

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

GREENFIELD-CENTRAL COMMUNITY
SCHOOL CORPORATION
HANCOCK COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
03/25/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ruthann Fisher	07-01-11 to 06-30-14
Superintendent of Schools	Dr. Linda Gellert	07-01-11 to 06-30-14
President of the School Board	Michael Summers Retta Livengood	01-01-11 to 12-31-11 01-01-12 to 12-31-13



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AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE GREENFIELD-CENTRAL COMMUNITY
SCHOOL CORPORATION, HANCOCK COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Greenfield-Central Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 30, 2014, 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 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* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Other Information

The School Corporation's response to the Audit Result and Comment identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.


Paul D. Joyce, CPA
State Examiner

January 30, 2014



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ROOM E418
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Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE GREENFIELD-CENTRAL COMMUNITY
SCHOOL CORPORATION, HANCOCK COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Greenfield-Central Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated January 30, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be a significant deficiency.

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

Compliance and Other Matters

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

Greenfield-Central Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

January 30, 2014

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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.

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GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	\$ 2,829,526	\$ 26,855,285	\$ 26,667,927	\$ (129,368)	\$ 2,887,516	\$ 28,083,426	\$ 25,694,354	\$ -	\$ 5,276,588
Debt Service	5,237,969	10,619,602	10,687,639	-	5,169,932	11,622,675	10,829,446	(29,472)	5,933,689
Retirement/Severance Bond Debt Service	305,568	517,165	533,794	-	288,939	529,527	535,583	-	282,883
Capital Projects	3,138,373	7,911,833	6,213,795	-	4,836,411	5,283,558	5,991,074	-	4,128,895
School Transportation	993,138	1,585,233	1,565,093	65,497	1,078,775	1,583,839	1,562,696	-	1,099,918
School Bus Replacement	760,096	358,540	415,427	-	703,209	183,747	686,628	-	200,328
Rainy Day	1,550,000	-	-	-	1,550,000	-	84,853	-	1,465,147
Construction	-	1,432,198	-	-	1,432,198	-	-	-	1,432,198
School Lunch	274,382	2,203,906	2,026,804	-	451,484	2,129,955	2,191,948	-	389,491
Textbook Rental	152,433	420,550	440,482	-	132,501	415,689	239,537	29,472	338,125
Levy Excess	65,497	82,278	-	(65,497)	82,278	-	-	-	82,278
Joint Services and Supply - Special Education Cooperative	824,811	62	824,873	-	-	-	-	-	-
JS Alternative Education	10,057	-	10,057	-	-	-	-	-	-
Preschool	(10,177)	143,464	133,287	-	-	-	-	-	-
Educational License Plates	2,175	881	2,906	-	150	656	600	-	206
Alternative Education	53,599	9,091	28,923	-	33,767	10,320	28,320	-	15,767
HCCF Tutoring	-	3,960	3,960	-	-	-	-	-	-
Donations, Gifts and Trusts	179,656	18,372	94,369	-	103,659	23,941	57,922	-	69,678
World Language	7,625	-	400	-	7,225	-	-	-	7,225
High Ability	17,738	43,210	50,780	-	10,168	44,329	34,301	-	20,196
Childrens Theater	20,523	19,868	20,515	-	19,876	19,601	19,694	-	19,783
Cultural Arts	244,856	104,000	60,340	-	288,516	-	61,429	-	227,087
Non-English Speaking Programs P.L. 273-1999	1,249	215	1,383	-	81	2,168	102	-	2,147
School Technology	33,015	34,474	61,958	-	5,531	63,652	10,003	-	59,180
OSS	(42,661)	12,480	12,728	-	(42,909)	-	5,000	-	(47,909)
Drivers Education	23,906	38,850	21,626	-	41,130	19,785	36,411	-	24,504
Insurance Fund	865,236	468,511	290,517	-	1,043,230	-	636	-	1,042,594
Dream It Do It	3	1,000	1,003	-	-	-	-	-	-
Excess PTRC Distributions	-	-	-	129,368	129,368	-	-	-	129,368
Beverage Contract	-	104,745	1,829	-	102,916	16,131	17,347	-	101,700
Title I 2010/2011	(23,771)	121,396	97,625	-	-	-	-	-	-
Title I 2011/2012	-	271,669	306,092	-	(34,423)	178,429	144,006	-	-
Title I 2012/2013	-	-	-	-	-	319,140	364,935	-	(45,795)
IDEA PL101-476	3,246	3,794	7,040	-	-	-	-	-	-
FY 2011 Federal IDEA Project	117,014	284,175	401,189	-	-	-	-	-	-
FY 2011 Preschool Project	16,148	15,563	31,711	-	-	-	-	-	-
Drug Free Schools SY09-10	1,792	5,729	7,521	-	-	-	-	-	-
Vocational and Technical Board Grants	(5,943)	6,634	691	-	-	-	-	-	-
Medicaid Reimbursement - Federal	14,354	-	-	-	14,354	-	-	-	14,354
PTLW Grant	(3,412)	12,165	8,753	-	-	-	-	-	-
Bio-Grant	1	-	1	-	-	-	-	-	-
Tech Prep	-	-	-	-	-	3,300	3,300	-	-
Title II Part A	(17,292)	74,879	57,587	-	-	-	-	-	-
Title II Part A, Improving Teacher FY 2010/2011	-	107,283	113,594	-	(6,311)	23,298	16,987	-	-
Title II Part A, Improving Teacher FY 2011/2012	-	-	-	-	-	105,701	114,003	-	(8,302)
Title I - Grants to LEAs	(18,820)	101,949	83,129	-	-	-	-	-	-
Special Education - Part B	21,568	482,702	504,270	-	-	-	-	-	-
Special Education - Part B - Preschool	6,233	-	6,233	-	-	-	-	-	-
Education Jobs	-	96,312	368,539	-	(272,227)	756,368	484,141	-	-
GCSC Stimulus IDEA Part B	(64,217)	204,430	140,213	-	-	-	-	-	-
Payroll Withholdings Fund	169,528	5,706,549	5,772,758	-	103,319	5,509,458	5,522,137	-	90,640
Totals	\$ 17,755,022	\$ 60,485,002	\$ 58,079,361	\$ -	\$ 20,160,663	\$ 56,928,693	\$ 54,737,393	\$ -	\$ 22,351,963

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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
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.

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

Other receipts 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.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

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

F. Other Financing Sources and Uses

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

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.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
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.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
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.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds established for reimbursement grants that required program costs to be paid prior to receiving reimbursement and funds that did not generate adequate revenues to cover operating expenses.

Note 8. Holding Corporations

The School Corporation entered into capital leases with Greenfield-Central Multi-School Building Corporation and the Greenfield Middle School Corporation (the lessors). The lessors were both organized as a not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments to the lessors during the fiscal years 2011-2012 and 2012-2013 totaled \$5,377,000 and \$5,375,000, respectively.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Other Postemployment Benefits

The School Corporation provided health insurance to eligible retirees and their spouses. These benefits posed a liability to the School Corporation during the audit period. Information regarding the benefits can be obtained by contacting the School Corporation.

