

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

GREENFIELD-CENTRAL COMMUNITY
SCHOOL CORPORATION
HANCOCK COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
02/06/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ruthann Fisher	01-01-15 to 12-31-19
Superintendent of Schools	Dr. Harold E. Olin	07-01-15 to 06-30-19
President of the School Board	Retta Livengood Daniel Brown	01-01-15 to 12-31-17 01-01-18 to 12-31-18



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE GREENFIELD-CENTRAL COMMUNITY
SCHOOL CORPORATION, HANCOCK COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Greenfield-Central Community 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 13, 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 13, 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 GREENFIELD-CENTRAL COMMUNITY
SCHOOL CORPORATION, HANCOCK 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 Greenfield-Central Community 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 13, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001.

Greenfield-Central Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

December 13, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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GREENFIELD-CENTRAL COMMUNITY 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
General	\$ 6,329,244	\$ 29,081,205	\$ 28,465,522	\$ (1,018,946)	\$ 5,925,981	\$ 29,679,134	\$ 29,655,588	\$ (175,900)	\$ 5,773,627
Debt Service	5,847,126	11,126,552	11,395,006	-	5,578,672	11,021,757	11,224,204	(10,300)	5,365,925
Capital Projects	2,410,489	4,092,689	3,529,715	-	2,973,463	5,402,167	4,183,661	-	4,191,969
School Transportation	1,347,594	1,739,366	1,586,816	(30,000)	1,470,144	1,924,848	1,637,645	(2,800)	1,754,547
School Bus Replacement	754,501	468,411	439,322	-	783,590	515,889	508,991	-	790,488
Rainy Day	3,606,986	215,532	-	1,000,000	4,822,518	-	210,947	-	4,611,571
Post-Retirement/Severance Future Benefits	13,076	-	34,690	53,000	31,386	-	51,670	54,000	33,716
Construction	2,656,239	625,854	893,347	-	2,388,746	2,000,000	532,937	-	3,855,809
School Lunch	579,208	2,100,519	2,045,738	-	633,989	2,166,512	2,313,698	-	486,803
Textbook Rental	724,748	394,402	410,031	10,300	719,419	391,587	660,481	-	450,525
Self-Insurance	-	-	-	-	-	1,320,170	1,184,609	-	135,561
Levy Excess	-	-	-	-	-	-	-	-	-
Child Care Program	-	-	-	-	-	10,720	69,996	135,000	75,724
Educational License Plates	825	575	1,062	-	338	412	-	-	750
Alternative Education	-	-	-	-	-	7,107	-	-	7,107
Early Intervention Grant	-	51,626	39,596	-	12,030	-	12,030	-	-
Early Intervention Grant FY 16-17	-	-	-	-	-	21,046	21,046	-	-
Donations, Gifts and Trusts	58,938	26,332	21,492	-	63,778	51,223	26,770	-	88,231
Miscellaneous Programs	7,225	-	-	-	7,225	-	-	-	7,225
Feed the Future	-	-	-	-	-	141	-	-	141
Instructional Support	9,486	12,181	13,056	-	8,611	27,640	26,062	-	10,189
High Ability	20,161	45,559	42,783	-	22,937	44,714	48,814	-	18,837
Formative Assessment	-	41,446	41,446	-	-	57,801	57,801	-	-
Childrens Theater	282	30,248	21,025	-	9,505	9,306	9,364	-	9,447
Medicaid Reimbursement	-	-	-	-	-	26,302	619	-	25,683
Cultural Arts	218,551	84,000	75,053	-	227,498	84,000	106,967	-	204,531
School Technology	35,429	46,985	16,925	-	65,489	35,869	90,290	-	11,068
Career and Technical Performance Grant	-	-	-	-	-	25,859	-	-	25,859
Counseling Initiative Grant	-	-	-	-	-	30,000	30,000	-	-
Drivers Education	16,553	17,825	13,932	-	20,446	18,485	15,960	-	22,971
Insurance Fund	1,042,594	-	-	-	1,042,594	-	-	-	1,042,594
Senator David Ford Technology	(11,536)	89,009	80,473	-	(3,000)	7,030	4,030	-	-
Excess PTRC Distributions	129,368	-	-	-	129,368	-	-	-	129,368
Beverage Contract	101,100	9,034	9,229	-	100,905	12,216	11,750	-	101,371
Title I 2014/2015	(27,924)	112,244	84,320	-	-	-	-	-	-
Title I 2015/2016	-	224,411	262,863	-	(38,452)	138,486	100,034	-	-
Title I 2016/2017	-	-	-	-	-	251,917	282,400	-	(30,483)
IDEA	-	714,006	465,832	-	248,174	307,500	555,674	-	-
IDEA FY 2017	-	-	-	-	-	258,470	330,519	-	(72,049)
Preschool Handicap	-	44,222	33,417	-	10,805	12,400	23,205	-	-
PS FY 2017	-	-	-	-	-	39,486	44,586	-	(5,100)
Medicaid Reimbursement - Federal	14,354	-	-	(14,354)	-	-	-	-	-
Improving Teacher Quality, No Child Left, Title II, Part A	-	-	-	-	-	40,853	54,540	-	(13,687)
Title II Part A, Improving Teacher FY 2013/2014	(3,848)	5,192	1,344	-	-	-	-	-	-
Title II Part A, Improving Teacher FY 2014/2015	(10,697)	72,558	72,728	-	(10,867)	11,336	469	-	-
Title II eLearning FY 2015	(9,870)	19,094	16,563	-	(7,339)	8,000	661	-	-
Title II eLearning	-	-	-	-	-	-	13,393	-	(13,393)
Payroll Withholding Fund	91,157	6,790,088	6,598,446	-	282,799	7,199,443	7,379,522	-	102,720
Totals	\$ 25,951,359	\$ 58,281,165	\$ 56,711,772	\$ -	\$ 27,520,752	\$ 63,159,826	\$ 61,480,933	\$ -	\$ 29,199,645

