

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

MADISON-GRANT UNITED SCHOOL CORPORATION  
GRANT COUNTY, INDIANA

July 1, 2015 to June 30, 2017



**FILED**  
02/01/2019



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rebecca Monroe Tarinna Morris	07-01-15 to 04-03-16 04-04-16 to 12-31-18
Superintendent of Schools	Steve Edwards (interim) Dr. Scott Deetz	07-01-15 to 12-31-15 01-01-16 to 06-30-19
President of the School Board	Ann Presnall Aaron Caudell	04-11-15 to 02-21-16 02-22-16 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE MADISON-GRANT UNITED SCHOOL CORPORATION, GRANT COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Madison-Grant United School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, 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, 2015 to June 30, 2017.

***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, 2015 to June 30, 2017, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 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

December 17, 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 MADISON-GRANT UNITED SCHOOL  
CORPORATION, GRANT COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Madison-Grant United School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 17, 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 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 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

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

**Compliance and Other Matters**


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

**Madison-Grant United School Corporation's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

December 17, 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.

MADISON-GRANT UNITED SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-15	Receipts	Disbursements		06-30-16	Receipts	Disbursements		
General	\$ 1,695,251	\$ 7,979,251	\$ 7,956,239	\$ 10,560	\$ 1,728,823	\$ 7,802,186	\$ 8,159,583	\$ -	\$ 1,371,426
Debt Service	319,065	1,330,924	1,098,000	(91,675)	460,314	1,333,526	1,092,500	-	701,340
Retirement/Severance Bond Debt Service	189,387	318,959	327,846	-	180,500	344,516	324,191	-	200,825
Capital Projects	477,678	1,167,290	1,066,596	-	578,372	1,211,236	1,011,663	11	777,956
School Transportation	346,476	776,673	746,811	(34,145)	342,193	776,793	735,055	-	383,931
School Bus Replacement	178,049	149,119	158,976	-	168,192	158,221	159,746	-	166,667
Rainy Day	478,387	1,226	-	35,000	514,613	1,889	-	-	516,502
Construction	15,633	-	5,226	-	10,407	-	-	-	10,407
School Lunch	192,059	601,221	601,837	-	191,443	593,971	640,883	-	144,531
Textbook Rental	75,445	152,303	154,808	91,675	164,615	138,508	246,110	-	57,013
Repair and Replacement	3,941	6,028	3,740	-	6,229	2,445	-	-	8,674
Levy Excess	-	855	-	(855)	-	-	-	-	-
Educational License Plates	394	94	-	-	488	113	-	-	601
Alternative Education	5,125	14,868	19,625	-	368	27,654	5,118	-	22,904
Early Intervention Grant	-	-	-	-	-	4,952	-	-	4,952
Edgeman, Loretta Memory Donation	-	145	-	-	145	-	-	-	145
Round Robins Award - Liberty	315	-	-	-	315	-	158	-	157
Liberty Community Foundation	22	-	-	-	22	-	22	-	-
Park Community Foundation	125	-	-	-	125	-	-	-	125
Park Donations - Boren	904	-	-	-	904	-	-	-	904
Summitville Library	-	394	392	-	2	-	2	-	-
Summitville Community Foundation	15	-	-	-	15	-	-	-	15
Summitville Psi Iota Xi Award	217	300	297	-	220	-	220	-	-
Summitville - Smith Distributing Donation	400	-	-	-	400	-	400	-	-
Summit-Moorehead Grant	70	-	70	-	-	-	-	-	-
Jr. High Community Foundation	3	-	-	-	3	-	-	-	3
Jr. High Dollar General Literacy	339	-	167	-	172	-	172	-	-
Dollar General Literacy	-	-	-	-	-	3,000	768	-	2,232
Boren Foundation Donation	1,229	-	-	-	1,229	-	1,229	-	-
Max W. Leisure-Community Foundation	181	500	-	-	681	883	1,164	-	400
Boren Foundation - Corp Grant	47,000	-	45,000	-	2,000	-	2,000	-	-
Monsanto Fund - Corp Grant	5	-	-	-	5	-	5	-	-
Central Indiana Ethanol Donation	20,200	-	9,702	-	10,498	-	7,475	-	3,023
Welfare Activities	-	1,500	-	-	1,500	-	1,500	-	-
Community Impact Fund	-	-	-	-	-	1,500	490	-	1,010
Scholarships and Awards	6,848	13	800	-	6,061	9	800	-	5,270
Harold M. Dick Scholarship	9,520	19	500	-	9,039	18	500	-	8,557
Robert Huff Scholarship	2,209	5	-	-	2,214	8	-	-	2,222
Rollins - Paul Scholarship	3,429	1,135	-	-	4,564	1,457	1,000	-	5,021
Scholarship - Family/Consumer Science	288	-	-	-	288	-	-	-	288

MADISON-GRANT UNITED SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Hazelbaker Foundation	46	60,814	60,860	-	-	88,797	88,797	-	-
Martin Scholarship Fund	2,413	6	-	-	2,419	7	1,000	-	1,426
Wellness Grant - NC INS Consortium	8,232	-	4,997	-	3,235	-	3,235	-	-
Indiana Next Grant	1	-	-	-	1	-	-	-	1
Counseling Initiative 2016-2017	-	-	-	-	-	29,989	14,225	-	15,764
Formative Assessment	-	3,770	3,749	-	21	3,007	3,028	-	-
Instructional Support	-	30,159	25,505	-	4,654	-	6,303	1,649	-
High Ability 2011-2012	-	-	-	-	-	1,877	1,877	-	-
High Ability Grant 2014-2015	24,209	-	24,209	-	-	-	-	-	-
High Ability 2016-2017	-	-	-	-	-	31,440	18,478	(1,649)	11,313
Non-English Speaking Programs	770	-	386	-	384	-	-	-	384
School Technology	94,380	113,771	202,260	-	5,891	281,859	249,068	-	38,682
Career and Technical Performance Grant	-	-	-	-	-	4,817	-	-	4,817
Performance Based Awards	-	40,222	40,222	-	-	57,735	57,735	-	-
Miscellaneous Programs	19,359	10,138	12,492	-	17,005	8,679	9,320	-	16,364
School Lunch Banquet	529	-	-	-	529	-	-	-	529
Senator David Ford Technology	(24,396)	67,652	43,256	-	-	-	-	-	-
Summitville - College Access Grant	1,000	-	-	-	1,000	-	375	-	625
Community Hospital Anderson Foundation	-	-	-	-	-	3,383	261	-	3,122
Cape Consortium	62	-	-	-	62	-	62	-	-
Cape Elementary Mini Grants	-	-	-	-	-	948	942	-	6
Title I 2015-2016	-	222,923	230,939	-	(8,016)	45,231	37,215	-	-
Title I 2016-2017	-	-	-	-	-	152,149	165,968	-	(13,819)
Title I 2013-2014	-	-	-	-	-	104	104	-	-
Title I - 2014-2015	(20,639)	47,226	26,587	-	-	-	-	-	-
Special Education Tech Assist FY2014 Grant	(3,297)	6,967	3,670	-	-	-	-	-	-
PL Part B 2015-2016	-	178,968	197,300	-	(18,332)	76,563	60,605	-	(2,374)
PL 108 2015-2016	-	-	-	-	-	8,052	8,201	-	(149)
PL 108 2016-2017	-	-	-	-	-	-	543	-	(543)
PL Part B 2014-2015	(29,188)	95,776	66,585	-	3	-	-	-	3
PL 108 2016-2017	-	-	-	-	-	184,248	202,152	-	(17,904)
Class Size Reduction	(8,426)	51,316	47,164	-	(4,274)	38,018	38,277	(4,215)	(8,748)
Title II Part A 2015-2016	-	-	-	-	-	16,071	20,289	4,215	(3)
Clearing - Prepaid Food	5,250	88,125	85,564	-	7,811	44,822	46,083	-	6,550
Clearing - Payroll	40,668	1,985,495	1,965,840	-	60,323	1,950,430	1,943,308	-	67,445
<b>Totals</b>	<b>\$ 4,181,182</b>	<b>\$ 15,506,150</b>	<b>\$ 15,238,217</b>	<b>\$ 10,560</b>	<b>\$ 4,459,675</b>	<b>\$ 15,431,111</b>	<b>\$ 15,370,205</b>	<b>\$ 11</b>	<b>\$ 4,520,592</b>

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

MADISON-GRANT UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

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

**D. Receipts**

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

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

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

MADISON-GRANT UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

**E. Disbursements**

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

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

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

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

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

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

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

**F. Other Financing Sources and Uses**

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

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

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

MADISON-GRANT UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**G. Fund Accounting**

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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.

