

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

EASTERN GREENE SCHOOLS
GREENE COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
03/04/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nancy Nolting Marilyn Burch	07-01-10 to 02-13-12 02-14-12 to 12-31-13
Superintendent of Schools	Thomas T. Mungle	07-01-10 to 06-30-13
President of the School Board	Lane Corbin Donald James Michael Adams	01-01-10 to 12-31-10 01-01-11 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the Eastern Greene Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity 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, 2010 to June 30, 2012.

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, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated February 14, 2013, 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 to describe the scope of our testing of internal control over financial reporting

INDEPENDENT AUDITOR'S REPORT
(Continued)

and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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 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 financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports 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.

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, 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.

STATE BOARD OF ACCOUNTS

February 14, 2013



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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 EASTERN GREENE SCHOOLS, GREENE COUNTY, INDIANA

We have audited the financial statement of the Eastern Greene Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated February 14, 2013. 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.

Internal Control Over Financial Reporting

Management of the School Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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 entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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 14, 2013

FINANCIAL STATEMENT

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.

EASTERN GREENE SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10		Other Financing Sources (Uses)		Cash and Investments 06-30-11		Other Financing Sources (Uses)		Cash and Investments 06-30-12	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 816,704	\$ 9,351,968	\$ 9,190,866	\$ (128,000)	\$ 849,806	\$ 9,057,144	\$ 8,669,001	\$ (42,801)	\$ 1,195,148	
Debt Service	436,162	1,436,809	1,609,171	-	263,800	1,519,432	1,510,091	-	273,141	
Retirement/Severance Bond Debt Service	122,201	182,729	195,188	-	109,742	141,493	199,423	7,187	58,999	
Capital Projects	503,154	692,834	738,726	-	457,262	490,212	582,824	-	364,650	
School Transportation	287,930	794,547	1,049,130	11,251	44,598	811,387	840,201	79,134	94,918	
School Bus Replacement	23,440	116,210	174,118	34,468	-	77,333	1,500	(34,468)	41,365	
Rainy Day	566,801	-	146,627	5,324	425,498	-	39,416	(47,252)	338,830	
Post-Retirement/Severance Future Benefits	-	-	44,997	44,997	-	-	29,484	29,484	-	
Construction	-	287,525	-	-	287,525	-	-	(287,525)	-	
Construction High School Escrow Money	-	-	-	-	-	-	66,657	348,874	282,217	
School Lunch	(33,261)	669,738	679,688	43,211	-	595,783	660,868	-	(65,085)	
Textbook Rental	83,237	111,301	38,586	-	155,952	100,231	230,761	8,716	34,138	
Levy Excess	-	43,016	-	(11,251)	31,765	-	-	-	31,765	
Early Intervention Grant	-	7,500	(386)	(7,886)	-	-	-	-	-	
School Early Intervention and Career Counseling 1/09	(12,707)	3,900	(921)	7,886	-	-	-	-	-	
Hutton Scholarship	6,976	-	-	-	6,976	-	-	-	6,976	
Seaperch 2010	4,596	2,732	3,721	-	3,607	-	3,607	-	-	
Math Grant 2010	-	4,468	4,468	-	-	-	-	-	-	
Credit Recovery Novel Stars	4,765	2,979	-	-	7,744	50	-	-	7,794	
Gifted/Talented High Ability 09/10	(916)	-	(916)	-	-	-	-	-	-	
High Ability Making A Difference	2,772	-	2,772	-	-	-	-	-	-	
Gifted/Talented High Ability 11/12	-	-	-	-	-	29,278	20,259	(9,019)	-	
Gifted/Talented High Ability 2010/2011	-	30,328	19,620	-	10,708	-	12,003	9,019	7,724	
Non-English Speaking Programs P.L. 273-1999	7,170	344	-	(344)	7,170	146	-	-	7,316	
School Technology	-	-	-	-	-	-	4,567	-	(4,567)	
Non-English Speaking Programs 2010	-	-	344	344	-	-	-	-	-	
Miscellaneous Programs	-	15,205	9,777	-	5,428	21,490	29,004	2,208	122	