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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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 as follows:

- Senator David Ford Technology (3954)
- Title I 2015/2016 (4107)
- Title I 2016/2017 (4108)
- IDEA FY 2017 (5201)
- PS FY 2017 (5401)
- Improving Teacher Quality, No Child Left, Title II, Part A (6840)
- Title II Part A, Improving Teacher FY 2014/2015 (6847)
- Title II eLearning FY 2015 (6848)
- Title II eLearning (6849)

This is a result of reimbursable grants.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with Greenfield Middle School Building Corporation and Greenfield Multi-School Building Corporation (the lessors). The lessors were organized as (not-for-profit) corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related-parties of the School Corporation. Lease payments during the years 2016 and 2017 totaled \$9,889,500 and \$8,747,500, respectively.

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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.

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

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 6,329,244	\$ 5,847,126	\$ 2,410,489	\$ 1,347,594	\$ 754,501	\$ 3,606,986	\$ 13,076	\$ 2,656,239	\$ 579,208	\$ 724,748
Receipts:										
Local sources	295,414	11,126,552	4,092,689	1,729,069	468,411	215,532	-	625,854	1,257,394	273,217
Intermediate sources	8	-	-	-	-	-	-	-	-	-
State sources	28,785,783	-	-	-	-	-	-	-	21,451	121,185
Federal sources	-	-	-	-	-	-	-	-	821,674	-
Other receipts	-	-	-	10,297	-	-	-	-	-	-
Total receipts	<u>29,081,205</u>	<u>11,126,552</u>	<u>4,092,689</u>	<u>1,739,366</u>	<u>468,411</u>	<u>215,532</u>	<u>-</u>	<u>625,854</u>	<u>2,100,519</u>	<u>394,402</u>
Disbursements:										
Instruction	17,500,431	-	-	-	-	-	-	-	-	-
Support services	10,539,724	-	1,196,001	1,586,816	439,322	-	34,690	-	21,844	232,864
Noninstructional services	425,367	-	-	-	-	-	-	-	2,015,626	-
Facilities acquisition and construction	-	-	2,333,714	-	-	-	-	893,347	8,268	-
Debt service	-	11,395,006	-	-	-	-	-	-	-	177,167
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>28,465,522</u>	<u>11,395,006</u>	<u>3,529,715</u>	<u>1,586,816</u>	<u>439,322</u>	<u>-</u>	<u>34,690</u>	<u>893,347</u>	<u>2,045,738</u>	<u>410,031</u>
Excess (deficiency) of receipts over disbursements	<u>615,683</u>	<u>(268,454)</u>	<u>562,974</u>	<u>152,550</u>	<u>29,089</u>	<u>215,532</u>	<u>(34,690)</u>	<u>(267,493)</u>	<u>54,781</u>	<u>(15,629)</u>
Other financing sources (uses):										
Transfers in	14,354	-	-	-	-	1,000,000	53,000	-	-	10,300
Transfers out	(1,033,300)	-	-	(30,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(1,018,946)</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>1,000,000</u>	<u>53,000</u>	<u>-</u>	<u>-</u>	<u>10,300</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(403,263)</u>	<u>(268,454)</u>	<u>562,974</u>	<u>122,550</u>	<u>29,089</u>	<u>1,215,532</u>	<u>18,310</u>	<u>(267,493)</u>	<u>54,781</u>	<u>(5,329)</u>
Cash and investments - ending	<u>\$ 5,925,981</u>	<u>\$ 5,578,672</u>	<u>\$ 2,973,463</u>	<u>\$ 1,470,144</u>	<u>\$ 783,590</u>	<u>\$ 4,822,518</u>	<u>\$ 31,386</u>	<u>\$ 2,388,746</u>	<u>\$ 633,989</u>	<u>\$ 719,419</u>

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

	Self- Insurance	Levy Excess	Child Care Program	Educational License Plates	Alternative Education	Early Intervention Grant	Early Intervention Grant FY 16-17	Donations, Gifts and Trusts	Miscellaneous Programs	Feed the Future
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 825	\$ -	\$ -	\$ -	\$ 58,938	\$ 7,225	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	26,332	-	-
Intermediate sources	-	-	-	575	-	-	-	-	-	-
State sources	-	-	-	-	-	51,626	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	575	-	51,626	-	26,332	-	-
Disbursements:										
Instruction	-	-	-	-	-	39,596	-	19,939	-	-
Support services	-	-	-	-	-	-	-	1,553	-	-
Noninstructional services	-	-	-	1,062	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	1,062	-	39,596	-	21,492	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	(487)	-	12,030	-	4,840	-	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(487)	-	12,030	-	4,840	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 338	\$ -	\$ 12,030	\$ -	\$ 63,778	\$ 7,225	\$ -