**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.

MADISON-GRANT UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

MADISON-GRANT UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of reimbursable grants. The School Corporation is required to expend the dollars and then seek reimbursement for the expenditures. Due to the timing of the expenditures, the reimbursements were not received by June 30, 2016 and June 30, 2017. Generally, the reimbursements were received in the following month as a result of the reimbursement request deadlines established by the state.

**Note 8. Holding Corporation**

The School Corporation has entered into a capital lease with Madison-Grant Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years 2016 and 2017 totaled \$1,098,000 and \$1,092,500, respectively.

MADISON-GRANT UNITED SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. Subsequent Events**

On April 9, 2018, the School Board awarded the bid for the Jr./Sr. High School roofing project in the amount of \$1,055,000.

On August 27, 2018, the School Board awarded the bid for the Jr./Sr. High School renovations project in the amount of \$2,961,000.

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#### 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.

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 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	School Lunch
Cash and investments - beginning	\$ 1,695,251	\$ 319,065	\$ 189,387	\$ 477,678	\$ 346,476	\$ 178,049	\$ 478,387	\$ 15,633	\$ 192,059
Receipts:									
Local sources	21,632	1,330,924	318,959	1,142,595	776,649	149,119	1,226	-	229,832
Intermediate sources	19	-	-	-	-	-	-	-	-
State sources	7,933,380	-	-	-	-	-	-	-	5,862
Federal sources	-	-	-	-	-	-	-	-	362,300
Other receipts	24,220	-	-	24,695	24	-	-	-	3,227
Total receipts	<u>7,979,251</u>	<u>1,330,924</u>	<u>318,959</u>	<u>1,167,290</u>	<u>776,673</u>	<u>149,119</u>	<u>1,226</u>	<u>-</u>	<u>601,221</u>
Disbursements:									
Instruction	5,122,139	-	-	-	56,308	-	-	-	38,878
Support services	2,721,479	-	-	602,421	690,503	158,976	-	-	11,341
Noninstructional services	-	-	-	-	-	-	-	-	551,618
Facilities acquisition and construction	112,621	-	-	464,175	-	-	-	5,226	-
Debt service	-	1,098,000	327,846	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>7,956,239</u>	<u>1,098,000</u>	<u>327,846</u>	<u>1,066,596</u>	<u>746,811</u>	<u>158,976</u>	<u>-</u>	<u>5,226</u>	<u>601,837</u>
Excess (deficiency) of receipts over disbursements	<u>23,012</u>	<u>232,924</u>	<u>(8,887)</u>	<u>100,694</u>	<u>29,862</u>	<u>(9,857)</u>	<u>1,226</u>	<u>(5,226)</u>	<u>(616)</u>
Other financing sources (uses):									
Sale of capital assets	10,560	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	855	-	35,000	-	-
Transfers out	-	(91,675)	-	-	(35,000)	-	-	-	-
Total other financing sources (uses)	<u>10,560</u>	<u>(91,675)</u>	<u>-</u>	<u>-</u>	<u>(34,145)</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>33,572</u>	<u>141,249</u>	<u>(8,887)</u>	<u>100,694</u>	<u>(4,283)</u>	<u>(9,857)</u>	<u>36,226</u>	<u>(5,226)</u>	<u>(616)</u>
Cash and investments - ending	<u>\$ 1,728,823</u>	<u>\$ 460,314</u>	<u>\$ 180,500</u>	<u>\$ 578,372</u>	<u>\$ 342,193</u>	<u>\$ 168,192</u>	<u>\$ 514,613</u>	<u>\$ 10,407</u>	<u>\$ 191,443</u>

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	Textbook Rental	Repair and Replacement	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Edgeman Loretta Memory Donation	Round Robins Award - Liberty	Liberty Community Foundation
Cash and investments - beginning	\$ 75,445	\$ 3,941	\$ -	\$ 394	\$ 5,125	\$ -	\$ -	\$ 315	\$ 22
Receipts:									
Local sources	152,169	-	855	-	-	-	-	-	-
Intermediate sources	-	-	-	94	-	-	-	-	-
State sources	-	-	-	-	14,868	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	134	6,028	-	-	-	-	145	-	-
Total receipts	152,303	6,028	855	94	14,868	-	145	-	-
Disbursements:									
Instruction	-	-	-	-	19,625	-	-	-	-
Support services	154,808	3,740	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	154,808	3,740	-	-	19,625	-	-	-	-
Excess (deficiency) of receipts over disbursements	(2,505)	2,288	855	94	(4,757)	-	145	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	95,096	-	-	-	-	-	-	-	-
Transfers out	(3,421)	-	(855)	-	-	-	-	-	-
Total other financing sources (uses)	91,675	-	(855)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	89,170	2,288	-	94	(4,757)	-	145	-	-
Cash and investments - ending	\$ 164,615	\$ 6,229	\$ -	\$ 488	\$ 368	\$ -	\$ 145	\$ 315	\$ 22

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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	Park Community Foundation	Park Donations - Boren	Summitville Library	Summitville Community Foundation	Summitville Psi Iota Xi Award	Summitville - Smith Distributing Donation	Summit- Moorehead Grant	Jr. High Community Foundation	Jr. High Dollar General Literacy
Cash and investments - beginning	\$ 125	\$ 904	\$ -	\$ 15	\$ 217	\$ 400	\$ 70	\$ 3	\$ 339
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	394	-	300	-	-	-	-
Total receipts	-	-	394	-	300	-	-	-	-
Disbursements:									
Instruction	-	-	392	-	-	-	70	-	167
Support services	-	-	-	-	297	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	392	-	297	-	70	-	167
Excess (deficiency) of receipts over disbursements	-	-	2	-	3	-	(70)	-	(167)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	2	-	3	-	(70)	-	(167)
Cash and investments - ending	\$ 125	\$ 904	\$ 2	\$ 15	\$ 220	\$ 400	\$ -	\$ 3	\$ 172

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2016

	Dollar General Literacy	Boren Foundation Donation	Max W. Leisure- Community Foundation	Boren Foundation - Corp Grant	Monsanto Fund - Corp Grant	Central Indiana Ethanol Donation	Welfare Activities	Community Impact Fund	Scholarships and Awards
Cash and investments - beginning	\$ -	\$ 1,229	\$ 181	\$ 47,000	\$ 5	\$ 20,200	\$ -	\$ -	\$ 6,848
Receipts:									
Local sources	-	-	-	-	-	-	-	-	13
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	500	-	-	-	1,500	-	-
Total receipts	-	-	500	-	-	-	1,500	-	13
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	45,000	-	9,702	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	800
Total disbursements	-	-	-	45,000	-	9,702	-	-	800
Excess (deficiency) of receipts over disbursements	-	-	500	(45,000)	-	(9,702)	1,500	-	(787)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	500	(45,000)	-	(9,702)	1,500	-	(787)
Cash and investments - ending	\$ -	\$ 1,229	\$ 681	\$ 2,000	\$ 5	\$ 10,498	\$ 1,500	\$ -	\$ 6,061

