

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

EASTERN GREENE SCHOOLS
GREENE COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
06/07/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Marilyn Burch	07-01-14 to 06-30-18
Superintendent of Schools	Arthur T. Baechtold, Jr.	07-01-14 to 06-30-18
President of the School Board	Michael Adams Ron Childress	07-01-14 to 12-31-16 01-01-17 to 12-31-18



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

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


Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of 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 May 3, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

May 3, 2018



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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 EASTERN GREENE SCHOOLS, 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 Eastern Greene Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated May 3, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

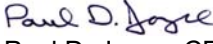
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

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

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

May 3, 2018

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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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EASTERN GREENE SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 427,825	\$ 8,397,924	\$ 8,369,935	\$ -	\$ 455,814	\$ 8,380,153	\$ 8,158,592	\$ (2,456)	\$ 674,919
Debt Service	457,718	1,450,610	1,449,233	-	459,095	1,521,345	1,425,391	-	555,049
Retirement/Severance Bond Debt Service	76,435	185,631	194,004	-	68,062	161,647	201,251	-	28,458
Capital Projects	196,148	549,611	536,756	-	209,003	584,064	482,720	(43,235)	267,112
School Transportation	254,471	921,643	765,980	-	410,134	984,799	717,657	(100,000)	577,276
School Bus Replacement	25,049	19,845	-	(44,894)	-	13,478	-	(5,106)	8,372
Rainy Day	284,540	-	3,187	44,894	326,247	-	6,748	180,106	499,605
Construction HS Escrow	163,722	3,871	61,016	-	106,577	11,117	87,057	4,223	34,860
Storm Damage 2012	2,131	-	-	-	2,131	-	-	-	2,131
Gym Floor Damage FR Room	-	22,294	9,200	-	13,094	-	-	-	13,094
School Lunch	-	609,284	596,415	-	12,869	621,454	609,208	-	25,115
Textbook Rental	59,382	93,247	39,019	-	113,610	135,455	35,563	-	213,502
Self-Insurance	539,838	1,323,789	1,090,441	-	773,186	1,306,580	1,008,248	-	1,071,518
Levy Excess	31,765	-	-	-	31,765	-	-	(31,765)	-
Hutton Scholarship Fund	6,976	-	-	-	6,976	-	-	-	6,976
Amvets/Rodney Ritter	5,839	-	300	-	5,539	-	-	-	5,539
General Motors Scholarships	1,000	2,000	1,000	-	2,000	-	1,000	-	1,000
General Scholarships	1,600	500	1,600	-	500	2,000	2,000	-	500
Clark FFA Scholarship	-	250	-	-	250	575	250	-	575
JAG Grant from REMC	-	650	-	-	650	-	-	-	650
Credit Recovery Novel Stars	7,794	50	-	-	7,844	-	3,485	-	4,359
Formative Assessment	-	-	-	-	-	-	-	2,456	2,456
GT/High Ability 2015-16	-	-	-	-	-	30,214	19,193	-	11,021
High Ability G/T 2014-2015	-	29,632	10,155	-	19,477	-	19,477	-	-
Gifted/Talented High Ability 2013/2014	8,863	-	8,863	-	-	-	-	-	-
Medicaid Reimbursement - State	-	-	-	-	-	2,979	-	-	2,979
Caitlin Memorial	6,980	2	-	-	6,982	1	150	-	6,833
Miscellaneous Programs	1,519	-	-	-	1,519	1,000	1,000	-	1,519
Title I 2013/2014	(32,207)	49,401	17,194	-	-	-	-	-	-
Title I 2014-15	-	97,264	129,452	-	(32,188)	64,447	32,259	-	-
Title I 2015-16	-	-	-	-	-	104,201	120,171	-	(15,970)
Safe and Drug Free 2007-2009	18	-	-	-	18	-	-	-	18
Medicaid Reimbursement - Federal	-	-	-	-	-	5,940	-	-	5,940
Title IIA 2013 to 2015	(845)	15,487	17,098	-	(2,456)	26,225	23,769	-	-
Title IIA 14/16	-	-	-	-	-	32,134	36,307	-	(4,173)
Payroll Withholdings	29,067	1,690,899	1,653,266	-	66,700	1,599,463	1,608,616	-	57,547
Totals	\$ 2,555,628	\$ 15,463,884	\$ 14,954,114	\$ -	\$ 3,065,398	\$ 15,589,271	\$ 14,600,112	\$ 4,223	\$ 4,058,780

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

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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.