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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.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 2,829,526	\$ 5,237,969	\$ 305,568	\$ 3,138,373	\$ 993,138	\$ 760,096	\$ 1,550,000
Receipts:							
Local sources	495,608	10,619,602	517,165	5,889,195	1,585,233	358,540	-
Intermediate sources	-	-	-	-	-	-	-
State sources	26,348,996	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	2,000,000	-	-	-
Other	10,681	-	-	22,638	-	-	-
Total receipts	<u>26,855,285</u>	<u>10,619,602</u>	<u>517,165</u>	<u>7,911,833</u>	<u>1,585,233</u>	<u>358,540</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	15,831,783	-	-	-	-	-	-
Support services	8,541,545	-	-	3,073,103	1,565,093	415,427	-
Noninstructional services	294,599	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	3,140,692	-	-	-
Debt services	-	10,687,639	533,794	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	2,000,000	-	-	-	-	-	-
Total disbursements	<u>26,667,927</u>	<u>10,687,639</u>	<u>533,794</u>	<u>6,213,795</u>	<u>1,565,093</u>	<u>415,427</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>187,358</u>	<u>(68,037)</u>	<u>(16,629)</u>	<u>1,698,038</u>	<u>20,140</u>	<u>(56,887)</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	65,497	-	-
Transfers out	(129,368)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(129,368)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,497</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>57,990</u>	<u>(68,037)</u>	<u>(16,629)</u>	<u>1,698,038</u>	<u>85,637</u>	<u>(56,887)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,887,516</u>	<u>\$ 5,169,932</u>	<u>\$ 288,939</u>	<u>\$ 4,836,411</u>	<u>\$ 1,078,775</u>	<u>\$ 703,209</u>	<u>\$ 1,550,000</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Construction	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply Special Education Cooperative	JS Alternative Education	Preschool
Cash and investments - beginning	\$ -	\$ 274,382	\$ 152,433	\$ 65,497	\$ 824,811	\$ 10,057	\$ (10,177)
Receipts:							
Local sources	1,432,198	1,298,134	296,667	82,278	62	-	143,464
Intermediate sources	-	-	-	-	-	-	-
State sources	-	25,193	123,883	-	-	-	-
Federal sources	-	879,954	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	625	-	-	-	-	-
Total receipts	<u>1,432,198</u>	<u>2,203,906</u>	<u>420,550</u>	<u>82,278</u>	<u>62</u>	<u>-</u>	<u>143,464</u>
Disbursements:							
Current:							
Instruction	-	-	-	-	559,727	7,222	81,989
Support services	-	16,869	440,482	-	265,146	2,835	51,298
Noninstructional services	-	2,007,194	-	-	-	-	-
Facilities acquisition and construction	-	2,741	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>2,026,804</u>	<u>440,482</u>	<u>-</u>	<u>824,873</u>	<u>10,057</u>	<u>133,287</u>
Excess (deficiency) of receipts over disbursements	<u>1,432,198</u>	<u>177,102</u>	<u>(19,932)</u>	<u>82,278</u>	<u>(824,811)</u>	<u>(10,057)</u>	<u>10,177</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(65,497)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,497)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,432,198</u>	<u>177,102</u>	<u>(19,932)</u>	<u>16,781</u>	<u>(824,811)</u>	<u>(10,057)</u>	<u>10,177</u>
Cash and investments - ending	<u>\$ 1,432,198</u>	<u>\$ 451,484</u>	<u>\$ 132,501</u>	<u>\$ 82,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Educational License Plates	Alternative Education	HCCF Tutoring	Donations, Gifts And Trusts	World Language	High Ability	Childrens Theater
Cash and investments - beginning	\$ 2,175	\$ 53,599	\$ -	\$ 179,656	\$ 7,625	\$ 17,738	\$ 20,523
Receipts:							
Local sources	-	-	3,960	18,372	-	-	19,868
Intermediate sources	881	-	-	-	-	-	-
State sources	-	9,091	-	-	-	43,210	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>881</u>	<u>9,091</u>	<u>3,960</u>	<u>18,372</u>	<u>-</u>	<u>43,210</u>	<u>19,868</u>
Disbursements:							
Current:							
Instruction	-	19,832	3,960	36,286	400	50,780	20,515
Support services	-	9,091	-	58,083	-	-	-
Noninstructional services	2,906	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>2,906</u>	<u>28,923</u>	<u>3,960</u>	<u>94,369</u>	<u>400</u>	<u>50,780</u>	<u>20,515</u>
Excess (deficiency) of receipts over disbursements	<u>(2,025)</u>	<u>(19,832)</u>	<u>-</u>	<u>(75,997)</u>	<u>(400)</u>	<u>(7,570)</u>	<u>(647)</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,025)</u>	<u>(19,832)</u>	<u>-</u>	<u>(75,997)</u>	<u>(400)</u>	<u>(7,570)</u>	<u>(647)</u>
Cash and investments - ending	<u>\$ 150</u>	<u>\$ 33,767</u>	<u>\$ -</u>	<u>\$ 103,659</u>	<u>\$ 7,225</u>	<u>\$ 10,168</u>	<u>\$ 19,876</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Cultural Arts	Non-English Speaking Programs P.L. 273-1999	School Technology	OSS	Drivers Education	Insurance Fund	Dream It Do It
Cash and investments - beginning	\$ 244,856	\$ 1,249	\$ 33,015	\$ (42,661)	\$ 23,906	\$ 865,236	\$ 3
Receipts:							
Local sources	-	-	34,474	12,480	38,515	468,511	1,000
Intermediate sources	104,000	-	-	-	-	-	-
State sources	-	215	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	335	-	-
Total receipts	<u>104,000</u>	<u>215</u>	<u>34,474</u>	<u>12,480</u>	<u>38,850</u>	<u>468,511</u>	<u>1,000</u>
Disbursements:							
Current:							
Instruction	-	140	-	2,588	21,422	-	1,003
Support services	60,340	1,243	61,958	10,140	204	290,517	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>60,340</u>	<u>1,383</u>	<u>61,958</u>	<u>12,728</u>	<u>21,626</u>	<u>290,517</u>	<u>1,003</u>
Excess (deficiency) of receipts over disbursements	<u>43,660</u>	<u>(1,168)</u>	<u>(27,484)</u>	<u>(248)</u>	<u>17,224</u>	<u>177,994</u>	<u>(3)</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>43,660</u>	<u>(1,168)</u>	<u>(27,484)</u>	<u>(248)</u>	<u>17,224</u>	<u>177,994</u>	<u>(3)</u>
Cash and investments - ending	<u>\$ 288,516</u>	<u>\$ 81</u>	<u>\$ 5,531</u>	<u>\$ (42,909)</u>	<u>\$ 41,130</u>	<u>\$ 1,043,230</u>	<u>\$ -</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Excess PTRC Distributions	Beverage Contract	Title I 2010/2011	Title I 2011/2012	IDEA PL101-446	FY 2011 Federal IDEA Project	FY 2011 Preschool Project
Cash and investments - beginning	\$ -	\$ -	\$ (23,771)	\$ -	\$ 3,246	\$ 117,014	\$ 16,148
Receipts:							
Local sources	-	104,745	-	-	3,794	284,175	15,563
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	121,396	271,669	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	104,745	121,396	271,669	3,794	284,175	15,563
Disbursements:							
Current:							
Instruction	-	-	76,264	197,400	5,850	98,149	7,148
Support services	-	1,829	16,569	108,301	1,190	303,040	24,563
Noninstructional services	-	-	144	391	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	4,648	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	1,829	97,625	306,092	7,040	401,189	31,711
Excess (deficiency) of receipts over disbursements	-	102,916	23,771	(34,423)	(3,246)	(117,014)	(16,148)
Other financing sources (uses):							
Transfers in	129,368	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	129,368	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	129,368	102,916	23,771	(34,423)	(3,246)	(117,014)	(16,148)
Cash and investments - ending	\$ 129,368	\$ 102,916	\$ -	\$ (34,423)	\$ -	\$ -	\$ -

