

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

AUDIT REPORT  
OF  
EASTERN GREENE SCHOOLS  
GREENE COUNTY, INDIANA  
July 1, 2004 to June 30, 2006



**FILED**  
03/27/2007



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nancy Nolting	07-01-04 to 12-31-07
Superintendent of Schools	Randy C. Barrett	07-01-04 to 12-31-07
President of the School Board	Mark Eckerle Andrew Brough Kimberly Waldrige	07-01-04 to 12-31-04 01-01-05 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE EASTERN GREENE SCHOOLS, GREENE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Eastern Greene Schools (School Corporation), as of and for the years ended June 30, 2005 and 2006, which collectively comprise the School Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2005 and 2006, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 21, 2007, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

STATE BOARD OF ACCOUNTS

February 21, 2007



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

TO: THE OFFICIALS OF THE EASTERN GREENE SCHOOLS, GREENE COUNTY, INDIANA

We have audited the financial statements of the Eastern Greene Schools (School Corporation), as of and for the years ended June 30, 2005 and 2006, and have issued our report thereon dated February 21, 2007. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 21, 2007

EASTERN GREENE SCHOOLS  
STATEMENT OF CASH AND INVESTMENTS  
June 30, 2005

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 3,537,802
Restricted assets:	
Cash and investments	<u>332,801</u>
Total assets	<u>\$ 3,870,603</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 332,801
Unrestricted	<u>3,537,802</u>
Total net assets	<u>\$ 3,870,603</u>

The accompanying notes are an integral part of the financial statements.

EASTERN GREENE SCHOOLS  
 STATEMENT OF CASH AND INVESTMENTS  
 June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 3,169,741
Restricted assets:	
Cash and investments	<u>396,591</u>
Total assets	<u>\$ 3,566,332</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 396,591
Unrestricted	<u>3,169,741</u>
Total net assets	<u>\$ 3,566,332</u>

The accompanying notes are an integral part of the financial statements.

EASTERN GREENE SCHOOLS  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2005

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 4,102,570	\$ -	\$ 72,153	\$ (4,030,417)
Support services	5,346,089	352,735	257,178	(4,736,176)
Community services	122,056	-	-	(122,056)
Nonprogrammed charges	268,568	-	-	(268,568)
Debt service	2,113,031	-	-	(2,113,031)
<b>Total governmental activities</b>	<b>\$ 11,952,314</b>	<b>\$ 352,735</b>	<b>\$ 329,331</b>	<b>(11,270,248)</b>
General receipts:				
Property taxes				3,688,445
Other local sources				743,088
State aid				6,468,287
Grants and contributions not restricted				444,682
Bonds and loans				2,117,005
Sale of property, adjustments, and refunds				10,000
Investment earnings				18,818
Intergovernmental transfers				58,036
				13,548,361
				2,278,113
Net assets - beginning				1,592,490
Net assets - ending				\$ 3,870,603

The accompanying notes are an integral part of the financial statements.

EASTERN GREENE SCHOOLS  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 4,176,332	\$ -	\$ 86,227	\$ (4,090,105)
Support services	5,771,089	328,509	281,391	(5,161,189)
Community services	131,537	-	-	(131,537)
Nonprogrammed charges	475,629	-	-	(475,629)
Debt service	1,119,047	-	-	(1,119,047)
Total governmental activities	\$ 11,673,634	\$ 328,509	\$ 367,618	(10,977,507)
General receipts:				
Property taxes				2,526,992
Other local sources				822,342
State aid				6,798,487
Grants and contributions not restricted				362,068
Sale of property, adjustments, and refunds				13,526
Investment earnings				32,309
Intergovernmental transfers				117,512
				10,673,236
				(304,271)
Net assets - beginning				3,870,603
Net assets - ending				\$ 3,566,332

The accompanying notes are an integral part of the financial statements.