EASTERN GREENE SCHOOLS
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.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

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:

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

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. 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:

EASTERN GREENE SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

B. Additional Pension Plan

The School Corporation also contributes to an additional pension plan unique to the School Corporation. Information regarding this plan may be obtained from the School Corporation.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of reimbursable federal grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 and 2016.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Eastern Greene School Bldg. 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, 2015 and 2016, totaled \$508,000 and \$508,000, respectively.

Note 9. Subsequent Events

The lawsuit over the deterioration of the new high school was settled. The settlements have all been deposited in the Reconstruct New HS fund. The first deposit was made on February 23, 2017. The amount of \$4,671,433 has been deposited into this fund from eight different companies or their legal representation.

Note 10. Other Postemployment Benefits

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

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 Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

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

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction HS Escrow	Storm Damage 2012	Gym Floor Damage FR Room
Cash and investments - beginning	\$ 427,825	\$ 457,718	\$ 76,435	\$ 196,148	\$ 254,471	\$ 25,049	\$ 284,540	\$ 163,722	\$ 2,131	\$ -
Receipts:										
Local sources	278,867	1,450,610	185,631	541,653	921,604	19,845	-	3,871	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	8,119,137	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	(80)	-	-	7,958	39	-	-	-	-	22,294
Total receipts	8,397,924	1,450,610	185,631	549,611	921,643	19,845	-	3,871	-	22,294
Disbursements:										
Instruction	5,774,936	-	-	-	-	-	3,187	-	-	-
Support services	2,438,537	9,118	-	316,898	765,980	-	-	61,016	-	9,200
Noninstructional services	149,846	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	6,616	-	-	219,858	-	-	-	-	-	-
Debt service	-	1,440,115	194,004	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,369,935	1,449,233	194,004	536,756	765,980	-	3,187	61,016	-	9,200
Excess (deficiency) of receipts over disbursements	27,989	1,377	(8,373)	12,855	155,663	19,845	(3,187)	(57,145)	-	13,094
Other financing sources (uses):										
Transfers in	-	-	-	-	-	5,106	50,000	-	-	-
Transfers out	-	-	-	-	-	(50,000)	(5,106)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(44,894)	44,894	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,989	1,377	(8,373)	12,855	155,663	(25,049)	41,707	(57,145)	-	13,094
Cash and investments - ending	\$ 455,814	\$ 459,095	\$ 68,062	\$ 209,003	\$ 410,134	\$ -	\$ 326,247	\$ 106,577	\$ 2,131	\$ 13,094

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Hutton Scholarship Fund	Amvets/ Rodney Ritter	General Motors Scholarships	General Scholarships	Clark FFA Scholarship
Cash and investments - beginning	\$ -	\$ 59,382	\$ 539,838	\$ 31,765	\$ 6,976	\$ 5,839	\$ 1,000	\$ 1,600	\$ -
Receipts:									
Local sources	260,240	43,570	1,323,789	-	-	-	2,000	500	250
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	4,642	49,677	-	-	-	-	-	-	-
Federal sources	344,472	-	-	-	-	-	-	-	-
Other receipts	(70)	-	-	-	-	-	-	-	-
Total receipts	609,284	93,247	1,323,789	-	-	-	2,000	500	250
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	794	39,019	618,059	-	-	-	-	-	-
Noninstructional services	595,621	-	-	-	-	300	1,000	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	472,382	-	-	-	-	1,600	-
Other disbursements	-	-	-	-	-	-	-	-	-
Total disbursements	596,415	39,019	1,090,441	-	-	300	1,000	1,600	-
Excess (deficiency) of receipts over disbursements	12,869	54,228	233,348	-	-	(300)	1,000	(1,100)	250
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,869	54,228	233,348	-	-	(300)	1,000	(1,100)	250
Cash and investments - ending	\$ 12,869	\$ 113,610	\$ 773,186	\$ 31,765	\$ 6,976	\$ 5,539	\$ 2,000	\$ 500	\$ 250