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Harold M. Dick Scholarship	Robert Huff Scholarship	Rollins - Paul Scholarship	Scholarship - Family/ Consumer Science	Hazelbaker Foundation	Martin Scholarship Fund	Wellness Grant - NC INS Consortium	Indiana Next Grant
Cash and investments - beginning	\$ 9,520	\$ 2,209	\$ 3,429	\$ 288	\$ 46	\$ 2,413	\$ 8,232	\$ 1
Receipts:								
Local sources	19	5	10	-	-	6	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	1,125	-	60,814	-	-	-
Total receipts	19	5	1,135	-	60,814	6	-	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	5,046	-	4,997	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	500	-	-	-	55,814	-	-	-
Total disbursements	500	-	-	-	60,860	-	4,997	-
Excess (deficiency) of receipts over disbursements	(481)	5	1,135	-	(46)	6	(4,997)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(481)	5	1,135	-	(46)	6	(4,997)	-
Cash and investments - ending	\$ 9,039	\$ 2,214	\$ 4,564	\$ 288	\$ -	\$ 2,419	\$ 3,235	\$ 1

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Counseling Initiative 2016-2017	Formative Assessment	Instructional Support	High Ability 2011-2012	High Ability Grant 2014-2015	High Ability 2016-2017	Non-English Speaking Programs	School Technology
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 24,209	\$ -	\$ 770	\$ 94,380
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	3,770	30,159	-	-	-	-	113,771
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	3,770	30,159	-	-	-	-	113,771
Disbursements:								
Instruction	-	3,749	24,598	-	16,313	-	384	-
Support services	-	-	907	-	7,896	-	2	202,260
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	3,749	25,505	-	24,209	-	386	202,260
Excess (deficiency) of receipts over disbursements	-	21	4,654	-	(24,209)	-	(386)	(88,489)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	21	4,654	-	(24,209)	-	(386)	(88,489)
Cash and investments - ending	\$ -	\$ 21	\$ 4,654	\$ -	\$ -	\$ -	\$ 384	\$ 5,891

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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	Career and Technical Performance Grant	Performance Based Awards	Miscellaneous Programs	School Lunch Banquet	Senator David Ford Technology	Summitville - College Access Grant	Community Hospital Anderson Foundation	Cape Consortium
Cash and investments - beginning	\$ -	\$ -	\$ 19,359	\$ 529	\$ (24,396)	\$ 1,000	\$ -	\$ 62
Receipts:								
Local sources	-	-	10,138	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	40,222	-	-	67,652	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	40,222	10,138	-	67,652	-	-	-
Disbursements:								
Instruction	-	-	11,296	-	1,153	-	-	-
Support services	-	40,222	171	-	20,519	-	-	-
Noninstructional services	-	-	1,025	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	21,584	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	40,222	12,492	-	43,256	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(2,354)	-	24,396	-	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(2,354)	-	24,396	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 17,005	\$ 529	\$ -	\$ 1,000	\$ -	\$ 62

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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	Cape Elementary Mini Grants	Title I 2015-2016	Title I 2016-2017	Title I 2013-2014	Title I - 2014-2015	Special Education Tech Assist FY2014 Grant	PL Part B 2015-2016	PL 108 2015-2016
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (20,639)	\$ (3,297)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	222,923	-	-	47,226	6,967	178,968	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	222,923	-	-	47,226	6,967	178,968	-
Disbursements:								
Instruction	-	219,646	-	-	21,958	-	190,106	-
Support services	-	11,293	-	-	4,629	3,670	7,194	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	230,939	-	-	26,587	3,670	197,300	-
Excess (deficiency) of receipts over disbursements	-	(8,016)	-	-	20,639	3,297	(18,332)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(8,016)	-	-	20,639	3,297	(18,332)	-
Cash and investments - ending	\$ -	\$ (8,016)	\$ -	\$ -	\$ -	\$ -	\$ (18,332)	\$ -

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2016

	PL 108 2016-2017	PL Part B 2014-2015	PL 108 2016-2017	Class Size Reduction	Title II Part A 2015-2016	Clearing - Prepaid Food	Clearing - Payroll	Totals
Cash and investments - beginning	\$ -	\$ (29,188)	\$ -	\$ (8,426)	\$ -	\$ 5,250	\$ 40,668	\$ 4,181,182
Receipts:								
Local sources	-	-	-	-	-	-	-	4,134,151
Intermediate sources	-	-	-	-	-	-	-	113
State sources	-	-	-	-	-	-	-	8,209,684
Federal sources	-	95,776	-	51,316	-	-	-	965,476
Other receipts	-	-	-	-	-	88,125	1,985,495	2,196,726
Total receipts	-	95,776	-	51,316	-	88,125	1,985,495	15,506,150
Disbursements:								
Instruction	-	58,129	-	43,228	-	-	-	5,828,139
Support services	-	8,456	-	3,936	-	-	-	4,719,465
Noninstructional services	-	-	-	-	-	-	-	552,643
Facilities acquisition and construction	-	-	-	-	-	-	-	603,606
Debt service	-	-	-	-	-	-	-	1,425,846
Nonprogrammed charges	-	-	-	-	-	85,564	1,965,840	2,108,518
Total disbursements	-	66,585	-	47,164	-	85,564	1,965,840	15,238,217
Excess (deficiency) of receipts over disbursements	-	29,191	-	4,152	-	2,561	19,655	267,933
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	10,560
Transfers in	-	-	-	-	-	-	-	130,951
Transfers out	-	-	-	-	-	-	-	(130,951)
Total other financing sources (uses)	-	-	-	-	-	-	-	10,560
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	29,191	-	4,152	-	2,561	19,655	278,493
Cash and investments - ending	\$ -	\$ 3	\$ -	\$ (4,274)	\$ -	\$ 7,811	\$ 60,323	\$ 4,459,675

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	General	Debt Service	Retirement/ Severance/ Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	School Lunch
Cash and investments - beginning	\$ 1,728,823	\$ 460,314	\$ 180,500	\$ 578,372	\$ 342,193	\$ 168,192	\$ 514,613	\$ 10,407	\$ 191,443
Receipts:									
Local sources	45,502	1,333,526	344,516	1,211,236	776,793	158,221	1,889	-	214,349
Intermediate sources	83	-	-	-	-	-	-	-	-
State sources	7,754,915	-	-	-	-	-	-	-	6,097
Federal sources	-	-	-	-	-	-	-	-	367,827
Other receipts	1,686	-	-	-	-	-	-	-	5,698
Total receipts	<u>7,802,186</u>	<u>1,333,526</u>	<u>344,516</u>	<u>1,211,236</u>	<u>776,793</u>	<u>158,221</u>	<u>1,889</u>	<u>-</u>	<u>593,971</u>
Disbursements:									
Instruction	5,216,588	-	-	-	9,623	-	-	-	153,199
Support services	2,799,738	-	-	583,989	725,432	159,746	-	-	1,587
Noninstructional services	104,511	-	-	-	-	-	-	-	484,560
Facilities acquisition and construction	38,746	-	-	427,674	-	-	-	-	-
Debt service	-	1,092,500	324,191	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,537
Total disbursements	<u>8,159,583</u>	<u>1,092,500</u>	<u>324,191</u>	<u>1,011,663</u>	<u>735,055</u>	<u>159,746</u>	<u>-</u>	<u>-</u>	<u>640,883</u>
Excess (deficiency) of receipts over disbursements	<u>(357,397)</u>	<u>241,026</u>	<u>20,325</u>	<u>199,573</u>	<u>41,738</u>	<u>(1,525)</u>	<u>1,889</u>	<u>-</u>	<u>(46,912)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	11	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(357,397)</u>	<u>241,026</u>	<u>20,325</u>	<u>199,584</u>	<u>41,738</u>	<u>(1,525)</u>	<u>1,889</u>	<u>-</u>	<u>(46,912)</u>
Cash and investments - ending	<u>\$ 1,371,426</u>	<u>\$ 701,340</u>	<u>\$ 200,825</u>	<u>\$ 777,956</u>	<u>\$ 383,931</u>	<u>\$ 166,667</u>	<u>\$ 516,502</u>	<u>\$ 10,407</u>	<u>\$ 144,531</u>

