

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

BLOOMFIELD SCHOOL DISTRICT
GREENE COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
09/26/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Stacey Robinette	07-01-13 to 06-30-18
Superintendent of Schools	Daniel A. Sighting (Vacant)	07-01-13 to 07-31-16
	Doug Rose (Vacant)	08-01-16 to 08-10-16
	Doug Rose (Vacant)	08-11-16 to 01-26-17
	Dr. Carrie Milner (Vacant)	01-27-17 to 02-23-17
	Dr. Carrie Milner (Vacant)	02-24-17 to 05-12-17
President of the School Board	Dr. Carrie Milner (Vacant)	05-13-17 to 05-31-17
	Jeff Gibboney	06-01-17 to 06-30-18
	Steve Dowden	07-01-13 to 06-30-14
	Dwayne Hostetter	07-01-14 to 06-30-16
	Keven McIntosh	07-01-16 to 06-30-18



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE BLOOMFIELD SCHOOL DISTRICT, GREENE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Bloomfield School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, 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, 2013 to June 30, 2015.

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, 2013 to June 30, 2015, 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 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 22, 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 22, 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 BLOOMFIELD SCHOOL DISTRICT, GREENE 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 Bloomfield School District (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated August 22, 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 certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002 to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

Bloomfield School District'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 22, 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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BLOOMFIELD SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 1,136,891	\$ 5,620,449	\$ 5,726,518	\$ 492	\$ 1,031,314	\$ 5,576,810	\$ 5,567,844	\$ 123	\$ 1,040,403
Debt Service	426,304	763,524	673,520	-	516,308	609,208	739,215	-	386,301
Retirement/Severance Bond Debt Service	45,150	284,251	230,203	-	99,198	254,053	231,797	-	121,454
Capital Projects	496,019	536,682	477,628	-	555,073	623,345	489,989	-	688,429
School Transportation	456,914	716,524	565,797	-	607,641	561,867	656,096	-	513,412
School Bus Replacement	93,168	120,908	64,734	-	149,342	119,594	81,511	-	187,425
Rainy Day	387,411	1,247	-	-	388,658	1,471	-	-	390,129
Retirement/Severance Bond	153,405	-	17,645	-	135,760	-	-	-	135,760
Construction	-	-	6,216	168,000	161,784	-	-	-	161,784
School Lunch	89,896	493,440	501,176	-	82,160	493,378	475,550	-	99,988
Textbook Rental	95,079	71,859	23,465	-	143,473	70,038	30,875	-	182,636
Educational License Plates	3,866	56	-	-	3,922	38	-	-	3,960
Scholarships and Awards	1	15,913	14,913	-	1,001	17,258	17,759	-	500
Instruction Support	567	-	567	-	-	-	-	-	-
High Ability Grant FY14	-	28,998	2,582	-	26,416	-	26,416	-	-
High Ability Grant FY15	-	-	-	-	-	29,485	24,398	-	5,087
Medicaid Reimbursement	6,242	1,379	94	(492)	7,035	134	10	(48)	7,111
Secured Schools Safety Grant	-	-	-	-	-	65,907	68,281	-	(2,374)
School Technology	20,379	12,220	3,648	-	28,951	11,353	11,729	-	28,575
Technology Grants [IC 20-40-15]	-	2	2	-	-	-	-	-	-
Performance Based Awards	-	76,231	76,231	-	-	118,251	117,000	-	1,251
Title I FY14	-	129,150	133,917	-	(4,767)	13,559	8,792	-	-
Title I FY15	-	-	-	-	-	150,141	172,841	-	(22,700)
Title I FY13	(12,011)	39,014	27,003	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A FY13	-	16,147	16,147	-	-	11,492	11,492	-	-
Improving Teaching Quality, No Child Left, Title II, Part A FY14	-	-	-	-	-	10,000	10,000	-	-
Improving Teaching Quality, No Child Left, Title II, Part A FY12	-	30,655	30,655	-	-	-	-	-	-
Health Insurance	599,617	530,924	628,948	-	501,593	187,137	282,086	-	406,644
Payroll Fund	28,088	1,612,204	1,604,775	-	35,517	1,587,262	1,591,259	-	31,520
Totals	\$ 4,026,986	\$ 11,101,777	\$ 10,826,384	\$ 168,000	\$ 4,470,379	\$ 10,511,781	\$ 10,614,940	\$ 75	\$ 4,367,295

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

BLOOMFIELD SCHOOL DISTRICT
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.

BLOOMFIELD SCHOOL DISTRICT
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:

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.

BLOOMFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

BLOOMFIELD SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

BLOOMFIELD SCHOOL DISTRICT
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 the funds being set up for reimbursable grants. The reimbursement for expenditures made by the School Corporation were not received by June 30, 2014 and 2015.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Bloomfield School District School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ending June 30, 2014 and 2015, totaled \$673,520 and \$739,215, 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.