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	JAG Grant from REMC	Credit Recovery Novel Stars	Formative Assessment	GT/ High Ability 2015-16	High Ability G/T 2014-2015	Gifted/ Talented High Ability 2013/2014	Medicaid Reimbursement - State	Caitlin Memorial	Miscellaneous Programs
Cash and investments - beginning	\$ -	\$ 7,794	\$ -	\$ -	\$ -	\$ 8,863	\$ -	\$ 6,980	\$ 1,519
Receipts:									
Local sources	-	50	-	-	-	-	-	2	-
Intermediate sources	650	-	-	-	-	-	-	-	-
State sources	-	-	-	-	29,632	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	650	50	-	-	29,632	-	-	2	-
Disbursements:									
Instruction	-	-	-	-	10,155	8,863	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	10,155	8,863	-	-	-
Excess (deficiency) of receipts over disbursements	650	50	-	-	19,477	(8,863)	-	2	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	650	50	-	-	19,477	(8,863)	-	2	-
Cash and investments - ending	\$ 650	\$ 7,844	\$ -	\$ -	\$ 19,477	\$ -	\$ -	\$ 6,982	\$ 1,519

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2015

	Title I 2013/2014	Title I 2014-15	Title I 2015-16	Safe and Drug Free 2007-2009	Medicaid Reimbursement - Federal	Title IIA 2013 to 2015	Title IIA 14/16	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (32,207)	\$ -	\$ -	\$ 18	\$ -	\$ (845)	\$ -	\$ 29,067	\$ 2,555,628
Receipts:									
Local sources	-	-	-	-	-	-	-	-	5,032,482
Intermediate sources	-	-	-	-	-	-	-	-	650
State sources	-	-	-	-	-	-	-	-	8,203,088
Federal sources	49,401	97,264	-	-	-	15,487	-	-	506,624
Other receipts	-	-	-	-	-	-	-	1,690,899	1,721,040
Total receipts	49,401	97,264	-	-	-	15,487	-	1,690,899	15,463,884
Disbursements:									
Instruction	17,157	129,257	-	-	-	-	-	-	5,943,555
Support services	-	-	-	-	-	17,098	-	-	4,275,719
Noninstructional services	37	195	-	-	-	-	-	-	746,999
Facilities acquisition and construction	-	-	-	-	-	-	-	-	226,474
Debt service	-	-	-	-	-	-	-	-	1,634,119
Nonprogrammed charges	-	-	-	-	-	-	-	-	473,982
Other disbursements	-	-	-	-	-	-	-	1,653,266	1,653,266
Total disbursements	17,194	129,452	-	-	-	17,098	-	1,653,266	14,954,114
Excess (deficiency) of receipts over disbursements	32,207	(32,188)	-	-	-	(1,611)	-	37,633	509,770
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	55,106
Transfers out	-	-	-	-	-	-	-	-	(55,106)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32,207	(32,188)	-	-	-	(1,611)	-	37,633	509,770
Cash and investments - ending	\$ -	\$ (32,188)	\$ -	\$ 18	\$ -	\$ (2,456)	\$ -	\$ 66,700	\$ 3,065,398

