

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

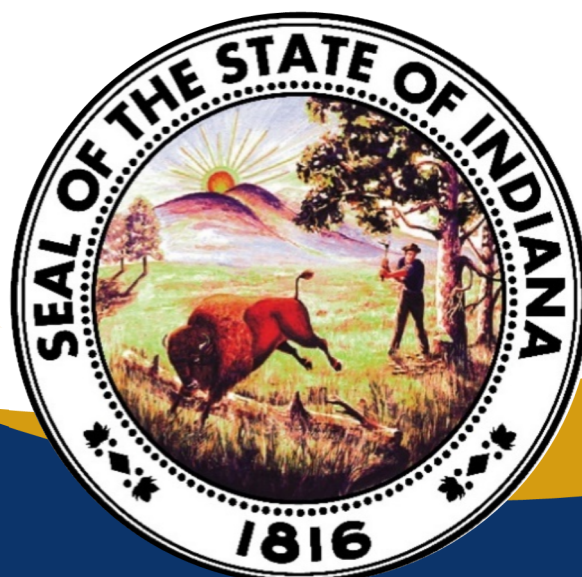
**Paul D. Joyce, CPA  
State Examiner**

FINANCIAL STATEMENT AND  
FEDERAL COMPLIANCE AUDIT REPORT

OF

EASTBROOK COMMUNITY SCHOOL CORPORATION  
GRANT COUNTY, INDIANA

July 1, 2022 to June 30, 2024



**FILED**

03/26/2025



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

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March 26, 2025

To: The Officials of the Eastbrook Community School Corporation  
Eastbrook Community School Corporation  
Grant County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Eastbrook Community School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 to June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 34 through 38. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 39 through 41.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report of Eastbrook Community School Corporation was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner

EASTBROOK COMMUNITY SCHOOL CORPORATION  
Grant County, Indiana

FINANCIAL STATEMENT  
As of June 30, 2024, and for the  
period of July 1, 2022 through June 30, 2024

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EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period July 1, 2022 through June 30, 2024

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lisa Baker	07-01-22 to 06-30-24
Superintendent of Schools	Brett Garrett	07-01-22 to 06-30-24
President of the School Board	Greg Brankle	01-01-22 to 12-31-22
	Rodger Richards	01-01-23 to 12-31-23
	Daniel E Spencer	01-01-24 to 12-31-24

## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
Eastbrook Community School Corporation  
Grant County, Indiana

**Report on the Audit of the Financial Statement*****Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the Eastbrook Community School Corporation (the School Corporation) as of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024, and the related notes to the financial statement.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 through June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***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 section of our report, 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 of the School Corporation as of June 30, 2024, or changes in net position for the period of July 1, 2022 through June 30, 2024.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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(Continued)

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 and pervasive.

### ***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of the 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) as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statement.

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(Continued)

The Schedule of Expenditures of Federal Awards 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 themselves, 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 as a whole.

### **Other Information**

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report February 25, 2025, our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.



Crowe LLP

Indianapolis, Indiana  
February 25, 2025

EASTBROOK COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 2,195,763	\$ 12,159,307	\$ 10,227,855	\$ (1,914,899)	\$ 2,212,316	\$ 12,674,712	\$ 10,811,953	\$ (1,716,229)	\$ 2,358,846
Debt Service	607,012	1,394,211	1,440,059	(37,986)	523,178	1,750,014	1,723,518	(20,266)	529,408
Operations	2,446,681	2,587,577	3,879,278	1,249,928	2,404,908	2,721,403	3,934,897	1,426,059	2,617,473
Local Rainy Day	1,583,695	286	17,352	650,000	2,216,629	-	41,922	300,232	2,474,939
Construction	497,802	-	241,422	6,568	262,948	-	264,324	1,376	-
Construction -G.O. Bond 2022	-	-	168,411	2,901,140	2,732,729	-	2,271,748	35,569	496,550
Construction -G.O. Bond 2023	-	-	-	-	-	5,266	40,823	470,000	434,443
School Lunch	560,833	1,274,150	1,196,919	-	638,064	1,070,090	1,282,008	500	426,646
Lunch Invest-Star	-	-	-	-	-	-	-	-	-
Curricular Materials Rental	(279,758)	165,787	101,514	41,495	(173,990)	254,979	213,034	20,389	(111,656)
Preschool Local S	47,260	114,697	-	-	161,957	122,678	2,322	-	282,313
Educational License Plates	132	75	-	-	207	56	245	-	18
Various Gifts/Donations/Grants	20,373	19,297	11,118	-	28,552	33,228	22,126	-	39,654
Conexus SBE Grant	-	12,991	5,555	-	7,436	-	7,436	-	-
Boren Foundation Grant S	139,838	181,000	132,159	-	188,679	175,000	172,674	-	191,005
Scholarships	1,000	1,080	1,080	-	1,000	1,100	1,100	-	1,000
Dual Language Immersion	-	-	-	-	-	2,303	2,303	-	-
Formative Assessment	7,907	20,895	25,530	-	3,272	22,709	6,923	-	19,058
Indiana Preschool Grants	453,401	82,209	187,753	-	347,857	162,528	434,400	-	75,985
Early Literacy Achievement Grant	-	-	-	-	-	24,852	24,852	-	-
State Medicaid Reimbursement	-	-	-	-	-	40,711	-	(36,452)	4,259
Secured Schools Safety Grant	1	19,348	19,348	-	1	21,630	49,451	-	(27,820)
Alternative Education Grant	-	13,425	13,425	-	-	7,224	7,224	-	-
Early Intervention Grant FY21	4,770	-	4,770	-	-	-	-	-	-
Early Intervention Grants FY22	-	4,537	4,537	-	-	-	-	-	-
Non-English Speaking Program	-	3,037	-	-	3,037	-	3,037	-	-
Career And Technical Performance Grant	-	55	-	-	55	69	-	-	124
Teacher Appreciation Grant	105	59,611	59,716	-	-	58,433	58,433	-	-
High Ability Students	1,927	28,357	21,990	-	8,294	33,331	36,719	-	4,906
State Connectivity Grant	10,300	18,000	11,800	-	16,500	8,564	16,500	-	8,564
Project Lead The Way	35,407	25,012	26,849	-	33,570	15,000	37,669	-	10,901

