

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
09/23/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lisa M. Baker	07-01-14 to 06-30-18
Superintendent of Schools	Brett T. Garrett	07-01-14 to 06-30-18
President of the School Board	Greg Brankle Dan Spencer Roger A. Richards	01-01-14 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE EASTBROOK COMMUNITY SCHOOL
CORPORATION, GRANT COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Eastbrook Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 10, 2017, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

August 10, 2017



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

TO: THE OFFICIALS OF THE EASTBROOK COMMUNITY SCHOOL
CORPORATION, GRANT COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Eastbrook Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated August 10, 2017, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Eastbrook Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

August 10, 2017

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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.

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EASTBROOK COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-14	Receipts	Disbursements	Sources (Uses)	06-30-15	Receipts	Disbursements	Sources (Uses)	06-30-16	
General	\$ 1,042,840	\$ 9,336,879	\$ 9,448,704	\$ 2,125	\$ 933,140	\$ 9,677,982	\$ 9,192,763	\$ 1,859	\$ 1,420,218	
Debt Service	645,606	809,367	885,441	-	569,532	863,481	885,676	-	547,337	
Retirement/Severance Bond	128,752	361,084	384,928	-	104,908	450,058	349,352	-	205,614	
Capital Projects	436,244	1,086,632	1,245,809	(70,000)	207,067	1,042,413	948,984	-	300,496	
School Transportation	161,301	654,607	589,088	-	226,820	610,943	562,223	1,564	277,104	
School Bus Replacement	(19,234)	45,318	-	-	26,084	67,290	6,298	-	87,076	
Rainy Day	113,440	-	16,667	70,000	166,773	-	8,802	-	157,971	
School Lunch	38,264	686,353	729,973	(1,795)	(7,151)	710,491	634,736	-	68,604	
Textbook Rental	93,035	137,322	151,695	-	78,662	148,507	159,352	-	67,817	
Levy Excess	-	-	-	-	-	1,564	-	(1,564)	-	
Educational License Plates	413	112	-	-	525	56	-	-	581	
Early Intervention Grant	-	-	-	-	-	-	1,166	-	(1,166)	
Various Gifts, Donations, and Grants	39,370	48,626	16,451	-	71,545	41,073	24,725	-	87,893	
Instructional Support	6,917	222,915	27,749	-	202,083	126,229	230,028	-	98,284	
High Ability Grant	7,331	30,094	31,947	-	5,478	31,200	33,905	-	2,773	
Secured Schools Safety Grant	-	-	27,940	-	(27,940)	30,000	2,060	-	-	
Non-English Speaking Programs	199	966	698	-	467	1,934	2,401	-	-	
School Technology	1,572	5,583	5,618	-	1,537	37,713	37,546	-	1,704	
Performance Based Awards	-	81,427	78,627	-	2,800	42,072	44,872	-	-	
Senator David Ford Technology	-	2,000	2,000	-	-	-	-	-	-	
Title I - Federal Program	(9,690)	164,882	185,224	-	(30,032)	57,001	26,969	-	-	
Title I FY15-16	-	-	-	-	-	149,781	153,202	-	(3,421)	
Special Education FY12-13	-	74	74	-	-	-	-	-	-	
Special Education FY13-14	(95,752)	131,323	35,571	-	-	-	-	-	-	
Special Education FY14-15	-	285,216	302,637	-	(17,421)	57,462	40,041	-	-	
Special Education FY15-16	-	-	-	-	-	278,718	295,629	-	(16,911)	
Special Ed Technical Assistance FY13-14	-	1,439	1,439	-	-	5,924	5,924	-	-	
Title II Part A FY12-14	-	10,249	10,249	-	-	-	-	-	-	
Title II Part A FY13-15	-	21,000	21,000	-	-	-	-	-	-	
Title II Part A FY14-16	-	18,602	18,361	-	241	21,969	22,210	-	-	
Title II Part A FY15-17	-	-	-	-	-	20,570	20,570	-	-	
Clearing	122,822	2,478,873	2,610,451	-	(8,756)	2,390,051	2,389,696	-	(8,401)	
Totals	\$ 2,713,430	\$ 16,620,943	\$ 16,828,341	\$ 330	\$ 2,506,362	\$ 16,864,482	\$ 16,079,130	\$ 1,859	\$ 3,293,573	

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

EASTBROOK COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

EASTBROOK COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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.