EASTERN GREENE SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2005

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
<b>Receipts:</b>									
Local sources	\$ 2,043,466	\$ 815,396	\$ -	\$ 763,446	\$ 543,007	\$ 94,419	\$ -	\$ 542,851	\$ 4,802,585
Intermediate sources	-	-	-	-	-	-	-	500	500
State sources	6,559,211	-	-	-	-	-	-	163,825	6,723,036
Federal sources	-	-	-	-	-	-	-	519,265	519,265
Bonds and loans	600,000	-	-	-	-	-	1,517,005	-	2,117,005
Sale of property, adjustments and refunds	-	-	-	-	-	-	-	10,000	10,000
Intergovernmental transfers	-	-	510,000	-	-	57,253	-	783	568,036
<b>Total receipts</b>	<b>9,202,677</b>	<b>815,396</b>	<b>510,000</b>	<b>763,446</b>	<b>543,007</b>	<b>151,672</b>	<b>1,517,005</b>	<b>1,237,224</b>	<b>14,740,427</b>
<b>Disbursements:</b>									
<b>Current:</b>									
Instruction	3,717,221	-	-	-	-	-	-	385,349	4,102,570
Support services	3,233,099	652,072	-	-	536,039	176,775	-	748,104	5,346,089
Community services	121,816	-	-	-	-	-	-	240	122,056
Nonprogrammed charges	619,404	-	58,035	-	90,000	-	-	11,129	778,568
Debt services	188,933	-	-	470,187	415,000	-	942,691	96,220	2,113,031
<b>Total disbursements</b>	<b>7,880,473</b>	<b>652,072</b>	<b>58,035</b>	<b>470,187</b>	<b>1,041,039</b>	<b>176,775</b>	<b>942,691</b>	<b>1,241,042</b>	<b>12,462,314</b>
Excess (deficiency) of total receipts over (under) total disbursements	1,322,204	163,324	451,965	293,259	(498,032)	(25,103)	574,314	(3,818)	2,278,113
Cash and investments - beginning	1,160,776	(81,882)	-	39,542	633,437	25,103	(574,314)	389,828	1,592,490
Cash and investments - ending	<u>\$ 2,482,980</u>	<u>\$ 81,442</u>	<u>\$ 451,965</u>	<u>\$ 332,801</u>	<u>\$ 135,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 386,010</u>	<u>\$ 3,870,603</u>

The accompanying notes are an integral part of the financial statements.

EASTERN GREENE SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:									
Local sources	\$ 994,038	\$ 879,925	\$ -	\$ 535,174	\$ 584,818	\$ 116,718	\$ -	\$ 599,478	\$ 3,710,151
State sources	6,877,846	-	-	-	-	-	-	209,801	7,087,647
Federal sources	-	-	-	-	-	-	-	440,527	440,527
Sale of property, adjustments and refunds	-	-	-	-	-	2,026	-	11,500	13,526
Intergovernmental transfers	-	-	508,035	-	-	28,172	-	89,340	625,547
<b>Total receipts</b>	<b><u>7,871,884</u></b>	<b><u>879,925</u></b>	<b><u>508,035</u></b>	<b><u>535,174</u></b>	<b><u>584,818</u></b>	<b><u>146,916</u></b>	<b><u>-</u></b>	<b><u>1,350,646</u></b>	<b><u>11,877,398</u></b>
Disbursements:									
Current:									
Instruction	3,809,972	-	-	-	-	-	-	366,360	4,176,332
Support services	3,664,464	772,319	-	-	541,034	87,667	-	705,605	5,771,089
Community services	131,079	-	-	-	-	-	-	458	131,537
Nonprogrammed charges	860,048	23,624	-	15,209	10,663	59,249	-	14,871	983,664
Debt services	3,728	-	-	456,175	-	-	-	659,144	1,119,047
<b>Total disbursements</b>	<b><u>8,469,291</u></b>	<b><u>795,943</u></b>	<b><u>-</u></b>	<b><u>471,384</u></b>	<b><u>551,697</u></b>	<b><u>146,916</u></b>	<b><u>-</u></b>	<b><u>1,746,438</u></b>	<b><u>12,181,669</u></b>
Excess (deficiency) of total receipts over (under) total disbursements	(597,407)	83,982	508,035	63,790	33,121	-	-	(395,792)	(304,271)
Cash and investments - beginning	<u>2,482,980</u>	<u>81,442</u>	<u>451,965</u>	<u>332,801</u>	<u>135,405</u>	<u>-</u>	<u>-</u>	<u>386,010</u>	<u>3,870,603</u>
Cash and investments - ending	<u>\$ 1,885,573</u>	<u>\$ 165,424</u>	<u>\$ 960,000</u>	<u>\$ 396,591</u>	<u>\$ 168,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,782)</u>	<u>\$ 3,566,332</u>