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

	Instructional Support	High Ability	Formative Assessment	Childrens Theater	Medicaid Reimbursement	Cultural Arts	School Technology	Career and Technical Performance Grant	Counseling Initiative Grant	Drivers Education
Cash and investments - beginning	\$ 9,486	\$ 20,161	\$ -	\$ 282	\$ -	\$ 218,551	\$ 35,429	\$ -	\$ -	\$ 16,553
Receipts:										
Local sources	12,181	-	-	30,248	-	84,000	36,101	-	-	17,825
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	45,559	41,446	-	-	-	10,884	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	12,181	45,559	41,446	30,248	-	84,000	46,985	-	-	17,825
Disbursements:										
Instruction	10,278	42,783	41,446	21,025	-	-	-	-	-	13,790
Support services	-	-	-	-	-	75,053	16,925	-	-	142
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	2,778	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,056	42,783	41,446	21,025	-	75,053	16,925	-	-	13,932
Excess (deficiency) of receipts over disbursements	(875)	2,776	-	9,223	-	8,947	30,060	-	-	3,893
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(875)	2,776	-	9,223	-	8,947	30,060	-	-	3,893
Cash and investments - ending	\$ 8,611	\$ 22,937	\$ -	\$ 9,505	\$ -	\$ 227,498	\$ 65,489	\$ -	\$ -	\$ 20,446

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	Insurance Fund	Senator David Ford Technology	Excess PTRC Distributions	Beverage Contract	Title I 2014/2015	Title I 2015/2016	Title I 2016/2017	IDEA	IDEA FY 2017	Preschool Handicap
Cash and investments - beginning	\$ 1,042,594	\$ (11,536)	\$ 129,368	\$ 101,100	\$ (27,924)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	-	-	9,034	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	89,009	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	112,244	224,411	-	714,006	-	44,222
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	89,009	-	9,034	112,244	224,411	-	714,006	-	44,222
Disbursements:										
Instruction	-	27,681	-	-	75,704	262,401	-	226,457	-	33,417
Support services	-	52,792	-	9,229	4,621	179	-	239,375	-	-
Noninstructional services	-	-	-	-	-	283	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,995	-	-	-	-	-
Total disbursements	-	80,473	-	9,229	84,320	262,863	-	465,832	-	33,417
Excess (deficiency) of receipts over disbursements	-	8,536	-	(195)	27,924	(38,452)	-	248,174	-	10,805
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	8,536	-	(195)	27,924	(38,452)	-	248,174	-	10,805
Cash and investments - ending	\$ 1,042,594	\$ (3,000)	\$ 129,368	\$ 100,905	\$ -	\$ (38,452)	\$ -	\$ 248,174	\$ -	\$ 10,805

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	PS FY 2017	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title II Part A, Improving Teacher	Title II Part A, Improving Teacher	Title II eLearning FY 2015	Title II eLearning	Payroll Withholding Fund	Totals
Cash and investments - beginning	\$ -	\$ 14,354	\$ -	\$ (3,848)	\$ (10,697)	\$ (9,870)	\$ -	\$ 91,157	\$ 25,951,359
Receipts:									
Local sources	-	-	-	-	-	-	-	-	20,299,853
Intermediate sources	-	-	-	-	-	-	-	-	583
State sources	-	-	-	-	-	-	-	-	29,166,943
Federal sources	-	-	-	5,192	72,558	19,094	-	-	2,013,401
Other receipts	-	-	-	-	-	-	-	6,790,088	6,800,385
Total receipts	-	-	-	5,192	72,558	19,094	-	6,790,088	58,281,165
Disbursements:									
Instruction	-	-	-	1,344	71,972	-	-	-	18,388,264
Support services	-	-	-	-	756	16,563	-	-	14,468,449
Noninstructional services	-	-	-	-	-	-	-	-	2,442,338
Facilities acquisition and construction	-	-	-	-	-	-	-	-	3,238,107
Debt service	-	-	-	-	-	-	-	-	11,572,173
Nonprogrammed charges	-	-	-	-	-	-	-	6,598,446	6,602,441
Total disbursements	-	-	-	1,344	72,728	16,563	-	6,598,446	56,711,772
Excess (deficiency) of receipts over disbursements	-	-	-	3,848	(170)	2,531	-	191,642	1,569,393
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	1,077,654
Transfers out	-	(14,354)	-	-	-	-	-	-	(1,077,654)
Total other financing sources (uses)	-	(14,354)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(14,354)	-	3,848	(170)	2,531	-	191,642	1,569,393
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (10,867)	\$ (7,339)	\$ -	\$ 282,799	\$ 27,520,752

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2017

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/Severance Future Benefits	Construction	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 5,925,981	\$ 5,578,672	\$ 2,973,463	\$ 1,470,144	\$ 783,590	\$ 4,822,518	\$ 31,386	\$ 2,388,746	\$ 633,989	\$ 719,419
Receipts:										
Local sources	551,119	11,021,757	5,203,764	1,924,848	515,889	-	-	2,000,000	1,297,366	274,462
Intermediate sources	14	-	-	-	-	-	-	-	-	-
State sources	29,128,001	-	-	-	-	-	-	-	24,405	117,125
Federal sources	-	-	-	-	-	-	-	-	844,741	-
Other receipts	-	-	198,403	-	-	-	-	-	-	-
Total receipts	29,679,134	11,021,757	5,402,167	1,924,848	515,889	-	-	2,000,000	2,166,512	391,587
Disbursements:										
Instruction	18,864,597	-	-	-	-	-	-	-	-	-
Support services	10,471,254	-	1,258,520	1,637,645	508,991	-	51,670	-	30,351	483,314
Noninstructional services	319,737	-	-	-	-	-	-	-	2,127,309	-
Facilities acquisition and construction	-	-	2,925,141	-	-	210,947	-	532,937	156,038	-
Debt service	-	11,224,204	-	-	-	-	-	-	-	177,167
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	29,655,588	11,224,204	4,183,661	1,637,645	508,991	210,947	51,670	532,937	2,313,698	660,481
Excess (deficiency) of receipts over disbursements	23,546	(202,447)	1,218,506	287,203	6,898	(210,947)	(51,670)	1,467,063	(147,186)	(268,894)
Other financing sources (uses):										
Transfers in	10,300	-	-	-	-	-	54,000	-	-	10,300
Transfers out	(186,200)	(10,300)	-	(2,800)	-	-	-	-	-	(10,300)
Total other financing sources (uses)	(175,900)	(10,300)	-	(2,800)	-	-	54,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(152,354)	(212,747)	1,218,506	284,403	6,898	(210,947)	2,330	1,467,063	(147,186)	(268,894)
Cash and investments - ending	\$ 5,773,627	\$ 5,365,925	\$ 4,191,969	\$ 1,754,547	\$ 790,488	\$ 4,611,571	\$ 33,716	\$ 3,855,809	\$ 486,803	\$ 450,525