EASTBROOK COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, 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.

EASTBROOK COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

EASTBROOK COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of grant expenditure reimbursements not being received by the end of the fiscal year and disbursements exceeding available funds for School Lunch.

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with Eastbrook Multi-School Building Corporation and 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 during the fiscal years 2015 and 2016 totaled \$740,500 and \$744,500, respectively.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Gateway 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 presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

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, 2015

	General	Debt Service	Retirement/ Severance Bond	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 1,042,840	\$ 645,606	\$ 128,752	\$ 436,244	\$ 161,301	\$ (19,234)	\$ 113,440
Receipts:							
Local sources	56,275	809,367	361,084	1,086,632	650,582	45,318	-
Intermediate sources	24	-	-	-	-	-	-
State sources	9,280,208	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	372	-	-	-	4,025	-	-
Total receipts	<u>9,336,879</u>	<u>809,367</u>	<u>361,084</u>	<u>1,086,632</u>	<u>654,607</u>	<u>45,318</u>	<u>-</u>
Disbursements:							
Instruction	5,883,245	-	-	-	-	-	-
Support services	3,388,771	-	-	685,772	589,088	-	16,667
Noninstructional services	176,688	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	560,037	-	-	-
Debt service	-	885,441	384,928	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>9,448,704</u>	<u>885,441</u>	<u>384,928</u>	<u>1,245,809</u>	<u>589,088</u>	<u>-</u>	<u>16,667</u>
Excess (deficiency) of receipts over disbursements	<u>(111,825)</u>	<u>(76,074)</u>	<u>(23,844)</u>	<u>(159,177)</u>	<u>65,519</u>	<u>45,318</u>	<u>(16,667)</u>
Other financing sources (uses):							
Sale of capital assets	330	-	-	-	-	-	-
Transfers in	1,795	-	-	-	-	-	70,000
Transfers out	-	-	-	(70,000)	-	-	-
Total other financing sources (uses)	<u>2,125</u>	<u>-</u>	<u>-</u>	<u>(70,000)</u>	<u>-</u>	<u>-</u>	<u>70,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(109,700)</u>	<u>(76,074)</u>	<u>(23,844)</u>	<u>(229,177)</u>	<u>65,519</u>	<u>45,318</u>	<u>53,333</u>
Cash and investments - ending	<u>\$ 933,140</u>	<u>\$ 569,532</u>	<u>\$ 104,908</u>	<u>\$ 207,067</u>	<u>\$ 226,820</u>	<u>\$ 26,084</u>	<u>\$ 166,773</u>

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, 2015
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant	Various Gifts, Donations, and Grants	Instructional Support
Cash and investments - beginning	\$ 38,264	\$ 93,035	\$ -	\$ 413	\$ -	\$ 39,370	\$ 6,917
Receipts:							
Local sources	340,302	92,360	-	-	-	48,626	222,915
Intermediate sources	-	-	-	112	-	-	-
State sources	9,455	44,962	-	-	-	-	-
Federal sources	336,596	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>686,353</u>	<u>137,322</u>	<u>-</u>	<u>112</u>	<u>-</u>	<u>48,626</u>	<u>222,915</u>
Disbursements:							
Instruction	-	-	-	-	-	6,951	5,356
Support services	-	151,695	-	-	-	9,500	22,393
Noninstructional services	729,973	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>729,973</u>	<u>151,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,451</u>	<u>27,749</u>
Excess (deficiency) of receipts over disbursements	<u>(43,620)</u>	<u>(14,373)</u>	<u>-</u>	<u>112</u>	<u>-</u>	<u>32,175</u>	<u>195,166</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(1,795)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,795)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(45,415)</u>	<u>(14,373)</u>	<u>-</u>	<u>112</u>	<u>-</u>	<u>32,175</u>	<u>195,166</u>
Cash and investments - ending	<u>\$ (7,151)</u>	<u>\$ 78,662</u>	<u>\$ -</u>	<u>\$ 525</u>	<u>\$ -</u>	<u>\$ 71,545</u>	<u>\$ 202,083</u>