BLOOMFIELD SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	School Lunch
Cash and investments - beginning	\$ 1,136,891	\$ 426,304	\$ 45,150	\$ 496,019	\$ 456,914	\$ 93,168	\$ 387,411	\$ 153,405	\$ -	\$ 89,896
Receipts:										
Local sources	89,630	763,524	284,251	536,682	716,524	120,908	1,247	-	-	247,080
Intermediate sources	135	-	-	-	-	-	-	-	-	-
State sources	5,490,459	-	-	-	-	-	-	-	-	5,247
Federal sources	37,817	-	-	-	-	-	-	-	-	241,113
Other receipts	2,408	-	-	-	-	-	-	-	-	-
Total receipts	<u>5,620,449</u>	<u>763,524</u>	<u>284,251</u>	<u>536,682</u>	<u>716,524</u>	<u>120,908</u>	<u>1,247</u>	<u>-</u>	<u>-</u>	<u>493,440</u>
Disbursements:										
Instruction	3,910,009	-	-	7,243	-	-	-	17,645	-	-
Support services	1,685,009	-	-	272,465	565,797	64,734	-	-	-	-
Noninstructional services	112,056	-	-	-	-	-	-	-	-	501,176
Facilities acquisition and construction	19,444	-	-	197,920	-	-	-	-	6,216	-
Debt service	-	673,520	230,203	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>5,726,518</u>	<u>673,520</u>	<u>230,203</u>	<u>477,628</u>	<u>565,797</u>	<u>64,734</u>	<u>-</u>	<u>17,645</u>	<u>6,216</u>	<u>501,176</u>
Excess (deficiency) of receipts over disbursements	<u>(106,069)</u>	<u>90,004</u>	<u>54,048</u>	<u>59,054</u>	<u>150,727</u>	<u>56,174</u>	<u>1,247</u>	<u>(17,645)</u>	<u>(6,216)</u>	<u>(7,736)</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	168,000	-
Transfers in	492	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(105,577)</u>	<u>90,004</u>	<u>54,048</u>	<u>59,054</u>	<u>150,727</u>	<u>56,174</u>	<u>1,247</u>	<u>(17,645)</u>	<u>161,784</u>	<u>(7,736)</u>
Cash and investments - ending	<u>\$ 1,031,314</u>	<u>\$ 516,308</u>	<u>\$ 99,198</u>	<u>\$ 555,073</u>	<u>\$ 607,641</u>	<u>\$ 149,342</u>	<u>\$ 388,658</u>	<u>\$ 135,760</u>	<u>\$ 161,784</u>	<u>\$ 82,160</u>

BLOOMFIELD SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Textbook Rental	Educational License Plates	Scholarships and Awards	Instruction Support	High Ability Grant FY14	High Ability Grant FY15	Medicaid Reimbursement	Secured Schools Safety Grant	School Technology	Technology Grants [IC 20-40-15]
Cash and investments - beginning	\$ 95,079	\$ 3,866	\$ 1	\$ 567	\$ -	\$ -	\$ 6,242	\$ -	\$ 20,379	\$ -
Receipts:										
Local sources	41,275	-	15,913	-	-	-	-	-	-	-
Intermediate sources	-	56	-	-	-	-	-	-	-	-
State sources	30,584	-	-	-	28,998	-	1,379	-	12,220	2
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>71,859</u>	<u>56</u>	<u>15,913</u>	<u>-</u>	<u>28,998</u>	<u>-</u>	<u>1,379</u>	<u>-</u>	<u>12,220</u>	<u>2</u>
Disbursements:										
Instruction	-	-	-	567	2,582	-	-	-	3,648	2
Support services	23,465	-	-	-	-	-	94	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	14,913	-	-	-	-	-	-	-
Total disbursements	<u>23,465</u>	<u>-</u>	<u>14,913</u>	<u>567</u>	<u>2,582</u>	<u>-</u>	<u>94</u>	<u>-</u>	<u>3,648</u>	<u>2</u>
Excess (deficiency) of receipts over disbursements	<u>48,394</u>	<u>56</u>	<u>1,000</u>	<u>(567)</u>	<u>26,416</u>	<u>-</u>	<u>1,285</u>	<u>-</u>	<u>8,572</u>	<u>-</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(492)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(492)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>48,394</u>	<u>56</u>	<u>1,000</u>	<u>(567)</u>	<u>26,416</u>	<u>-</u>	<u>793</u>	<u>-</u>	<u>8,572</u>	<u>-</u>
Cash and investments - ending	<u>\$ 143,473</u>	<u>\$ 3,922</u>	<u>\$ 1,001</u>	<u>\$ -</u>	<u>\$ 26,416</u>	<u>\$ -</u>	<u>\$ 7,035</u>	<u>\$ -</u>	<u>\$ 28,951</u>	<u>\$ -</u>