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
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 For the Year Ended June 30, 2017

	Self- Insurance	Levy Excess	Child Care Program	Educational License Plates	Alternative Education	Early Intervention Grant	Early Intervention Grant FY 16-17	Donations, Gifts and Trusts	Miscellaneous Programs	Feed the Future
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 338	\$ -	\$ 12,030	\$ -	\$ 63,778	\$ 7,225	\$ -
Receipts:										
Local sources	1,320,170	-	10,720	-	-	-	-	51,223	-	141
Intermediate sources	-	-	-	412	-	-	-	-	-	-
State sources	-	-	-	-	7,107	-	21,046	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,320,170	-	10,720	412	7,107	-	21,046	51,223	-	141
Disbursements:										
Instruction	-	-	-	-	-	11,678	21,046	26,693	-	-
Support services	-	-	-	-	-	352	-	77	-	-
Noninstructional services	-	-	69,996	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	1,184,609	-	-	-	-	-	-	-	-	-
Total disbursements	1,184,609	-	69,996	-	-	12,030	21,046	26,770	-	-
Excess (deficiency) of receipts over disbursements	135,561	-	(59,276)	412	7,107	(12,030)	-	24,453	-	141
Other financing sources (uses):										
Transfers in	-	-	135,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	135,000	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	135,561	-	75,724	412	7,107	(12,030)	-	24,453	-	141
Cash and investments - ending	\$ 135,561	\$ -	\$ 75,724	\$ 750	\$ 7,107	\$ -	\$ -	\$ 88,231	\$ 7,225	\$ 141

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	Instructional Support	High Ability	Formative Assessment	Childrens Theater	Medicaid Reimbursement	Cultural Arts	School Technology	Career and Technical Performance Grant	Counseling Initiative Grant	Drivers Education
Cash and investments - beginning	\$ 8,611	\$ 22,937	\$ -	\$ 9,505	\$ -	\$ 227,498	\$ 65,489	\$ -	\$ -	\$ 20,446
Receipts:										
Local sources	27,640	-	-	9,306	-	84,000	23,081	-	30,000	18,485
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	44,714	57,801	-	26,302	-	12,788	-	-	-
Federal sources	-	-	-	-	-	-	-	25,859	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	27,640	44,714	57,801	9,306	26,302	84,000	35,869	25,859	30,000	18,485
Disbursements:										
Instruction	25,296	48,814	57,801	9,364	619	-	-	-	-	15,811
Support services	-	-	-	-	-	75,167	90,290	-	30,000	149
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	766	-	-	-	-	31,800	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	26,062	48,814	57,801	9,364	619	106,967	90,290	-	30,000	15,960
Excess (deficiency) of receipts over disbursements	1,578	(4,100)	-	(58)	25,683	(22,967)	(54,421)	25,859	-	2,525
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,578	(4,100)	-	(58)	25,683	(22,967)	(54,421)	25,859	-	2,525
Cash and investments - ending	\$ 10,189	\$ 18,837	\$ -	\$ 9,447	\$ 25,683	\$ 204,531	\$ 11,068	\$ 25,859	\$ -	\$ 22,971

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
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	Insurance Fund	Senator David Ford Technology	Excess PTRC Distributions	Beverage Contract	Title I 2014/2015	Title I 2015/2016	Title I 2016/2017	IDEA	IDEA FY 2017	Preschool Handicap
Cash and investments - beginning	\$ 1,042,594	\$ (3,000)	\$ 129,368	\$ 100,905	\$ -	\$ (38,452)	\$ -	\$ 248,174	\$ -	\$ 10,805
Receipts:										
Local sources	-	-	-	12,216	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	7,030	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	138,486	251,917	307,500	258,470	12,400
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	7,030	-	12,216	-	138,486	251,917	307,500	258,470	12,400
Disbursements:										
Instruction	-	3,000	-	-	-	95,401	282,350	295,263	164,367	23,205
Support services	-	1,030	-	11,750	-	4,439	-	260,411	166,152	-
Noninstructional services	-	-	-	-	-	194	50	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	4,030	-	11,750	-	100,034	282,400	555,674	330,519	23,205
Excess (deficiency) of receipts over disbursements	-	3,000	-	466	-	38,452	(30,483)	(248,174)	(72,049)	(10,805)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,000	-	466	-	38,452	(30,483)	(248,174)	(72,049)	(10,805)
Cash and investments - ending	\$ 1,042,594	\$ -	\$ 129,368	\$ 101,371	\$ -	\$ -	\$ (30,483)	\$ -	\$ (72,049)	\$ -