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Drug Free Schools SY09-10	Vocational and Technical Board Grants	Medicaid Reimbursement Federal	PTLW Grant	Bio-Grant	Title II Part A	Title II Part A Improving Teacher FY 2010/2011
Cash and investments - beginning	\$ 1,792	\$ (5,943)	\$ 14,354	\$ (3,412)	\$ 1	\$ (17,292)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	12,165	-	-	-
Federal sources	5,729	6,634	-	-	-	74,879	107,283
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>5,729</u>	<u>6,634</u>	<u>-</u>	<u>12,165</u>	<u>-</u>	<u>74,879</u>	<u>107,283</u>
Disbursements:							
Current:							
Instruction	-	691	-	8,753	1	48,360	111,626
Support services	7,521	-	-	-	-	9,227	1,968
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>7,521</u>	<u>691</u>	<u>-</u>	<u>8,753</u>	<u>1</u>	<u>57,587</u>	<u>113,594</u>
Excess (deficiency) of receipts over disbursements	<u>(1,792)</u>	<u>5,943</u>	<u>-</u>	<u>3,412</u>	<u>(1)</u>	<u>17,292</u>	<u>(6,311)</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,792)</u>	<u>5,943</u>	<u>-</u>	<u>3,412</u>	<u>(1)</u>	<u>17,292</u>	<u>(6,311)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,354</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,311)</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	GCSC Stimulus IDEA Part B	Payroll Withholdings Fund	Totals
Cash and investments - beginning	\$ (18,820)	\$ 21,568	\$ 6,233	\$ -	\$ (64,217)	\$ 169,528	\$ 17,755,022
Receipts:							
Local sources	-	-	-	-	-	-	23,723,603
Intermediate sources	-	-	-	-	-	-	104,881
State sources	-	-	-	-	-	-	26,562,753
Federal sources	101,949	482,702	-	96,312	204,430	-	2,352,937
Interfund loans	-	-	-	-	-	-	2,000,000
Other	-	-	-	-	-	5,706,549	5,740,828
Total receipts	<u>101,949</u>	<u>482,702</u>	<u>-</u>	<u>96,312</u>	<u>204,430</u>	<u>5,706,549</u>	<u>60,485,002</u>
Disbursements:							
Current:							
Instruction	10,154	121	-	330,824	139,445	-	17,672,433
Support services	72,975	504,149	6,233	37,715	768	-	15,959,422
Noninstructional services	-	-	-	-	-	-	2,305,234
Facilities acquisition and construction	-	-	-	-	-	-	3,143,433
Debt services	-	-	-	-	-	-	11,221,433
Nonprogrammed charges	-	-	-	-	-	5,772,758	5,777,406
Interfund loans	-	-	-	-	-	-	2,000,000
Total disbursements	<u>83,129</u>	<u>504,270</u>	<u>6,233</u>	<u>368,539</u>	<u>140,213</u>	<u>5,772,758</u>	<u>58,079,361</u>
Excess (deficiency) of receipts over disbursements	<u>18,820</u>	<u>(21,568)</u>	<u>(6,233)</u>	<u>(272,227)</u>	<u>64,217</u>	<u>(66,209)</u>	<u>2,405,641</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	194,865
Transfers out	-	-	-	-	-	-	(194,865)
Total other financing sources (uses)	<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>18,820</u>	<u>(21,568)</u>	<u>(6,233)</u>	<u>(272,227)</u>	<u>64,217</u>	<u>(66,209)</u>	<u>2,405,641</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (272,227)</u>	<u>\$ -</u>	<u>\$ 103,319</u>	<u>\$ 20,160,663</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 2,887,516	\$ 5,169,932	\$ 288,939	\$ 4,836,411	\$ 1,078,775	\$ 703,209	\$ 1,550,000
Receipts:							
Local sources	379,979	11,622,675	529,527	5,240,666	1,583,839	183,747	-
Intermediate sources	-	-	-	-	-	-	-
State sources	27,703,447	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	42,892	-	-	-
Total receipts	<u>28,083,426</u>	<u>11,622,675</u>	<u>529,527</u>	<u>5,283,558</u>	<u>1,583,839</u>	<u>183,747</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	16,363,440	-	-	-	-	-	-
Support services	9,049,486	-	-	2,055,468	1,562,696	686,628	-
Noninstructional services	281,428	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	3,935,606	-	-	84,853
Debt services	-	10,829,446	535,583	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>25,694,354</u>	<u>10,829,446</u>	<u>535,583</u>	<u>5,991,074</u>	<u>1,562,696</u>	<u>686,628</u>	<u>84,853</u>
Excess (deficiency) of receipts over disbursements	<u>2,389,072</u>	<u>793,229</u>	<u>(6,056)</u>	<u>(707,516)</u>	<u>21,143</u>	<u>(502,881)</u>	<u>(84,853)</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(29,472)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(29,472)</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>2,389,072</u>	<u>763,757</u>	<u>(6,056)</u>	<u>(707,516)</u>	<u>21,143</u>	<u>(502,881)</u>	<u>(84,853)</u>
Cash and investments - ending	<u>\$ 5,276,588</u>	<u>\$ 5,933,689</u>	<u>\$ 282,883</u>	<u>\$ 4,128,895</u>	<u>\$ 1,099,918</u>	<u>\$ 200,328</u>	<u>\$ 1,465,147</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Construction	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Alternative Education	Donations, Gifts And Trusts
Cash and investments - beginning	\$ 1,432,198	\$ 451,484	\$ 132,501	\$ 82,278	\$ 150	\$ 33,767	\$ 103,659
Receipts:							
Local sources	-	1,301,344	292,614	-	-	-	23,941
Intermediate sources	-	-	-	-	656	-	-
State sources	-	24,937	123,075	-	-	10,320	-
Federal sources	-	803,019	-	-	-	-	-
Other	-	655	-	-	-	-	-
Total receipts	-	2,129,955	415,689	-	656	10,320	23,941
Disbursements:							
Current:							
Instruction	-	-	-	-	-	18,000	42,975
Support services	-	18,988	239,537	-	-	10,320	14,947
Noninstructional services	-	2,170,385	-	-	600	-	-
Facilities acquisition and construction	-	2,575	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	2,191,948	239,537	-	600	28,320	57,922
Excess (deficiency) of receipts over disbursements	-	(61,993)	176,152	-	56	(18,000)	(33,981)
Other financing sources (uses):							
Transfers in	-	-	29,472	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	29,472	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(61,993)	205,624	-	56	(18,000)	(33,981)
Cash and investments - ending	\$ 1,432,198	\$ 389,491	\$ 338,125	\$ 82,278	\$ 206	\$ 15,767	\$ 69,678