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Textbook Rental	Repair and Replacement	Levy Excess	Educational License Plates	Alternative Education	Early Intervention Grant	Edgeman Loretta Memory Donation	Round Robins Award - Liberty	Liberty Community Foundation
Cash and investments - beginning	\$ 164,615	\$ 6,229	\$ -	\$ 488	\$ 368	\$ -	\$ 145	\$ 315	\$ 22
Receipts:									
Local sources	92,604	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	113	-	-	-	-	-
State sources	45,789	-	-	-	27,654	4,952	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	115	2,445	-	-	-	-	-	-	-
Total receipts	138,508	2,445	-	113	27,654	4,952	-	-	-
Disbursements:									
Instruction	-	-	-	-	5,118	-	-	158	22
Support services	246,110	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	246,110	-	-	-	5,118	-	-	158	22
Excess (deficiency) of receipts over disbursements	(107,602)	2,445	-	113	22,536	4,952	-	(158)	(22)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	68,420	-	-	-	-	-	-	-	-
Transfers out	(68,420)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(107,602)	2,445	-	113	22,536	4,952	-	(158)	(22)
Cash and investments - ending	\$ 57,013	\$ 8,674	\$ -	\$ 601	\$ 22,904	\$ 4,952	\$ 145	\$ 157	\$ -

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Park Community Foundation	Park Donations - Boren	Summitville Library	Summitville Community Foundation	Summitville Psi Iota Xi Award	Summitville - Smith Distributing Donation	Summit- Moorehead Grant	Jr. High Community Foundation	Jr. High Dollar General Literacy
Cash and investments - beginning	\$ 125	\$ 904	\$ 2	\$ 15	\$ 220	\$ 400	\$ -	\$ 3	\$ 172
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-
Disbursements:									
Instruction	-	-	2	-	-	400	-	-	172
Support services	-	-	-	-	220	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	2	-	220	400	-	-	172
Excess (deficiency) of receipts over disbursements	-	-	(2)	-	(220)	(400)	-	-	(172)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(2)	-	(220)	(400)	-	-	(172)
Cash and investments - ending	\$ 125	\$ 904	\$ -	\$ 15	\$ -	\$ -	\$ -	\$ 3	\$ -

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Dollar General Literacy	Boren Foundation Donation	Max W. Leisure- Community Foundation	Boren Foundation - Corp Grant	Monsanto Fund - Corp Grant	Central Indiana Ethanol Donation	Welfare Activities	Community Impact Fund	Scholarships and Awards
Cash and investments - beginning	\$ -	\$ 1,229	\$ 681	\$ 2,000	\$ 5	\$ 10,498	\$ 1,500	\$ -	\$ 6,061
Receipts:									
Local sources	-	-	-	-	-	-	-	-	9
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	3,000	-	883	-	-	-	-	1,500	-
Total receipts	3,000	-	883	-	-	-	-	1,500	9
Disbursements:									
Instruction	768	1,229	-	-	5	-	1,500	490	-
Support services	-	-	1,164	2,000	-	7,475	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	800
Total disbursements	768	1,229	1,164	2,000	5	7,475	1,500	490	800
Excess (deficiency) of receipts over disbursements	2,232	(1,229)	(281)	(2,000)	(5)	(7,475)	(1,500)	1,010	(791)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,232	(1,229)	(281)	(2,000)	(5)	(7,475)	(1,500)	1,010	(791)
Cash and investments - ending	\$ 2,232	\$ -	\$ 400	\$ -	\$ -	\$ 3,023	\$ -	\$ 1,010	\$ 5,270

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Harold M. Dick Scholarship	Robert Huff Scholarship	Rollins - Paul Scholarship	Scholarship - Family/ Consumer Science	Hazelbaker Foundation	Martin Scholarship Fund	Wellness Grant - NC INS Consortium	Indiana Next Grant
Cash and investments - beginning	\$ 9,039	\$ 2,214	\$ 4,564	\$ 288	\$ -	\$ 2,419	\$ 3,235	\$ 1
Receipts:								
Local sources	18	8	16	-	-	7	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	1,441	-	88,797	-	-	-
Total receipts	18	8	1,457	-	88,797	7	-	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	3,235	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	500	-	1,000	-	88,797	1,000	-	-
Total disbursements	500	-	1,000	-	88,797	1,000	3,235	-
Excess (deficiency) of receipts over disbursements	(482)	8	457	-	-	(993)	(3,235)	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(482)	8	457	-	-	(993)	(3,235)	-
Cash and investments - ending	\$ 8,557	\$ 2,222	\$ 5,021	\$ 288	\$ -	\$ 1,426	\$ -	\$ 1

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Counseling Initiative 2016-2017	Formative Assessment	Instructional Support	High Ability 2011-2012	High Ability Grant 2014-2015	High Ability 2016-2017	Non-English Speaking Programs	School Technology
Cash and investments - beginning	\$ -	\$ 21	\$ 4,654	\$ -	\$ -	\$ -	\$ 384	\$ 5,891
Receipts:								
Local sources	-	-	-	-	-	1,650	-	273,391
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	3,007	-	-	-	29,790	-	8,468
Federal sources	-	-	-	-	-	-	-	-
Other receipts	29,989	-	-	1,877	-	-	-	-
Total receipts	29,989	3,007	-	1,877	-	31,440	-	281,859
Disbursements:								
Instruction	-	3,028	6,303	-	-	18,478	-	-
Support services	14,225	-	-	1,877	-	-	-	249,068
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	14,225	3,028	6,303	1,877	-	18,478	-	249,068
Excess (deficiency) of receipts over disbursements	15,764	(21)	(6,303)	-	-	12,962	-	32,791
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	1,649	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,649)	-	-
Total other financing sources (uses)	-	-	1,649	-	-	(1,649)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,764	(21)	(4,654)	-	-	11,313	-	32,791
Cash and investments - ending	\$ 15,764	\$ -	\$ -	\$ -	\$ -	\$ 11,313	\$ 384	\$ 38,682