BLOOMFIELD SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Performance Based Awards	Title I FY14	Title I FY15	Title I FY13	Improving Teaching Quality, No Child Left, Title II, Part A FY13	Improving Teaching Quality, No Child Left, Title II, Part A FY14	Improving Teaching Quality, No Child Left, Title II, Part A FY12	Health Insurance	Payroll Fund	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (12,011)	\$ -	\$ -	\$ -	\$ 599,617	\$ 28,088	\$ 4,026,986
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,817,034
Intermediate sources	-	-	-	-	-	-	-	-	-	191
State sources	76,231	-	-	-	-	-	-	-	-	5,645,120
Federal sources	-	129,150	-	39,014	16,147	-	30,655	-	-	493,896
Other receipts	-	-	-	-	-	-	-	530,924	1,612,204	2,145,536
Total receipts	<u>76,231</u>	<u>129,150</u>	<u>-</u>	<u>39,014</u>	<u>16,147</u>	<u>-</u>	<u>30,655</u>	<u>530,924</u>	<u>1,612,204</u>	<u>11,101,777</u>
Disbursements:										
Instruction	76,231	133,917	-	27,003	16,147	-	20,655	-	-	4,215,649
Support services	-	-	-	-	-	-	10,000	-	-	2,621,564
Noninstructional services	-	-	-	-	-	-	-	-	-	613,232
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	223,580
Debt service	-	-	-	-	-	-	-	-	-	903,723
Nonprogrammed charges	-	-	-	-	-	-	-	628,948	1,604,775	2,248,636
Total disbursements	<u>76,231</u>	<u>133,917</u>	<u>-</u>	<u>27,003</u>	<u>16,147</u>	<u>-</u>	<u>30,655</u>	<u>628,948</u>	<u>1,604,775</u>	<u>10,826,384</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(4,767)</u>	<u>-</u>	<u>12,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,024)</u>	<u>7,429</u>	<u>275,393</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	168,000
Transfers in	-	-	-	-	-	-	-	-	-	492
Transfers out	-	-	-	-	-	-	-	-	-	(492)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>(4,767)</u>	<u>-</u>	<u>12,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(98,024)</u>	<u>7,429</u>	<u>443,393</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (4,767)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 501,593</u>	<u>\$ 35,517</u>	<u>\$ 4,470,379</u>

BLOOMFIELD SCHOOL DISTRICT
 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 Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction	School Lunch
Cash and investments - beginning	\$ 1,031,314	\$ 516,308	\$ 99,198	\$ 555,073	\$ 607,641	\$ 149,342	\$ 388,658	\$ 135,760	\$ 161,784	\$ 82,160
Receipts:										
Local sources	15,777	609,208	254,053	623,345	561,867	119,594	1,471	-	-	236,788
Intermediate sources	68	-	-	-	-	-	-	-	-	-
State sources	5,535,548	-	-	-	-	-	-	-	-	5,958
Federal sources	22,983	-	-	-	-	-	-	-	-	250,632
Other receipts	2,434	-	-	-	-	-	-	-	-	-
Total receipts	5,576,810	609,208	254,053	623,345	561,867	119,594	1,471	-	-	493,378
Disbursements:										
Instruction	3,814,080	-	-	353	-	-	-	-	-	-
Support services	1,653,457	-	-	260,344	656,096	81,511	-	-	-	-
Noninstructional services	100,307	-	-	-	-	-	-	-	-	475,550
Facilities acquisition and construction	-	-	-	229,292	-	-	-	-	-	-
Debt service	-	739,215	231,797	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,567,844	739,215	231,797	489,989	656,096	81,511	-	-	-	475,550
Excess (deficiency) of receipts over disbursements	8,966	(130,007)	22,256	133,356	(94,229)	38,083	1,471	-	-	17,828
Other financing sources (uses):										
Sale of capital assets	75	-	-	-	-	-	-	-	-	-
Transfers in	48	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	123	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,089	(130,007)	22,256	133,356	(94,229)	38,083	1,471	-	-	17,828
Cash and investments - ending	\$ 1,040,403	\$ 386,301	\$ 121,454	\$ 688,429	\$ 513,412	\$ 187,425	\$ 390,129	\$ 135,760	\$ 161,784	\$ 99,988

BLOOMFIELD SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Textbook Rental	Educational License Plates	Scholarships and Awards	Instruction Support	High Ability Grant FY14	High Ability Grant FY15	Medicaid Reimbursement	Secured Schools Safety Grant	School Technology	Technology Grants [IC 20-40-15]
Cash and investments - beginning	\$ 143,473	\$ 3,922	\$ 1,001	\$ -	\$ 26,416	\$ -	\$ 7,035	\$ -	\$ 28,951	\$ -
Receipts:										
Local sources	34,578	-	17,258	-	-	-	-	-	-	-
Intermediate sources	-	38	-	-	-	-	-	-	-	-
State sources	35,460	-	-	-	-	29,485	134	65,907	11,353	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	70,038	38	17,258	-	-	29,485	134	65,907	11,353	-
Disbursements:										
Instruction	-	-	-	-	26,416	24,398	-	68,281	11,729	-
Support services	30,875	-	-	-	-	-	10	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	17,759	-	-	-	-	-	-	-
Total disbursements	30,875	-	17,759	-	26,416	24,398	10	68,281	11,729	-
Excess (deficiency) of receipts over disbursements	39,163	38	(501)	-	(26,416)	5,087	124	(2,374)	(376)	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(48)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(48)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	39,163	38	(501)	-	(26,416)	5,087	76	(2,374)	(376)	-
Cash and investments - ending	\$ 182,636	\$ 3,960	\$ 500	\$ -	\$ -	\$ 5,087	\$ 7,111	\$ (2,374)	\$ 28,575	\$ -