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	World Language	High Ability	Childrens Theater	Cultural Arts	Non-English Speaking Programs P.L. 273-1999	School Technology	OSS
Cash and investments - beginning	\$ 7,225	\$ 10,168	\$ 19,876	\$ 288,516	\$ 81	\$ 5,531	\$ (42,909)
Receipts:							
Local sources	-	14	19,601	-	-	63,652	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	44,315	-	-	2,168	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	44,329	19,601	-	2,168	63,652	-
Disbursements:							
Current:							
Instruction	-	34,301	19,694	-	65	-	5,000
Support services	-	-	-	61,429	37	10,003	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	-	34,301	19,694	61,429	102	10,003	5,000
Excess (deficiency) of receipts over disbursements	-	10,028	(93)	(61,429)	2,066	53,649	(5,000)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	10,028	(93)	(61,429)	2,066	53,649	(5,000)
Cash and investments - ending	\$ 7,225	\$ 20,196	\$ 19,783	\$ 227,087	\$ 2,147	\$ 59,180	\$ (47,909)

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Drivers Education	Insurance Fund	Excess PTRC Distributions	Beverage Contract	Title I 2011/2012	Title I 2012/2013	Medicaid Reimbursement Federal
Cash and investments - beginning	\$ 41,130	\$ 1,043,230	\$ 129,368	\$ 102,916	\$ (34,423)	\$ -	\$ 14,354
Receipts:							
Local sources	19,785	-	-	16,131	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	178,429	319,140	-
Other	-	-	-	-	-	-	-
Total receipts	<u>19,785</u>	<u>-</u>	<u>-</u>	<u>16,131</u>	<u>178,429</u>	<u>319,140</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	36,411	-	-	-	95,633	274,597	-
Support services	-	636	-	17,347	48,373	90,282	-
Noninstructional services	-	-	-	-	-	56	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>36,411</u>	<u>636</u>	<u>-</u>	<u>17,347</u>	<u>144,006</u>	<u>364,935</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(16,626)</u>	<u>(636)</u>	<u>-</u>	<u>(1,216)</u>	<u>34,423</u>	<u>(45,795)</u>	<u>-</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(16,626)</u>	<u>(636)</u>	<u>-</u>	<u>(1,216)</u>	<u>34,423</u>	<u>(45,795)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 24,504</u>	<u>\$ 1,042,594</u>	<u>\$ 129,368</u>	<u>\$ 101,700</u>	<u>\$ -</u>	<u>\$ (45,795)</u>	<u>\$ 14,354</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Tech Prep	Title II Part A Improving Teacher FY 2010/2011	Title II Part A Improving Teacher FY 2011/2012	Education Jobs	Payroll Withholdings Fund	Totals
Cash and investments - beginning	\$ -	\$ (6,311)	\$ -	\$ (272,227)	\$ 103,319	\$ 20,160,663
Receipts:						
Local sources	-	1,330	-	-	-	21,278,845
Intermediate sources	-	-	-	-	-	656
State sources	-	-	-	-	-	27,908,262
Federal sources	3,300	21,968	105,701	756,368	-	2,187,925
Other	-	-	-	-	5,509,458	5,553,005
Total receipts	<u>3,300</u>	<u>23,298</u>	<u>105,701</u>	<u>756,368</u>	<u>5,509,458</u>	<u>56,928,693</u>
Disbursements:						
Current:						
Instruction	3,300	9,225	107,525	484,141	-	17,494,307
Support services	-	7,762	6,478	-	-	13,880,417
Noninstructional services	-	-	-	-	-	2,452,469
Facilities acquisition and construction	-	-	-	-	-	4,023,034
Debt services	-	-	-	-	-	11,365,029
Nonprogrammed charges	-	-	-	-	5,522,137	5,522,137
Total disbursements	<u>3,300</u>	<u>16,987</u>	<u>114,003</u>	<u>484,141</u>	<u>5,522,137</u>	<u>54,737,393</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>6,311</u>	<u>(8,302)</u>	<u>272,227</u>	<u>(12,679)</u>	<u>2,191,300</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	29,472
Transfers out	-	-	-	-	-	(29,472)
Total other financing sources (uses)	<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>-</u>	<u>6,311</u>	<u>(8,302)</u>	<u>272,227</u>	<u>(12,679)</u>	<u>2,191,300</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,302)</u>	<u>\$ -</u>	<u>\$ 90,640</u>	<u>\$ 22,351,963</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF PAYABLES AND RECEIVABLES
 June 30, 2013

School Corporation	Accounts Payable	Accounts Receivable
Governmental activities:		
Revenue from partnership and federal sources yet to be received	\$ -	\$ 102,006
Collection agency open accounts	-	335,907
Unliquidated purchase orders	492,483	-
Rental agreements	-	1,333
Totals	\$ 492,483	\$ 439,246

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2013

Lessor	Purpose	Annual Lease Payment*	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Summary lease rental payments	Building Construction, Additions, and Renovation	\$ 5,227,205	06-20-08	12-31-32
2010	Lease-Hold	3,073,938	06-30-10	06-30-21
2012	Lease-Hold	<u>3,553,110</u>	07-15-12	01-15-16
Total of annual lease payments		<u>\$ 11,854,253</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Pension debt	\$ 515,000	\$ 535,242
General obligation bonds	Qualified School Construction Bond (QSCB)	<u>764,000</u>	<u>76,469</u>
Totals		<u>\$ 1,279,000</u>	<u>\$ 611,711</u>

*Average payment

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GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2013

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 500,000
Buildings	119,463,813
Improvements other than buildings	5,397,460
Machinery, equipment, and vehicles	<u>8,673,105</u>
Total capital assets	<u>\$ 134,034,378</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCE

The financial statement presented in this report included an overdrawn cash balance for the OSS Fund that was not related to a reimbursable grant program. The amount overdrawn has continuously increased over the last three years. The Fund reported overdrawn balances at June 30, 2011, 2012, and 2013, of \$42,616, \$42,909, and \$47,909, respectively.

The cash 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)

COLLECTIVE BARGAINING AGREEMENT

The collective bargaining agreement presented for audit contained the following items prohibited by Indiana Code 20-29-6-4.5:

For the 2011-2012 Master Contract:

1. Return from Leave Provision is included in the contract. When a teacher returns from a leave of greater than 60 days, the assignment of that individual will be determined as discussed in the contract.
2. Unpaid Adoptive Leave and Unpaid Leave are discussed in the contract.
3. School Employer and Employee Rights are discussed in the contract.
4. The negotiation process is discussed in the contract.
5. The mileage reimbursement rate is the IRS rate, which does not function as compensation.

For the 2012-2013 Master Contract:

1. Return from Leave Provision is included in the contract. When a teacher returns from a leave of greater than 60 days, the assignment of that individual will be determined as discussed in the contract.
2. The mileage reimbursement rate is the IRS rate, which does not function as compensation.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 20-29-6-4 states:

"(a) A school employer shall bargain collectively with the exclusive representative on the following:

- (1) Salary.
- (2) Wages.
- (3) Salary and wage related fringe benefits, including accident, sickness, health, dental, vision, life, disability, retirement benefits, and paid time off as permitted to be bargained under IC 20-28-9-11.

(b) Salary and wages include the amounts of pay increases available to employees under the salary scale adopted under IC 20-28-9-1, but do not include the teacher evaluation procedures and criteria, or any components of the teacher evaluation plan, rubric, or tool."

Indiana Code 20-29-6-4.5 states:

"(a) For a contract entered into after June 30, 2011, a school employer may not bargain collectively with the exclusive representative on the following:

- (1) The school calendar.
- (2) Teacher dismissal procedures and criteria.
- (3) Restructuring options available to a school employer under federal or state statutes, regulations, or rules because of the failure of the school corporation or a school to meet federal or state accountability standards.
- (4) The ability of a school employer to contract, partner, or operate jointly with an educational entity that provides postsecondary credits to students of the school employer or dual credits from the school employer and the educational entity.
- (5) Any subject not expressly listed in section 4 of this chapter.