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

	PS FY 2017	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title II Part A, Improving Teacher	Title II Part A, Improving Teacher	Title II eLearning FY 2015	Title II eLearning	Payroll Withholding Fund	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (10,867)	\$ (7,339)	\$ -	\$ 282,799	\$ 27,520,752
Receipts:									
Local sources	-	-	-	-	-	-	-	-	24,376,187
Intermediate sources	-	-	-	-	-	-	-	-	426
State sources	-	-	-	-	-	-	-	-	29,446,319
Federal sources	39,486	-	40,853	-	11,336	8,000	-	-	1,939,048
Other receipts	-	-	-	-	-	-	-	7,199,443	7,397,846
Total receipts	39,486	-	40,853	-	11,336	8,000	-	7,199,443	63,159,826
Disbursements:									
Instruction	44,586	-	52,540	-	(3,431)	-	-	-	20,039,000
Support services	-	-	2,000	-	3,900	661	13,393	-	15,101,516
Noninstructional services	-	-	-	-	-	-	-	-	2,517,286
Facilities acquisition and construction	-	-	-	-	-	-	-	-	3,857,629
Debt service	-	-	-	-	-	-	-	-	11,401,371
Nonprogrammed charges	-	-	-	-	-	-	-	7,379,522	8,564,131
Total disbursements	44,586	-	54,540	-	469	661	13,393	7,379,522	61,480,933
Excess (deficiency) of receipts over disbursements	(5,100)	-	(13,687)	-	10,867	7,339	(13,393)	(180,079)	1,678,893
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	209,600
Transfers out	-	-	-	-	-	-	-	-	(209,600)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,100)	-	(13,687)	-	10,867	7,339	(13,393)	(180,079)	1,678,893
Cash and investments - ending	\$ (5,100)	\$ -	\$ (13,687)	\$ -	\$ -	\$ -	\$ (13,393)	\$ 102,720	\$ 29,199,645

GREENFIELD-CENTRAL COMMUNITY 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>\$ 2,436,954</u>	<u>\$ 67,118</u>

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Apple Inc.	HS Students PC's	\$ 345,023	3/6/2015	4/17/2018
Apple Inc.	JH Students PC's	177,167	4/18/2016	4/18/2019
Apple Inc.	Teacher PC's	65,430	12/19/2014	12/19/2017
Greenfield Middle School Building Corporation	lease hold 2009	714,711	7/15/2009	1/15/2029
Greenfield Middle School Building Corporation	lease hold 2016	4,282,700	7/15/2016	1/15/2033
Greenfield Multi-School Building Corporation	lease hold 2010	3,560,000	7/15/2010	7/15/2021
Ricoh	copier lease	<u>3,305</u>	9/20/2016	9/20/2021
Total governmental activities		<u>9,148,336</u>		
Total of annual lease payments		<u>\$ 9,148,336</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	GESC 2014	\$ 885,000	\$ 383,850
General obligation bonds	GO Bond 2016	1,010,000	1,017,020
General obligation bonds	QSCB	<u>502,000</u>	<u>76,506</u>
Total governmental activities		<u>2,397,000</u>	<u>1,477,376</u>
Totals		<u>\$ 2,397,000</u>	<u>\$ 1,477,376</u>

GREENFIELD-CENTRAL COMMUNITY 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.

	Ending Balance
Governmental activities:	
Land	\$ 500,000
Infrastructure	5,397,460
Buildings	118,873,468
Improvements other than buildings	272,408
Machinery, equipment, and vehicles	5,873,174
Books and other	<u>1,394,000</u>
Total governmental activities	<u>132,310,510</u>
Total capital assets	<u>\$ 132,310,510</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION, HANCOCK COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Greenfield-Central Community 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 each of its major federal programs for the period of July 1, 2015 to June 30, 2017. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with 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 each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. Except as discussed below, 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 each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in items 2017-003, 2017-004, and 2017-005 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management, Program Income, and Procurement and Suspension and Debarment that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

Basis for Qualified Opinion on Special Education Cluster (IDEA)

As described in item 2017-008 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with Special Education Cluster (IDEA) regarding Matching, Level of Effort and Earmarking, and Reporting. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

As described in item 2017-007 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management and Reporting that are applicable to its Special Education Cluster (IDEA). Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, 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 Child Nutrition Cluster for the period of July 1, 2015 to June 30, 2017.

Qualified Opinion on Special Education Cluster (IDEA)

In our opinion, except for the possible effects of the matter and for the noncompliance described in the *Basis for Qualified Opinion on Special Education Cluster (IDEA)* paragraph, 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 Special Education Cluster (IDEA) for the period of July 1, 2015 to June 30, 2017.

Other Matters

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

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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


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

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, 2017-005, 2017-006, 2017-007, and 2017-008, 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

December 13, 2018

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.

GREENFIELD-CENTRAL COMMUNITY 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
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program							
School Lunch 0800							
School Lunch 0800							
	Indiana Dept of Education	10.553	2015-16	\$ -	\$ 67,910	\$ -	\$ -
			2016-17	-	-	-	78,860
Total - School Breakfast Program				-	67,910	-	78,860
National School Lunch Program							
School Lunch 0800							
School Lunch 0800							
Commodities							
Commodities							
	Indiana Dept of Education	10.555	2015-16	-	739,571	-	-
			2016-17	-	-	-	734,449
			2015-16	-	136,587	-	-
			2016-17	-	-	-	169,869
Total - National School Breakfast Program				-	876,158	-	904,318
Summer Food Service Program for Children							
	Indiana Dept of Education	10.559	2015-16	-	12,850	-	-
			2016-17	-	-	-	28,385
Total - Summer Food Service Program for Children				-	12,850	-	28,385
Total - Child Nutrition Cluster				-	956,918	-	1,011,563
Total - Department of Agriculture				-	956,918	-	1,011,563
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States							
IDEA 5200							
IDEA 5201							
	Indiana Dept of Education	84.027	14216-131-PN01	-	714,006	-	307,500
			14217-131-PN01	-	-	-	258,470
Total - Special Education_Grants to States				-	714,006	-	565,970