(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Title I-Federal Program FY22	\$ (56,581)	\$ 161,845	\$ 105,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Title I-Federal Program FY23	-	293,932	308,061	-	(14,129)	37,867	23,738	-	-
Title I-Federal Program FY24	-	-	-	-	-	225,563	233,602	-	(8,039)
FY22 Part B Special Education	(17,915)	72,670	54,755	-	-	-	-	-	-
FY23 Part B Special Education	-	342,984	361,484	-	(18,500)	51,663	33,163	-	-
FY24 Part B Special Education	-	-	-	-	-	327,704	392,801	-	(65,097)
Special Ed Pre-School FY23	-	12,338	12,338	-	-	-	-	-	-
Special Ed Pre-School FY24	-	-	-	-	-	12,903	12,903	-	-
Title IV FY20 Student Support	(3,125)	3,125	-	-	-	-	-	-	-
Title IV FY21 Student Support	(5,265)	13,174	7,909	-	-	6,874	6,874	-	-
Title IV FY22 Student Support	-	-	-	-	-	3,074	3,074	-	-
Medicaid Reimbursement-Federal	197,043	95,891	136,607	-	156,327	79,748	60,587	-	175,488
Title II Part A FY21	(24,203)	48,848	24,645	-	-	-	-	-	-
Title II Part A FY22	-	11,366	13,007	-	(1,641)	44,007	42,366	-	-
Title II Part A FY23	-	-	-	-	-	5,509	15,305	-	(9,796)
Esser II Dual Language Immersion	-	17,722	20,000	-	(2,278)	2,278	-	-	-
ARP ESSER 3.0 3E Grant	-	187,786	252,092	-	(64,306)	150,571	96,325	-	(10,060)
ARP HCY II Grant	-	500	500	-	-	5,491	5,491	-	-
FY22 American Rescue Plan 611	-	83,343	83,343	-	-	-	-	-	-
ESSER III	(26,516)	301,974	343,322	-	(67,864)	112,701	221,796	-	(176,959)
ESSER II	(76,578)	156,594	140,324	(357)	(60,665)	60,665	-	-	-
ESSER I	-	720	720	-	-	-	-	-	-
Petty Cash Clearing Account	(203,025)	900	450	-	(202,575)	450	(2,575)	-	(199,550)
Prepaid School Lunch Accounts	15,013	337,923	336,136	-	16,800	327,881	326,257	-	18,424
Star -All S Investment	200,000	-	-	-	200,000	-	-	-	200,000
Lunch Invest - Star	25,000	-	-	-	25,000	-	-	-	25,000
Payroll Withholding Clearing	34,725	2,789,184	2,779,191	-	44,718	2,997,437	2,993,177	-	48,978
Other Clearing	110,965	520,589	598,911	357	33,000	60,702	89,255	-	4,447
<b>Totals</b>	<b>\$ 8,503,987</b>	<b>\$ 23,638,352</b>	<b>\$ 23,377,499</b>	<b>\$ 2,896,246</b>	<b>\$ 11,661,086</b>	<b>\$ 23,718,968</b>	<b>\$ 26,021,780</b>	<b>\$ 481,178</b>	<b>\$ 9,839,452</b>

See notes to financial statement.

EASTBROOK COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

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

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

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

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

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

*Temporary loans.* Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

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

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

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

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

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

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

*Interfund loans.* Amounts 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 Financing Sources and Uses: Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

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

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

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

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

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(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Accounting: Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The amounts accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the School Corporation 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 December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. At June 30, 2024, the School District held certificate of deposits with a financial institution totaling \$225,000 with maturity dates through June 1, 2026.

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(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**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.

The School Corporation has purchased insurance to address the risks described above.

**NOTE 6 - CASH BALANCE DEFICITS**

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024. The deficits in the Curriculum Materials Rental and Petty Cash Clearing Account funds are the result of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts.

**NOTE 7 - HOLDING CORPORATIONS**

The School Corporation has entered into capital leases with the Eastbrook Multi-School Building Corporation and the Eastbrook School Building Corporation (the lessors). The lessors were organized as 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 a related party of the School Corporation. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$1,095,000. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$1,020,500.

**NOTE 8 - PENSION PLANS**

**Public Employees Retirement Fund**

*Plan Description*

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

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(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 8 - PENSION PLANS** (Continued)

*Financial Report*

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (844) 464-6777

*Contributions*

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

**Teachers' Retirement Fund**

*Plan Descriptions*

The Indiana Teachers' Hybrid Plan (TRF Hybrid) consists of two components: Indiana Teachers' Pre-1996 Defined Benefit Account (Teachers' Pre-1996 DB) or Indiana Teachers' 1996 Defined Benefit Account (Teachers' 1996 DB) the monthly employer-funded defined benefit components, along with the Indiana Teachers' Defined Contribution Account (TRF DC), the defined contribution component. Generally, members hired before 1996 participate in the Teachers' Pre-1996 DB and members hired after 1995 participate in the Teachers' 1996 DB.

The Teachers' 1996 DB is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in the Teachers' 1996 DB.

The Teachers' Pre-1996 DB is a pay-as-you-go, cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. Membership in the Teachers' Pre-1996 DB is closed to new entrants.

The TRF DC is a multiple-employer defined contribution plan providing supplemental retirement benefits to Teachers' 1996 DB and Teachers' Pre-1996 DB members.

The Retirement Savings Plan for Public Teachers (My Choice) is a multiple-employer defined contribution plan. New employees hired after June 30, 2019, have a one-time election to join either the TRF Hybrid plan that is not closed to new entrants or the My Choice plan.

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(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 8 - PENSION PLANS** (Continued)

All these plans are administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3, and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School Corporation authority to contribute to the plan when applicable.

*Financial Report*

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (844) 464-6777

*Contributions*

The School Corporation contributes the employer's share to Teachers' 1996 DB 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. These contributions are determined by the INPRS Board based on actuarial valuation. 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 (Teachers' Pre-1996 DB) is an obligation of, and is paid by, the State of Indiana.

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

**NOTE 9 - SUBSEQUENT EVENTS**

In October 2024, the School Corporation issued general obligation bonds in the amount of \$915,000 for renovations and improvements to facilities.