(b) A subject set forth in subsection (a) that may not be bargained collectively may not be included in an agreement entered into under this article."

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE GREENFIELD-CENTRAL COMMUNITY
SCHOOL CORPORATION, HANCOCK COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Greenfield-Central Community School Corporation's (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, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Basis for Qualified Opinion on Title I, Part A Cluster

As described in item 2013-003 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with Period of Availability requirements provisions applicable to Title I, Part A Cluster programs. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

Basis for Qualified Opinion on Special Education Cluster

As described in items 2013-004 and 2013-005 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management, Reporting, and Subrecipient Monitoring that are applicable to its Special Education Cluster programs. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

Basis for Qualified Opinion on Education Jobs Fund

As described in item 2013-007 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Activities Allowed or Unallowed and Allowable Costs that are applicable to its Education Jobs Fund programs. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

Qualified Opinion on Title I, Part A Cluster, Special Education Cluster, and Education Jobs Fund

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraphs, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Title I, Part A Cluster, Special Education Cluster, and Education Jobs Fund for the period of July 1, 2011 to June 30, 2013.

Other Matters

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

Report on Internal Control Over Compliance

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

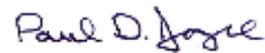
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-002, 2013-003, 2013-004, 2013-005, and 2013-006 to be material weaknesses.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Paul D. Joyce, CPA
State Examiner

January 30, 2014

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.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	2011-2012 2012-2013	\$ 44,284 -	\$ - 54,944
Total - School Breakfast Program				44,284	54,944
National School Lunch Program	Indiana Department of Education	10.555	2011-2012 2012-2013	941,972 -	- 880,401
Total - National School Lunch Program				941,972	880,401
Total - Child Nutrition Cluster				986,256	935,345
Total - Department of Agriculture				986,256	935,345
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	11-3125 12-3125 13-3125	97,625 271,669 -	- 178,429 319,140
Total - Title I Grants to Local Educational Agencies				369,294	497,569
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	Indiana Department of Education	84.389	10-3125	83,129	-
Total - Title I, Part A Cluster				452,423	497,569
Special Education Cluster					
Special Education - Grants to States	Indiana Department of Education Hancock Madison Shelby Educational Services Indiana Department of Education Hancock Madison Shelby Educational Services	84.027	14210-027-PN01 14210-027-PN01 14211-027-PN01 14211-027-PN01	3,246 3,794 117,014 284,175	- - - -
Total - Special Education - Grants to States				408,229	-
Special Education - Preschool Grants	Indiana Department of Education Hancock Madison Shelby Educational Services	84.173	45711-027-PN01 45711-027-PN01	16,148 15,563	- -
Total - Special Education - Preschool Grants				31,711	-

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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>Department of Education (continued)</u>					
Special Education Cluster (continued)					
ARRA - Special Education - Grants to States, Recovery Act	Indiana Department of Education	84.391	ARRA 33310-027-SN01 ARRA -GC-IDEA	504,270 <u>140,213</u>	- <u>-</u>
Total ARRA - Special Education - Grants to States, Recovery Act				<u>644,483</u>	<u>-</u>
ARRA - Special Education - Preschool Grants, Recovery Act	Indiana Department of Education	84.392	ARRA 44410-027-SN01	<u>6,233</u>	<u>-</u>
Total - Special Education Cluster				<u>1,090,656</u>	<u>-</u>
Career and Technical Education - Basic Grants to States	MSD of Warren Township MSD of Warren Township	84.048	11-6200-5360 13-4700-5360	8,753 <u>-</u>	- <u>3,300</u>
Total Career and Technical Education - Basic Grants to States				<u>8,753</u>	<u>3,300</u>
Safe and Drug Free Schools - State Grant	Indiana Department of Education	84.186	09-3125	<u>7,521</u>	<u>-</u>
Tech-Prep Education	Indiana Department of Education	84.243	A58-1-11CI-046	<u>691</u>	<u>-</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	FY 09-10 FY 10-11 FY 11-12	57,587 107,283 <u>-</u>	- 21,968 <u>105,701</u>
Total - Improving Teacher Quality State Grants				<u>164,870</u>	<u>127,669</u>
Education Jobs Fund	Indiana Department of Education	84.410	3125	<u>96,312</u>	<u>756,365</u>
Total - Department of Education				<u>1,821,226</u>	<u>1,384,903</u>
Total federal awards expended				<u>\$ 2,807,482</u>	<u>\$ 2,320,248</u>

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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
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 Greenfield-Central Community School Corporation (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. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2012 and 2013:

Program Title	Federal CFDA Number	2012	2013
ARRA - Special Education - Grants to States, Recovery Act	84.391	\$ 504,270	\$ -
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	6,233	-

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
School Breakfast Program	10.553	\$ 4,773	\$ 7,773
National School Lunch Program	10.555	101,529	124,553

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	yes
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Qualified on all major programs
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.410	Title I, Part A Cluster Special Education Cluster Education Jobs Fund

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

Auditee qualified as low-risk auditee?	no
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Section II – Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS OVER RECEIPT TRANSACTIONS

Controls over receipts were not properly designed and implemented. The School Corporation did not have adequate controls in place to account for monies collected as they were received. Receipts were not issued when monies were received and the School Corporation did not maintain a receipt log or register of collections. No other control procedures were put in place at the time of collections. Controls were designed to issue and record receipts for the monies on hand at the time deposits were prepared or after monies were already deposited. The failure to establish an effective control system over the receipting process places the School Corporation at risk of a misstatement related to receipts not being prevented, or detected and corrected, in a timely manner. The insufficient controls over receipts were determined to be a significant deficiency.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2013-002 - CASH MANAGEMENT, REPORTING, ELIGIBILITY, AND SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies, ARRA – Title I
Grants to Local Educational Agencies, Recovery Act

CFDA Number: 84.010, 84.389

Federal Award Number and Year (or Other Identifying Number): 10-3125, 11-3125, 12-3125, 13-3125

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Cash Management, Reporting, Eligibility, and Special Tests and Provisions. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant. Deficiencies identified are described below.

Internal Control Issues

Cash Management

Requests for reimbursement reports were required to be submitted to receive reimbursements for Title I funding. The School Corporation relied on one person to determine when reimbursement requests were to be filed. This same individual was also responsible to prepare, review, and submit the reimbursement requests. The School Corporation did not have any procedures in place for a separate person to review and approve the reports prior to submission.

Reporting

In addition to the lack of oversight on the request for reimbursement reports noted above, there was a lack of evidence to support that other reports were reviewed and approved. The School Corporation indicated that the Title I Program Administrator reviewed interim and final Annual Expenditure Reports prior to submission, but there was not enough evidence in the grant files to determine if those reports were properly reviewed and approved.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Eligibility

Individual eligibility determinations were performed at the building level for each school that participated in the Title I program. The School Corporation indicated that the principals at each of the school buildings were responsible for reviewing the eligibility calculations and making the final determinations for eligible participants. However, there was not enough evidence in the grant files to determine if the eligibility calculations were reviewed and the final determinations were approved by the principals.