The accompanying notes are an integral part of the financial statements.

EASTERN GREENE SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
For The Year Ended June 30, 2005

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Local sources	\$ -	\$ 10,875
Bonds and loans	<u>2,115,055</u>	<u>-</u>
Total additions	<u>2,115,055</u>	<u>10,875</u>
Deductions:		
Instruction	-	272
Support services	<u>1,933,312</u>	<u>988</u>
Total deductions	<u>1,933,312</u>	<u>1,260</u>
Excess of total additions over total deductions	181,743	9,615
Cash and investments - beginning	<u>-</u>	<u>(1,226)</u>
Cash and investments - ending	<u>\$ 181,743</u>	<u>\$ 8,389</u>

The accompanying notes are an integral part of the financial statements.

EASTERN GREENE SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
For The Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>
Additions:		
Local sources	\$ -	\$ 12,966
Transfers	<u>6,000</u>	<u>-</u>
Total additions	<u>6,000</u>	<u>12,966</u>
Deductions:		
Instruction	-	451
Support services	6,000	7,932
Nonprogrammed charges	<u>6,000</u>	<u>-</u>
Total deductions	<u>12,000</u>	<u>8,383</u>
Excess (deficiency) of total additions over (under) total deductions	(6,000)	4,583
Cash and investments - beginning	<u>181,743</u>	<u>8,389</u>
Cash and investments - ending	<u>\$ 175,743</u>	<u>\$ 12,972</u>

The accompanying notes are an integral part of the financial statements.

EASTERN GREENE SCHOOLS  
STATEMENT OF CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
June 30, 2005

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Cash and investments	\$ 181,743	\$ 8,389	\$ (173,574)
<u>Net Assets</u>			
Held in trust for employee benefits and other purposes	\$ 181,743	\$ 8,389	

The accompanying notes are an integral part of the financial statements.

EASTERN GREENE SCHOOLS  
STATEMENT OF CASH AND INVESTMENTS  
FIDUCIARY FUNDS  
June 30, 2006

<u>Assets</u>	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Cash and investments	\$ 175,743	\$ 12,972	\$ (172,491)
<u>Net Assets</u>			
Held in trust for employee benefits and other purposes	\$ 175,743	\$ 12,972	

The accompanying notes are an integral part of the financial statements.

EASTERN GREENE SCHOOLS  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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 School Corporation's financial reporting entity is composed of the primary government, Eastern Greene Schools.

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with 4 other school corporations in a joint venture to operate Hoosier Hills Area Vocational School which was created to provide vocational education. The Vocational School's continued existence depends on continued funding by the School Corporation. The School Corporation is obligated for the debts of the Vocational School. Complete financial statements for the Vocational School can be obtained from Monroe County Community School Corporation, Bloomington, IN.

The School Corporation is a participant with 6 school corporations in a joint venture to operate Orange, Lawrence, Jackson, Martin and Greene Joint Services which was created to provide instruction for handicapped children. Complete financial statements for the Orange, Lawrence, Jackson, Martin and Greene Joint Services can be obtained from the joint venture's administrative offices at 1401 15<sup>th</sup> Street, Bedford, IN 47421.

The School Corporation is a participant with 35 school corporations in a joint venture to operate the Southern Indiana Education Center (SIEC). The SIEC was created to operate and maintain an educational service center in order to allow participating school corporations to cooperate and share certain programs and services. The School Corporation is obligated by contract to remit annually a fee for membership in an amount determined by the governing board of the SIEC. The SIEC's continued existence depends on continued funding by the member School Corporations. The member School Corporations are obligated for the debts of SIEC. Complete financial statements for SIEC can be obtained from Southwest Dubois County School Corporation, P. O. Box 238, 201 W. Sunset Drive, Huntingburg, IN 47542.