**OTHER INFORMATION (Unaudited)**

EASTBROOK 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, 2023

	Education	Debt Service	Operations	Local Rainy Day	Construction	Construction - G.O. Bond 2022	School Lunch	Curricular Materials Rental	Preschool Local S	Educational License Plates	Various Gifts/Donations/Grants	Conexus SBE Grant
Cash and investments - beginning	\$ 2,195,763	\$ 607,012	\$ 2,446,681	\$ 1,583,695	\$ 497,802	\$ -	\$ 560,833	\$ (279,758)	\$ 47,260	\$ 132	\$ 20,373	\$ -
Receipts:												
Local sources	127,840	1,394,211	2,587,438	-	-	-	553,156	108,581	114,697	-	19,297	12,991
Intermediate sources	151	-	-	-	-	-	-	-	-	75	-	-
State sources	12,031,316	-	-	-	-	-	8,334	57,206	-	-	-	-
Federal sources	-	-	-	-	-	-	712,660	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	139	286	-	-	-	-	-	-	-	-
Total receipts	12,159,307	1,394,211	2,587,577	286	-	-	1,274,150	165,787	114,697	75	19,297	12,991
Disbursements:												
Instruction	7,382,280	-	-	13,948	35,397	-	-	-	-	-	3,505	5,555
Support services	2,611,047	-	3,694,522	3,404	-	-	-	101,514	-	-	7,613	-
Noninstructional services	234,528	-	-	-	-	-	1,196,919	-	-	-	-	-
Facilities acquisition and construction	-	-	184,756	-	206,025	168,411	-	-	-	-	-	-
Debt services	-	1,440,059	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,227,855	1,440,059	3,879,278	17,352	241,422	168,411	1,196,919	101,514	-	-	11,118	5,555
Excess (deficiency) of receipts over disbursements	1,931,452	(45,848)	(1,291,701)	(17,066)	(241,422)	(168,411)	77,231	64,273	114,697	75	8,179	7,436
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	2,887,318	-	-	-	-	-	-
Sale of capital assets	-	-	8,928	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,416,000	650,000	6,568	13,822	-	41,495	-	-	-	-
Transfers out	(1,914,899)	(37,986)	(175,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,914,899)	(37,986)	1,249,928	650,000	6,568	2,901,140	-	41,495	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,553	(83,834)	(41,773)	632,934	(234,854)	2,732,729	77,231	105,768	114,697	75	8,179	7,436
Cash and investments - ending	\$ 2,212,316	\$ 523,178	\$ 2,404,908	\$ 2,216,629	\$ 262,948	\$ 2,732,729	\$ 638,064	\$ (173,990)	\$ 161,957	\$ 207	\$ 28,552	\$ 7,436

(Continued)

EASTBROOK 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, 2023

	Boren Foundation Grant S	Scholarships	Formative Assessment	Indiana Preschool Grants	Secured Schools Safety Grant	Alternative Education Grant	Early Intervention Grant FY21	Early Intervention Grants FY22	Non-English Speaking Program	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students
Cash and investments - beginning	\$ 139,838	\$ 1,000	\$ 7,907	\$ 453,401	\$ 1	\$ -	\$ 4,770	\$ -	\$ -	\$ -	\$ 105	\$ 1,927
Receipts:												
Local sources	181,000	1,080	-	524	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	20,895	81,685	19,348	13,425	-	4,537	3,037	55	59,611	28,357
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	181,000	1,080	20,895	82,209	19,348	13,425	-	4,537	3,037	55	59,611	28,357
Disbursements:												
Instruction	57,220	-	25,530	187,753	-	13,425	-	-	-	-	59,716	21,990
Support services	40,518	-	-	-	19,348	-	4,770	4,537	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	34,421	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,080	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	132,159	1,080	25,530	187,753	19,348	13,425	4,770	4,537	-	-	59,716	21,990
Excess (deficiency) of receipts over disbursements	48,841	-	(4,635)	(105,544)	-	-	(4,770)	-	3,037	55	(105)	6,367
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	48,841	-	(4,635)	(105,544)	-	-	(4,770)	-	3,037	55	(105)	6,367
Cash and investments - ending	\$ 188,679	\$ 1,000	\$ 3,272	\$ 347,857	\$ 1	\$ -	\$ -	\$ -	\$ 3,037	\$ 55	\$ -	\$ 8,294

(Continued)

EASTBROOK 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, 2023

	State Connectivity Grant	Project Lead The Way	Title I-Federal Program FY22	Title I-Federal Program FY23	FY22 Part B Special Education	FY23 Part B Special Education	Special Ed Pre- School FY23	Title IV FY20 Student Support	Title IV FY21 Student Support	Medicaid Reimbursement- Federal	Title II Part A FY21	Title II Part A FY22
Cash and investments - beginning	\$ 10,300	\$ 35,407	\$ (56,581)	\$ -	\$ (17,915)	\$ -	\$ -	\$ (3,125)	\$ (5,265)	\$ 197,043	\$ (24,203)	\$ -
Receipts:												
Local sources	-	12	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	18,000	25,000	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	161,845	293,932	72,670	342,984	12,338	3,125	13,174	95,891	48,848	11,366
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	18,000	25,012	161,845	293,932	72,670	342,984	12,338	3,125	13,174	95,891	48,848	11,366
Disbursements:												
Instruction	-	26,849	99,536	307,976	54,755	351,484	12,338	-	4,731	32,463	19,999	-
Support services	11,800	-	5,728	85	-	10,000	-	-	3,178	79,848	4,646	13,007
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	24,296	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,800	26,849	105,264	308,061	54,755	361,484	12,338	-	7,909	136,607	24,645	13,007
Excess (deficiency) of receipts over disbursements	6,200	(1,837)	56,581	(14,129)	17,915	(18,500)	-	3,125	5,265	(40,716)	24,203	(1,641)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,200	(1,837)	56,581	(14,129)	17,915	(18,500)	-	3,125	5,265	(40,716)	24,203	(1,641)
Cash and investments - ending	\$ 16,500	\$ 33,570	\$ -	\$ (14,129)	\$ -	\$ (18,500)	\$ -	\$ -	\$ -	\$ 156,327	\$ -	\$ (1,641)

(Continued)