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

EASTERN GREENE SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

	Cash and Investments 07-01-10			Other Financing Sources (Uses)	Cash and Investments 06-30-11			Other Financing Sources (Uses)	Cash and Investments 06-30-12
	Receipts	Disbursements		Receipts	Disbursements				
Ireland Grant Attendance	-	-	-	-	894	94	(800)	-	
Ireland Grant 2012	-	-	-	-	3,524	2,116	(1,408)	-	
Title I 2009/2010	65,447	10,000	53,762	-	21,685	-	-	21,685	
Title I 2010/2011	-	226,845	143,691	-	83,154	30,286	-	(17,187)	
Title I 2008/2009	(42,747)	2	-	-	(42,745)	-	-	(42,745)	
Title I 2011/2012	-	-	-	-	77,698	144,830	-	(67,132)	
Title V A Innovative Programs	3,222	-	3,222	-	-	-	-	-	
Learn and Serve America 2009/2010	8,400	3,600	12,000	-	-	-	-	-	
Learn and Serve America 2010/2011	-	-	410	-	(410)	449	39	-	
Safe and Drug-Free Schools 07/09	-	-	(2,739)	-	2,739	-	1,500	1,239	
Safe and Drug-Free Schools 08/10	3,728	-	3,728	-	-	-	-	-	
Safe and Drug-Free Schools 09/11	5,536	-	4,195	-	1,341	-	1,461	(120)	
Project Lead The Way 2008/2009	20,000	-	20,000	-	-	-	-	-	
Project Lead The Way 2009/2010	759	14,241	15,000	-	-	-	-	-	
Project Lead The Way	-	-	1,047	-	(1,047)	15,000	26,914	(12,961)	
Improving Teaching Quality, Title II, Part A, 2009/2011	63,543	-	63,543	-	-	31,113	40,318	(9,205)	
Improving Teaching Quality, Title II, Part A, 2010/2012	-	-	-	-	-	12,763	13,714	(951)	
Improving Teaching Quality, Title II, Part A, 2008/2009	29,759	-	29,759	-	-	-	-	-	
ARRA Title I - Stimulus 09/10	(27,996)	43,443	15,470	-	(23)	4,197	4,176	(2)	
ARRA Special Education - Grants to States	29,809	97,874	129,767	-	(2,084)	78,326	76,243	(1)	
ARRA Special Education - Preschool Grants	(205)	2,343	2,138	-	-	-	-	-	
Education Jobs	-	-	-	-	221,433	295,242	-	(73,809)	
Payroll Withholdings	(72,361)	2,176,004	2,043,928	-	59,715	1,863,215	1,849,791	73,139	
Totals	\$ 2,905,918	\$ 16,328,485	\$ 16,444,497	\$ -	\$ 2,789,906	\$ 15,182,877	\$ 15,486,731	\$ 61,349	\$ 2,547,401

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

EASTERN GREENE SCHOOLS
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, 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 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. Receipts are recorded when received and disbursements are recorded when paid.

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 which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts which include amounts received from various sources which include 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 which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations, and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient, and self-insurance payments.

F. Other Financing Sources and Uses

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money 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.

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Transfers out which includes money 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 money 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 money 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 March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plan

Teacher's Retirement Fund

Plan Description

The Indiana Teacher's 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
1 North Capital Street, 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.

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

Note 7. *Negative Receipts and Disbursements*

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of correction of errors from prior periods. The errors made in the prior period were corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative receipt/disbursement was shown in the current period.

Note 8. *Cash Balance Deficits*

The financial statement contains some funds with deficits in cash. The funds set up for reimbursable grants had reimbursements for expenditures made by the School Corporation which were not received by June 30, 2012. All reimbursements for the 2011/2012 school year were received for the School Lunch Fund by June 30, 2012.

Note 9. *Holding Corporation*

The School Corporation has entered into a capital lease with Eastern Greene Schools Building Corporation (the lessor). The lessor was organized as a not for profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2011 and 2012 totaled \$505,841 and \$507,924, respectively.