The School Corporation is a participant with 8 school corporations in a joint venture to operate the Southern Indiana School Trust which was created to provide a program of group insurance. Complete financial statements for the Southern Indiana School Trust can be obtained from Peggy Neukam, LEA, Southern Indiana Education Center, 1102 Tree Lane Drive, P. O. Box 330, Jasper, IN 47547-0330.

EASTERN GREENE SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The School Corporation is a participant with 6 school corporations in a joint venture to operate the Hoosier Heartland School Trust which was created to provide a program of group insurance. Complete financial statements for the Hoosier Heartland School Trust can be obtained from Hoosier Heartland School Trust, 5448 W. SR 256, Madison, IN 47250.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints the board members of the Bloomfield-Eastern Greene County Library Board.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Cash and Investments and the Statement of Cash Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

EASTERN GREENE SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The rainy day fund is to account for transfers of unused and unencumbered funds in accordance with Indiana Code 36-1-8-5 and a locally adopted resolution. The fund is subject to the same appropriation process as funds that receive tax money.

The construction fund is used to account for expenses related to the common school loan for the cafeteria and kitchen remodeling project.

Additionally, the School Corporation reports the following fund types:

The pension trust funds account for the activities of the pension bonds, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the individuals.

Agency funds account for assets held by the School Corporation as an agent for others and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

EASTERN GREENE SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. 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 March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Compensated Absences

a. Sick Leave

During the first year of employment, certified employees earn ten days of sick leave and eight days in each succeeding year. Sick leave shall accumulate without limit. Noncertified employees are authorized eight sick days each school year. Unused sick leave may be accumulated indefinitely. Part-time employees earn sick leave on a pro-rata basis. Twelve month employees shall earn nine sick days per year. Accumulated sick leave is paid to employees through cash payments upon retirement.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from five days to twenty-five days per year based upon the number of years of service. Vacation leave does not accumulate from year to year. Superintendent's vacation leave may accumulate without limit.

c. Personal Leave

School Corporation employees earn personal leave at the rate of four days per year. Personal leave may be accumulated to a maximum of six days before converting to sick leave.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

EASTERN GREENE SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Cash and Investments and the Statement of Cash Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

- 1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
- 2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
- 3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Cash and Investments and the Statement of Cash Activities except for the net amount of transfers between governmental and business-type

EASTERN GREENE SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Cash and Investments and the Statement of Cash Activities.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2005 and 2006, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as referenced in state statute.

Fund	2005	2006
Greene County Youth Alternative	\$ (3,000)	\$ (3,000)
Temporary Loan	(177,647)	(177,647)
Construction	-	(465,376)
Title I	-	(2,835)
Cape Grant	-	(3,321)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to

EASTERN GREENE SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

C. Interfund Transfers

Interfund transfers for the years ended June 30, 2005 and 2006, were as follows:

Transfer From	Transfer To	2005	2006
General Fund	Rainy Day Fund	\$ 420,000	\$ 450,000
Capital Projects Fund	Rainy Day Fund	90,000	-
Totals		\$ 510,000	\$ 450,000

The School Corporation typically uses transfers for cash flow purposes according to various statutes.

IV. Other Information

A. Risk Management

The School Corporation is 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 (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees, And Dependents (Excluding Postemployment Benefits)

During 1999, the School Corporation joined with other governmental entities to form the Hoosier Heartland School Trust, a public entity risk pool currently operating as a common risk management and insurance program for seven member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees, retirees, and dependents (excluding postemployment benefits). The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$5,000,000 per insured's lifetime.

EASTERN GREENE SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Dental, Vision, Life and Long-Term Disability Insurance

During 1990, the School Corporation joined together with other governmental entities to form the Sothern Indiana School Trust, a public entity risk pool currently operating as a common risk management and insurance program for 11 member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of dental, vision, life, and long-term disability insurance. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members.