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, 2015
 (Continued)

	High Ability Grant	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Performance Based Awards	Senator David Ford Technology	Title I - Federal Program
Cash and investments - beginning	\$ 7,331	\$ -	\$ 199	\$ 1,572	\$ -	\$ -	\$ (9,690)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	30,094	-	966	5,583	81,427	2,000	-
Federal sources	-	-	-	-	-	-	164,882
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>30,094</u>	<u>-</u>	<u>966</u>	<u>5,583</u>	<u>81,427</u>	<u>2,000</u>	<u>164,882</u>
Disbursements:							
Instruction	31,947	-	698	-	78,627	-	151,226
Support services	-	27,940	-	5,618	-	2,000	33,506
Noninstructional services	-	-	-	-	-	-	492
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>31,947</u>	<u>27,940</u>	<u>698</u>	<u>5,618</u>	<u>78,627</u>	<u>2,000</u>	<u>185,224</u>
Excess (deficiency) of receipts over disbursements	<u>(1,853)</u>	<u>(27,940)</u>	<u>268</u>	<u>(35)</u>	<u>2,800</u>	<u>-</u>	<u>(20,342)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,853)</u>	<u>(27,940)</u>	<u>268</u>	<u>(35)</u>	<u>2,800</u>	<u>-</u>	<u>(20,342)</u>
Cash and investments - ending	<u>\$ 5,478</u>	<u>\$ (27,940)</u>	<u>\$ 467</u>	<u>\$ 1,537</u>	<u>\$ 2,800</u>	<u>\$ -</u>	<u>\$ (30,032)</u>

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, 2015
 (Continued)

	Title I FY15-16	Special Education FY12-13	Special Education FY13-14	Special Education FY14-15	Special Education FY15-16	Special Ed Technical Assistance FY13-14
Cash and investments - beginning	\$ -	\$ -	\$ (95,752)	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	74	131,323	285,216	-	1,439
Other receipts	-	-	-	-	-	-
Total receipts	-	74	131,323	285,216	-	1,439
Disbursements:						
Instruction	-	74	35,571	251,365	-	-
Support services	-	-	-	51,272	-	1,439
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	74	35,571	302,637	-	1,439
Excess (deficiency) of receipts over disbursements	-	-	95,752	(17,421)	-	-
Other financing sources (uses):						
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	-	-	95,752	(17,421)	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,421)</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015
 (Continued)

	Title II Part A FY12-14	Title II Part A FY13-15	Title II Part A FY14-16	Title II Part A FY15-17	Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 122,822	\$ 2,713,430
Receipts:						
Local sources	-	-	-	-	-	3,713,461
Intermediate sources	-	-	-	-	-	136
State sources	-	-	-	-	-	9,454,695
Federal sources	10,249	21,000	18,602	-	-	969,381
Other receipts	-	-	-	-	2,478,873	2,483,270
Total receipts	<u>10,249</u>	<u>21,000</u>	<u>18,602</u>	<u>-</u>	<u>2,478,873</u>	<u>16,620,943</u>
Disbursements:						
Instruction	-	21,000	18,162	-	-	6,484,222
Support services	10,249	-	199	-	-	4,996,109
Noninstructional services	-	-	-	-	-	907,153
Facilities acquisition and construction	-	-	-	-	-	560,037
Debt service	-	-	-	-	-	1,270,369
Nonprogrammed charges	-	-	-	-	2,610,451	2,610,451
Total disbursements	<u>10,249</u>	<u>21,000</u>	<u>18,361</u>	<u>-</u>	<u>2,610,451</u>	<u>16,828,341</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>241</u>	<u>-</u>	<u>(131,578)</u>	<u>(207,398)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	330
Transfers in	-	-	-	-	-	71,795
Transfers out	-	-	-	-	-	(71,795)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>241</u>	<u>-</u>	<u>(131,578)</u>	<u>(207,068)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241</u>	<u>\$ -</u>	<u>\$ (8,756)</u>	<u>\$ 2,506,362</u>