Note 10. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees and their spouses the following benefits: health insurance, dental insurance, and vision insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

Note 11. *Combined Funds*

Agency funds were reported individually in the prior financial statements and were combined into one fund, Payroll Withholdings, for the current financial statement.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are 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 supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

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EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 816,704	\$ 436,162	\$ 122,201	\$ 503,154	\$ 287,930	\$ 23,440	\$ 566,801	\$ -	\$ -
Receipts:									
Local sources	308,628	1,436,809	182,729	692,834	794,547	116,210	-	-	-
Intermediate sources	169	-	-	-	-	-	-	-	-
State sources	9,041,970	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	1,201	-	-	-	-	-	-	-	287,525
Total receipts	9,351,968	1,436,809	182,729	692,834	794,547	116,210	-	-	287,525
Disbursements:									
Current:									
Instruction	5,727,995	-	-	-	-	-	-	44,997	-
Support services	3,131,231	-	-	521,828	1,049,130	174,118	146,627	-	-
Noninstructional services	152,306	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,687	-	-	216,898	-	-	-	-	-
Debt services	-	1,609,171	195,188	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	177,647	-	-	-	-	-	-	-	-
Total disbursements	9,190,866	1,609,171	195,188	738,726	1,049,130	174,118	146,627	44,997	-
Excess (deficiency) of receipts over disbursements	161,102	(172,362)	(12,459)	(45,892)	(254,583)	(57,908)	(146,627)	(44,997)	287,525
Other financing sources (uses):									
Transfers in	-	-	-	-	11,251	34,468	58,000	44,997	-
Transfers out	(128,000)	-	-	-	-	-	(52,676)	-	-
Total other financing sources (uses)	(128,000)	-	-	-	11,251	34,468	5,324	44,997	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	33,102	(172,362)	(12,459)	(45,892)	(243,332)	(23,440)	(141,303)	-	287,525
Cash and investments - ending	\$ 849,806	\$ 263,800	\$ 109,742	\$ 457,262	\$ 44,598	\$ -	\$ 425,498	\$ -	\$ 287,525

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Early Intervention Grant	School Early Intervention and Career Counseling 1/09	Hutton Scholarship	Seaperch 2010	Math Grant 2010	Credit Recovery Novel Stars
Cash and investments - beginning	\$ (33,261)	\$ 83,237	\$ -	\$ -	\$ (12,707)	\$ 6,976	\$ 4,596	\$ -	\$ 4,765
Receipts:									
Local sources	268,567	66,654	-	-	-	-	2,732	4,468	2,979
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	4,712	44,647	43,016	7,500	3,900	-	-	-	-
Federal sources	396,656	-	-	-	-	-	-	-	-
Other	(197)	-	-	-	-	-	-	-	-
Total receipts	<u>669,738</u>	<u>111,301</u>	<u>43,016</u>	<u>7,500</u>	<u>3,900</u>	<u>-</u>	<u>2,732</u>	<u>4,468</u>	<u>2,979</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	3,721	4,468	-
Support services	5,196	38,586	-	(386)	(921)	-	-	-	-
Noninstructional services	674,492	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>679,688</u>	<u>38,586</u>	<u>-</u>	<u>(386)</u>	<u>(921)</u>	<u>-</u>	<u>3,721</u>	<u>4,468</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(9,950)</u>	<u>72,715</u>	<u>43,016</u>	<u>7,886</u>	<u>4,821</u>	<u>-</u>	<u>(989)</u>	<u>-</u>	<u>2,979</u>
Other financing sources (uses):									
Transfers in	43,211	-	-	(7,886)	-	-	-	-	-
Transfers out	-	-	(11,251)	-	7,886	-	-	-	-
Total other financing sources (uses)	<u>43,211</u>	<u>-</u>	<u>(11,251)</u>	<u>(7,886)</u>	<u>7,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>33,261</u>	<u>72,715</u>	<u>31,765</u>	<u>-</u>	<u>12,707</u>	<u>-</u>	<u>(989)</u>	<u>-</u>	<u>2,979</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 155,952</u>	<u>\$ 31,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,976</u>	<u>\$ 3,607</u>	<u>\$ -</u>	<u>\$ 7,744</u>