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	General	Debt Service	Retirement/ Severance/ Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction HS Escrow	Storm Damage 2012	Gym Floor Damage FR Room
Cash and investments - beginning	\$ 455,814	\$ 459,095	\$ 68,062	\$ 209,003	\$ 410,134	\$ -	\$ 326,247	\$ 106,577	\$ 2,131	\$ 13,094
Receipts:										
Local sources	407,553	1,521,345	161,647	584,064	984,799	13,478	-	11,117	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	7,971,694	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	906	-	-	-	-	-	-	-	-	-
Total receipts	<u>8,380,153</u>	<u>1,521,345</u>	<u>161,647</u>	<u>584,064</u>	<u>984,799</u>	<u>13,478</u>	<u>-</u>	<u>11,117</u>	<u>-</u>	<u>-</u>
Disbursements:										
Instruction	5,506,975	-	-	-	-	-	6,748	-	-	-
Support services	2,514,632	8,623	-	279,936	717,657	-	-	87,057	-	-
Noninstructional services	130,354	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	6,631	-	-	202,784	-	-	-	-	-	-
Debt service	-	1,416,768	201,251	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>8,158,592</u>	<u>1,425,391</u>	<u>201,251</u>	<u>482,720</u>	<u>717,657</u>	<u>-</u>	<u>6,748</u>	<u>87,057</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>221,561</u>	<u>95,954</u>	<u>(39,604)</u>	<u>101,344</u>	<u>267,142</u>	<u>13,478</u>	<u>(6,748)</u>	<u>(75,940)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	4,223	-	-
Transfers in	-	-	-	31,765	-	-	180,106	-	-	-
Transfers out	(2,456)	-	-	(75,000)	(100,000)	(5,106)	-	-	-	-
Total other financing sources (uses)	<u>(2,456)</u>	<u>-</u>	<u>-</u>	<u>(43,235)</u>	<u>(100,000)</u>	<u>(5,106)</u>	<u>180,106</u>	<u>4,223</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>219,105</u>	<u>95,954</u>	<u>(39,604)</u>	<u>58,109</u>	<u>167,142</u>	<u>8,372</u>	<u>173,358</u>	<u>(71,717)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 674,919</u>	<u>\$ 555,049</u>	<u>\$ 28,458</u>	<u>\$ 267,112</u>	<u>\$ 577,276</u>	<u>\$ 8,372</u>	<u>\$ 499,605</u>	<u>\$ 34,860</u>	<u>\$ 2,131</u>	<u>\$ 13,094</u>

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Hutton Scholarship Fund	Amvets/ Rodney Ritter	General Motors Scholarships	General Scholarships	Clark FFA Scholarship
Cash and investments - beginning	\$ 12,869	\$ 113,610	\$ 773,186	\$ 31,765	\$ 6,976	\$ 5,539	\$ 2,000	\$ 500	\$ 250
Receipts:									
Local sources	249,815	81,955	1,306,580	-	-	-	-	2,000	575
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	4,892	53,500	-	-	-	-	-	-	-
Federal sources	366,747	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	621,454	135,455	1,306,580	-	-	-	-	2,000	575
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	35,563	-	-	-	-	-	-	-
Noninstructional services	609,208	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,008,248	-	-	-	1,000	2,000	250
Other disbursements	-	-	-	-	-	-	-	-	-
Total disbursements	609,208	35,563	1,008,248	-	-	-	1,000	2,000	250
Excess (deficiency) of receipts over disbursements	12,246	99,892	298,332	-	-	-	(1,000)	-	325
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(31,765)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(31,765)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,246	99,892	298,332	(31,765)	-	-	(1,000)	-	325
Cash and investments - ending	\$ 25,115	\$ 213,502	\$ 1,071,518	\$ -	\$ 6,976	\$ 5,539	\$ 1,000	\$ 500	\$ 575

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	JAG Grant from REMC	Credit Recovery Novel Stars	Formative Assessment	GT/ High Ability 2015-16	High Ability G/T 2014-2015	Gifted/ Talented High Ability 2013/2014	Medicaid Reimbursement - State	Caitlin Memorial	Miscellaneous Programs
Cash and investments - beginning	\$ 650	\$ 7,844	\$ -	\$ -	\$ 19,477	\$ -	\$ -	\$ 6,982	\$ 1,519
Receipts:									
Local sources	-	-	-	-	-	-	-	1	1,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	30,214	-	-	2,979	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	30,214	-	-	2,979	1	1,000
Disbursements:									
Instruction	-	-	-	19,193	19,477	-	-	100	-
Support services	-	3,485	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	50	1,000
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,485	-	19,193	19,477	-	-	150	1,000
Excess (deficiency) of receipts over disbursements	-	(3,485)	-	11,021	(19,477)	-	2,979	(149)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	2,456	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	2,456	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,485)	2,456	11,021	(19,477)	-	2,979	(149)	-
Cash and investments - ending	\$ 650	\$ 4,359	\$ 2,456	\$ 11,021	\$ -	\$ -	\$ 2,979	\$ 6,833	\$ 1,519