GREENFIELD-CENTRAL COMMUNITY 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
Special Education_Preschool Grants	Indiana Dept of Education						
PS 5400		84.173	45716-131-PN01	-	44,222	-	-
PS 5400			45716-131-PN01	-	-	-	12,400
PS 5401			45717-131-PN01	-	-	-	39,486
Total - Special Education_Preschool Grants				-	44,222	-	51,886
Total - Special Education Cluster (IDEA)				-	758,228	-	617,856
Title I Grants to Local Educational Agencies	Indiana Dept of Education						
Title I 4106		84.010	15-3125	-	112,244	-	-
Title I 4107			16-3125	-	224,411	-	138,486
Title I 4108			17-3125	-	-	-	251,917
Total - Title I Grants to Local Education Agencies				-	336,655	-	390,403
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Dept of Education						
Title II 6846		84.367	FY 13-14	-	5,192	-	-
Title II 6847			FY 2014	-	72,558	-	11,336
Title II 6848			FY 2015	-	19,094	-	8,000
Title II 6840			FY 2015	-	-	-	40,853
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	96,844	-	60,189
Total - Department of Education				-	1,191,727	-	1,068,448
Total federal awards expended				\$ -	\$ 2,148,645	\$ -	\$ 2,080,011

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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 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.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Modified
Special Education Cluster (IDEA)	Modified

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

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

Section II - Financial Statement Findings

FINDING 2017-001

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

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

Condition

The School Corporation had not separated incompatible activities related to Cash and Investments, Receipts (including federal transactions), Disbursements (including federal transactions), and the Schedule of Expenditures of Federal Awards (SEFA). There were no controls in place to ensure proper oversight, review, or approval processes.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cash and Investments:

The School Corporation had not established controls to ensure all bank balances were reconciled and agreed to the cash and investment balances within the financial statements and accounting ledgers.

The School Corporation completed the bank reconciliements using computer software; however, the reconciliements were incomplete. The reconciliements excluded an investment account, and the reconciled bank balances were not compared to the cash and investment balances recorded in the financial statements and accounting ledgers.

Receipts (Including Federal Transactions)

The School Corporation had not separated incompatible activities related to collections, deposits, and issuance of receipts. One individual received the collections, issued the receipts, prepared deposit tickets, and took the collections to the bank. There was no evidence of a proper oversight, review, or approval process.

Disbursements (Including Federal Transactions)

The Business Manager reviews the detailed reports of disbursements; however, there was no documentation of this review.

The payroll and payroll withholdings/remittances were posted to the ledgers without a control in place to ensure items were properly posted.

SEFA

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the SEFA. The federal award information within the School Corporation's annual report on the Indiana Gateway for Government Units financial reporting system, which was used to generate the School Corporation's SEFA, was entered without a documented control process of its accuracy before 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.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . ."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Cause

Management had not established a proper system of internal control over financial transactions and reporting.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected and resulted in noncompliance. Fund and bank balances are required to be reconciled at least monthly.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to financial transactions and reporting. We also recommended that the School Corporation reconcile their bank balances to their accounting ledgers on a monthly basis.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-002

Subject: Child Nutrition Cluster - Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - School Food Accounts, Special Tests and Provisions - Paid Lunch Equity

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): 2015-16, 2016-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - School Food Accounts, Special Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Repeat Finding

This is a repeat finding from the immediately prior audit report related to Reporting and Special Tests and Provisions - Paid Lunch Equity. The prior audit finding numbers were 2015-004 and 2015-005.

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 Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - School Food Accounts, and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Activities Allowed and Unallowed, Allowable Costs/Cost Principles

The School Corporation did not have a system of internal controls in place to ensure amounts paid for salaries from the food service account were documented, reviewed, and verified to ensure they were allowable activities and costs of the program.

Eligibility

There was no documented control to ensure the eligibility parameters entered into the computer system for eligibility determination were correct. Eligibility parameters were entered into the system by one employee without oversight or review of the information entered.

Reporting

The monthly Sponsor Claims (claims for reimbursement), School Food Authority (SFA) Verification Collection Reports, and Annual Financial Reports were prepared and submitted by one individual, without a documented control, such as an oversight, review, or approval process.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The Food Service Director completed the verifications of free and reduced price applications and performed the calculations for paid lunch equity without a documented control, such as an oversight, review, or approval process, to ensure the accuracy.

Special Tests and Provisions - School Food Accounts

End of month reports for the Food Service Fund were prepared by the Administrative Assistant to the Business Manager. There was no documentation of a review by a separate individual to ensure the end of month balances were accurate.

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

The School Corporation performed the calculations for paid lunch equity without a documented control, such as an oversight, review, or approval process, to ensure the accuracy.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls to ensure compliance with the grant agreement and the Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - School Food Accounts, and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - School Food Accounts, and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - School Food Accounts, and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Views of Responsible Officials

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

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2017-003

Subject: School Breakfast Program, National School Lunch Program - Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): 2015-16, 2016-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-03

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 compliance requirement. There were no procedures established to ensure that the School Lunch fund cash balances (net cash resources) were maintained in compliance with the Cash Management requirements and there were no excessive cash balances.

The School Corporation maintained cash balances in excess of three months average expenditures for the entire 2015-2016 fiscal year. The excess maintained in fiscal year 2015-2016 ranged from \$5,039 to \$153,173. For fiscal year 2016-2017, excess cash was held for four of the twelve months. In 2016-2017 fiscal year the excess ranged from \$16,419 in November 2016 to \$96,990 in January 2017.