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Gifted/ Talented High Ability 09/10	High Ability Making A Difference	Gifted/ Talented High Ability 2010/2011	Non-English Speaking Programs P.L. 273-1999	Non-English Speaking Programs 2010	Miscellaneous Programs	Title I 2009/2010	Title I 2010/2011	Title I 2008/2009
Cash and investments - beginning	\$ (916)	\$ 2,772	\$ -	\$ 7,170	\$ -	\$ -	\$ 65,447	\$ -	\$ (42,747)
Receipts:									
Local sources	-	-	30,328	-	-	15,205	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	344	-	-	-	-	-
Federal sources	-	-	-	-	-	-	10,000	226,845	-
Other	-	-	-	-	-	-	-	-	2
Total receipts	-	-	30,328	344	-	15,205	10,000	226,845	2
Disbursements:									
Current:									
Instruction	(916)	2,772	19,620	-	-	-	45,819	143,691	-
Support services	-	-	-	-	344	-	7,600	-	-
Noninstructional services	-	-	-	-	-	9,421	343	-	-
Facilities acquisition and construction	-	-	-	-	-	356	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	(916)	2,772	19,620	-	344	9,777	53,762	143,691	-
Excess (deficiency) of receipts over disbursements	916	(2,772)	10,708	344	(344)	5,428	(43,762)	83,154	2
Other financing sources (uses):									
Transfers in	-	-	-	(344)	-	-	-	-	-
Transfers out	-	-	-	-	344	-	-	-	-
Total other financing sources (uses)	-	-	-	(344)	344	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	916	(2,772)	10,708	-	-	5,428	(43,762)	83,154	2
Cash and investments - ending	\$ -	\$ -	\$ 10,708	\$ 7,170	\$ -	\$ 5,428	\$ 21,685	\$ 83,154	\$ (42,745)

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title V A Innovative Programs 07/09	Learn and Serve America 2009/2010	Learn and Serve America 2010/2011	Safe and Drug-Free Schools 07/09	Safe and Drug-Free Schools 08/10	Safe and Drug-Free Schools 09/11	Project Lead The Way 2008/2009	Project Lead The Way 2009/2010
Cash and investments - beginning	\$ 3,222	\$ 8,400	\$ -	\$ -	\$ 3,728	\$ 5,536	\$ 20,000	\$ 759
Receipts:								
Local sources	-	-	-	-	-	-	-	14,241
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	3,600	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>3,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,241</u>
Disbursements:								
Current:								
Instruction	3,222	-	-	-	-	-	20,000	15,000
Support services	-	-	410	-	2,728	-	-	-
Noninstructional services	-	-	-	(2,739)	1,000	4,195	-	-
Facilities acquisition and construction	-	12,000	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>3,222</u>	<u>12,000</u>	<u>410</u>	<u>(2,739)</u>	<u>3,728</u>	<u>4,195</u>	<u>20,000</u>	<u>15,000</u>
Excess (deficiency) of receipts over disbursements	<u>(3,222)</u>	<u>(8,400)</u>	<u>(410)</u>	<u>2,739</u>	<u>(3,728)</u>	<u>(4,195)</u>	<u>(20,000)</u>	<u>(759)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,222)</u>	<u>(8,400)</u>	<u>(410)</u>	<u>2,739</u>	<u>(3,728)</u>	<u>(4,195)</u>	<u>(20,000)</u>	<u>(759)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (410)</u>	<u>\$ 2,739</u>	<u>\$ -</u>	<u>\$ 1,341</u>	<u>\$ -</u>	<u>\$ -</u>