EASTBROOK 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, 2023

	Esser II Dual Language Immersion	ARP ESSER 3.0 3E Grant	ARP HCY II Grant	FY22 American Rescue Plan 611	ESSER III	ESSER II	ESSER I	Petty Cash Clearing Account	Prepaid School Lunch Accounts	Star -All S Investment	Lunch Invest - Star	Payroll Withholding Clearing	Other Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (26,516)	\$ (76,578)	\$ -	\$ (203,025)	\$ 15,013	\$ 200,000	\$ 25,000	\$ 34,725	\$ 110,965	\$ 8,503,987
Receipts:														
Local sources	-	-	-	-	-	168	-	900	337,923	-	-	-	541,866	5,981,684
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	226
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	12,370,806
Federal sources	17,722	187,786	500	83,343	301,974	156,426	720	-	-	-	-	-	-	2,517,304
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	2,789,184	(21,277)	2,768,332
Total receipts	17,722	187,786	500	83,343	301,974	156,594	720	900	337,923	-	-	2,789,184	520,589	23,638,352
Disbursements:														
Instruction	20,000	189,246	-	4,275	102,056	99,501	-	-	-	-	-	-	-	9,131,528
Support services	-	62,846	-	79,068	22,086	7,861	720	-	-	-	-	-	-	6,788,146
Noninstructional services	-	-	500	-	-	-	-	-	336,136	-	-	-	-	1,768,083
Facilities acquisition and construction	-	-	-	-	219,180	32,962	-	-	-	-	-	-	-	870,051
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	1,440,059
Nonprogrammed charges	-	-	-	-	-	-	-	450	-	-	-	2,779,191	598,911	3,379,632
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	20,000	252,092	500	83,343	343,322	140,324	720	450	336,136	-	-	2,779,191	598,911	23,377,499
Excess (deficiency) of receipts over disbursements	(2,278)	(64,306)	-	-	(41,348)	16,270	-	450	1,787	-	-	9,993	(78,322)	260,853
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	2,887,318
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	8,928
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	357	2,128,242
Transfers out	-	-	-	-	-	(357)	-	-	-	-	-	-	-	(2,128,242)
Total other financing sources (uses)	-	-	-	-	-	(357)	-	-	-	-	-	-	357	2,896,246
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,278)	(64,306)	-	-	(41,348)	15,913	-	450	1,787	-	-	9,993	(77,965)	3,157,099
Cash and investments - ending	\$ (2,278)	\$ (64,306)	\$ -	\$ -	\$ (67,864)	\$ (60,665)	\$ -	\$ (202,575)	\$ 16,800	\$ 200,000	\$ 25,000	\$ 44,718	\$ 33,000	\$ 11,661,086

EASTBROOK 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, 2024

	Education	Debt Service	Operations	Local Rainy Day	Construction	Construction - G.O. Bond 2022	Construction - G.O. Bond 2023	School Lunch	Curricular Materials Rental	Preschool Local S	Educational License Plates	Various Gifts/Donations/Grants
Cash and investments - beginning	\$ 2,212,316	\$ 523,178	\$ 2,404,908	\$ 2,216,629	\$ 262,948	\$ 2,732,729	\$ -	\$ 638,064	\$ (173,990)	\$ 161,957	\$ 207	\$ 28,552
Receipts:												
Local sources	211,983	1,750,014	2,721,267	-	-	-	5,266	388,622	7,911	122,678	-	33,228
Intermediate sources	150	-	-	-	-	-	-	-	-	-	56	-
State sources	12,462,579	-	-	-	-	-	-	9,889	247,068	-	-	-
Federal sources	-	-	-	-	-	-	-	671,579	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	136	-	-	-	-	-	-	-	-	-
Total receipts	12,674,712	1,750,014	2,721,403	-	-	-	5,266	1,070,090	254,979	122,678	56	33,228
Disbursements:												
Instruction	7,851,413	-	-	1,455	19,086	-	-	-	-	2,322	-	6,240
Support services	2,686,096	-	3,572,990	25,000	-	19,268	-	-	213,034	-	-	15,886
Noninstructional services	274,444	-	-	-	-	-	-	1,282,008	-	-	-	-
Facilities acquisition and construction	-	-	361,907	15,467	245,238	2,252,480	40,823	-	-	-	-	-
Debt services	-	1,723,518	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	245	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,811,953	1,723,518	3,934,897	41,922	264,324	2,271,748	40,823	1,282,008	213,034	2,322	245	22,126
Excess (deficiency) of receipts over disbursements	1,862,759	26,496	(1,213,494)	(41,922)	(264,324)	(2,271,748)	(35,557)	(211,918)	41,945	120,356	(189)	11,102
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	470,000	-	-	-	-	-
Sale of capital assets	496	-	10,059	-	-	-	-	500	123	-	-	-
Transfers in	36,452	-	1,416,000	300,232	1,376	35,569	-	-	20,266	-	-	-
Transfers out	(1,753,177)	(20,266)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,716,229)	(20,266)	1,426,059	300,232	1,376	35,569	470,000	500	20,389	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	146,530	6,230	212,565	258,310	(262,948)	(2,236,179)	434,443	(211,418)	62,334	120,356	(189)	11,102
Cash and investments - ending	\$ 2,358,846	\$ 529,408	\$ 2,617,473	\$ 2,474,939	\$ -	\$ 496,550	\$ 434,443	\$ 426,646	\$ (111,656)	\$ 282,313	\$ 18	\$ 39,654

(Continued)