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, 2016

	General	Debt Service	Retirement/ Severance Bond	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 933,140	\$ 569,532	\$ 104,908	\$ 207,067	\$ 226,820	\$ 26,084	\$ 166,773
Receipts:							
Local sources	43,882	863,481	450,058	1,042,413	593,516	67,290	-
Intermediate sources	25	-	-	-	-	-	-
State sources	9,633,784	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Other receipts	291	-	-	-	17,427	-	-
Total receipts	<u>9,677,982</u>	<u>863,481</u>	<u>450,058</u>	<u>1,042,413</u>	<u>610,943</u>	<u>67,290</u>	<u>-</u>
Disbursements:							
Instruction	5,665,084	-	-	-	-	-	-
Support services	3,346,188	-	-	555,287	562,223	6,298	8,802
Noninstructional services	181,491	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	393,697	-	-	-
Debt service	-	885,676	349,352	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>9,192,763</u>	<u>885,676</u>	<u>349,352</u>	<u>948,984</u>	<u>562,223</u>	<u>6,298</u>	<u>8,802</u>
Excess (deficiency) of receipts over disbursements	<u>485,219</u>	<u>(22,195)</u>	<u>100,706</u>	<u>93,429</u>	<u>48,720</u>	<u>60,992</u>	<u>(8,802)</u>
Other financing sources (uses):							
Sale of capital assets	1,859	-	-	-	-	-	-
Transfers in	-	-	-	-	1,564	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,564</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>487,078</u>	<u>(22,195)</u>	<u>100,706</u>	<u>93,429</u>	<u>50,284</u>	<u>60,992</u>	<u>(8,802)</u>
Cash and investments - ending	<u>\$ 1,420,218</u>	<u>\$ 547,337</u>	<u>\$ 205,614</u>	<u>\$ 300,496</u>	<u>\$ 277,104</u>	<u>\$ 87,076</u>	<u>\$ 157,971</u>

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, 2016
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant	Various Gifts, Donations, and Grants	Instructional Support
Cash and investments - beginning	\$ (7,151)	\$ 78,662	\$ -	\$ 525	\$ -	\$ 71,545	\$ 202,083
Receipts:							
Local sources	332,072	101,800	1,564	-	-	41,073	126,229
Intermediate sources	-	-	-	56	-	-	-
State sources	9,191	46,707	-	-	-	-	-
Federal sources	369,228	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>710,491</u>	<u>148,507</u>	<u>1,564</u>	<u>56</u>	<u>-</u>	<u>41,073</u>	<u>126,229</u>
Disbursements:							
Instruction	-	-	-	-	-	10,658	-
Support services	-	159,352	-	-	1,166	14,067	230,028
Noninstructional services	634,736	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>634,736</u>	<u>159,352</u>	<u>-</u>	<u>-</u>	<u>1,166</u>	<u>24,725</u>	<u>230,028</u>
Excess (deficiency) of receipts over disbursements	<u>75,755</u>	<u>(10,845)</u>	<u>1,564</u>	<u>56</u>	<u>(1,166)</u>	<u>16,348</u>	<u>(103,799)</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(1,564)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,564)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>75,755</u>	<u>(10,845)</u>	<u>-</u>	<u>56</u>	<u>(1,166)</u>	<u>16,348</u>	<u>(103,799)</u>
Cash and investments - ending	<u>\$ 68,604</u>	<u>\$ 67,817</u>	<u>\$ -</u>	<u>\$ 581</u>	<u>\$ (1,166)</u>	<u>\$ 87,893</u>	<u>\$ 98,284</u>