B. Subsequent Events

The School Corporation has obtained a Common School Loan for \$9,000,000 to construct a new high school. The remaining high school construction costs of \$7,000,000 will be paid through a lease rental agreement with the Eastern Greene Schools Building Corporation. The project is targeted to be finished December 2008.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 10 years of service. Currently, 8 retirees meet these eligibility requirements. The School Corporation and retirees provide 86% and 14%, respectively, of these postemployment benefits for a single plan. The School Corporation and retirees provide 82% and 18%, respectively, of these postemployment benefits for a family plan. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. Disbursements for postemployment benefits cannot be reasonably estimated.

V. Pension Plans

1. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF 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 member's contributions, set by state statute at 3% 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.

EASTERN GREENE SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

TRF 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:

Teachers' Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2006, 2005, and 2004, were \$155,470, \$136,514, and \$122,551, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

2. Defined Contribution Pension Plan

Group Retirement Annuity

Plan Description

The School Corporation has a defined contribution pension plan administered by American United Life Insurance Company as authorized by Indiana Code 5-10.2-2-1. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by written agreement between the School Corporation and the Plan Administrator. The Plan Administrator issues a publicly available financial report that includes financial statements and required supplementary information of the plan. That report may be obtained by contacting:

American United Life Insurance Co.  
One American Square  
P.O. Box 368  
Indianapolis, IN 46206-0368  
Ph. 317-285-1877

Funding Policy and Annual Pension Cost

The contribution requirements of plan members are established by the written agreement between the School Corporation and the Plan Administrator. Plan members are required to contribute 3% of the annual covered salary. The School Corporation is required to contribute at an actuarially determined rate. The current rate is 3% the first year and 6% thereafter of annual covered payroll. Employer and employee contributions to the plan were \$86,834 for 2004-2005 and \$57,929, for 2005-2006.

EASTERN GREENE SCHOOLS  
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - AMOUNT DUE THE STATE  
OF INDIANA DUE TO CORRECTED ENROLLMENT FIGURES

Prior Report B24732 noted a difference between the student count reported for Average Daily Membership and the verified figures of five overstated students for the 2002-2003 school year and nine understated students for the 2003-2004 school year. The report concluded that School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment the School Corporation has received or could receive in the future because of incorrect reporting.

The Department of Education notified the School Corporation by letter dated June 27, 2005, of the recalculation of the Basic Grant based upon the State Board of Accounts Audit and subsequent corrected counts for average daily membership which resulted in the School Corporation being required to refund a total of \$48,412.23 to the State of Indiana for 2003-2004 and 2004-2005. Additionally, the corrected counts caused a recalculation and reduction of the 2005 Basic Grant that would have been paid to the School Corporation in the amount of \$55,124.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Non-compliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9).

OVERDRAWN CASH BALANCES

The cash balance of the Construction Fund, Title I Fund, Greene County Youth Alternative Fund, Temporary Loan Fund, and Cape Grant Fund were overdrawn at June 30, 2006.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE EASTERN GREENE SCHOOLS, GREENE COUNTY, INDIANA

Compliance

We have audited the compliance of the Eastern Greene Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2005 and 2006. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2005 and 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2006-1.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the School Corporation's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 2006-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 21, 2007

EASTERN GREENE SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2005 and 2006