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:

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

7 CFR 210.14(b) states: "*Net cash resources*. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

7 CFR 220.7(e) states in part:

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

- (iv) Limit its net cash resource to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency; . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Cash 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 Cash Management compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls and ensure compliance with the Cash 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 - Procurement

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): 2015-16, 2016-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

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 compliance requirement.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation had not designed or implemented adequate internal controls to ensure that proper procurement methods were selected prior to purchasing goods that were not contracted through a purchasing cooperative.

The School Corporation's procurement policy did not address the methods of procurement required by federal guidelines. The policy did not include the procedures for each method of procurement (micro purchase, small purchase or simplified acquisition) and the thresholds for each method.

There were six vendors that met the requirements for small purchases; however, the School Corporation did not obtain price or rate quotations from an adequate number of qualified sources as required by federal guidelines.

Context

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

Criteria

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 200.318(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 200.319 states in part:

"(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. . . ."

(c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. . . .
- (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluation bids or proposals."

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.320 states in part:

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

- (a) Procurements by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). 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). . . ."

Cause

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls and ensure compliance with the Procurement 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 2017-005

Subject: School Breakfast Program, National School Lunch Program - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): 2015-16, 2016-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Modified Opinion

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the Program Income compliance requirement and that program income was properly accounted for in the School Corporation's records.

The School Corporation did not comply with requirements for accounting for program income generated from the operation of the school food service program. A separate fund is required for collections for prepaid meals. Collections for both prepaid meals and meals served were commingled within the School Lunch fund. The School Corporation did not establish a separate fund for prepaid meals until July 2017.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.14(c) states:

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

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . .Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . .

(12) Maintain a financial management system as prescribed by the State agency, or FNSRO where applicable; . . ."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Bulletin and Uniform Compliance Guidelines, September 2008)

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.302(b)(3) states:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement or the Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls and ensure compliance with the grant agreement and the Program Income compliance requirement.

Views of Responsible Officials

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

FINDING 2017-006

Subject: Special Education Cluster (IDEA) - Activities Allowed and Unallowed,
Allowable Costs/Cost Principles, Period of Performance, Reporting

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-131-PN01, 14217-131-PN01,
45716-131-PN01, 45717-131-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed and Unallowed, Allowable Costs/Cost Principles,
Period of Performance, Reporting

Audit Finding: Material Weaknesses

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Period of Performance, and Reporting compliance requirements.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Activities Allowed and Unallowed, Allowable Costs/Cost Principles

The School Corporation did not have a system of internal controls in place to ensure amounts paid for compensation and the related employee benefits from the grant funds were allowable activities and costs of the program. One individual entered payroll codes for recording the compensation and the related employee benefits to the grant funds, without a documented control, such as an oversight or review process, of the information entered.

Period of Performance

Grant disbursements lacked a documented control, such as an oversight, review, or approval process, to ensure the disbursements were paid within the period of performance.

Reporting (Special Reports)

Special reports were prepared and submitted by one individual, without a documented control, such as an oversight, review, or approval process, to ensure the accuracy of the reports.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls to ensure compliance with the grant agreement and the Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Period of Performance, and Reporting compliance requirements.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Period of Performance, and Reporting compliance requirements.

Questioned Costs

There were no questioned costs identified.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Activities Allowed and Unallowed, Allowable Costs/Cost Principles, Period of Performance, 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 2017-007

Subject: Special Education Cluster (IDEA) - Cash Management, Reporting

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-131-PN01, 14217-131-PN01,
45716-131-PN01, 45717-131-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting

Audit Findings: Material Weakness, Modified Opinion

Condition

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

Internal controls

The School Corporation had not designed or implemented effective internal controls to ensure that the expenditures, and any adjustments to expenditures occurred prior to requesting and reporting the expenditures on the claims for reimbursement. Additionally, the School Corporation did not implement effective controls to ensure that all expenditures and adjustments to expenditures reported on the claim for reimbursement were for allowable activities and costs of the grant.

Compliance

The School Corporation included expenditures totaling \$301,280 on claims for reimbursement prior to having disbursed the funds as of the date claimed.

In addition, the School Corporation had questioned costs totaling \$29,460 based on the following:

1. Claims for reimbursement included \$15,739, for which supporting documentation was not provided.
2. Employee benefits totaling \$1,984 based upon calculations instead of actual costs were included on claims for reimbursement.
3. Performance based compensation totaling \$11,737, which was paid for by a state grant, was also reported and claimed for reimbursement.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls and the noncompliance was limited to the fiscal year 2015-2016 school year.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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 200.305(b) states in part:

"For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuances or redemption of checks, warrants, or payment by other means. . . ."

(3) Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met, when the Federal awarding agency sets in specific condition per § 200.207 Specific conditions, or when the non-Federal entity requests payment by reimbursement. This method may be used on any Federal award for construction, or if the major portion of the construction project is accomplished through private market financing or Federal loans, and the Federal award constitutes a minor portion of the project. . . ."

2 CFR 200.302 states in part:

"(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

(b) The financial management system of each non-Federal entity must provide for the following . . .

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Cash Management and Reporting compliance requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Cash Management and Reporting compliance requirements.

Questioned Costs

Questioned costs totaling \$29,460 have been reported.