BLOOMFIELD SCHOOL DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Performance Based Awards	Title I FY14	Title I FY15	Title I FY13	Improving Teaching Quality, No Child Left, Title II, Part A FY13	Improving Teaching Quality, No Child Left, Title II, Part A FY14	Improving Teaching Quality, No Child Left, Title II, Part A FY12	Health Insurance	Payroll Fund	Totals
Cash and investments - beginning	\$ -	\$ (4,767)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 501,593	\$ 35,517	\$ 4,470,379
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	2,473,939
Intermediate sources	-	-	-	-	-	-	-	-	-	106
State sources	118,251	-	-	-	-	-	-	-	-	5,802,096
Federal sources	-	13,559	150,141	-	11,492	10,000	-	-	-	458,807
Other receipts	-	-	-	-	-	-	-	187,137	1,587,262	1,776,833
Total receipts	118,251	13,559	150,141	-	11,492	10,000	-	187,137	1,587,262	10,511,781
Disbursements:										
Instruction	117,000	8,792	171,791	-	1,492	10,000	-	-	-	4,254,332
Support services	-	-	1,050	-	10,000	-	-	-	-	2,693,343
Noninstructional services	-	-	-	-	-	-	-	-	-	575,857
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	229,292
Debt service	-	-	-	-	-	-	-	-	-	971,012
Nonprogrammed charges	-	-	-	-	-	-	-	282,086	1,591,259	1,891,104
Total disbursements	117,000	8,792	172,841	-	11,492	10,000	-	282,086	1,591,259	10,614,940
Excess (deficiency) of receipts over disbursements	1,251	4,767	(22,700)	-	-	-	-	(94,949)	(3,997)	(103,159)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	75
Transfers in	-	-	-	-	-	-	-	-	-	48
Transfers out	-	-	-	-	-	-	-	-	-	(48)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	75
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,251	4,767	(22,700)	-	-	-	-	(94,949)	(3,997)	(103,084)
Cash and investments - ending	\$ 1,251	\$ -	\$ (22,700)	\$ -	\$ -	\$ -	\$ -	\$ 406,644	\$ 31,520	\$ 4,367,295

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Bloomfield School District School Building Corporation	Construction/Renovation	\$ 103,000	7/15/2014	1/15/2022
Bloomfield School District School Building Corporation	Renovation	<u>476,500</u>	7/15/2011	12/31/2016
Total governmental activities		<u>579,500</u>		
Total of annual lease payments		<u>\$ 579,500</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Pension Debt	<u>\$ 886,839</u>	<u>\$ 232,636</u>
Totals		<u>\$ 886,839</u>	<u>\$ 232,636</u>

BLOOMFIELD SCHOOL DISTRICT
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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.

	Ending Balance
Governmental activities:	
Land	\$ 787,104
Buildings	8,105,077
Improvements other than buildings	1,173,190
Machinery, equipment, and vehicles	1,265,036
Construction in progress	1,900,000
Total governmental activities	13,230,407
Total capital assets	\$ 13,230,407

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE BLOOMFIELD SCHOOL DISTRICT, GREENE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Bloomfield School District'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, 2013 to June 30, 2015. 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. Except as discussed in the following paragraph, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on Child Nutrition Cluster

As described in items 2015-008 and 2015-009 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Eligibility, Program Income, and Special Test and Provisions - Verification of Free and Reduced Price Applications. Consequently, we were unable to determine whether the School Corporation complied with these requirements applicable to the program.

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

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of Eligibility, Program Income, and Special Tests and Provisions - Verification of Free and Reduced Price Applications, described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Child Nutrition Cluster for the period of July 1, 2013 to June 30, 2015.

Unmodified Opinion on Special Education Cluster (IDEA)

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 the Special Education Cluster (IDEA) programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2013 to June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-003 and 2015-005. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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


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

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

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 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, 2015-008, and 2015-009 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

August 22, 2017

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.

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BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2014 and 2015	\$ 60,986	\$ 60,368
Food Service Program					
National School Lunch Program	Indiana Department of Education	10.555	FY 2014 and 2015	180,127	190,264
Food Service Program			FY 2014 and 2015	29,196	30,374
Commodities					
Total - National School Lunch Program				209,323	220,638
Total - Child Nutrition Cluster				270,309	281,006
Total - Department of Agriculture				270,309	281,006
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education_Grants to States	Indiana Department of Education	84.027	14212-024-PN01	8,313	-
			14213-024-PN01	73,878	805
			14214-024-PN01	127,265	84,321
			14215-024-PN01	-	131,922
			99914-024-PN01	3,607	-
Total - Special Education_Grants to States				213,063	217,048
Special Education_Preschool Grants	Indiana Department of Education	84.173	45713-024-PN01	2,193	-
			45714-024-PN01	2,950	2,307
			45715-024-PN01	-	1,715
Total - Special Education_Preschool Grants				5,143	4,022
Total - Special Education Cluster (IDEA)				218,206	221,070
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	13-2920	39,014	-
			14-2920	129,150	13,559
			15-2920	-	150,141
Total - Title I Grants to Local Educational Agencies				168,164	163,700
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	12-2920	30,655	-
			13-2920	16,147	11,492
			14-2920	-	10,000
Total - Improving Teacher Quality State Grants				46,802	21,492
Total - Department of Education				433,172	406,262
<u>Department of Health and Human Services</u>					
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance					
2013 Promoting Adolescent Health	Indiana Department of Health	93.079	FY 2014	-	145
2014 Promoting Adolescent Health			FY 2015	-	255
Total - Department of Health and Human Services				-	400
Total federal awards expended				\$ 703,481	\$ 687,668