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Career and Technical Performance Grant	Performance Based Awards	Miscellaneous Programs	School Lunch Banquet	Senator David Ford Technology	Summitville - College Access Grant	Community Hospital Anderson Foundation	Cape Consortium
Cash and investments - beginning	\$ -	\$ -	\$ 17,005	\$ 529	\$ -	\$ 1,000	\$ -	\$ 62
Receipts:								
Local sources	-	-	8,679	-	-	-	3,383	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	4,817	57,735	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>4,817</u>	<u>57,735</u>	<u>8,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,383</u>	<u>-</u>
Disbursements:								
Instruction	-	-	8,899	-	-	375	-	62
Support services	-	57,735	59	-	-	-	-	-
Noninstructional services	-	-	362	-	-	-	261	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>57,735</u>	<u>9,320</u>	<u>-</u>	<u>-</u>	<u>375</u>	<u>261</u>	<u>62</u>
Excess (deficiency) of receipts over disbursements	<u>4,817</u>	<u>-</u>	<u>(641)</u>	<u>-</u>	<u>-</u>	<u>(375)</u>	<u>3,122</u>	<u>(62)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,817</u>	<u>-</u>	<u>(641)</u>	<u>-</u>	<u>-</u>	<u>(375)</u>	<u>3,122</u>	<u>(62)</u>
Cash and investments - ending	<u>\$ 4,817</u>	<u>\$ -</u>	<u>\$ 16,364</u>	<u>\$ 529</u>	<u>\$ -</u>	<u>\$ 625</u>	<u>\$ 3,122</u>	<u>\$ -</u>

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Cape Elementary Mini Grants	Title I 2015-2016	Title I 2016-2017	Title I 2013-2014	Title I - 2014-2015	Special Education Tech Assist FY2014 Grant	PL Part B 2015-2016	PL 108 2015-2016
Cash and investments - beginning	\$ -	\$ (8,016)	\$ -	\$ -	\$ -	\$ -	\$ (18,332)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	948	-	-	-	-	-	-	-
Federal sources	-	45,231	152,149	-	-	-	76,563	8,052
Other receipts	-	-	-	104	-	-	-	-
Total receipts	948	45,231	152,149	104	-	-	76,563	8,052
Disbursements:								
Instruction	942	36,539	160,043	-	-	-	55,198	8,201
Support services	-	676	5,925	104	-	-	5,407	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	942	37,215	165,968	104	-	-	60,605	8,201
Excess (deficiency) of receipts over disbursements	6	8,016	(13,819)	-	-	-	15,958	(149)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6	8,016	(13,819)	-	-	-	15,958	(149)
Cash and investments - ending	\$ 6	\$ -	\$ (13,819)	\$ -	\$ -	\$ -	\$ (2,374)	\$ (149)

MADISON-GRANT UNITED SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	PL 108 2016-2017	PL Part B 2014-2015	PL 108 2016-2017	Class Size Reduction	Title II Part A 2015-2016	Clearing - Prepaid Food	Clearing - Payroll	Totals
Cash and investments - beginning	\$ -	\$ 3	\$ -	\$ (4,274)	\$ -	\$ 7,811	\$ 60,323	\$ 4,459,675
Receipts:								
Local sources	-	-	-	-	-	-	-	4,465,797
Intermediate sources	-	-	-	-	-	-	-	196
State sources	-	-	-	-	-	-	-	7,944,172
Federal sources	-	-	184,248	38,018	16,071	-	-	888,159
Other receipts	-	-	-	-	-	44,822	1,950,430	2,132,787
Total receipts	-	-	184,248	38,018	16,071	44,822	1,950,430	15,431,111
Disbursements:								
Instruction	543	-	188,268	37,075	20,289	-	-	5,933,517
Support services	-	-	13,884	1,202	-	-	-	4,880,858
Noninstructional services	-	-	-	-	-	-	-	589,694
Facilities acquisition and construction	-	-	-	-	-	-	-	466,420
Debt service	-	-	-	-	-	-	-	1,416,691
Nonprogrammed charges	-	-	-	-	-	46,083	1,943,308	2,083,025
Total disbursements	543	-	202,152	38,277	20,289	46,083	1,943,308	15,370,205
Excess (deficiency) of receipts over disbursements	(543)	-	(17,904)	(259)	(4,218)	(1,261)	7,122	60,906
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	11
Transfers in	-	-	-	-	4,215	-	-	74,284
Transfers out	-	-	-	(4,215)	-	-	-	(74,284)
Total other financing sources (uses)	-	-	-	(4,215)	4,215	-	-	11
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(543)	-	(17,904)	(4,474)	(3)	(1,261)	7,122	60,917
Cash and investments - ending	\$ (543)	\$ 3	\$ (17,904)	\$ (8,748)	\$ (3)	\$ 6,550	\$ 67,445	\$ 4,520,592

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MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 25,435</u>	<u>\$ 43,535</u>

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Madison-Grant Multi-School Building Corporation	Lease for Bond 2017 (HVAC Jr/Sr)	\$ 121,986	3/7/2017	12/30/2036
Madison-Grant Multi-School Building Corporation	Lease for Bond 2003/2014B	375,000	2/26/2014	12/31/2018
Madison-Grant Multi-School Building Corporation	Lease for Bond 2012 (Park A)	138,500	6/28/2012	12/31/2032
Madison-Grant Multi-School Building Corporation	Lease for Bond 2013 (Summit A)	137,000	2/5/2013	12/31/2032
Madison-Grant Multi-School Building Corporation	Lease for Bond 2013 (Park B)	145,500	12/17/2013	6/30/2033
Madison-Grant Multi-School Building Corporation	Lease for Bond 2013 (Summit C)	146,000	12/24/2013	6/30/2033
Madison-Grant Multi-School Building Corporation	Lease for Bond 2014 (Jr/Sr High A)	<u>148,000</u>	2/26/2014	12/31/2033
Total governmental activities		<u>1,211,986</u>		
Total of annual lease payments		<u>\$ 1,211,986</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Pension Debt Bonds	<u>\$ 1,111,977</u>	<u>\$ 324,552</u>
Totals		<u>\$ 1,111,977</u>	<u>\$ 324,552</u>

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2017

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	\$ 24,900
Buildings	26,598,678
Improvements other than buildings	3,370,557
Machinery, equipment, and vehicles	<u>5,271,222</u>
Total governmental activities	<u>35,265,357</u>
Total capital assets	<u><u>\$ 35,265,357</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE MADISON-GRANT UNITED SCHOOL  
CORPORATION, GRANT COUNTY, INDIANA

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

We have audited the Madison-Grant United School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the period of July 1, 2015 to June 30, 2017. The School Corporation's major federal program is 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the School Corporation's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on the Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the period of July 1, 2015 to June 30, 2017.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, and 2017-005. Our opinion on the 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, 2017-004, and 2017-005, that we consider 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

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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.

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MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2016 and 2017