EASTERN GREENE SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Title I 2013/2014	Title I 2014-15	Title I 2015-16	Safe and Drug Free 2007-2009	Medicaid Reimbursement - Federal	Title IIA 2013 to 2015	Title IIA 14/16	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (32,188)	\$ -	\$ 18	\$ -	\$ (2,456)	\$ -	\$ 66,700	\$ 3,065,398
Receipts:									
Local sources	-	-	-	-	-	-	-	-	5,325,929
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	8,063,279
Federal sources	-	64,447	104,201	-	5,940	26,225	32,134	-	599,694
Other receipts	-	-	-	-	-	-	-	1,599,463	1,600,369
Total receipts	-	64,447	104,201	-	5,940	26,225	32,134	1,599,463	15,589,271
Disbursements:									
Instruction	-	32,259	120,171	-	-	-	-	-	5,704,923
Support services	-	-	-	-	-	23,769	36,307	-	3,707,029
Noninstructional services	-	-	-	-	-	-	-	-	740,612
Facilities acquisition and construction	-	-	-	-	-	-	-	-	209,415
Debt service	-	-	-	-	-	-	-	-	1,618,019
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,011,498
Other disbursements	-	-	-	-	-	-	-	1,608,616	1,608,616
Total disbursements	-	32,259	120,171	-	-	23,769	36,307	1,608,616	14,600,112
Excess (deficiency) of receipts over disbursements	-	32,188	(15,970)	-	5,940	2,456	(4,173)	(9,153)	989,159
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	4,223
Transfers in	-	-	-	-	-	-	-	-	214,327
Transfers out	-	-	-	-	-	-	-	-	(214,327)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	4,223
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	32,188	(15,970)	-	5,940	2,456	(4,173)	(9,153)	993,382
Cash and investments - ending	\$ -	\$ -	\$ (15,970)	\$ 18	\$ 5,940	\$ -	\$ (4,173)	\$ 57,547	\$ 4,058,780

EASTERN GREENE SCHOOLS
 SCHEDULE OF LEASES AND DEBT
 June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Eastern Greene School Bldg. Corporation	Renovation of Eastern Greene High School	\$ 503,250	7/31/2014	7/15/2034
Total of annual lease payments		<u>\$ 503,250</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Common School Loan 354	\$ 620,000	\$ 147,560
General obligation bonds	Common School Loan 506	947,625	136,658
General obligation bonds	Common School Loan 554	6,120,000	601,200
General obligation bonds	Pension Bond	<u>455,000</u>	<u>197,642</u>
Total governmental activities		<u>8,142,625</u>	<u>1,083,060</u>
Totals		<u>\$ 8,142,625</u>	<u>\$ 1,083,060</u>

EASTERN GREENE SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2016

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 305,553
Infrastructure	522,440
Buildings	26,297,326
Improvements other than buildings	885,350
Machinery, equipment, and vehicles	680,460
Books and other	<u>1,070,825</u>
Total governmental activities	<u>29,761,954</u>
Total capital assets	<u>\$ 29,761,954</u>

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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 EASTERN GREENE SCHOOLS, GREENE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016.

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

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 2016-002 and 2016-004. 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 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 2016-001, 2016-002, 2016-003, and 2016-004 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

May 3, 2018

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

EASTERN GREENE SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program							
	Indiana Department of Education	10.553	FY 14-15	\$ -	\$ 78,620	\$ -	\$ -
		10.553	FY 15-16	-	-	-	86,341
Total - School Breakfast Program				-	78,620	-	86,341
National School Lunch Program							
	Indiana Department of Education	10.555	FY 14-15	-	256,176	-	-
		10.555	FY 15-16	-	-	-	271,575
		10.555	FY 14-15	-	45,100	-	-
		10.555	FY 15-16	-	-	-	56,961
Total - National School Lunch Program				-	301,276	-	328,536
Summer Food Service Program for Children							
	Indiana Department of Education	10.559	FY 14-15	-	9,426	-	-
		10.559	FY 15-16	-	-	-	8,722
Total - Summer Food Service Program for Children				-	9,426	-	8,722
Total - Child Nutrition Cluster				-	389,322	-	423,599
Total - Department of Agriculture				-	389,322	-	423,599
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States							
	Indiana Department of Education	84.027	14213-049-PN01	-	49,169	-	-
		84.027	14214-049-PN01	-	69,137	-	50,210
		84.027	14215-049-PN01	-	152,055	-	74,628
		84.027	14216-049-PN01	-	-	-	144,533
		84.027	99914-049-TA01	-	6,567	-	55
Total - Special Education_Grants to States				-	276,928	-	269,426
Special Education_Preschool Grants							
	Indiana Department of Education	84.173	45713-049-PN01	-	533	-	-
		84.173	45714-049-PN01	-	2,770	-	-
		84.173	45715-049-PN01	-	6,069	-	3,967
		84.173	45716-049-PN01	-	-	-	5,147
Total - Special Education_Preschool Grants				-	9,372	-	9,114
Total - Special Education Cluster (IDEA)				-	286,300	-	278,540