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

BLOOMFIELD SCHOOL DISTRICT
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, 2014 and 2015. 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.

Note 3. Special Education Cooperative

The School Corporation is a member of the Greene-Sullivan Special Education Cooperative (Cooperative) which operates the Special Education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the Schedule of Expenditures of Federal Awards is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Qualified as to the Child Nutrition Cluster; Unmodified as to the Special Education Cluster (IDEA)
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

_____ 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 2015-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2013-001.

BLOOMFIELD SCHOOL DISTRICT
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 to prepare and submit the SEFA. There was no evidence of a control to ensure federal awards information entered and submitted was correct.

Context

The SEFA contained the following errors:

- The School Breakfast Program FY 2014 expenditures of \$60,986 were not reported.
- The National School Lunch Program commodities of \$59,570 were not reported and expenditures were overstated \$33,261, for a net understatement of \$26,309.
- The Special Education Cluster (IDEA) expenditures of \$218,206 for FY 2014 were not reported.
- The Title I Grants to Local Educational Agencies FY 2014 expenditures were understated \$27,526.
- The Title I Grants to Local Educational Agencies FY 2015 expenditures were understated \$45,672.
- The Improving Teacher Quality State Grants FY 2014 expenditures of \$30,655 from the FY 2012 grant were not reported.
- The Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance expenditures in the amount of \$400 for FY 2015 were not reported.

The errors resulted in a net understatement of federal expenditures of \$341,386. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

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. . . .

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . ."

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with section § ____.310. . . ."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Cause

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

Effect

The failure to establish controls enabled material misstatements of the SEFA to occur.

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

Views of Responsible Officials

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

FINDING 2015-002

Subject: Internal Controls over Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior audit.

Condition

The School Corporation did not have an effective system of internal control in place to prevent, or detect and correct, financial transactions and reporting errors.

Context

The School Corporation had not separated incompatible activities related to receipt transactions. The receipting and depositing procedures were completed by one individual. There was no evidence of a control to ensure receipts were properly recorded, deposited to the bank, and reported.

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. . . ."

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management of the School Corporation had not established a proper system of internal control, which would have included segregation of duties, over receipts.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

Recommendation

We recommended that the School Corporation's management establish controls to prevent, or detect and correct, financial transactions and reporting errors.

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

FINDING 2015-003

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-024-PN01, 14213-024-PN01,
14214-024-PN01, 14215-024-PN01,
99914-024-PN01, 45713-024-PN01,
45714-024-PN01, 45715-024-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is not a repeat finding from the immediate prior audit.

Condition

The School Corporation was a member of the Greene-Sullivan Special Education Cooperative (Cooperative). The Cooperative operated the Special Education program on behalf of the School Corporation and managed the Special Education grants. There was no oversight of the Cooperative by the School Corporation. Each member school corporation is ultimately responsible for ensuring compliance with the requirements.

The School Corporation had not established an internal control system to ensure compliance with the Allowable Costs/Cost Principles compliance requirement. The School Corporation failed to keep the necessary documentation relating to Circular A-87 for time and effort reporting. For those employees that were paid entirely from the Special Education program, the Cooperative did not submit Semi-Annual Certification.

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

There were no Semi-Annual Certifications completed during the audit period.

Criteria

OMB Circular A-87, Attachment B, Section 8h(3) states:

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

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

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

Cause

Management had not developed a system of internal controls that would have ensured the School Corporation complied with the Allowable Costs/Cost Principles compliance requirement concerning time and effort reporting.

Effect

The failure to establish an effective internal control system enabled noncompliance to occur. Noncompliance with the Allowable Costs/Cost Principles compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls and implement procedures to monitor the Cooperative to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles requirements listed above.

Views of Responsible Officials

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

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2015-004

Subject: Special Education Cluster (IDEA) - Reporting
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 14212-024-PN01, 14213-024-PN01,
14214-024-PN01, 99914-024-PN01,
45713-024-PN01, 45714-024-PN01

Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior audit.

Condition

The School Corporation was a member of the Greene-Sullivan Special Education Cooperative (Cooperative). The Cooperative operated the Special Education program on behalf of the School Corporation and managed the Special Education grants. There was no oversight of the Cooperative by the School Corporation. Each member school corporation is ultimately responsible for ensuring compliance with the requirements.