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 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<b>Department of Agriculture</b>							
<b>Child Nutrition Cluster</b>							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 15-16	\$ -	\$ 69,806	\$ -	\$ -
			FY 16-17	-	-	-	72,144
<b>Total - School Breakfast Program</b>				<b>-</b>	<b>69,806</b>	<b>-</b>	<b>72,144</b>
<b>National School Lunch Program</b>							
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 15-16	-	292,493	-	-
National School Lunch Program			FY 16-17	-	-	-	290,223
Commodities			FY 15-16	-	43,939	-	-
Commodities			FY 16-17	-	-	-	48,407
<b>Total - National School Lunch Program</b>				<b>-</b>	<b>336,432</b>	<b>-</b>	<b>338,630</b>
<b>Summer Food Service Program for Children</b>							
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Program for Children			FY 15-16	-	1,210	-	-
			FY 16-17	-	-	-	5,895
<b>Total - Summer Food Service Program for Children</b>				<b>-</b>	<b>1,210</b>	<b>-</b>	<b>5,895</b>
<b>Total - Child Nutrition Cluster</b>				<b>-</b>	<b>407,448</b>	<b>-</b>	<b>416,669</b>
<b>Total - Department of Agriculture</b>				<b>-</b>	<b>407,448</b>	<b>-</b>	<b>416,669</b>
<b>Department of Education</b>							
<b>Special Education Cluster (IDEA)</b>							
Special Education_Grants to States	Indiana Department of Education	84.027					
IDEA-Part B (PL108)			14215-021-PN01	-	95,776	-	-
FY 2016 IDEA Part B 611			14216-021-PN01	-	178,968	-	76,563
FY 2017 Part B 611			14217-019-PN01	-	-	-	184,248
Special Education TA Grant FY2014			99914-021-PN01	-	6,967	-	-
<b>Total - Special Education_Grants to States</b>				<b>-</b>	<b>281,711</b>	<b>-</b>	<b>260,811</b>
Special Education_Preschool Grants	Indiana Department of Education	84.173					
FY 2016 Part B 619			45716-019-PN01	-	-	-	8,052
<b>Total - Special Education_Preschool Grants</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>8,052</b>
<b>Total - Special Education Cluster (IDEA)</b>				<b>-</b>	<b>281,711</b>	<b>-</b>	<b>268,863</b>
<b>Title I Grants to Local Educational Agencies</b>							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2013-2014			14-2825	-	-	-	104
Title I 2015-2016			15-2825	-	270,149	-	-
Title I 2015-2016			16-2825	-	-	-	45,231
Title I 2016-2017			17-2825	-	-	-	152,149
<b>Total - Title I Grants to Local Educational Agencies</b>				<b>-</b>	<b>270,149</b>	<b>-</b>	<b>197,484</b>
<b>Supporting Effective Instruction State Grants</b>							
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title IIA-Fund			14-2825	-	5,610	-	-
Title IIA-Fund			15-2825	-	45,706	-	-
FFY 2014 Title II Part A			S367A140013	-	-	-	11,125
FFY 2015 Title II Part A			S367A150015	-	-	-	42,964
<b>Total - Supporting Effective Instruction State Grants</b>				<b>-</b>	<b>51,316</b>	<b>-</b>	<b>54,089</b>
<b>Total - Department of Education</b>				<b>-</b>	<b>603,176</b>	<b>-</b>	<b>520,436</b>
<b>Total federal awards expended</b>				<b>\$ -</b>	<b>\$ 1,010,624</b>	<b>\$ -</b>	<b>\$ 937,105</b>

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

MADISON-GRANT UNITED SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

**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 the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

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

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified

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

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

**FINDING 2017-001**

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-001.

*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).

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's SEFA. The Treasurer prepared the federal award information and entered it into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period.

*Criteria*

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

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

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

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

*Cause*

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

*Effect*

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

*Recommendation*

We recommended that the School Corporation's management establish controls related to the preparation of the SEFA.

*Views of Responsible Officials*

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

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

**FINDING 2017-002**

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles  
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 15-16, FY 16-17  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Allowable Costs/Cost Principles  
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 Allowable Costs/Cost Principles compliance requirement.

There was no procedure in place to ensure the accuracy of the Food Service Manager's timesheets maintained through the K-Time system.

The Food Service Director's salary is split between two school corporations - Eastbrook School Corporation and the School Corporation. The Eastbrook School Corporation invoices the School Corporation for 50 percent of the Food Service Director's salary, but the invoice for the audit period did not detail the time worked related to the School Corporation. There is no written contract or agreement between Eastbrook School Corporation and the School Corporation to substantiate this agreement.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred 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:

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(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). . . ."

OMB Circular A-87, Attachment A, Part C states in part:

"1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria: . . .

j. Be adequately documented. . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . .

(g) Be adequately documented. . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (iv) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

Management had not developed or implemented a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Questioned Costs*

There were no questioned costs during the audit period.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles 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 2017-003**

Subject: Child Nutrition Cluster - Equipment and Real Property Management

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 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Equipment and Real Property Management

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 Equipment and Real Property Management compliance requirement.

The School Corporation had not designed or implemented adequate internal controls to ensure that equipment purchases were included in the capital asset records or that equipment was adequately safeguarded. An effective oversight or review process had not been established.

The School Corporation did not adequately comply with the equipment compliance requirement. The list of equipment acquired with federal awards was determined to be inaccurate. There were instances in which the equipment listed in the equipment records could not be verified and not all disposals were recorded.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(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). . . ."

2 CFR 200.313 states in part:

". . . (b) . . . Other non-Federal entities must follow paragraphs (c) through (e) of this section. . . ."

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

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

(e) *Disposition.* When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

- (1) Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency. . . ."

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

Management had not developed or implemented a system of internal controls that would have ensured compliance with the Equipment and Real Property Management compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

*Questioned Costs*

There were no questioned costs during the audit period.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Equipment and Real Property Management 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 2017-004**

Subject: Child Nutrition Cluster - Cash Management, Program Income, and 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 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Program Income, Reporting

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 Cash Management, Program Income, and Reporting compliance requirements.

*Cash Management*

The School Corporation had not designed or implemented adequate internal controls to ensure that the School Lunch fund monthly cash balances (net cash resources) were limited to three months average expenditures in compliance with the Cash Management requirements. There was no documentable oversight, review, or monitoring of the School Lunch fund cash balances.

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Program Income*

The School Corporation had not designed or implemented adequate internal controls to ensure that the food service collections were properly summarized and recorded in the School Lunch fund. There was no verification of the supporting documentation from the food service department to the program income recorded by the School Corporation.

*Reporting*

*Annual Financial Report:* The School Corporation had not designed or implemented adequate controls to ensure the accuracy of the Annual Financial Report. One employee was responsible for the input of the report, without oversight, review or approval, or other compensating control.

*Verification Report:* The School Corporation had not designed or implemented adequate controls to ensure the accuracy of the Verification Report. There was no documentable oversight or review of the Verification Report before it was submitted to Indiana Department of Education.

*Context*

The lack of controls was a systemic issue, which occurred 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). . . ."

*Cause*

The School Corporation's management had not developed a system of internal controls to ensure compliance with the Cash Management, Program Income, and Reporting compliance requirements.

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Cash Management, Program Income, and Reporting compliance requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Cash Management, Program Income, and Reporting compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2017-005**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment  
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 15-16, FY 16-17  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
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 Procurement and Suspension and Debarment compliance requirement.

The Food Service Director's salary is split between two school corporations - Eastbrook School Corporation and the School Corporation. The Eastbrook School Corporation invoices the School Corporation for 50 percent of the Food Service Director's salary. There is no written contract or agreement between Eastbrook School Corporation and the School Corporation to substantiate this agreement. The amount invoiced to the School Corporation for the Food Service Director's salary for the audit period was \$62,615.

The School Corporation did not perform the required Procurement and Suspension and Debarment procedures. The School Corporation was unable to provide documentation that any procurement processes were performed at the local level. Additionally, the School Corporation did not perform any of the required procedures to ensure that vendors were not suspended or debarred from participation in federal awards.

MADISON-GRANT UNITED SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

The lack of controls and noncompliance were systemic issues, which occurred 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). . . ."

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply. . . ."

7 CFR 3016.36 states in part:

". . . (b) *Procurement standards.*

- (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."

2 CFR 180.300 states:

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

You do this by:

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

#### *Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

#### *Effect*

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation in noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

#### *Questioned Costs*

There were no questioned costs identified.

#### *Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with Procurement and Suspension and Debarment 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.