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-05	Total Federal Awards Expended 06-30-06
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 38,457	\$ 57,943
National School Lunch Program	10.555		<u>172,382</u>	<u>187,330</u>
Total for federal grantor agency			<u>210,839</u>	<u>245,273</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010			
		03-2940	7,932	-
		04-2940	53,145	-
		05-2940	158,849	39,899
		06-2940	<u>-</u>	<u>155,830</u>
Total for program			<u>219,926</u>	<u>195,729</u>
Safe and Drug Free Schools and Communities - State Grants	84.186	02-175	<u>5,612</u>	-
State Grants for Innovative Programs	84.298	03-284	<u>5,580</u>	<u>2,956</u>
Education Technology State Grants	84.318			
		04-2940	800	78
		05-2940	<u>-</u>	<u>5,088</u>
Total for program			<u>800</u>	<u>5,166</u>
Reading Excellence	84.338			
Tutorial Assistance Subgrant			47,654	-
Local Reading Improvement Program			<u>67,320</u>	-
Total for program			<u>114,974</u>	-
Improving Teacher Quality State Grants	84.367			
		02-249	15,406	-
		03-232	-	59,878
		04-041	<u>23,078</u>	<u>8,726</u>
Total for program			<u>38,484</u>	<u>68,604</u>
Total for federal grantor agency			<u>385,376</u>	<u>272,455</u>
Total federal awards expended			<u>\$ 596,215</u>	<u>\$ 517,728</u>

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

EASTERN GREENE SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Eastern Greene Schools (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2005 and 2006. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2004-2005	2005-2006
School Breakfast Program	10.553	\$ 2,501	\$ 4,913
National School Lunch Program	10.555	11,068	16,199

EASTERN GREENE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	no

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	yes

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Title I – Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

EASTERN GREENE SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2006-01, CHILD NUTRITION CLUSTER – INCORRECT AND LATE FILING OF REPORTS

Federal Agency: U.S. Department of Agriculture  
Pass-Through Entity: Indiana Department of Education  
Federal Program: Child Nutrition Cluster  
CFDA Numbers: 10.553 and 10.555

Eastern Greene Schools filed various erroneous claims for reimbursement and was reimbursed for the incorrect number of meals served for the months of September 2004, May 2006, September 2006, October 2006, November 2006, and December 2006. A total of 396 meals were over reported and a total of 402 meals were under reported resulting in a net of 6 meals under reported. We also noted that claims for reimbursement were not filed timely in 9 out of 20 months.

7CFR sections 210.7(c), 210.8(c) and 225.9(d) states in part: "All meals claimed for reimbursement must be of types authorized by the SFA'S, or sponsor's administering agency; must be served to eligible children; and must be supported by accurate meal counts and records indicating the number of meals served by category and type."

7CFR 210.15 states in part: "(a) Reporting Summary. Participating school food authorities are required to submit forms and reports to the State agency or the distributing agency, as appropriate, to demonstrate compliance with Program requirements . . ."

Failure to claim the correct number of meals served could result in incorrect reimbursements. Failure to file timely claims for reimbursement could result in cashflow problems

We recommended that the School Corporation implement internal control procedures to detect the correct numbers of meals served and assure that correct numbers of meals served are submitted for reimbursement in a timely manner.

EASTERN GREENE SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

**RANDY BARRETT**  
Superintendent  
**JEFFREY BOND**  
Assistant Superintendent  
**NANCY NOLTING**  
Corporation Treasurer  
**TINA PUCKETT**  
Administrative Assistant  
**KIMBERLY SHELL**  
Admin Assist/HR Clerk

# EASTERN GREENE SCHOOLS CENTRAL OFFICE

Route 4 Box 351  
Bloomfield Indiana 47424-9698  
OFC (812) 825-5722 ♦ FAX (812) 825-9413



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## CORRECTIVE ACTION PLAN

FINDING NO. 2006-01

Auditee Contact Person: Nancy Nolting  
Title of Contact Person: Corporation Treasurer  
Phone Number: (812) 825-5722  
Expected Completion Date: As soon as possible

Eastern Greene Schools will implement a better monitoring system of our cafeteria. We will put in place the following procedures immediately.

1. Require a weekly summary of all meals be turned into the Central Office.
2. Spot check meal servings and match those to cafeteria counts.
3. Require a copy of all filings to be submitted to the Central Office to ensure timeliness.
4. Conduct a quarterly review of cafeteria management to ensure procedures are being followed.

*Nancy Nolting*

EASTERN GREENE SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on February 21, 2007, with Nancy Nolting, Treasurer; Randy C. Barrett, Superintendent of Schools; and Jeffrey S. Bond, Assistant Superintendent of Schools. The officials concurred with our audit findings.