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, 2016
 (Continued)

	High Ability Grant	Secured Schools Safety Grant	Non-English Speaking Programs	School Technology	Performance Based Awards	Senator David Ford Technology	Title I - Federal Program
Cash and investments - beginning	\$ 5,478	\$ (27,940)	\$ 467	\$ 1,537	\$ 2,800	\$ -	\$ (30,032)
Receipts:							
Local sources	-	-	-	31,149	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	31,200	30,000	1,934	6,564	42,072	-	-
Federal sources	-	-	-	-	-	-	57,001
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>31,200</u>	<u>30,000</u>	<u>1,934</u>	<u>37,713</u>	<u>42,072</u>	<u>-</u>	<u>57,001</u>
Disbursements:							
Instruction	33,905	-	2,401	-	44,872	-	20,678
Support services	-	2,060	-	37,546	-	-	6,250
Noninstructional services	-	-	-	-	-	-	41
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>33,905</u>	<u>2,060</u>	<u>2,401</u>	<u>37,546</u>	<u>44,872</u>	<u>-</u>	<u>26,969</u>
Excess (deficiency) of receipts over disbursements	<u>(2,705)</u>	<u>27,940</u>	<u>(467)</u>	<u>167</u>	<u>(2,800)</u>	<u>-</u>	<u>30,032</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,705)</u>	<u>27,940</u>	<u>(467)</u>	<u>167</u>	<u>(2,800)</u>	<u>-</u>	<u>30,032</u>
Cash and investments - ending	<u>\$ 2,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,704</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2016
 (Continued)

	Title I FY15-16	Special Education FY12-13	Special Education FY13-14	Special Education FY14-15	Special Education FY15-16	Special Ed Technical Assistance FY13-14
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (17,421)	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	149,781	-	-	57,462	278,718	5,924
Other receipts	-	-	-	-	-	-
Total receipts	<u>149,781</u>	<u>-</u>	<u>-</u>	<u>57,462</u>	<u>278,718</u>	<u>5,924</u>
Disbursements:						
Instruction	140,006	-	-	33,786	249,400	867
Support services	12,000	-	-	6,255	46,229	5,057
Noninstructional services	1,196	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>153,202</u>	<u>-</u>	<u>-</u>	<u>40,041</u>	<u>295,629</u>	<u>5,924</u>
Excess (deficiency) of receipts over disbursements	<u>(3,421)</u>	<u>-</u>	<u>-</u>	<u>17,421</u>	<u>(16,911)</u>	<u>-</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,421)</u>	<u>-</u>	<u>-</u>	<u>17,421</u>	<u>(16,911)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (3,421)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,911)</u>	<u>\$ -</u>

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, 2016
 (Continued)

	Title II Part A FY12-14	Title II Part A FY13-15	Title II Part A FY14-16	Title II Part A FY15-17	Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 241	\$ -	\$ (8,756)	\$ 2,506,362
Receipts:						
Local sources	-	-	-	-	-	3,694,527
Intermediate sources	-	-	-	-	-	81
State sources	-	-	-	-	-	9,801,452
Federal sources	-	-	21,969	20,570	-	960,653
Other receipts	-	-	-	-	2,390,051	2,407,769
Total receipts	-	-	21,969	20,570	2,390,051	16,864,482
Disbursements:						
Instruction	-	-	18,162	20,000	-	6,239,819
Support services	-	-	4,048	570	-	5,003,426
Noninstructional services	-	-	-	-	-	817,464
Facilities acquisition and construction	-	-	-	-	-	393,697
Debt service	-	-	-	-	-	1,235,028
Nonprogrammed charges	-	-	-	-	2,389,696	2,389,696
Total disbursements	-	-	22,210	20,570	2,389,696	16,079,130
Excess (deficiency) of receipts over disbursements	-	-	(241)	-	355	785,352
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	1,859
Transfers in	-	-	-	-	-	1,564
Transfers out	-	-	-	-	-	(1,564)
Total other financing sources (uses)	-	-	-	-	-	1,859
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(241)	-	355	787,211
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,401)</u>	<u>\$ 3,293,573</u>