## MADISON-GRANT UNITED SCHOOL CORPORATION

Scott Deetz, Ph. D., Superintendent  
Steve Vore, Assistant to the Superintendent  
Tarinna Morris, Business Director

Kristy Drewitz, Transportation Coordinator/Business Assistant  
Teresa Riggs, Payroll/Personnel Coordinator

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2015-001**

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A  
Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director  
Contact Phone Number: 765-948-4143

Status of Audit Finding: Business Director completes the Schedule of Expenditures of Federal Awards (SEFA) and attaches all documentation used to complete the SEFA. The SEFA report and all documentation are given to another employee in the office to verify the information is entered correctly. The person checking the SEFA will advise of any needed changes. Once the SEFA is accurate the person checking will sign off and date. This process began with the 17-18 report.

School Lunch portion of the report: Information is compiled in a spreadsheet by the Food Service Director. The Business Director verifies the information and signs off. This information is then used by the Business Director to complete the SEFA report.

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

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

\_\_\_\_\_

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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## MADISON-GRANT UNITED SCHOOL CORPORATION

Scott Deetz, Ph. D., Superintendent  
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Tarinna Morris, Business Director

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Teresa Riggs, Payroll/Personnel Coordinator

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

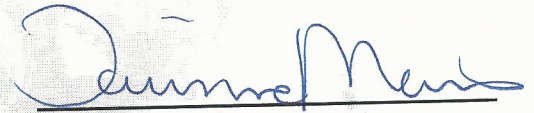
#### **FINDING 2015-002**

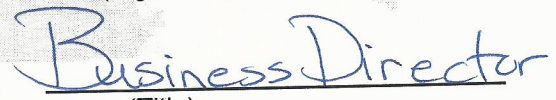
Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A  
Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director  
Contact Phone Number: 765-948-4143


Status of Audit Finding: The Business Director reconciles the bank accounts monthly. The Payroll/Personnel Coordinator reviews the reconciliation for accuracy, signs and dates. The Business Director will also sign and date. The document is put with the month's reconciliation materials.

Receipts are entered and updated by the Benefits Coordinator. Checks are scanned to the bank by the Business Director. The Business Director verifies the receipt agrees to the amount deposited. The fund balances are reconciled to the bank balances.

Claims are entered by the Business Assistant, and accuracy of the budget edit is verified by the Business Director prior to the check run, updating and submitting to the School Board for approval. Budget edit is initialed and dated by the Business Director upon approval.

  
(Signature)

  
(Title)

  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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Teresa Riggs, Payroll/Personnel Coordinator

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2015-003**


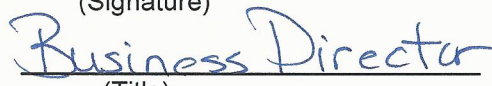

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director  
Contact Phone Number: 765-948-4143

Status of Audit Finding: After each payroll the Business Director logs all employees paid from Federal Grants in a spreadsheet. There are notations made for employee changes and when employees are out on breaks and receive no pay or reduced pay.

In addition, after each payroll the Business Director prints a distribution report and compares to the month before to make sure employees are in the correct distributions and pay is in accordance to days worked (in the case of less than 260-day employees.) notes are made for discrepancies in pay such as breaks or holidays, pay increases, employee changes, etc.

Semi-Annual Certifications are completed by the Business Director for the Special Ed Grants at the end of the fiscal and calendar year end. They are sent to the Director of each grant for verification. If errors are found the Business Director will be notified and the error will be investigated, corrected and returned to the grant Director. Upon verifications the Semi-Annual Certification is signed, dated and returned to the Business Director to place in the grant file. Time and Effort Log were not applicable for the audit period.

The Business Director uses a fund history report for the fund number and a budget history reports for the month to complete the grant reimbursement form. On the fund history report the YTD revenue is subtracted from the YTD expended, the difference is the amount of the reimbursement and should match the ending fund balance on the fund report and the total expended on the budget history report for the month. The reimbursement form is completed by the Business Director. The Business Director prints off the reimbursement form, attaches documentation, signs and dates, and gives to the Superintendent for verification. The Superintendent will review the information. If an error is found, the reimbursement is returned for correction and then re-submitted. Once grant reimbursement is verified accurate, the Superintendent will sign off, date and return to the Business Director for submission.

  
\_\_\_\_\_  
(Signature)  
  
\_\_\_\_\_  
(Title)  
  
\_\_\_\_\_  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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Teresa Riggs, Payroll/Personnel Coordinator

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FINDING 2015-004**

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director  
Contact Phone Number: 765-948-4143

Status of Audit Finding:

After each payroll the Business Director logs all employees paid from Federal Grants in a spreadsheet. There are notations made for employee changes and when employees are out on breaks and receive no pay or reduced pay.

In addition, after each payroll the employee prints a distribution report and compares to the month before to make sure employees are in the correct distributions and pay is in accordance to days worked (in the case of less than 260-day employees.) Notes are made for discrepancies in pay such as breaks or holidays, pay increases, employee changes, etc.

Semi-Annual Certifications are completed by the Business Director for Title I, Title II, and Special Ed Grants at the end of the fiscal and calendar year end. They are sent to the Director of each grant for verification. If errors are found the Business Director will be notified and the error will be investigated, corrected and returned to the grant Director. Upon verifications the Semi-Annual Certification is signed, dated and returned to the Business Director to place in the grant file.

Time and Effort Log were not applicable for the audit period

Tarinna Morris  
(Signature)

Business Director  
(Title)

11-20-18  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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## MADISON-GRANT UNITED SCHOOL CORPORATION

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Tarinna Morris, Business Director

Kristy Drewitz, Transportation Coordinator/Business Assistant  
Teresa Riggs, Payroll/Personnel Coordinator

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2015-005**


Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director  
Contact Phone Number: 765-948-4143

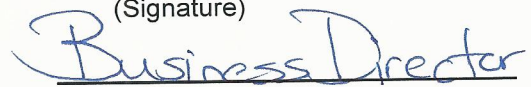
Status of Audit Finding: After each payroll the Business Director logs all employees paid from Federal Grants in a spreadsheet. There are notations made for employee changes and when employees are out on breaks and receive no pay or reduced pay.


In addition, after each payroll the Business Director prints a distribution report and compares to the month before to make sure employees are in the correct distributions and pay is in accordance to days worked (in the case of less than 260-day employees.) notes are made for discrepancies in pay such as breaks or holidays, pay increases, employee changes, etc.

Semi-Annual Certifications are completed by the Business Director for the Title I Grants at the end of the fiscal and calendar year end. They are sent to the Director of each grant for verification. If errors are found the Business Director will be notified and the error will be investigated, corrected and returned to the grant Director. Upon verifications the Semi-Annual Certification is signed, dated and returned to the Business Director to place in the grant file. Time and Effort Log were not applicable for the audit period.

At the end of each month the Business Director prepares the request for reimbursement for Federal grants. The Business Director uses a fund history report for the fund number and a budget history reports for the month to complete the grant reimbursement form. On the fund history report the YTD revenue is subtracted from the YTD expended, the difference is the amount of the reimbursement and should match the ending fund balance on the fund report and the total expended on the budget history report for the month. The reimbursement form is completed by the Business Director. The Business Director prints off the reimbursement form, attaches documentation, signs and dates, and gives to the Superintendent for verification. The Superintendent will review the information. If an error is found, the reimbursement is returned for correction and then re-submitted. Once grant reimbursement is verified accurate, the Superintendent will sign off, date and return to the Business Director for submission.

  
(Signature)

  
(Title)

  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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Kristy Drewitz, Transportation Coordinator/Business Assistant  
Teresa Riggs, Payroll/Personnel Coordinator

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### **FINDING 2015-006**

Fiscal year in which the finding initially occurred: 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director  
Contact Phone Number: 765-948-4143

#### Status of Audit Finding:

After each payroll the Business Director logs all employees paid from Federal Grants in a spreadsheet. There are notations made for employee changes and when employees are out on breaks and receive no pay.