EASTERN GREENE SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Title I Grants to Local Educational Agencies	Indiana Department of Education						
Title I 2013-14		84.010	Proj # 14-2940	-	49,401	-	-
Title I 2014-15		84.010	Proj # 15-2940	-	97,264	-	64,447
Title I 2015-16		84.010	Proj # 16-2940	-	-	-	104,201
Total - Title I Grants to Local Educational Agencies				-	146,665	-	168,648
Improving Teacher Quality State Grants	Indiana Department of Education						
Title IIA 13/15		84.367	S367A130013	-	15,487	-	-
Title IIA 13/15		84.367	S367A130013	-	-	-	26,225
Title IIA 15/16		84.367	S367A140013	-	-	-	32,134
Total - Improving Teacher Quality State Grants				-	15,487	-	58,359
Total - Department of Education				-	448,452	-	505,547
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education						
Medicaid Federal		93.778		-	-	-	5,940
Total - Medicaid Cluster				-	-	-	5,940
Total - Department of Health and Human Services				-	-	-	5,940
Total federal awards expended				\$ -	\$ 837,774	\$ -	\$ 935,086

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

EASTERN GREENE SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Special Education Cooperative

The School Corporation is a member of the Orange-Lawrence-Jackson-Martin-Greene Joint Services 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.

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

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:	Unmodified
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:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies

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

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

No matters are reportable.

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-001

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): Proj# 14-2940, Proj# 15-2940, Proj# 16-2940
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation had one employee primarily responsible for obtaining documentation to support a student's removal from a cohort. There was no documentation of an oversight or review process in place to ensure compliance with this compliance requirement.

Context

This was a systemic issue throughout 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls that segregated key functions to ensure compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

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 program.

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 Special Tests and Provisions - Annual Report Card, High School Graduation Rate 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 2016-002

Subject: School Breakfast Program and National School Lunch Program - 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 14-15, FY 15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement. There were no procedures established to ensure that the receipts of the School Breakfast Program and National School Lunch Program were handled properly in accordance with the Program Income compliance requirement.

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation established a single fund, the School Lunch fund, for all activity of the food service programs. When prepaid funds were received, they were receipted into the School Lunch fund as a separate prepaid revenue account within the fund. Sales records were maintained; however, meals purchased were not transferred from the prepaid revenue account to the correct revenue account within the School Lunch fund. Therefore, the sources of revenues were not properly identified within the School Lunch fund.

Context

The lack of internal controls and noncompliance were systemic issues throughout the audit period. The School Corporation did not design and implement an effective internal control to properly determine and record program income in the School Corporation's ledger.

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 220.13(j) states in part: "Each State agency . . . shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. . . ."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls that would have ensured that prepaid receipts and program income receipts were properly posted to the School Corporation's ledger.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and 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 to ensure compliance related to the grant agreement and the Program Income compliance requirement.

Views of Responsible Officials

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

FINDING 2016-003

Subject: Child Nutrition Cluster - Reporting

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2014-003.

Condition

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

The School Food Authority (SFA) Verification Collection Report for both audit years was prepared and submitted by the Extracurricular Treasurer without a documented oversight, approval, or other internal control process to ensure the accuracy of the information.

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The monthly Sponsor Claims (claims for reimbursement) were prepared and submitted by the Food Service Director (an employee of Chartwells, the food service management company) with no evidence of oversight, review, or approval throughout the first year of the audit period.

Context

Lack of internal controls was a systemic problem throughout the entire audit period for School Food Authority (SFA) Verification Collection Reports. Internal controls did not exist over Sponsor Claims (claims for reimbursement) until the second 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls that segregated key functions of the Reporting compliance requirement.

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 to ensure compliance with the Reporting compliance requirement.