Reporting

The School Corporation had not established an effective internal control system over their Special Education program related to the Reporting compliance requirement. Reimbursement Requests were prepared and filed by the Cooperative Treasurer with no oversight, review, or approval process, or other compensating control.

Context

Controls did not exist over the compliance requirement of Reporting for Reimbursement Requests for the 2013-2014 school year.

Criteria

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

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

Cause

Management had not developed a system of internal controls that would have ensured the School Corporation complied with the Reporting compliance requirement.

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective internal control system could have enabled noncompliance to occur. Noncompliance with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls and implement procedures to monitor the Cooperative to ensure compliance with the grant agreement and the Reporting requirements listed above.

Views of Responsible Officials

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

FINDING 2015-005

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-024-PN01, 14214-024-PN01,
14215-024-PN01, 45713-024-PN01,
45715-024-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matter

Repeat Finding

This is not a repeat finding from the immediate prior audit.

Condition

The School Corporation was a member of the Greene-Sullivan Special Education Cooperative (Cooperative). The Cooperative operated the Special Education program on behalf of the School Corporation and managed the Special Education grant funds. There was no oversight of the Cooperative by the School Corporation. Each member school corporation is ultimately responsible for ensuring compliance with the requirements.

An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have procedures in place to verify that the vendors were not suspended or debarred, or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a contract with them.

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The School Corporation did not verify that vendors were not suspended or debarred prior to awarding the contracts with 100 percent of applicable vendors for the 2014-2015 school year.

Criteria

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

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

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

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Procurement and Suspension and Debarment requirements.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls and implement procedures to monitor the Cooperative to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment requirements listed above.

Views of Responsible Officials

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

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2015-006

Subject: Special Education Cluster (IDEA) - Matching, Level of Effort, Earmarking

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14212-024-PN01, 14213-024-PN01,
14214-024-PN01, 14215-024-PN01,
99914-024-PN01, 45713-024-PN01,
45714-024-PN01, 45715-024-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior audit.

Condition

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation is a member of the Greene-Sullivan Special Education Cooperative (Cooperative). The Cooperative operated the Special Education program and managed the Special Education grant funds. The School Corporation is responsible for maintaining documentation for level of effort reported in the application.

The maintenance of effort calculations were prepared by and reported on the applications sent to the Indiana Department of Education by the Treasurer. There was no oversight, review, approval process, or other compensating control to ensure the information submitted was complete and accurate.

Context

Controls did not exist over the compliance requirement of Matching, Level of Effort, Earmarking during the audit period.

Criteria

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

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

Cause

Management had not develop a system of internal controls that would have ensured that the School Corporation complied with the Matching, Level of Effort, and Earmarking compliance requirement.

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(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 requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement 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.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement listed above.

Views of Responsible Officials

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

FINDING 2015-007

Subject: Child Nutrition Cluster - Special Tests and Provisions - Paid Lunch Equity and Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014, FY 2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Special Tests and Provisions - Paid Lunch Equity, Reporting
Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior audit.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance related to the grant agreement and the following compliance requirements: Special Tests and Provisions - Paid Lunch Equity and Reporting.

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)

The School Corporation had not designed or implemented adequate internal controls to ensure compliance with the Special Tests and Provisions - Paid Lunch Equity requirements. There were no procedures in place to ensure that the calculation was performed and documentation maintained.

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Reporting

The School Corporation had not designed or implemented adequate internal controls to ensure compliance with the Reporting requirements. There were no procedures in place to ensure that the reports submitted were accurate.

Context

Controls did not exist over the Special Tests and Provisions - Paid Lunch Equity and Reporting compliance requirements during the audit period.

Criteria

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

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

Cause

Management had not developed a system of internal controls that would have ensured that the School Corporation complied with the Reporting and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

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.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted.

Views of Responsible Officials

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

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2015-008

Subject: Child Nutrition Cluster - Eligibility and Special Tests and Provisions -
Verification of Free and Reduced Price Applications (NSLP)
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014, FY 2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Eligibility, Special Tests and Provisions- Verification of Free
and Reduced Price Applications (NSLP)
Audit Findings: Material Weakness, Scope Limitation Modified Opinion

Repeat Finding

This is a repeat finding from the immediate prior year. The prior year finding number was 2013-002.

Condition

An effective internal control system was not in place to ensure that student information supporting proper application of the free and reduced price student eligibility determinations was retained and available for audit. The Food Service Department used a web-based program to store and manage student meal accounts and activity. Student eligibility classifications were inputted in the program and used for daily meal charges and payments.

Student eligibility and Verification of Free and Reduced Price Applications (NSLP) was properly performed and documented on hardcopy applications, but due to a RansomWare attack, individual student information maintained by the software program was lost for the entire audit period. Audit testing could not be performed to verify that the students' eligibility status was properly utilized for meal charges and payments applied throughout the audit period because the data was destroyed in the attack.

Context

It could not be determined if the student eligibility classifications had been properly applied and if the verification process was correctly performed for either year of the audit period.