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EASTBROOK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

<u>Government</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 80,762</u>	<u>\$ 30,881</u>

EASTBROOK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Eastbrook Multi-School Building Corporation	2002 School Construction	\$ 473,000	03/19/2002	12/31/2022
Eastbrook School Building Corporation	2010 School Construction	282,000	09/01/2009	06/30/2026
GE Capital	Copiers	7,919	09/23/2011	09/30/2016
Mail Finance	Postage Meter	2,077	01/01/2014	03/31/2018
PNC Equipment Finance LLC	2012 Digital Learning Devices	221,579	07/25/2012	07/25/2016
US Bancorp Government Leasing	2016 Technology Equipment & Software	<u>93,972</u>	05/10/2016	07/15/2020
Total of annual lease payments		<u>\$ 1,080,547</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2004 Pension Bonds	\$ 1,115,000	\$ 352,461
Notes and loans payable	2004 Common School Loan	<u>1,102,038</u>	<u>140,348</u>
Totals		<u>\$ 2,217,038</u>	<u>\$ 492,809</u>

EASTBROOK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2016

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	22,939,965
Improvements other than buildings	2,096,427
Machinery, equipment, and vehicles	4,136,684
Books and other	<u>426,933</u>
Total capital assets	<u>\$ 29,620,387</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE EASTBROOK COMMUNITY SCHOOL
CORPORATION, GRANT COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Eastbrook Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each 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 each of its major federal programs for the period of July 1, 2014 to June 30, 2016.

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


Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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


Paul D. Joyce, CPA
State Examiner

August 10, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

EASTBROOK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
<u>Child Nutrition Cluster</u>							
School Breakfast Program	Indiana Department of Education	10.553	FY 14-15 FY 15-16	\$ -	\$ 46,928	\$ -	\$ -
				-	-	-	65,967
Total - School Breakfast Program				-	46,928	-	65,967
National School Lunch Program	Indiana Department of Education	10.555	FY 14-15 FY 15-16	-	286,877	-	-
National School Lunch Program - Commodities				-	53,599	-	298,539
				-	-	-	50,792
Total - National School Lunch Program				-	340,476	-	349,331
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 14-15 FY 15-16	-	2,319	-	-
				-	-	-	4,176
Total - Summer Food Service Program for Children				-	2,319	-	4,176
Total - Child Nutrition Cluster				-	389,723	-	419,474
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 14-15 FY 15-16	-	472	-	-
				-	-	-	546
Total - Child and Adult Care Food Program				-	472	-	546
Total - Department of Agriculture				-	390,195	-	420,020
<u>Department of Education</u>							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	14-2815 15-2815 16-2815	-	50,905	-	-
				-	113,976	-	57,001
				-	-	-	149,781
Total - Title I Grants to Local Educational Agencies				-	164,881	-	206,782