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

FINDING 2016-004

Subject: National School Lunch Program - Special Tests and Provisions - Paid Lunch Equity
Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program
CFDA Number: 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2014-004.

Condition

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

The School Corporation did not complete or retain Paid Lunch Equity calculations for the 2015 school year. The School Corporation retained calculations for the 2016 school year, but did not specify on the calculations whether price increases, non-federal source contributions, or a combination of both options would be used to ensure sufficient funds were provided for paid lunches. Therefore, the required calculations were incomplete for both years of the audit period.

The School Corporation had not established internal controls, such as a review or approval process of the completion and accuracy of the Paid Lunch Equity calculation in both 2015 and 2016 school years.

Context

The lack of controls and noncompliance were systemic issues throughout 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. . . ."

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.15(b) states in part:

"*Recordkeeping summary.* In order to participate in the Program, a school food authority or a school, as applicable, must maintain records to demonstrate compliance with Program requirements. These records include but are not limited to: . . .

(6) Records to document compliance with the requirements in §210.14(e); . . ."

7 CFR 210.14 states in part:

"(a) *Nonprofit school food service.* School food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, *except that*, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. Expenditures of nonprofit school food service revenues shall be in accordance with the financial management system established by the State agency under § 210.19(a) of this part. School food authorities may use facilities, equipment, and personnel supported with nonprofit school food revenues to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.). . . .

(e) *Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

(1) *Calculation procedures.* Each school food authority shall:

(i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

(ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);

(iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section. . . .

Cause

Management had not developed a system of internal controls to ensure compliance with the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

EASTERN GREENE SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and 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 ensure compliance related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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

Eastern Greene Schools Central Office

1471 N. State Road 43 Bloomfield, IN 47424

Mr. Ted Baechtold, Superintendent

Mrs. Marilyn Burch, Corporation Treasurer

Mrs. Moriah Crane, Payroll Administrative Assistant

Mrs. Cari Helms, Administrative Assistant

Main Office Phone (812) 825-5722 Fax (812) 825-9413



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-002

Fiscal year in which the finding initially occurred: 2012-2013 & 2013-2014

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Ted Baechtold/Marilyn Burch

Contact Phone Number: 812-825-5722

Status of Audit Finding:

Corporation treasurer compared daily deposit reports with the daily cafeteria Nutri-Kids reports. Cafeteria on-line payments and daily revenue deposits are deposited into the same bank account separate from the school's general bank account. As of August 2015, reimbursement claims are prepared by the cafeteria manager and approved by the corporation treasurer or the superintendent before on-line submission. The Komputrol records are reconciled monthly with the bank account by the corporation treasurer. Monthly fund reports listing the cafeteria balances are monitored and checked by the corporation treasurer to make sure the balances do not exceed a three month total. As of June 2015, the Superintendent also approves the monthly bank reconciliation, balances, and fund reports.

Marilyn Burch
(Signature)

Corp. Treasurer
(Title)

April 17, 2018
(Date)

Eastern Greene Schools Central Office

1471 N. State Road 43 Bloomfield, IN 47424

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Mrs. Marilyn Burch, Corporation Treasurer

Mrs. Moriah Crane, Payroll Administrative Assistant

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: 2012-2013 & 2013-2014

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Ted Baechtold/Marilyn Burch

Contact Phone Number: 812-825-5722

Status of Audit Finding:

As of August 2015, the following process was put in place. Chartwell's cafeteria manager prepares the necessary paperwork to file for our monthly claim with the School Nutrition Program through the IDOE. The paperwork is presented to the corporation treasurer for approval and then submitted electronically on the School Nutrition website. Once the automatic deposit for the claim has been deposited into the school's bank account and receipted into Komputrol, the corporation treasurer will compare the actual deposit to the claim amount requested and make adjustments as reflected from the IDOE Division of School and Community Nutrition Services, if necessary. The corporation treasurer provides the account balances from the Form 9 report to Chartwell's cafeteria manager to complete the cafeteria annual financial report. The cafeteria manager will then complete the report for review by the corporation treasurer or superintendent before submitting on-line.