Criteria

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

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

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

7 CFR 210.23(c) states:

"Retention of records. State agencies and school food authorities may retain necessary records in their original form or on microfilm. State agency records shall be retained for a period of 3 years after the date of submission of the final Financial Status Report for the fiscal year. School food authority records shall be retained for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. In either case, if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . with respect to participating schools under its jurisdiction: . . .

- (13) Upon request, make all accounts and records pertaining to its nonprofit school food service available to the State agency, to FNS and to OA for audit or review at a reasonable time and place. Such records shall be retained for a period of three years after the end of the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the three-year period as long as required for the resolution of the issues raised by the audit; . . ."

Cause

Management had not developed a system of internal controls that would have ensured that documentation was retained and made available for audit regarding the Eligibility and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

Effect

The failure to establish controls that would have ensured the retention of the records for testing eligibility and verification prevented the determination of the School Corporation's compliance with the Eligibility and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, and comply with the grant agreement and the compliance requirements listed above.

Views of Responsible Officials

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

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2015-009

Subject: Child Nutrition Cluster - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014, FY 2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Scope Limitation Modified Opinion

Repeat Finding

This is not a repeat finding from the immediate prior audit.

Condition

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement.

The School Corporation did not comply with requirements for accounting for program income generated from the operation of the school food service program. A single fund, the School Lunch fund, was used to account for all activity of the school food service program.

The School Corporation maintained prepaid accounts for students. When prepaid funds were received, they were receipted with the program income into the School Lunch fund as revenue, with no distinction between the prepaid accounts and the program income generated from the school food service program.

Context

The School Corporation's procedures for recording receipts in the School Lunch fund prevented the ability to determine whether the School Corporation was in compliance with the Program Income requirements.

Criteria

7 CFR 3016.20 (b)(2) states:

"Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

Cause

Management had not developed a system of internal controls that would have ensured that prepaid receipts and program income receipts were properly identified and accounted for.

Effect

The failure to establish controls that would have ensured proper receipting and recording of program income prevented the determination of the School Corporation's compliance with Program Income requirements.

BLOOMFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation comply with the Program Income requirements and segregate the prepaid receipts from the program income receipts.

AUDITEE-PREPARED DOCUMENTS

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

BLOOMFIELD SCHOOL DISTRICT

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Board of School Trustees

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Steve Jones

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Terry Wade

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-002

Fiscal year in which the finding initially occurred: 2013

Pass Through Entity: Department of Education

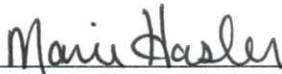
Contact Person Responsible for Corrective Action: Stacey Robinette and Marie Hasler

Contact Phone Number: 812-384-4386

Status of Audit Finding:

FINDING 2013-002

The Bloomfield School District Food Service department has implemented an internal control system to provide reasonable assurance of verified applications having been reviewed by both an initial verifying official and a confirmation review official with regards to the proper completion and documentation of student eligibility status for free or reduced lunches and maintaining auditable files. The Bloomfield School District Food Service department continues to follow guidelines set forth by the Indiana Department of Education, the United States Department of Agriculture, the National School Lunch Program, and the School Breakfast Program.



Mrs. Marie Hasler, Food Service Director



Mrs. Stacey Robinette, District Treasurer

Dated: August 7, 2017

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CORRECTIVE ACTION PLAN

FINDING 2015-001

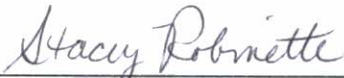
Contact Person Responsible for Corrective Action: Stacey Robinette

Contact Phone Number: 812-384-4386

Views of Responsible Official: We concur with the finding.

The Bloomfield School District continues to obtain information to properly identify, appropriately track, and report Federal Grants. CFDA numbers are being listed on fund numbers in our financial software. Further education through local school treasurer meetings, online and written publications, IASBO and SBOA training workshops will continue to be pursued as a means to bring accuracy to SEFA reporting. The District Treasurer will also work with the District Superintendent to establish an internal control for reviewing and approving the financial data before it is submitted formally for the corporation.

Anticipated Completion Date: August 31, 2017



Stacey Robinette, Treasurer

Dated: August 7, 2017

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CORRECTIVE ACTION PLAN

FINDING 2015-002

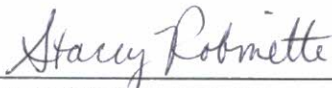
Contact Person Responsible for Corrective Action: Stacey Robinette

Contact Phone Number: 812-384-4386

Views of Responsible Official: We concur with the finding.

The Bloomfield School District Treasurer will begin separating the duties of those involved in the receipting of monies and the deposit process at the financial institution. The Treasurer will begin receipting monies into the software system and then provide a report of the receipted monies from the software to the Elementary and/or High School ECA treasurers. The elementary or high school ECA treasurer will then complete the deposit ticket and deliver to the bank. This will provide an internal control of money received and deposited by the corporation.

Anticipated Completion Date: Immediate



Stacey Robinette, Treasurer

Dated: August 7, 2017

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Superintendent

Jeff Gibboney

Corrective Action Plan

Finding 2015-003

Contact Person Responsible for Corrective Action: Jeff Gibboney
Contact Phone Number: (812) 384-4507

We concur with the findings.