Special Tests and Provisions - Comparability Reports

As indicated in the Cash Management and Reporting sections above, the School Corporation did not have proper oversight in place in regards to procedures for grant reporting. The School Corporation did not have any procedures in place for a separate person to review and approve the comparability reports prior to submission.

The combination of control deficiencies over compliance requirements noted above was considered to be a material weakness in controls.

Possible Effect

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

Criteria

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

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

Recommendation

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity. We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted above that have a direct and material effect to the program.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 (Continued)

FINDING 2013-003 - PERIOD OF AVAILABILITY

Federal Agency: Department of Education
 Federal Program: Title I Grants to Local Educational Agencies
 CFDA Number: 84.010
 Federal Award Number and Year (or Other Identifying Number): 11-3125, 12-3125
 Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and Period of Availability compliance requirements that have a direct and material effect to the program. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

Internal Control Issues

The School Corporation did not have adequate controls in place to ensure that only costs obligated within the grant's Period of Availability were charged to that grant year. The School Corporation did not have any formal or consistent procedures in place to stop charging automated payroll transactions to the prior grant fund and start charging them to the new grant fund. The Title I Administrator indicated that the activity for Title I grant funds was reviewed after the Period of Availability ended and transactions charged outside the Period of Availability were corrected by adjustment. However, our testing identified some payroll transactions outside the Period of Availability that were not corrected. This was considered to be a material weakness in controls over Period of Availability for the Title I program.

Compliance Issues/Questioned Costs

Due to the control deficiencies noted above, some compliance issues related to payroll transactions were noted with the Period of Availability requirements. All payroll transactions charged to Title I funds outside the period of available for each grant year were tested. Noncompliance was noted for the 2010-2011 and 2011-2012 grant years. The following payrolls were charged to Title I grant funds outside the Period of Availability:

<u>Description</u>	<u>Pay Date</u>	<u>Period Beginning</u>	<u>Period Ending</u>	<u>Payroll Amount Charged</u>	<u>Title I Grant Charged</u>	<u>End of Period of Availability</u>
Payroll	10-26-11	10-03-11	10-14-11	\$ 7,457	FY 10/11	09-30-11
Payroll	10-26-12	10-01-12	10-12-12	9,041	FY 11/12	09-30-12

Each payroll posting noted above included gross salaries, benefits, and other payroll related items for that pay period.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Possible Effect

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

Criteria

34 CFR 80.23(a) states:

"Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period."

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

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

Recommendation

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity. We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement noted above that has a direct and material effect to the program.

FINDING 2013-004 - CASH MANAGEMENT AND REPORTING

Federal Agency: Department of Education

Federal Program: ARRA - Special Education - Grants to States, Recovery Act,
ARRA - Special Education - Preschool Grants, Recovery Act

CFDA Number: 84.391, 84.392

Federal Award Number and Year (or Other Identifying Number): 33310-027-SN01, 44410-027-SN01

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program. This includes the Cash Management and Reporting compliance requirements. The failure to establish an effective internal control system places the

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

Internal Control Issues

The School Corporation was the Local Educational Agency (LEA) for the Special Education Stimulus grant. The School Corporation contracted with Hancock Madison Shelby Educational Services (HMSES) to administer the special education grants. Beginning on July 1, 2011, HMSES recorded program expenditures of the Special Education ARRA (stimulus) grants in their financial records. The School Corporation's disbursements consisted solely of disbursements to HMSES for reimbursement of costs to administer the programs. HMSES prepared and submitted reimbursement request reports on behalf of the School Corporation. HMSES did not receive timely expenditure information from the School Corporation so HMSES estimated the expenditures reported on the reimbursement request reports. The estimated expenditures reported were tested by comparing them to the actual expenditures recorded in the records of HMSES. The estimations reported were not considered to be reasonable. The School Corporation received the reimbursement amounts from Indiana Department of Education (IDOE) through electronic deposits. The reimbursements were receipted into the School Corporation's records and remained there until HMSES requested the money from the School Corporation.

Due to the magnitude of the noncompliance, the deficiencies in internal controls over Cash Management and Reporting were considered to be material weaknesses.

Compliance Issues

Due to the control deficiencies noted above, the School Corporation did not comply with Cash Management and Reporting requirements. The School Corporation maintained excessive cash balances in the Special Education - Part B and Special Education - Part B Preschool Funds and submitted inaccurate reimbursement request reports which were related to the ARRA (stimulus) grants.

The expenditures reported on the reimbursement request reports were estimated too high and resulted in excessive cash balances. The Special Education - Part B Fund had a beginning fund balance on July 1, 2011, of \$21,568 and receipted in \$482,702 of grant monies in July and August of 2011 which brought the cash balance to \$504,149. This balance was maintained until a check was issued to HMSES (a sub-recipient) on November 15, 2011, for the entire fund balance. The Special Education - Part B Fund had a beginning balance at July 1, 2011, of \$6,233 and maintained that balance until it was also disbursed to HMSES on November 15, 2011.

Possible Effect

Failure to comply with grant requirements could result in a request for repayment of funding, denial or reduction of future funding, additional grant restrictions or requirements, or other consequences determined by the federal agency or pass-through agency.

Recommendation

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity. We recommended that the School Corporation establish controls to ensure compliance with related requirements.

Criteria

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

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

34 CFR 80.20(b)(7) states in part:

"Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

34 CFR Section 80.20(b) states:

"The financial management systems of other grantees and subgrantees must meet the following standards: (1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant. (2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. (3) Internal control. Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes."

FINDING 2013-005 - SUBRECIPIENT MONITORING

Federal Agency: Department of Education

Federal Program: ARRA - Special Education - Grants to States, Recovery Act,
ARRA - Special Education - Preschool Grants, Recovery Act

CFDA Number: 84.391, 84.392

Federal Award Number and Year (or Other Identifying Number): 33310-027-SN01, 44410-027-SN01

Pass-Through Entity: Indiana Department of Education

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and one of the compliance requirements that has a direct and material effect to the program. This includes the Subrecipient Monitoring compliance requirement. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

Internal Control and Compliance Issues

The School Corporation disbursed \$510,503 of Special Education ARRA (stimulus) funds to a sub-recipient during the 2011-2012 school year. The School Corporation did not establish any controls to ensure that the subrecipient was monitored, which resulted in noncompliance. The School Corporation has the responsibility to review reports, perform site visits, and have regular contact with the subrecipient. The School Corporation also has the responsibility to verify that the subrecipient registered in the Central Contractor Registration, obtained a DUNS number, and that the information is kept current since the funds disbursed to the subrecipient were ARRA (stimulus) funds. The School Corporation could not provide documentation that any monitoring responsibilities were completed.

Due to the magnitude of noncompliance and deficiencies in internal controls, we have determined this to be a material weakness.

Possible Effect

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

Criteria

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

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

34 CFR 80.40(a) states:

"Grantees are responsible for managing the day-to-day operations of the grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity."

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity. We recommended that the School Corporation establish controls to ensure compliance with related requirements.

FINDING 2013-006 - ALLOWABLE ACTIVITIES, ALLOWABLE COSTS, CASH MANAGEMENT, AND REPORTING

Federal Agency: Department of Education
Federal Program: Education Jobs Fund
CFDA Number: 84.410
Federal Award Number and Year (or Other Identifying Number): 3125
Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some compliance requirements that have a direct and material effect to the program. This includes the following compliance requirements: Allowable Activities and Allowable Costs, Cash Management, and Reporting. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

Internal Control Issues

Only one person in the School Corporation office was responsible for administering and overseeing the Education Jobs Fund grant. That person was responsible for determining what expenses were paid from the grant; budgeting grant funding; monitoring grant fund activity and cash balances; determining when reimbursements requests were submitted; preparing, reviewing, and submitting reimbursement request reports and quarterly ARRA reports.