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Project Lead The Way	Improving Teacher Quality Title II, Part A 2009/2011	Improving Teacher Quality Title II, Part A 2008/2009	ARRA Title I Stimulus 2009/2010	ARRA Special Education Grants to States	ARRA Special Education Preschool Grants	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ 63,543	\$ 29,759	\$ (27,996)	\$ 29,809	\$ (205)	\$ (72,361)	\$ 2,905,918
Receipts:								
Local sources	-	-	-	-	97,874	2,343	-	4,037,148
Intermediate sources	-	-	-	-	-	-	-	169
State sources	-	-	-	-	-	-	-	9,146,089
Federal sources	-	-	-	43,443	-	-	-	680,544
Other	-	-	-	-	-	-	2,176,004	2,464,535
Total receipts	-	-	-	43,443	97,874	2,343	2,176,004	16,328,485
Disbursements:								
Current:								
Instruction	1,047	-	-	15,470	129,767	2,138	-	6,178,811
Support services	-	63,543	29,759	-	-	-	-	5,169,793
Noninstructional services	-	-	-	-	-	-	-	839,018
Facilities acquisition and construction	-	-	-	-	-	-	-	230,941
Debt services	-	-	-	-	-	-	-	1,804,359
Other	-	-	-	-	-	-	2,043,928	2,043,928
Nonprogrammed charges	-	-	-	-	-	-	-	177,647
Total disbursements	1,047	63,543	29,759	15,470	129,767	2,138	2,043,928	16,444,497
Excess (deficiency) of receipts over disbursements	(1,047)	(63,543)	(29,759)	27,973	(31,893)	205	132,076	(116,012)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	183,697
Transfers out	-	-	-	-	-	-	-	(183,697)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,047)	(63,543)	(29,759)	27,973	(31,893)	205	132,076	(116,012)
Cash and investments - ending	\$ (1,047)	\$ -	\$ -	\$ (23)	\$ (2,084)	\$ -	\$ 59,715	\$ 2,789,906

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post Retirement/ Severance Future Benefits	Construction	Construction High School Escrow Money
Cash and investments - beginning	\$ 849,806	\$ 263,800	\$ 109,742	\$ 457,262	\$ 44,598	\$ -	\$ 425,498	\$ -	\$ 287,525	\$ -
Receipts:										
Local sources	269,853	1,519,432	141,493	490,212	811,387	77,333	-	-	-	-
Intermediate sources	232	-	-	-	-	-	-	-	-	-
State sources	8,760,984	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	26,075	-	-	-	-	-	-	-	-	-
Total receipts	9,057,144	1,519,432	141,493	490,212	811,387	77,333	-	-	-	-
Disbursements:										
Current:										
Instruction	5,283,961	-	-	-	-	-	-	29,484	-	-
Support services	3,239,643	-	-	366,516	840,201	1,500	39,416	-	-	66,657
Noninstructional services	125,394	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	20,003	-	-	216,308	-	-	-	-	-	-
Debt services	-	1,510,091	199,423	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,669,001	1,510,091	199,423	582,824	840,201	1,500	39,416	29,484	-	66,657
Excess (deficiency) of receipts over disbursements	388,143	9,341	(57,930)	(92,612)	(28,814)	75,833	(39,416)	(29,484)	-	(66,657)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	61,349
Transfers in	-	-	7,187	-	79,134	(34,468)	34,468	29,484	-	287,525
Transfers out	(42,801)	-	-	-	-	-	(81,720)	-	(287,525)	-
Total other financing sources (uses)	(42,801)	-	7,187	-	79,134	(34,468)	(47,252)	29,484	(287,525)	348,874
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	345,342	9,341	(50,743)	(92,612)	50,320	41,365	(86,668)	-	(287,525)	282,217
Cash and investments - ending	\$ 1,195,148	\$ 273,141	\$ 58,999	\$ 364,650	\$ 94,918	\$ 41,365	\$ 338,830	\$ -	\$ -	\$ 282,217