EASTBROOK 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, 2024

	Conexus SBE Grant	Boren Foundation Grant S	Scholarships	Dual Language Immersion	Formative Assessment	Indiana Preschool Grants	Early Literacy Achievement Grant	State Medicaid Reimbursement	Secured Schools Safety Grant	Alternative Education Grant	Non-English Speaking Program	Career And Technical Performance Grant
Cash and investments - beginning	\$ 7,436	\$ 188,679	\$ 1,000	\$ -	\$ 3,272	\$ 347,857	\$ -	\$ -	\$ 1	\$ -	\$ 3,037	\$ 55
Receipts:												
Local sources	-	175,000	1,100	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	2,303	22,709	162,528	24,852	40,711	21,630	7,224	-	69
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	175,000	1,100	2,303	22,709	162,528	24,852	40,711	21,630	7,224	-	69
Disbursements:												
Instruction	7,436	84,675	-	2,303	6,923	434,400	24,852	-	-	7,224	-	-
Support services	-	3,462	-	-	-	-	-	-	49,451	-	3,037	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	84,537	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,100	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,436	172,674	1,100	2,303	6,923	434,400	24,852	-	49,451	7,224	3,037	-
Excess (deficiency) of receipts over disbursements	(7,436)	2,326	-	-	15,786	(271,872)	-	40,711	(27,821)	-	(3,037)	69
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(36,452)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(36,452)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,436)	2,326	-	-	15,786	(271,872)	-	4,259	(27,821)	-	(3,037)	69
Cash and investments - ending	\$ -	\$ 191,005	\$ 1,000	\$ -	\$ 19,058	\$ 75,985	\$ -	\$ 4,259	\$ (27,820)	\$ -	\$ -	\$ 124

(Continued)

EASTBROOK 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, 2024

	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Title I-Federal Program FY23	Title I-Federal Program FY24	FY23 Part B Special Education	FY24 Part B Special Education	Special Ed Pre- School FY24	Title IV FY21 Student Support	Title IV FY22 Student Support	Medicaid Reimbursement- Federal
Cash and investments - beginning	\$ -	\$ 8,294	\$ 16,500	\$ 33,570	\$ (14,129)	\$ -	\$ (18,500)	\$ -	\$ -	\$ -	\$ -	\$ 156,327
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	58,433	33,331	8,564	15,000	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	37,867	225,563	51,663	327,704	12,903	6,874	3,074	79,748
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	58,433	33,331	8,564	15,000	37,867	225,563	51,663	327,704	12,903	6,874	3,074	79,748
Disbursements:												
Instruction	58,433	36,719	-	37,669	23,151	233,602	33,163	388,850	12,512	6,874	2,823	51,187
Support services	-	-	16,500	-	587	-	-	3,951	391	-	251	1,385
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	8,015
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	58,433	36,719	16,500	37,669	23,738	233,602	33,163	392,801	12,903	6,874	3,074	60,587
Excess (deficiency) of receipts over disbursements	-	(3,388)	(7,936)	(22,669)	14,129	(8,039)	18,500	(65,097)	-	-	-	19,161
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,388)	(7,936)	(22,669)	14,129	(8,039)	18,500	(65,097)	-	-	-	19,161
Cash and investments - ending	\$ -	\$ 4,906	\$ 8,564	\$ 10,901	\$ -	\$ (8,039)	\$ -	\$ (65,097)	\$ -	\$ -	\$ -	\$ 175,488

(Continued)

EASTBROOK 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, 2024

	Title II Part A FY22	Title II Part A FY23	Esser II Dual Language Immersion	ARP ESSER 3.0 3E Grant	ARP HCY II Grant	ESSER III	ESSER II	Petty Cash Clearing Account	Prepaid School Lunch Accounts	Star -All S Investment	Lunch Invest - Star	Payroll Withholding Clearing	Other Clearing	Totals
Cash and investments - beginning	\$ (1,641)	\$ -	\$ (2,278)	\$ (64,306)	\$ -	\$ (67,864)	\$ (60,665)	\$ (202,575)	\$ 16,800	\$ 200,000	\$ 25,000	\$ 44,718	\$ 33,000	\$ 11,661,086
Receipts:														
Local sources	-	-	-	-	-	-	-	-	327,881	-	-	-	79,971	5,824,921
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	206
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	13,116,890
Federal sources	44,007	5,509	2,278	150,571	5,491	112,701	60,665	-	-	-	-	-	-	1,798,197
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	450	-	-	-	2,997,437	(19,269)	2,978,754
Total receipts	44,007	5,509	2,278	150,571	5,491	112,701	60,665	450	327,881	-	-	2,997,437	60,702	23,718,968
Disbursements:														
Instruction	20,000	-	-	96,409	-	199,046	-	-	-	-	-	-	-	9,648,767
Support services	22,366	15,305	-	(84)	-	22,750	-	-	698	-	-	-	-	6,672,324
Noninstructional services	-	-	-	-	5,491	-	-	-	325,559	-	-	-	-	1,887,502
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	3,008,467
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	1,723,518
Nonprogrammed charges	-	-	-	-	-	-	-	(2,575)	-	-	-	2,993,177	89,255	3,081,202
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	42,366	15,305	-	96,325	5,491	221,796	-	(2,575)	326,257	-	-	2,993,177	89,255	26,021,780
Excess (deficiency) of receipts over disbursements	1,641	(9,796)	2,278	54,246	-	(109,095)	60,665	3,025	1,624	-	-	4,260	(28,553)	(2,302,812)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	470,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	11,178
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	1,809,895
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,809,895)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	481,178
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,641	(9,796)	2,278	54,246	-	(109,095)	60,665	3,025	1,624	-	-	4,260	(28,553)	(1,821,634)
Cash and investments - ending	\$ -	\$ (9,796)	\$ -	\$ (10,060)	\$ -	\$ (176,959)	\$ -	\$ (199,550)	\$ 18,424	\$ 200,000	\$ 25,000	\$ 48,978	\$ 4,447	\$ 9,839,452

EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2024

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>894,548</u>	\$ <u>297,771</u>

EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Eastbrook School Building Corporation	2014 School Construction	\$ 463,000	9/1/2009	6/30/2026
Eastbrook School Building Corporation	2020 School Construction	664,500	10/28/2020	12/31/2039
Quadient Leasing	Postage Meter	2,362	7/17/2023	10/16/2028
Toshiba Equipment Finance	Copiers	14,500	6/4/2021	5/31/2026
US Bancorp Government Leasing	Apple TVs & Connectors			
	HP Chrome Book G4 & Cases			
	Technology Equipment & Software	<u>81,906</u>	6/1/2020	7/15/2024
Total governmental activities		<u>1,226,268</u>		
Total of annual lease payments		<u>\$ 1,226,268</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	2022 General Obligation Bonds	\$ 2,520,000	\$ 185,000
General Obligation Bonds	2023 General Obligation Bonds	240,000	240,000
Notes and Loans Payable	2004 Common School Loan	<u>64,826</u>	<u>64,826</u>
Total governmental activities		<u>2,824,826</u>	<u>489,826</u>
Totals		<u>\$ 2,824,826</u>	<u>\$ 489,826</u>

EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2024

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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	\$ 20,378
Buildings	38,220,519
Improvements other than buildings	3,366,152
Machinery, equipment, and vehicles	4,402,821
Books and other	<u>454,609</u>
Total governmental activities	<u>46,464,479</u>
Total capital assets	<u>\$ 46,464,479</u>

EASTBROOK COMMUNITY SCHOOL CORPORATION  
STATE REPORTING INFORMATION  
July 1, 2022 - June 30, 2024

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*Financial Statement and Accompanying Notes:*

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

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

*Indiana Department of Education Reporting:*

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

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

The other information on the IDOE website and on the Indiana Gateway for Government Units presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2023, FY2024	\$ 146,155	\$ 140,462	\$ 286,617
National School Lunch Program		10.555	FY2023, FY2024	611,916	475,333	1,087,249
Supply Chain Assistance		10.555	FY2023, FY2024	87,946	55,784	143,730
Commodities		10.555	FY2023, FY2024	65,567	71,495	137,062
Summer Food Service Program for Children		10.559	FY2023, FY2024	<u>20,417</u>	<u>21,710</u>	<u>42,127</u>
Total - Child Nutrition Cluster				<u>932,001</u>	<u>764,784</u>	<u>1,696,785</u>
Total - Department of Agriculture				<u>932,001</u>	<u>764,784</u>	<u>1,696,785</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)	Indiana Department of Education					
Special Education Grants to States						
IDEA, Part B		84.027	22611-019-PN01	72,670	-	72,670
IDEA, Part B		84.027	23611-019-PN01	342,984	51,663	394,647
IDEA, Part B		84.027	24611-019-PN01	-	327,704	327,704
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-039-ARP	<u>83,343</u>	<u>-</u>	<u>83,343</u>
Total - Special Education Grants to States				<u>498,997</u>	<u>379,367</u>	<u>878,364</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	23619-019-PN01	12,338	-	12,338
IDEA, Preschool		84.173	24619-019-PN01	<u>-</u>	<u>12,903</u>	<u>12,903</u>
Total - Special Education Preschool Grants				<u>12,338</u>	<u>12,903</u>	<u>25,241</u>
Total - Special Education Cluster(IDEA)				<u>511,335</u>	<u>392,270</u>	<u>903,605</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	161,845	-	161,845
Title I, Part A		84.010A	S010A220014	293,932	37,867	331,799
Title I, Part A		84.010A	S010A230014	<u>-</u>	<u>225,563</u>	<u>225,563</u>
Total - Title I Grants to Local Educational Agencies				<u>455,777</u>	<u>263,430</u>	<u>719,207</u>

(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A220013	\$ 11,366	\$ 44,007	\$ 55,373
Title II, Part A		84.367A	S367A230013	48,848	5,509	54,357
				<u>60,214</u>	<u>49,516</u>	<u>109,730</u>
Total - Supporting Effective Instruction State Grants						
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A200015	3,125	-	3,125
Title IV, Part A		84.424	S424A210015	13,174	6,875	20,049
Title IV, Part A		84.424	S424A220015	-	3,074	3,074
				<u>16,299</u>	<u>9,949</u>	<u>26,248</u>
Total - Student Support and Academic Enrichment Program						
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	720	-	720
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	156,237	60,665	216,902
Dual Language Immersion Grant		84.425D	S425D210013	17,722	2,278	20,000
American Rescue Plan Elementary and Secondary School Elementary and Secondary School Emergency Relief (ESSER III) Fund		84.425U	S425U210013	301,974	112,701	414,675
Explore, Engage, Experience (3E) Grant		84.425U	7000S425U210013	187,975	150,571	338,546
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP HCY II) Homeless Children and Youth Grant		84.425W	S425W210015	500	5,491	5,991
				<u>665,128</u>	<u>331,706</u>	<u>996,834</u>
Total - Education Stabilization Fund						
Total - Department of Education				<u>1,708,753</u>	<u>1,046,871</u>	<u>2,755,624</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Family & Social Service Administration					
Medicaid Reimbursement		93.778	FY2023, FY2024	68,565	79,748	148,313
				<u>68,565</u>	<u>79,748</u>	<u>148,313</u>
Total - Department of Health and Human Services						
Total federal awards expended				<u>\$ 2,709,319</u>	<u>\$ 1,891,403</u>	<u>\$ 4,600,722</u>

See accompanying notes to the schedule of expenditure of federal awards.

EASTBROOK COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

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**NOTE 1 - BASIS OF PRESENTATION**

*A. Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2022 through June 30, 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

*B. Other Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**NOTE 2 - INDIRECT COST RATE**

The School Corporation has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 - OTHER INFORMATION**

The School Corporation did not have any subrecipient activity for the period of July 1, 2022 through June 30, 2024.

**NOTE 4 - NON-CASH PROGRAMS (COMMODITIES)**

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$137,062 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

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

Those Charged with Governance  
Eastbrook Community School Corporation  
Grant County, Indiana

We have audited, in accordance with the 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 Eastbrook Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated February 25, 2025.

#### **Report on 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) as a basis for designing 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 a 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 a 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 or significant deficiencies may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from 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 financial statement. 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*.

### 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Crowe LLP

Indianapolis, Indiana  
February 25, 2025



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

Those Charged with Governance  
Eastbrook Community School Corporation  
Grant County, Indiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Eastbrook Community School Corporation's (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School Corporation's major federal programs for the period of July 1, 2022 through June 30, 2024. 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.

***Qualified Opinion on the Education Stabilization Fund***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on *the Education Stabilization Fund* for the period of July 1, 2022 through June 30, 2024.

***Unmodified Opinion on the Other Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the period of July 1, 2022 through June 30, 2024.