Marilyn Burch
(Signature)

Corp. Treasurer
(Title)

April 17, 2018
(Date)

Eastern Greene Schools Central Office

1471 N. State Road 43 Bloomfield, IN 47424

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2012-2013 & 2013-2014

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Ted Baechtold/Marilyn Burch

Contact Phone Number: 812-825-5722

Status of Audit Finding:

The Paid Lunch Equity Calculator was implemented to determine the meal prices each year starting with the 2015-2016 school year. Using the results from the Paid Lunch Equity Calculator, the Chartwell's cafeteria manager, the corporation treasurer, and the superintendent will determine the lunch prices for the upcoming school year. The school board will then approve the recommended lunch price. In December, the school board approves the transfer of funds from the general fund to the school lunch fund to cover a negative balance, if necessary.

Marilyn Burch
(Signature)

Corp. Treasurer
(Title)

April 17, 2018
(Date)

Eastern Greene Schools Central Office

1471 N. State Road 43, Bloomfield, IN 47424

Mr. Ted Baechtold, Superintendent

Mrs. Marilyn Burch, Corporation Treasurer

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Mrs. Cari Helms, Administrative Assistant

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CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Ted Baechtold / Marilyn Burch

Contact Phone Number: 812-825-5722

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Superintendent will approve and initial all Title I reimbursement claims, and final reports before submission. The High School Principal will approve and sign all student withdrawals. Copies of all student withdrawal information will be maintained in the student folder and a separate withdrawal folder for audit purposes.

Anticipated Completion Date: Effective immediately, May 3, 2018

Arthur T. (Ted) Baechtold, Jr

Superintendent

May 3, 2018

Marilyn Burch
Corporation Treasurer

May 3, 2018

Eastern Greene Schools Central Office

1471 N. State Road 43, Bloomfield, IN 47424

Mr. Ted Baechtold, Superintendent

Mrs. Marilyn Burch, Corporation Treasurer

Mrs. Moriah Crane, Payroll Administrative Assistant

Mrs. Cari Helms, Administrative Assistant

Main Office Phone (812) 825-5722 Fax (812) 825-9413



CORRECTIVE ACTION PLAN

FINDING 2016-002

Contact Person Responsible for Corrective Action: Ted Baechtold / Marilyn Burch

Contact Phone Number: 812-825-5722

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Corporation Treasurer will deposit all cafeteria pre-paid deposits into a clearing account. As meals are purchased using account money, a daily revenue transfer from the clearing account to the appropriate cafeteria program accounts will occur to reflect these purchases. The Food Service Director will provide an end of month report from Nutri-Kids listing pre-paid account totals and compared to the Komputrol Cafeteria clearing account fund balance.

Anticipated Completion Date: Effective immediately, June 1, 2018

Arthur T. (Ted) Baechtold, Jr
Superintendent
May 3, 2018

Marilyn Burch
Corporation Treasurer
May 3, 2018

Eastern Greene Schools Central Office

1471 N. State Road 43, Bloomfield, IN 47424

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CORRECTIVE ACTION PLAN

FINDING 2016-003

Contact Person Responsible for Corrective Action: Ted Baechtold / Marilyn Burch

Contact Phone Number: 812-825-5722

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Building Principal will approve and sign all School Food Authority Verification Collection Reports before submission. The Food Service Director will not submit any Reimbursement Claim or Annual Financial Report without the written approval of the Corporation Treasurer or Superintendent.

Anticipated Completion Date: Effective August 2015 for reimbursement claims and immediately, May 3, 2018 for verification reports.

Arthur T. (Ted) Baechtold, Jr
Superintendent
May 3, 2018

Marilyn Burch
Corporation Treasurer
May 3, 2018

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CORRECTIVE ACTION PLAN

FINDING 2016-004

Contact Person Responsible for Corrective Action: Ted Baechtold / Marilyn Burch

Contact Phone Number: 812-825-5722

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Corporation Treasurer will complete the Paid Lunch Equity Calculator beginning May 2018. The Food Service Director will supply data for the completion of this report. The Paid Lunch Equity Calculator will be approved and signed by the Superintendent before on-line submission. The Corporation Treasurer will attend Indiana School Nutrition Association summer workshops to gain a better understanding of the food service process.

Anticipated Completion Date: Effective immediately, May 3, 2018

Arthur T. (Ted) Baechtold, Jr
Superintendent
May 3, 2018

Marilyn Burch
Corporation Treasurer
May 3, 2018

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/>.