In addition to the lack of segregation of duties noted above, the School Corporation did not have adequate controls in place during the 2012-2013 school year to ensure compliance with Allowable Activities and Allowable Costs. During 2011-2012, the School Corporation had determined which individuals or positions would be paid from the Education Jobs Fund program according to the grant requirements and allocated those employees' salaries and benefits to Education Jobs (Fund 7965). However, those controls were not properly implemented in school year 2012-2013. The School did not allocate any employees' salaries and

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

benefits to Fund 7965 during the year. The School Corporation made an adjustment close to the end of the Period of Availability to reallocate expenses from the General Fund to Fund 7965 without verifying that the reallocation complied with all aspects of the grant.

The combination of control deficiencies noted above was considered to be a material weakness in internal controls over the administration of the Education Jobs Fund grant.

Possible Effect

Failure to comply with grant requirements could result in a request for repayment of funding, denial or reduction of future funding, additional grant restrictions or requirements, or other consequences determined by the federal agency or pass-through agency.

Recommendation

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity. We recommended that the School Corporation establish controls to ensure compliance with related requirements.

Criteria

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

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

FINDING 2013-007 - ALLOWABLE ACTIVITIES AND ALLOWABLE COSTS

Federal Agency: Department of Education

Federal Program: Education Jobs Fund

CFDA Number: 84.410

Federal Award Number and Year (or Other Identifying Number): 3125

Pass-Through Entity: Indiana Department of Education

Compliance Issues

According to the OMB Circular A-133 and grant documentation on file at the School Corporation, Allowable Activities and Allowable Costs for this grant were defined as: "An LEA must use its funds only for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services."

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Due to the internal controls issues noted in the previous finding, we do not believe that some aspects of those requirements were met. As stated in the previous finding, the School performed an adjustment near the end of the Period of Availability to reallocate expenses from the General Fund to Education Jobs (Fund 7965). On September 25, 2012, an adjustment was made equal to the remaining grant funding available of \$484,141. The adjustment decreased the High School Teachers Salaries line item in the General Fund and increased the High School Personal Services - Certified line item in Fund 7965. The expenses reallocated were for salaries, but there wasn't any documentation to support that the amount was "necessary to retain existing employees, to recall or rehire former employees, and to hire new employees." The amount reallocated was not attributed to any specific employees or positions and did not indicate the number of jobs it supported. The reclassified amount covered all the high school teachers' salaries from July 2012 into September 2012.

Possible Effect

Failure to comply with grant requirements could result in a request for repayment of funding, denial or reduction of future funding, additional grant restrictions or requirements, or other consequences determined by the federal agency or pass-through agency.

Recommendation

We recommended that the School Corporation establish procedures to ensure that adequate documentation and records are maintained to support the use of grant funds and compliance with applicable grant requirements.

Criteria

34 CFR 80.20 states in part:

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

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
- (3) *Internal control.* Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (4) *Budget control.* Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.
- (5) *Allowable cost.* Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of costs.
- (6) *Source documentation.* Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc."



GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION

September 17, 2013

Dr. Linda C. Gellert,
Superintendent

Mrs. Ann C. Vail,
Associate Superintendent

Mr. Tony Zurwell,
Business Manager

Dr. Christina L. Hilton,
Assistant Superintendent

Summary Schedule of Prior Findings

Finding 2011-1 - Cash Management

Federal Agency:	U.S. Department of Education
Federal Program:	Title I Cluster
CFDA Number:	84.010, 84.389
Auditee Contact Person:	Tony Zurwell
Title of Contact person:	Business Manager
Completion Date:	Corrective Action implemented prior to Exit Conference

Title I funds are no longer based on a drawdown method, but rather a reimbursement basis. As such, we do not have excess cash on hand in these funds.

Finding 2011-2 Subrecipient Monitoring

Federal Agency:	U.S. Department of Education
Federal Program:	Special Education Cluster
CFDA Number:	84.391, 84.392
Auditee Contact Person:	Tony Zurwell
Title of Contact person:	Business Manager
Completion Date:	Corrective Action implemented prior to Exit Conference

During the audit period, Greenfield-Central Community School Corporation (G-C CSC) was the LEA (Local Education Agency) for the HMSES (Hancock Madison Shelby Educational Services) Special Needs Cooperative. This cooperative is comprised of all four (4) Hancock County school districts and two (2) other school districts that are immediately north and south of Hancock County. We are no longer the LEA.

Sincerely,

Tony Zurwell
Business Manager



January 31, 2014

Corrective Action Plan

Finding 2013-001 – INTERNAL CONTROLS OVER RECEIPT TRANSACTIONS

Auditee Contact Person: Ruth Ann Fisher
Title of Contact Person: Treasurer
Completion Date: Corrective Action implemented prior to Exit Conference

All monies received by someone other than the Treasurer will receive a written receipt. Those funds will be immediately given to the Treasurer. Upon deposit a printed receipt will be provided for substantiation of the transaction. The Treasurer has systems in place to appropriately receipt in other revenues.

A revenue log has been created to track all cash/checks when received. All cash/checks will be kept in a fire-proof safe until the deposit is made. When a deposit is made the revenue log will be used to confirm all monies received are deposited. Receipt entry will be done at time of deposit. Receipts will be distributed to appropriate parties.

Finding 2013-002 - CASH MANAGEMENT, REPORTING, ELIGIBILITY, SPECIAL TESTS AND PROVISIONS

Federal Agency: Department of Education
Federal Program: Title I Cluster
CFDA Number: 84.010, 84.389
Federal Award Number: 10-3125, 11-3125, 12-3125, 13-3125
Pass-Through Entity: Indiana Department of Education
Completion Date: Corrective Action initiated prior to Exit Conference

The four internal control issues detailed in the audit all reflect a concern for oversight for certain aspects of our Title I program. We will address this broadly by segregating duties and adding a layer of control through a Title I Team that includes a district-level Title I administrator as well as respective Title I principals and teachers. In regards to requests for reimbursements, the Title I Director will review and approve the requests before submission. They will also review and approve Interim and Final reports prior to submission.

The entire Title I Team, which includes building principals, academic coaches and Title I teachers, met during Fall 2013 to establish student selection criteria. Title I teachers completed the selection process and student data were reviewed by each building principal prior to establishing those students who would be served by Title I for the 2013-14 school year. In the future, the Title I Director will provide direct oversight to eligibility determinations, ensuring there is evidence that eligibility calculations are reviewed by respective members of the Title I Team. The Title I Director will provide oversight to eligibility determinations so that is clear that eligibility calculations are reviewed and approved. The Title I Director will also implement a system of controls that assure and provide evidence that comparability reports are reviewed by more than one individual prior to submission.

