

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

GREENWOOD COMMUNITY SCHOOL CORPORATION

JOHNSON COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
07/06/2018



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Todd Pritchett Stephanie Porter	07-01-14 to 01-12-15 01-13-15 to 06-30-18
Superintendent of Schools	Kent DeKoninck	07-01-14 to 06-30-18
President of the School Board	Joseph W. Farley Jack Napier Steve Moan	07-01-14 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



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TO: THE OFFICIALS OF THE GREENWOOD COMMUNITY SCHOOL  
CORPORATION, JOHNSON COUNTY, INDIANA

This report is supplemental to our audit report of the Greenwood Community School Corporation (School Corporation), for the period from July 1, 2014 to June 30, 2016. It has been provided as a separate report so that the reader may easily identify any Federal Findings that pertain to the School Corporation. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

The Federal Finding, identified in the above referenced audit report, is included in this report.

Any Corrective Action Plan for the Federal Finding, incorporated within this report, was not verified for accuracy.

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

June 19, 2018

GREENWOOD COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDING

***FINDING 2016-001***

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

*Repeat Finding*

This is a repeat of Finding 2014-001 from the immediately prior audit.

*Condition*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

*Context*

The SEFA contained the following errors:

1. The National School Lunch - Commodities were understated by \$108,196 and \$105,535 for school years 2015 and 2016, respectively.
2. The Child and Adult Care Food Program expenditures were understated by \$2,714 for school year 2016.
3. The Title I Grants to Local Educational Agencies expenditures were understated by \$196,866 for school year 2015.
4. The English Language Acquisition State Grants expenditures were understated by \$810 for school year 2015.
5. The Special Education Cluster (IDEA) expenditures were overstated by \$3,888,208 for school year 2016.

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. . . .

GREENWOOD COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDING  
(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 § \_\_\_\_\_.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*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

GREENWOOD COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDING  
(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.

# Greenwood Community School Corporation

605 West Smith Valley Road  
Greenwood, IN 46142



Telephone: (317) 889-4060  
Fax: (317) 889-4068

## CORRECTIVE ACTION PLAN

### **FINDING 2016-001**

Contact Person Responsible for Corrective Action: Stephanie Porter, Treasurer  
Contact Phone Number: 317-889-4060

Views of Responsible Official:

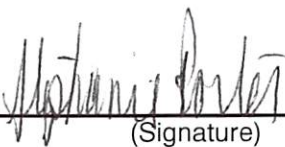
We do not dispute finding 2016-001

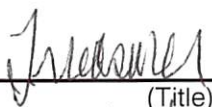
Description of Corrective Action Plan:

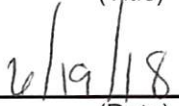
Finding will be addressed by the administrator of the specified federal grant (ex. Title 1 admin for Title 1 program etc...) reviewing and monitoring grants with the Treasurer. The Treasurer will manage and prepare appropriate reports. Once reports are prepared, the Deputy Treasurer will review for accuracy prior to presenting to Assistant Superintendent for final approval. The Treasurer will then submit appropriately. Grant Funds were included in the Greenwood School's Internal Control Document (pg. 63) adopted on 6/20/2017.

Anticipated Completion Date:

July 1, 2018

  
\_\_\_\_\_  
(Signature)

  
\_\_\_\_\_  
(Title)

  
\_\_\_\_\_  
(Date)

GREENWOOD COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on June 19, 2018, with Stephanie Porter, Treasurer; Veronica Crooke, Deputy Treasurer; Kent DeKoninck, Superintendent of Schools; and Todd Pritchett, Assistant Superintendent of Schools.