since corrected our error on the SEFA in Gateway.

Description of Corrective Action Plan: The Assistance CFO and Fiscal Grant Manager will now make sure they not only check the figures, but also check the appropriate column entry in their review of the SEFA. Both the Fiscal Grant Manager and the Assistant CFO will initial the hard copy of the SEFA after their review.

Anticipated Completion Date: With the next preparation of the SEFA

FINDING 2017-002 Child Nutrition Cluster – Cash Management

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: The Superintendent and the CFO meet monthly with the FSMC District Manager and Regional Manager to complete a monthly financial review of the MSD of Pike Township Food Service Fund and financial reports. In every meeting, we review the details of the financial reports (including cash balance). We also review meal counts and separate agenda items as needed. Each individual in attendance signs documentation verifying attendance. The MSD of Pike Township also communicates with the IDOE regarding planned use of any excess cash and received approval for the planned use of excess cash during the audit period.

Description of Corrective Action Plan: In addition to the above monthly meetings, signatures and IDOE communication, the MSD of Pike Township will also specifically add language to the meeting signature page stating that we discussed cash balance when we met for the financial review.

Anticipated Completion Date: Implemented with the 10/26/2018 financial review meeting

FINDING 2017-003 Child Nutrition Cluster – Suspension and Debarment

Contact Person Responsible for Corrective Action:

Contact Phone Number:

Views of Responsible Official: The MSD of Pike Township has assured that the suspension and debarment language is in the FSMC contract. Unfortunately, the SAM system verification did not occur on direct purchases from our Food Service Fund. We did check the SAM system for required contractors in arears and no vendors were suspended or debarred.

Description of Corrective Action Plan: The MSD of Pike Township will explore adding a clause to future contracts as a condition to the covered transaction with the vendor. Until that time, the Fiscal Grant Manager will verify and print SAM documentation in advance on the required vendors.

Anticipated Completion Date: With the next required vendor.

FINDING 2017-004 Child and Adult Care Food Program – Activities Allowed or Unallowed, Allowable Cost/Costs Principles, Equipment, Procurement and Suspension and Debarment, Earmarking
Contact Person Responsible for Corrective Action: Linda J. Searles, CFO
Contact Phone Number: 317-387-2206

Views of Responsible Official: The MSD of Pike Township followed IDOE provided guidance relative to allocation of expenses between the NSLP and CACFP programs. This included food cost and labor which accounts for the majority of expenditures. In addition, all receipts are accounted for separately for each program. The FSMC management fees and indirect cost were not specifically noted by program, but could be ascertainable based on the same allocation guidance provided by IDOE relative to food cost and labor.

Description of Corrective Action Plan: The MSD of Pike Township will begin specifically noting the portion of the FSMC management fees and indirect cost expense to each program.

Anticipated Completion Date: With the next indirect cost calculation and FSMC management fee expense

FINDING 2017-005 Child and Adult Care Food Program – Reporting
Contact Person Responsible for Corrective Action: Linda J. Searles, CFO
Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with this finding.

Description of Corrective Action Plan: Our Software vendor is able to create a Supper meal count button on Point of service (POS). This would allow us to claim free suppers at POS instead of meal count sheets. We requested permission from the DOE on 11/7/2018 and we are still waiting on an approval response. If process is not accepted by the DOE, then all current meal count sheets will be date stamped in our office on the day of arrival. At the end of every month the meal count sheets will be counted and then a double count will be performed using an excel spreadsheet to show our calculations before claim submission.

Anticipated Completion Date: By December 31, 2018

FINDING 2017-006 YouthBuild – Procurement and Suspension and Debarment
Contact Person Responsible for Corrective Action: Linda J. Searles, CFO
Contact Phone Number: 317-387-2206

Views of Responsible Official: In the past State Procurement Law has not required school districts to solicit quotes or bids for services. If it is now a federal requirement to quote or bid every single purchase regardless of whether it is a service or supplies/equipment, the MSD of Pike Township will move forward in that direction.

Description of Corrective Action Plan: In the past State Procurement Law has not required school districts to solicit quotes or bids for services. If it is now a federal requirement to quote or bid every single purchase regardless of whether it is a service, supplies or equipment, the MSD of Pike Township will move forward in that direction and begin soliciting quotes for future services.

Anticipated Completion Date: With the next service need.

FINDING 2017-007 YouthBuild – Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: While the MSD of Pike Township keeps timesheets, job descriptions and appropriate salary distribution percentages and reports on all employees, this appears to not be sufficient for those employees who are funded 100% from the federal program.

Description of Corrective Action Plan: Since this is no longer a requirement after 2015-16, the MSD of Pike Township will continue to run a salary distribution report on an "as needed" basis.

Anticipated Completion Date: By November 8, 2018

FINDING 2017-008 YouthBuild – Equipment

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Program Managers will work with high school staff to update the equipment inventory.

Anticipated Completion Date: By December 1, 2018

FINDING 2017-009 School Safety National Activities – Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: There was not a formal time and effort log available for Ms. Dorsey. We concur with the finding.

Description of Corrective Action Plan: Since time and effort logs are no longer required after 2015-16, the MSD of Pike Township will continue to run a salary distribution report on an "as needed" basis.

Anticipated Completion Date: November 8, 2018

FINDING 2017-010 Child Nutrition Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: We disagree with the finding.


Description of Corrective Action Plan: The MSD of Pike Township disagrees with this finding as we notified IDOE School Nutrition (our pass-through entity) in three (3) emails regarding the details of the planned Guion Creeek Middle School (GCMS) kitchen renovation project and our plan to use excess cash in the Food Service Fund for this project. IDOE approved this project in the email(s) and said they would put a note in our AFR and retain the information for their records. In another email, IDOE approved our upcoming project as they approved and released our October Claim, based on our explanation of our upcoming project. These emails occurred four (4) months prior to the preliminary work on the project and ten (10) months prior to the start of the project. The emails occurred on 8/22/16, 11/4/16 and 11/7/16. The following IDOE School Nutrition employees were on the emails:


Danyetta Powers, MBA – Financial Specialist
Sarah Kenworthy, School Nutrition Programs Coordinator
Christina Herzog, Financial and Procurement Specialist
Cheryl Moore, Food Distribution Specialist
Alexandra Caito, School Nutrition Specialist
Melissa Corum, School Nutrition Field Specialist


In each email, we asked if further information was required. No further information was requested from IDOE and we were not directed to complete any other steps regarding the approval process for this project. Once Danyetta Powers, Financial Specialist, approved our application in writing via email, it signaled the approval of our renovation plan and the MSD of Pike Township moved forward with the renovation. We heard nothing more on this project until December of 2017 (6 months after our renovation was completed and more than a year after IDOE School Nutrition approved the project). At that time IDOE School Nutrition (the same office as the 6 employees above) informed the MSD of Pike Township that we were selected for a Procurement Review.

To date, the MSD of Pike Township has received no detailed guidance from IDOE School Nutrition regarding changes to its current approval process for Food Service renovation projects. The only guidance shared in the mandatory IDOE Procurement Training was to make sure we sent a description of our planned project to IDOE School Nutrition Finance for review. Which is the same process we followed on the GCMS kitchen renovation project and approval was granted from our pass-through entity.

Anticipated Completion Date: N/A


(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/>.