Dr. Linda C. Gellert,
Superintendent

Mrs. Ann C. Vail,
Associate Superintendent

Mr. Tony Zurwell,
Business Manager

Dr. Christina L. Hilton,
Assistant Superintendent

Finding 2013-003 – PERIOD OF AVAILABILITY

Federal Agency:	Department of Education
Federal Program:	Title I, Part A Cluster
CFDA Number:	84.010
Federal Award Number:	11-3125, 12-3125
Pass-Through Entity:	Indiana Department of Education
Completion Date:	Corrective Action implemented prior to Exit Conference

The Title I Director will monitor expenditures so that costs are only charged to the grant during the period of availability. Specifically, the Director will approve expenditures and review monthly financial reports of all Title I funds.

Finding 2013-004 - CASH MANAGEMENT AND REPORTING

Federal Agency:	Department of Education
Federal Program:	Special Education Cluster
CFDA Number:	84.391, 84.392
Federal Award Number:	33310-027-SN01 and 44410-027-SN01
Pass-Through Entity:	Indiana Department of Education
Completion Date:	Corrective Action implemented prior to Exit Conference

Greenfield-Central Community School Corporation (G-C CSC) was the LEA (Local Education Agency) for the HMSES (Hancock Madison Shelby Educational Services) Special Needs Cooperative. This cooperative is comprised of all four (4) Hancock County school districts and two (2) other school districts that are immediately north and south of Hancock County. The federal Stimulus Grants created a situation where HMSES administered two federal awards; although, the bookkeeping for the grants was performed on G-G CSC systems in regards to receipting and disbursing funds for the grants to HMSES. HMSES has successfully reorganized as an independent entity and G-C CSC is no longer the LEA for the special needs cooperative. As we are no longer the LEA, this confusion will not exist in the future; although, we will review our obligations in regards to subrecipient monitoring to make sure we are in compliance with existing and future federal grants.

Finding 2013-005 – SUB-RECIPIENT MONITORING

Federal Agency:	Department of Education
Federal Program:	Special Education Cluster
CFDA Number:	84.391, 84.392
Federal Award Number:	33310-027-SN01 and 44410-027-SN01
Pass-Through Entity:	Indiana Department of Education
Completion Date:	Corrective Action implemented prior to Exit Conference

See previous response.

Finding 2013-006 – ALLOWABLE ACTIVITIES, ALLOWABLE COSTS, CASH MANAGEMENT, AND REPORTING

Federal Agency:	Department of Education
Federal Program:	Education Jobs Fund
CFDA Number:	84.410
Federal Award Number:	3125
Pass-Through Entity:	Indiana Department of Education
Completion Date:	Corrective Action implemented prior to Exit Conference

We will provide for segregation of duties so that more than one person is involved in administering federal grants. This will include oversight, reviews and overt approvals for transactions affecting a federal grant.

Finding 2013-007 - ALLOWABLE ACTIVITIES AND ALLOWABLE COSTS

Federal Agency:	Department of Education
Federal Program:	Education Jobs Fund
CFDA Number:	84.410
Federal Award Number:	3125
Pass-Through Entity:	Indiana Department of Education
Completion Date:	Corrective Action implemented prior to Exit Conference

The Jobs Fund was offered so that schools could retain, rehire, or hire employees during the economic downturn. This downturn resulted in the State permanently reducing Greenfield-Central School’s funding by approximately \$1.2 million. We implemented cost-containment strategies; however, with salaries being the preponderance of expenses, we were looking at a reduction in existing workforce and attrition by not replacing staff that either resigned or retired from Greenfield-Central Schools. We were able to use the Jobs Fund solely to protect Greenfield-Central School’s teaching positions, including the retention of those who were vulnerable to Reduction In Force (RIF), as well as the replacement of retirees and resignees. While we did not sufficiently detail all of the specific persons that were affected positively by this grant, we did remain in its spirit and were grateful for the Jobs Fund resources that allowed us to substantially maintain staffing. This Jobs Fund grant is completed so there is no specific corrective action we can apply to address the lack of specificity of those staff affected; however, we will assure that future federal grants have adequate documentation to support requirements.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 30, 2014, with Ruthann Fisher, Treasurer; Tony Zurwell, Business Manager; Dr. Linda Gellert, Superintendent of Schools; and Retta Livengood, President of School Board. The Official Response has been made a part of this report and may be found on pages 64 and 65.

OFFICIAL RESPONSE

February 6, 2014

State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204-2765

RE: Exit Audit Conference January 30, 2014

Dear State Board of Accounts:

This letter will serve as an Official Response to the Audit Comments noted in our Exit Conference on January 30, 2014.

Corporate Audit Comments

1. Comment: OVERDRAWN CASH BALANCE

The cash balance of the OSS (Out of School Suspension) Fund 3920 was overdrawn.

Response: The OSS fund supported a cooperative program financed by multiple member school districts for which Greenfield-Central Schools provided bookkeeping. This fund supported an out of school suspension alternative program that has been discontinued in part due to financial difficulties. This fund needed additional financial support before it could be closed with a zero balance and we wanted to continue to track the true financial situation and the specific transactions that created the situation. Although the reoccurring expenses were stopped, we experienced additional expense in regards to unemployment and legal fees. Unfortunately, we were unable to garner any additional revenue to offset the expenses. In December 2013 we covered the expenses with our General Fund, so the fund is now dormant; although, we will continue to look for opportunity to recover the costs.

2. Comment: COLLECTIVE BARGAINING AGREEMENT

The collective bargaining agreements for 2011-12, 2012-13 and 2013-14 contained items prohibited by Indiana Code.

For the 2011-2012 Master Contract:

1. Return from Leave Provision is included in the contract. When a teacher returns from a leave of greater than 60 days, the assignment of that individual will be determined as discussed in the contract.

G-C (Greenfield-Central CSC) will remove Return from Leave Provisions from the teacher contract during the 2014-15 Bargaining Process.

2. Unpaid Adoptive Leave and Unpaid Leave is discussed in the contract.

G-C had already removed Unpaid Adoptive Leave and Unpaid Leave from the teacher contract, as evidenced in the 2012-2013 Master Contract.

3. School Employer and Employee Rights is discussed in the contract.

G-C had already removed School Employer and Employee Rights from the teacher contract, as evidenced in the 2012-2013 Master Contract.

4. The negotiation process is discussed in the contract.

G-C had already removed negotiation Waiver language from the teacher contract, as evidenced in the 2012-2013 Master Contract.

5. The number of payments received by employees for payroll is included in the contract.

G-C had already removed number of payment for payroll language from the teacher contract, as evidenced in the 2012-2013 Master Contract.

6. The mileage reimbursement rate is the IRS rate, which does not function as compensation.

G-C will remove the mileage reimbursement rate from the teacher contract during the 2014-15 Bargaining Process.

For the 2012-2013 Master Contract:

1. Return from Leave Provision is included in the contract. When a teacher returns from a leave of greater than 60 days, the assignment of that individual will be determined as discussed in the contract.

G-C will remove Return from Leave Provisions from the teacher contract during the 2014-15 Bargaining Process.

2. The number of payments received by employees for payroll is included in the Memorandum of Understanding (MOU) as part of the contract. The MOU is signed by the same individuals that signed the Master Contract and on the same date.

G-C will establish protocols for defining the number of payments through administrative guidelines and procedures rather than signing MOU agreements.

3. The mileage reimbursement rate is the IRS rate, which does not function as compensation.

G-C will remove the mileage reimbursement rate from the teacher contract during the 2014-15 Bargaining Process.

Sincerely,



Tony Zurwell
Business Manager

cc: Dr. Linda Gellert, Superintendent
Mrs. Ruth Ann Fisher, Treasurer
TZ/tz