Description of Corrective Action Plan:

Management of the Bloomfield School District will work with the Greene-Sullivan Special Education Cooperative to establish internal controls that will ensure the Cooperative is in compliance with Allowable Costs/Cost Principles compliance requirements concerning time and effort reporting.

Anticipated Completion Date: August 31, 2017

Finding 2015-004

Contact Person Responsible for Corrective Action: Jeff Gibboney
Contact Phone Number: (812) 384-4507

We concur with the findings.

Description of Corrective Action Plan:

Management of the Bloomfield School District will work with the Greene-Sullivan Special Education Cooperative to establish internal controls that will ensure the Cooperative is in compliance with the Reporting compliance requirement concerning reimbursement requests.

Anticipated Completion Date: August 31, 2017

Finding 2015-005

Contact Person Responsible for Corrective Action: Jeff Gibboney
Contact Phone Number: (812) 384-4507

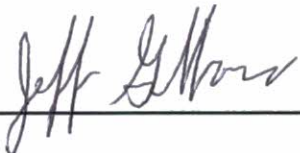
We concur with the findings.

Description of Corrective Action Plan:

Management of the Bloomfield School District will work with the Greene-Sullivan Special Education Cooperative to establish internal controls that will ensure the Cooperative is in compliance with the Procurement, Suspension and Debarment requirement concerning the approval of contracts only after verifying the vendors were not suspended or debarred.

Anticipated Completion Date: August 31, 2017

Dated: August 1, 2017



Jeff Gibboney, Superintendent

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CORRECTIVE ACTION PLAN

FINDING 2015-006

Contact Person Responsible for Corrective Action: Stacey Robinette

Contact Phone Number: 812-384-4386

Views of Responsible Official: We concur with the finding.

The Bloomfield School District Treasurer will work with the Bloomfield Elementary School Secretary, whom is responsible for filing special education reports with the state, to establish a segregation of duties with regards to Matching, Level of Effort, and Earmarking. Maintenance of Effort supporting documentation will be obtained and retained to substantiate the state and local expenditures and student counts. The information will then be submitted to the Bloomfield School District Superintendent for review and approval prior to submission to the Greene-Sullivan Special Education Cooperative.

Anticipated Completion Date: August 31, 2017



Stacey Robinette, Treasurer

Dated: August 7, 2017

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CORRECTIVE ACTION PLAN

FINDING 2015-007

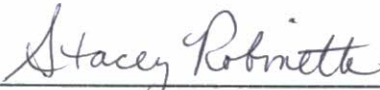
Contact Person Responsible for Corrective Action: Stacey Robinette

Contact Phone Number: 812-384-4386

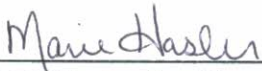
Views of Responsible Official: We concur with the finding.

The Bloomfield School District Treasurer will work with the Bloomfield School Food Service Director to perform the Paid Lunch Equity calculations annually and to establish paid lunch prices as indicated by the formula. Proper documentation will be kept on file to provide auditors the necessary information to verify calculations were completed according to the formula.

Anticipated Completion Date: August 31, 2017



Stacey Robinette, Treasurer



Marie Hasler, Food Service Director

Dated: August 7, 2017

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CORRECTIVE ACTION PLAN

FINDING 2015-008

Contact Person Responsible for Corrective Action: Stacey Robinette and Marie Hasler

Contact Phone Number: 812-384-4386


Views of Responsible Official: We concur with the finding.

The Bloomfield School District has purchased software allowing for daily back-ups of students' individual accounts in the school lunch program. The food service director will work with the food service financial clerk to set up a review and approval process for verifying the information provided by the Indiana Department of Education and parents/guardians and also maintain the electronic records as well as hard copy documentation.

Anticipated Completion Date: August 31, 2017



Stacey Robinette, Treasurer



Marie Hasler, Food Service Director

Dated: August 7, 2017

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CORRECTIVE ACTION PLAN

FINDING 2015-009

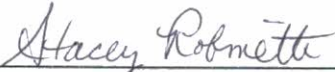
Contact Person Responsible for Corrective Action: Stacey Robinette and Marie Hasler

Contact Phone Number: 812-384-4386

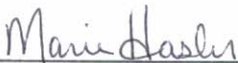
Views of Responsible Official: We concur with the finding.

The Bloomfield School District Treasurer has established pre-paid account funds 0300 and 0900 in the extra-curricular accounting program of the district's financial software as pre-paid adult and pre-paid student holding funds allowing separation of pre-paid funds from the school lunch program fund 0800. The treasurer will begin providing monthly fund reports of the prepaid funds to the food service financial clerk to verify and approve the proper receipting and expending of monies from the holding accounts into the school lunch fund as well as reconcile the total of the individual meal accounts with the clearing fund accounts.

Anticipated Completion Date: Immediate



Stacey Robinette, Treasurer



Marie Hasler, Food Service Director

Dated: August 7, 2017

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/>.