***Basis for Qualified and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

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(Continued)

### *Matters Giving Rise to Qualified Opinion on the Education Stabilization Fund*

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding ALNs 84.425D, 84.425U, 84.425W Education Stabilization Fund as described in findings 2024-001 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles and 2024-002 for Special Tests and Provisions – Wage Rate Requirements. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

#### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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(Continued)

## **Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

  
Crowe LLP

Indianapolis, Indiana  
February 25, 2025

EASTBROOK COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 July 1, 2022 through June 30, 2024

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**Section I – Summary of Auditor’s Results**

***Financial Statement***

Type of auditor’s report issued: Adverse as to GAAP, Unmodified  
as to regulatory basis

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes \_\_\_\_\_ X No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ Yes \_\_\_\_\_ X None Reported

Noncompliance material to financial statement noted? \_\_\_\_\_ Yes \_\_\_\_\_ X No

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ X Yes \_\_\_\_\_ No

Significant deficiencies identified not considered to be material weaknesses? \_\_\_\_\_ X Yes \_\_\_\_\_ None Reported

Type of auditor’s report issued on compliance for major programs: Education Stabilization Fund - Qualified  
Child Nutrition Cluster - Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? \_\_\_\_\_ X Yes \_\_\_\_\_ No

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.425D, 84.425U, 84.425W	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes \_\_\_\_\_ X No

**Section II – Financial Statement Findings**

None noted.

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(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs**

**FINDING 2024-001**

**Information on the federal program:**

Subject: Education Stabilization Fund - Activities Allowed or Unallowed, Allowable Costs/Cost Principles  
Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425U  
Federal Award Numbers and Years (or Other Identifying Numbers): S425U210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles  
Audit Finding: Material Weakness, Material Noncompliance, Qualified Opinion

**Criteria:** 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

**Condition:** An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the activities allowed or unallowed and allowable costs/cost principle compliance requirements.

**Cause:** The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

**Effect:** The failure to design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles compliance requirements could result in the loss of future federal funds to the School Corporation.

**Questioned Costs:** \$61,841 (Known)

**Context:** For testing of activities allowed and unallowed, a sample of 21 vendor vouchers were selected for testing. Two vouchers totaling \$61,841 were related to disbursements for floor replacement costs incurred and charged to the ESSER III grant award. The School Corporation received approval from the Indiana Department of Education (IDOE) through the grant application to utilize a portion of the ESSER II grant award for floor replacement throughout the School Corporation. During the audit period, the School Corporation had \$88,600 that was disbursed and reported on the SEFA for ESSER II and \$142,400 that was disbursed and reported on the SEFA for ESSER III for floor replacement. The School Corporation did not receive approval from the Indiana Department of Education (IDOE) to use ESSER III funding for the flooring project as required for construction or remodeling related projects. The total amount of the flooring project funded by the ESSER III grant, including amounts paid prior to the audit, was \$219,992. The portion of the flooring project paid by the ESSER II grant was \$163,000 which was properly approved by IDOE.

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(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2024-001** (Continued)

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and the activities allowed or unallowed and allowable costs/cost principle compliance requirements to ensure only allowable costs are charged to the grant award.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

**FINDING 2024-002**

**Information on the federal program:**

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements  
Federal Agency: Department of Education  
Federal Program: COVID-19 - Education Stabilization Fund  
Assistance Listing Number: 84.425D, 84.425U  
Federal Award Numbers and Years (or Other Identifying Numbers): S425D210013, S425U210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements  
Audit Findings: Material Weakness, Material Noncompliance, Qualified Opinion

**Criteria:** 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

29 CFR 5.5 states in part:

(1) Minimum wages.

- (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project),

will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the

Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part

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(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2024-002** (Continued)

hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

(3)(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency).

2 CFR 200 Appendix II states in part:

In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . ."

**Condition:** An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements.

**Cause:** The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

**Effect:** The failure to design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirement could result in the loss of future federal funds to the School Corporation.

**Questioned Costs:** There were no questioned costs identified.

**Context:** For the one project sampled for Davis-Bacon requirements, the School Corporation did not obtain the weekly payroll reports certifications from the company that performed renovations on the School Corporation. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements. Additionally, the School Corporation did not have a contract with the company that included the clause for the federal wage rate requirements. The amount disbursed and reported on the SEFA during the audit period is \$231,000.

**Identification as a repeat finding:** This is a repeat finding from the immediately prior audit. The prior finding number was 2022-004.

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(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2024-002** (Continued)

**Recommendation:** We recommend the School Corporation implement a formal process to ensure the required weekly payroll reports certifications are collected and reviewed to ensure compliance with the wage rate requirements.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

**FINDING 2024-003**

**Information on the federal program:**

Subject: Education Stabilization Fund – Internal Controls  
Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425D, 84.425U  
Federal Award Numbers: S425D210013, S425U210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: Significant Deficiency

**Criteria:** 2 CFR 200.313(d) states in part:

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

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.  
..."

**Condition:** An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management Requirements compliance requirements.

**Cause:** The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

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(Continued)

EASTBROOK COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2024-003** (Continued)

**Effect:** The failure to establish an effective internal control system placed 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 have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

**Questioned Costs:** There were no questioned costs identified.

**Context:** For 1 of 3 sample items tested, we noted the School Corporation expended \$361,038 on building renovations which was charged to the ESSER II (84.425D) and ESSER III (84.425U) grant awards. It was noted only \$74,400 of these capital asset acquisitions were reported on the capital asset listing for the School Corporation as of June 30, 2024.

**Identification as a repeat finding:** No.

**Recommendation:** We recommend the School Corporation update the capital asset listing at least annually to include all equipment and real property acquisitions and review for potential capital asset dispositions.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.



## EASTBROOK COMMUNITY SCHOOLS CORP.

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### CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

**FINDING 2024-001:** Education Stabilization Fund - Activities Allowed or Unallowed, Allowable Costs/Cost Principles

**Context:** For testing of activities allowed and unallowed, a sample of 21 vendor vouchers were selected for testing. Two vouchers totaling \$61,841 were related to disbursements for floor replacement costs incurred and charged to the ESSER III grant award. The School Corporation received approval from the Indiana Department of Education (IDOE) through the grant application to utilize a portion of the ESSER II grant award for floor replacement throughout the School Corporation. During the audit period, the School Corporation had \$88,600 that was disbursed and reported on the SEFA for ESSER II and \$142,400 that was disbursed and reported on the SEFA for ESSER III for floor replacement. The School Corporation did not receive approval from the Indiana Department of Education (IDOE) to use ESSER III funding for the flooring project as required for construction or remodeling related projects. The total amount of the flooring project funded by the ESSER III grant, including amounts paid prior to the audit, was \$219,992. The portion of the flooring project paid by the ESSER II grant was \$163,000 which was properly approved by IDOE.