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Hutton Scholarship	Seaperch 2010	Credit Recovery Novel Stars	Gifted/Talented High Ability 11/12	Gifted/Talented High Ability 10/11	Non-English Speaking Programs P.L. 273-1999	School Technology
Cash and investments - beginning	\$ -	\$ 155,952	\$ 31,765	\$ 6,976	\$ 3,607	\$ 7,744	\$ -	\$ 10,708	\$ 7,170	\$ -
Receipts:										
Local sources	233,575	48,779	-	-	-	50	29,278	-	146	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	5,012	51,452	-	-	-	-	-	-	-	-
Federal sources	352,956	-	-	-	-	-	-	-	-	-
Other	4,240	-	-	-	-	-	-	-	-	-
Total receipts	595,783	100,231	-	-	-	50	29,278	-	146	-
Disbursements:										
Current:										
Instruction	-	-	-	-	3,607	-	20,162	12,003	-	-
Support services	23,286	230,761	-	-	-	-	97	-	-	4,567
Noninstructional services	637,582	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total disbursements	660,868	230,761	-	-	3,607	-	20,259	12,003	-	4,567
Excess (deficiency) of receipts over disbursements	(65,085)	(130,530)	-	-	(3,607)	50	9,019	(12,003)	146	(4,567)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	8,716	-	-	-	-	-	9,019	-	-
Transfers out	-	-	-	-	-	-	(9,019)	-	-	-
Total other financing sources (uses)	-	8,716	-	-	-	-	(9,019)	9,019	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(65,085)	(121,814)	-	-	(3,607)	50	-	(2,984)	146	(4,567)
Cash and investments - ending	\$ (65,085)	\$ 34,138	\$ 31,765	\$ 6,976	\$ -	\$ 7,794	\$ -	\$ 7,724	\$ 7,316	\$ (4,567)

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Miscellaneous Programs	Ireland Grant Attendance	Ireland Grant 2012	Title I 2009/2010	Title I 2010/2011	Title I 2008/2009	Title I 2011/2012	Learn and Serve America 2010/2011	Safe and Drug-Free Schools 07/09
Cash and investments - beginning	\$ 5,428	\$ -	\$ -	\$ 21,685	\$ 83,154	\$ (42,745)	\$ -	\$ (410)	\$ 2,739
Receipts:									
Local sources	21,490	894	3,524	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	30,286	-	77,698	449	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	21,490	894	3,524	-	30,286	-	77,698	449	-
Disbursements:									
Current:									
Instruction	460	-	-	-	130,627	-	144,830	-	-
Support services	-	-	-	-	-	-	-	-	1,500
Noninstructional services	11,526	94	2,116	-	-	-	-	39	-
Facilities acquisition and construction	17,018	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total disbursements	29,004	94	2,116	-	130,627	-	144,830	39	1,500
Excess (deficiency) of receipts over disbursements	(7,514)	800	1,408	-	(100,341)	-	(67,132)	410	(1,500)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	2,208	-	-	-	-	-	-	-	-
Transfers out	-	(800)	(1,408)	-	-	-	-	-	-
Total other financing sources (uses)	2,208	(800)	(1,408)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,306)	-	-	-	(100,341)	-	(67,132)	410	(1,500)
Cash and investments - ending	\$ 122	\$ -	\$ -	\$ 21,685	\$ (17,187)	\$ (42,745)	\$ (67,132)	\$ -	\$ 1,239

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Safe and Drug-Free Schools 09/11	Project Lead The Way	Improving Teacher Quality Title II, Part A 2009/2011	Improving Teacher Quality Title II, Part A 2010/2012	ARRA Title I Stimulus 2009/2010	ARRA Special Education Grants to States	Education Jobs	Payroll Withholdings	Totals
Cash and investments - beginning	\$ 1,341	\$ (1,047)	\$ -	\$ -	\$ (23)	\$ (2,084)	\$ -	\$ 59,715	\$ 2,789,906
Receipts:									
Local sources	-	15,000	-	-	-	78,326	-	-	3,740,772
Intermediate sources	-	-	-	-	-	-	-	-	232
State sources	-	-	-	-	-	-	-	-	8,817,448
Federal sources	-	-	31,113	12,763	4,197	-	221,433	-	730,895
Other	-	-	-	-	-	-	-	1,863,215	1,893,530
Total receipts	-	15,000	31,113	12,763	4,197	78,326	221,433	1,863,215	15,182,877
Disbursements:									
Current:									
Instruction	-	26,914	-	-	4,176	76,243	295,242	-	6,027,709
Support services	1,461	-	40,318	13,714	-	-	-	-	4,869,637
Noninstructional services	-	-	-	-	-	-	-	-	776,751
Facilities acquisition and construction	-	-	-	-	-	-	-	-	253,329
Debt services	-	-	-	-	-	-	-	-	1,709,514
Other	-	-	-	-	-	-	-	1,849,791	1,849,791
Total disbursements	1,461	26,914	40,318	13,714	4,176	76,243	295,242	1,849,791	15,486,731
Excess (deficiency) of receipts over disbursements	(1,461)	(11,914)	(9,205)	(951)	21	2,083	(73,809)	13,424	(303,854)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	61,349
Transfers in	-	-	-	-	-	-	-	-	423,273
Transfers out	-	-	-	-	-	-	-	-	(423,273)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	61,349
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,461)	(11,914)	(9,205)	(951)	21	2,083	(73,809)	13,424	(242,505)
Cash and investments - ending	\$ (120)	\$ (12,961)	\$ (9,205)	\$ (951)	\$ (2)	\$ (1)	\$ (73,809)	\$ 73,139	\$ 2,547,401