In addition, after each payroll the employee prints a distribution report and compares to the month before to make sure employees are in the correct distributions and pay is in accordance to days worked (in the case of less than 260-day employees.) Notes are made for discrepancies in pay such as breaks or holidays, pay increases, employee changes, etc.

Semi-Annual Certifications are completed by the Business Director for Title I, Title II, and Special Ed Grants at the end of the fiscal and calendar year end. They are sent to the Director of each grant for verification. If errors are found the Business Director will be notified and the error will be investigated, corrected and returned to the grant Director. Upon verifications the Semi-Annual Certification is signed, dated and returned to the Business Director to place in the grant file.

Time and Effort logs were not applicable during the audit period.

Tarinna Morris  
(Signature)

Business Director  
(Title)

11-20-18  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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**MADISON-GRANT UNITED SCHOOL CORPORATION**

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Misty Skeens, HR/Benefits Coordinator

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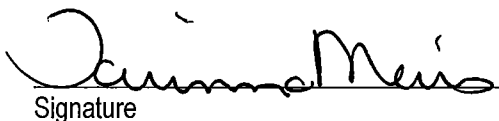
**Finding 2017-001**

**Contact Person Responsible for Corrective Action:** Tarinna Morris, Business Director  
**Contact Phone Number:** 765-948-4143

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

**Subject:** Preparation of the Schedule of Expenditures of Federal Awards  
Repeat Finding

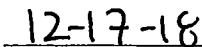
**Description of Corrective Action Plan:** A corrective action plan was created after the last audit for the period of July 1, 2013 to June 30, 2015. In the corrective action plan the Business Director was to complete the SEFA, verify the information and enter on the SEFA report. Prior to submission of the SEFA report, the Business Director was to give the SEFA report and supporting documentation to another staff member to review and verify for accuracy. This procedure was to begin with the SEFA completed after June 30, 2017. However; the SEFA for FY 16-17 was not reviewed by another staff member. The FY 17-18 SEFA was reviewed by another staff member, verified and signed off. This procedure will continue.



Signature



Title



Date

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**MADISON-GRANT UNITED SCHOOL CORPORATION**

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*Tarinna Morris, Director of Business Affairs*

*Misty Skeens, HR/Benefits Coordinator*

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**Finding 2017-002**

**Contact Person Responsible for Corrective Action:** Tarinna Morris, Business Director

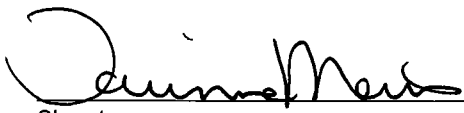

**Contact Phone Number:** 765-948-4143

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

**Subject:** Child Nutrition Cluster-Allowable Costs/Cost Principles

**Description of Corrective Action Plan:** During the audit period, the Food Service Director did not approve the Food Service Managers time sheets maintained through K-Time. Beginning February 2017 the Food Service Director approves the time sheets through K-Time for all food Service Managers.

**Description of Corrective Action Plan:** No written agreement or contract could be located by Eastbrook Community Schools or Madison-Grant United School Corporation in regard to splitting the expenses of a Food Service Director. Eastbrook Community Schools is working with their attorney to draft an agreement. When finalized, it will be given to Madison-Grant United School Corporation for review and for Board approval. This should be completed by February 28, 2019.

  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Title  
12-17-18  
\_\_\_\_\_  
Date

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**Finding 2017-003**

**Contact Person Responsible for Corrective Action:** Tarinna Morris, Business Director

**Contact Phone Number:** 765-948-4143

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

**Subject:** Child Nutrition Cluster-Equipment and Real Property Management

**Description of Corrective Action Plan:** An internal control has been created to ensure compliance with Federal Grants and the Equipment and Real Property Management compliance requirements. The internal control shall be approved by the Board of Education prior to February 28, 2019.

Signature

Title

12-17-18

Date

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## MADISON-GRANT UNITED SCHOOL CORPORATION

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### Finding 2017-004

**Contact Person Responsible for Corrective Action:** Tarinna Morris, Business Director  
**Contact Phone Number:** 765-948-4143

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

**Subject:** Child Nutrition Cluster-Activities Allowed or Unallowed, Cash Management, Program Income and Reporting

**Description of Corrective Action Plan:** During the audit period the Food Service Director did not approve the Food Service Managers time sheets maintained through K-Time. Beginning February 2017 the Food Service Director approves the time sheets through K-Time for all food Service Managers.

**Description of Corrective Action Plan:** During the audit period there were no internal controls to ensure the School Lunch fund monthly cash balances were limited to three months average expenditures. The Food Service Director will calculate the three month average expenditure at the end of each month to compare to the fund balance to ensure compliance. The report will be put with the end of the year records for auditing purposes. The Business Director will also check the three month average expenditure to the fund report as part of the end of the month process. Any concerns will be discussed with the Food Service Director.

**Description of Corrective Action Plan:** The Business Director or designee will run a report out of Meals Plus summarizing the collections for the week. The report will be compared to the weekly information the schools send to Central Office with their check. Any discrepancies will be corrected prior to entering into the financial software to ensure all collections are properly recorded in the School Lunch Fund. All documentation will be attached to the receipt for verification.

**Description of Corrective Action Plan:** A corrective action plan was created after the last audit for the period of July 1, 2013 to June 30, 2015. In the corrective action plan the Business Director was to complete the SEFA, verify the information and enter on the SEFA report. Prior to submission another staff member would verify for accuracy. Since the SEFA is part of the Annual Financial Report, the procedures for the SEFA will also be followed for the remainder of the Annual Financial Report. Prior to submission of the Annual Financial Report, the Business Director was to give the Annual Financial Report and supporting documentation to another staff member to review and verify for accuracy. This procedure was to begin with

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the Annual Financial Report completed after June 30, 2017. However; the Annual Financial Report for FY 16-17 was not reviewed by another staff member. The FY 17-18 Annual Financial Report was reviewed, verified and signed off by another staff member. This procedure will continue.

**Description of Corrective Action Plan:** Prior to submission of the Verification Report the Food Service Director shall give the report and any supporting documentation to the Jr/Sr High Food Service Manager or Assistant Manager to verify the report for accuracy. Upon verification, the Food Service Manager or Assistant Manager will sign off and date confirming the accuracy of the Verification Report.

Signature

Business Director

Title

12-17-18

Date

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*Misty Skeens, HR/Benefits Coordinator*

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**Finding 2017-005**

**Contact Person Responsible for Corrective Action:** Tarinna Morris, Business Director

**Contact Phone Number:** 765-948-4143

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

**Subject:** Child Nutrition Cluster-Procurement Suspension and Debarment

**Description of Corrective Action Plan:** No written agreement or contract could be located by Eastbrook Community Schools or Madison-Grant United School Corporation in regard to splitting the expenses of a Food Service Director. Eastbrook Community Schools is working with their attorney to draft an agreement. When finalized, it will be given to Madison-Grant United School Corporation for review and Board approval. This should be completed by February 28, 2019.

**Description of Corrective Action Plan:** An internal control was adopted by the Board of Education on August 6, 2018 in regard to the requirements of Procurement and Suspension and Debarment. As of December 17, 2018 all documentation will be kept when a vendor has been checked to see if they have been suspended or debarred.

Signature

Title

Date

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**HOME OF THE ARGYLLS**

*Madison-Grant Administration Office*

*11580 S – E00W Fairmount, IN 46928 • Phone: (765) 948-4143 • Fax: (765) 948-4150*

#### 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/>.