**Contact Person Responsible for Corrective Action:** Lisa Baker, Business Manager  
**Contact Phone Number:** 765-664-0624

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** The School Corporation will put a system in place to ensure that each grant application is printed in its entirety, including the narratives, and file them in the appropriate grant files maintained by the business manager. The business manager will verify that the agreed upon expenditures are included in the grant application before any orders are placed or purchases are approved. Additionally, accounting descriptions set up in the financial software will better reflect IDOE-approved expenditures.

**Anticipated Completion Date:** February 25, 2025



## EASTBROOK COMMUNITY SCHOOLS CORP.

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### CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

#### **FINDING 2024-002** - Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements

**Context:** For the one project sampled for Davis-Bacon requirements, the School Corporation did not obtain the weekly payroll reports certifications from the company that performed renovations on the School Corporation. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements. Additionally, the School Corporation did not have a contract with the company that included the clause for the federal wage rate requirements. The amount disbursed and reported on the SEFA during the audit period is \$231,000.

**Contact Person Responsible for Corrective Action:** Lisa Baker, Business Manager/Treasurer

**Contact Phone Number:** 765-664-0624

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** Davis-Bacon requirements is a repeat finding due to the timing of the prior audit and a lag for new controls to take effect. When the School Corporation is awarded federal funds that will be used for construction, alteration, or repair projects in excess of \$2,000, the superintendent and/or business manager will notify the contractors that the project is being funded by federal funds and the requirements as outlined by the Davis-Bacon Act. In addition, the superintendent and/or the business manager will ensure that the contractors provide weekly payroll report certifications and will review the documents to ensure compliance with the wage rate requirements.

**Anticipated Completion Date:** Corrective action steps have been implemented and will be refreshed.



## EASTBROOK COMMUNITY SCHOOLS CORP.

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### CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2024

#### **FINDING 2024-003** – Education Stabilization Fund - Equipment and Real Property Management

**Context:** The failure to establish an effective internal control system placed 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 have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

**Contact Person Responsible for Corrective Action:** Lisa Baker, Business Manager/Treasurer  
**Contact Phone Number:** 765-664-0624

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** The School Corporation is in the process of manually extracting and transferring fixed assets data from a database to a spreadsheet to allow the deputy treasurer access to the fixed assets data. This will allow the deputy treasurer to enter all assets as described in our board-approved policy into the updated fixed assets system. At least every six months, the business manager will generate a report from the financial software that will include object codes for purchases over \$10,000 and for construction and verify that all assets have been added to the fixed assets spreadsheet. Currently, the business manager maintains the fixed assets database because it is not accessible to the deputy treasurer. It is the intent of the School Corporation to segregate these duties.

The current fixed assets databased has been updated to include all flooring purchases that were previously missed.

**Anticipated Completion Date:** We anticipate that the new fixed assets spreadsheet will be created and the data will be entered by December 31, 2025.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2022-001**

Subject: Accounting Records  
Audit Findings: Significant Deficiency

**Context:** The School Corporation had not established effective internal controls over accounting records and lacked a comprehensive formal journal entry system. The School Corporation was not able to provide a population of non-routine journal entries, including, adjusting entries and transfers. The population of non-routine journal entries lacked a journal entry number, the journal entry postdates, account number, the credit and debit of the transaction and who authorized the journal entry.

*Status:* Resolved

### **2022 – 002 – Elementary and Secondary School Emergency Relief Fund Activities Allowed or Unallowed & Allowable Costs/Cost Principles**

Federal Agency: U.S. Department of Education  
Federal Program Title: Elementary and Secondary School Emergency Relief Fund  
Assistance Listing Number: 84.425C, 84.425D, 84.425U  
Federal Award Identification Number and Year: FY 21 and FY 22  
Pass-Through Entity: Indiana Department of Education  
Pass-Through Entity Number: S425C200018, S425D200013, S425U210013  
Award Period: July 1, 2020 through June 30, 2022

Type of Finding:  
Material Weakness in Internal Control over Compliance, Material Noncompliance (Modified Opinion)

**Context:** In a statistically valid sample, 14 of 14 selections were not supported by appropriate documentation to support the amounts charged to the grants. 14 of 14 selections did not have adequate time and effort documentation.

*Status:* Resolved

### **2022 – 003 – Elementary and Secondary School Emergency Relief Fund Reporting**

Federal Agency: U.S. Department of Education  
Federal Program Title: Elementary and Secondary School Emergency Relief Fund  
Assistance Listing Number: 84.425  
Federal Award Identification Number and Year: FY 21 and FY 22  
Pass-Through Entity: Indiana Department of Education  
Pass-Through Entity Number: S425C200018, S425D200013, S425U210013  
Award Period: July 1, 2020 through June 30, 2022

Type of Finding:  
Material Weakness in Internal Control over Compliance, Other Matters

**Condition:** During our testing we noted that supporting documentation for key line items was insufficient or not provided. Proper controls around annual reporting requirements were not in place during the period under audit. In addition, one report was not submitted in a timely manner and 2 of the 6 reports were not properly approved.

*Status:* Resolved

**2022 – 004 – Elementary and Secondary School Emergency Relief Fund Davis-Bacon Prevailing Wage Requirements**

Federal Agency: U.S. Department of Education

Federal Program Title: Elementary and Secondary School Emergency Relief Fund

Assistance Listing Number: 84.425

Federal Award Identification Number and Year: FY 21 and FY 22

Pass-Through Entity: Indiana Department of Education

Pass-Through Entity Number: S425C200018, S425D200013, S425U210013

Award Period: July 1, 2020 through June 30, 2022

Type of Finding:

Material Weakness in Internal Control over Compliance, Material Noncompliance (Qualified Opinion)

**Context:** In a statistically valid sample, 5 of 5 selections were not supported by appropriate documentation to perform the testing. The School Corporation did not have an internal control designed to collect the weekly payroll reports certifications from a construction company and its subcontractors for a building project.

**Status:** Not resolved, see finding 2024-002. The finding was not resolved due to the timing of the prior audit.