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

EASTBROOK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Education (continued)</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027	14213-021-PN01	-	74	-	-
			14214-021-PN01	-	131,323	-	-
			14215-021-PN01	-	285,216	-	57,462
			14216-021-PN01	-	-	-	278,718
			99914-021-TA01	-	1,439	-	5,924
Total - Special Education_Grants to States				-	418,052	-	342,104
Special Education_Preschool Grants	Indiana Department of Education	84.173	45714-021-PN01	-	10,814	-	-
			45715-021-PN01	-	10,648	-	-
Total - Special Education_Preschool Grants				-	21,462	-	-
Total - Special Education Cluster (IDEA)				-	439,514	-	342,104
Supporting Effective Instruction State Grant	Indiana Department of Education	84.367	12-2815	-	10,249	-	-
			13-2815	-	21,000	-	-
			14-2815	-	18,602	-	21,969
			15-2815	-	-	-	20,570
Total - Supporting Effective Instruction State Grant				-	49,851	-	42,539
Total - Department of Education				-	654,246	-	591,425
Total federal awards expended				\$ -	\$ 1,044,441	\$ -	\$ 1,011,445

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

EASTBROOK COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

EASTBROOK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit finding disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	no

Identification of Major Programs:

_____ Name of Federal Program or Cluster _____

Child Nutrition Cluster
Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior report. The prior audit finding number was 2014-001.

EASTBROOK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

The School Corporation did not have an effective system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation relied on one employee, the School Corporation Treasurer, to compile the SEFA with no oversight, approval or other compensating control.

Context

This was a systemic issue, occurring throughout the audit period.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

Management of the School Corporation had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have remained undetected.

Recommendation

We recommend that the School Corporation's management establish a system of internal control that would ensure adequate segregation of duties over the preparation of the SEFA.

EASTBROOK COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENTS

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



EASTBROOK COMMUNITY SCHOOLS CORP.

Brett T. Garrett, Ed.S., Superintendent
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal Year in Which the Finding Initially Occurred: 2012-2013 and 2013-2014
Contact Person Responsible for Corrective Action: Lisa Baker, Business Manager
Contact Phone Number: 765-664-0624

Status of Audit Finding:

The Business Manager prepared the Schedule of Expenditures of Federal Awards as required at the end of each fiscal year. The Deputy Treasurer was not provided with the list of all federal awards for the fiscal year and, therefore, could not review all documentation supporting the Schedule's contents for accuracy and completeness prior to the Schedule's submission.

It is the intent of the Business Manager to provide Schedule preparation training to the Deputy Treasurer prior to the submission of the 2016-2017 Schedule and to assign review of the documentation prior to the submission of future Schedules to the Deputy Treasurer as part of her regular duties.

Lisa M Baker

Signature

Business Manager

Title

August 10, 2017

Date



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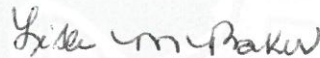
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-002

Fiscal Year in Which the Finding Initially Occurred: 2012-2013 and 2013-2014
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Lisa Baker, Business Manager
Contact Phone Number: 765-664-0624

Status of Audit Finding:

The Food Service Director trained a Kitchen Manager on the processing of the Free and Reduced Meal application. The Food Service Director continues to process the applications and the manager reviews the completed applications for accuracy.



Signature

Business Manager

Title

August 10, 2017

Date



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CORRECTIVE ACTION PLAN

FINDING 2016-001

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

Views of the Responsible Official:

Review of all documentation supporting the Schedule's contents for accuracy and completeness prior to the Schedule's submission is part of the desired internal control environment for which the Administration of the school district is continually striving. It is important for the individual who will review the documentation to also receiving training in the preparation of the Schedule. It is the intent of the Business Manager to provide this training prior to the submission of the 2016-2017 Schedule.

Description of Corrective Action Plan:

Each year, a list of all federal awards will be compiled with the assistance of the Special Services Director, the Curriculum Coordinator, and the Food Service Director.

The Business Manager will prepare the Schedule of Expenditures of Federal Awards as required at the end of each fiscal year. The Deputy Treasurer will be provided with the list of all federal awards for the fiscal year and will review all documentation supporting the Schedule's contents for accuracy and completeness prior to the Schedule's submission.

Anticipated Completion Date: August 25, 2017

Lisa M Baker

Signature

Business Manager

Title

August 10, 2017

Date

OTHER REPORTS

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