EASTERN GREENE SCHOOLS
AUDIT RESULTS AND COMMENTS

ERRORS ON CLAIMS

The following deficiency was noted on claims during the audit period:

Several claims dockets were not retained for audit.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . .

- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

Indiana Code 5-15-6-3(f) states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Debt Service	2011	\$ 2,257
School Transportation	2011	117,531

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

EASTERN GREENE SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliation of the fund balances to the adjusted bank account balances as of June 30, 2011 was incorrect. Errors were identified and corrected by the School Corporation and the fund balances were reconciled with the bank account balances as of June 30, 2012.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

OVERDRAWN FUND BALANCES

The Title I 2008/2009 fund balance was overdrawn as of June 30, 2011 and was not waiting on grant reimbursement. The following fund balances were overdrawn as of June 30, 2012 and were not waiting on grant reimbursement: School Lunch, School Technology, Title I 2008/2009, Title I 2010/2011, Safe and Drug-Free Schools 09/11, ARRA Title I - Stimulus 09/10, and ARRA Special Education - Grants to States. A similar comment appeared in the prior report.

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
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
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 Eastern Greene Schools' (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 of America; 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 could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

Internal Control Over Compliance

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 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, 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 WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance 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, 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 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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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 14, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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.

EASTERN GREENE SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 94,437	\$ 108,960
National School Lunch Program	10.555		288,698	304,836
Special Milk Program for Children	10.556		-	1,095
Total for federal grantor agency			<u>383,135</u>	<u>414,891</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies				
FY 09-10			44,599	-
FY 10-11			143,691	130,627
FY 11-12			-	144,830
Total for program			<u>188,290</u>	<u>275,457</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		<u>15,470</u>	<u>4,174</u>
Total for cluster			<u>203,760</u>	<u>279,631</u>
Special Education Cluster				
ARRA - Special Education - Grants to States, Recovery Act				
	84.391		<u>117,400</u>	<u>88,609</u>
ARRA - Special Education - Preschool Grants, Recovery Act				
	84.392		<u>1,546</u>	<u>592</u>
Total for cluster			<u>118,946</u>	<u>89,201</u>
Safe and Drug-Free Schools and Communities - State Grants				
SY 2008-2009	84.186		3,728	-
SY 2009-2010			4,195	1,341
Total for program			<u>7,923</u>	<u>1,341</u>
Improving Teacher Quality State Grants				
SY 2009-2010	84.367		33,785	-
SY 2010-2011			16,643	23,675
SY 2011-2012			-	12,764
Total for program			<u>50,428</u>	<u>36,439</u>
Education Jobs Fund				
SY 2010-2011	84.410		-	295,242
Pass-Through Indiana Department of Workforce Development				
Tech Prep Education				
Project Lead The Way 10-11	84.243		15,000	-
Total for federal grantor agency			<u>396,057</u>	<u>701,854</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Education				
Learn and Serve America - School and Community Based Programs				
FY 2010-2011	94.004		12,000	-
FY 2011-2012			410	39
Total for federal grantor agency			<u>12,410</u>	<u>39</u>
Total federal awards expended			<u>\$ 791,602</u>	<u>\$ 1,116,784</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

Note 1. 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 cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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 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.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
School Breakfast Program	10.553	\$ 11,094	\$ 15,957
National School Lunch Program	10.555	33,678	44,415

EASTERN GREENE SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2013, with Thomas T. Mungle, Superintendent of Schools, and Marilyn Burch, Treasurer. The officials concurred with our audit findings.