Recommendation

We recommended that the School Corporation's management establish controls and ensure compliance with the grant agreement and the Cash Management 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 2017-008

Subject: Special Education Cluster (IDEA) - Earmarking and Reporting

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-131-PN01, 14217-131-PN01, 45716-131-PN01, 45717-131-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Matching, Level of Effort, Earmarking; Reporting

Audit Findings: Material Weakness, Modified Opinion

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 Earmarking and Reporting compliance requirements.

The Proportionate Share Quarterly Reports were prepared by the Director of Student Services; however, there was no documented control, such as an oversight, review, or approval process, to ensure the accuracy of the report and ensure that the reports were supported.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation could not provide supporting documentation for the Quarterly Proportionate Share Reports to ensure compliance with Earmarking and Reporting requirements. Due to the lack of supporting documentation, the School Corporation could not support that \$87,683 was properly earmarked and expended to provide Special Education and related services to non-public schools.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. The lack of supporting documented prevented the determination of the School Corporation's compliance with the Earmarking and Reporting compliance requirements.

Criteria

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 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not developed a system of internal controls that would have ensured that supporting documentation related to the Earmarking and Reporting compliance requirements were maintained and made available for audit.

Effect

The failure to establish an effective internal control system and provide sufficient supporting documentation prevented the determination of the School Corporation's compliance with the grant agreement and the Earmarking and Reporting compliance requirements.

Questioned Costs

There were questioned costs of \$87,683 identified.

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls and ensure that documentation related to the grant agreement and the Earmarking and Reporting compliance requirements will be maintained and available for audit.

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.



October 30, 2018

Dr. Harold E. Olin,
Superintendent

Mrs. Ann C. Vail,
Associate Superintendent

Mr. Tony Zurwell,
Business Manager

Dr. Christina L. Hilton,
Assistant Superintendent

Summary Schedule of Prior Audit Findings

Finding 2015-001-Internal Controls Over Receipts

Finding initially occurred in FY:	2013
Contact Person Responsible:	Ruthann Fisher
Contact Phone #:	317-462-4434

All checks/cash are now directed to the payroll clerk. The payroll clerk prepares a hand written receipt and gives all monies, along with receipt copy to Treasurer. Treasurer prepares deposit and posts official receipts. A posting report is given to the payroll clerk to verify those deposits by the Treasurer. Effective July 2017.

Finding 2015-002 – Preparation of schedule of expenditures of Federal Awards

Finding initially occurred in FY:	2015
Contact Person Responsible:	Ruthann Fisher
Contact Phone #:	317-462-4434

Omission of Commodities for Child Nutrition Cluster was an oversight. Beginning with 2015-16, it is now included in the report. The Business Manager will review the SEFA before submitting beginning 2018-19. The Special Education Cluster, beginning with 2015-16, is included in the SEFA report.

Finding 2015-003 – Cash Management

Finding initially occurred in FY:	2015
Federal Agency:	DOA
Pass-Through Entity:	Indiana Dept of Education
Contact Person Responsible:	Nathaniel Day
Contact Phone #:	317-462-4434

Net cash resources exceeded a three-month average of expenditures some months. To establish a control point, the Administrative Support specialist will

create a food service fund cashflow document at the end of each month. The Business Manager will review this document to assess whether the cash balance is appropriate. Completed July 2017.

Finding 2015-004 – Reporting

Finding initially occurred in FY:	2015
Federal Agency:	DOA
Pass-Through Entity:	Indiana Dept of Education
Contact Person Responsible:	Nathaniel Day
Contact Phone #:	317-462-4434

There was no documentation that reimbursement requests were reviewed. Beginning August 2017 the Business Manager documented review of the submissions from the Food Service Director.

Finding 2015-005 – Special Tests & Provisions – Paid lunch equity

Finding initially occurred in FY:	2015
Federal Agency:	DOA
Pass-Through Entity:	Indiana Dept of Education
Contact Person Responsible:	Nathaniel Day
Contact Phone #:	317-462-4434

Currently the Paid Lunch Equity tool provided by the Department of Education is used. This tool is used by the Administrative Support Specialist to establish a lunch price threshold. The Business Manager reviews the results for accuracy and to assess compliance. Completed July 2018.

Finding 2015-006 – Reporting

Finding initially occurred in FY:	2015
Federal Agency:	DOE
Pass-Through Entity:	Indiana Dept of Education
Contact Person Responsible:	Amanda Bradford
Contact Phone #:	317-467-6731

The final report is prepared by the Deputy Treasurer. The Title I director will review and sign off before the Deputy Treasurer submits the report beginning with the 2017-18 report.

Finding 2015-007 – Allowable Costs/Cost Principles

Finding initially occurred in FY:	2015
Federal Agency:	DOE
Pass-Through Entity:	Indiana Dept of Education
Contact Person Responsible:	Amanda Bradford
Contact Phone #:	317-467-6731

Semi-annual certifications have been in place since 2014-15. The Title I Director will assure ongoing compliance. Corrective action was already in place at time of audit.

Sincerely,



Ruthann Fisher
Treasurer



GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION

Dr. Harold Olin,
Superintendent

Mrs. Ann C. Vail,
Associate Superintendent

Mr. Nathaniel Day,
Interim Business Manager

Dr. Christina L. Hilton,
Assistant Superintendent

We would like to open with a general statement concerning the repeated nature of a number of these audit findings. Due to the delay in the audit process in the State of Indiana, the period of July 1, 2013 to June 30, 2015 was not audited until July 2017. Many corrective actions were implemented at that time, however were not in place during the period of July 1, 2015 to June 30 2017. While the issues are labeled as repeat findings, this is primarily due to the delay in receiving our audit results as opposed to continued negligence by the responsible officials.

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Nathaniel Day
Contact Phone Number: 317-462-4434

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Segregation of duties has been introduced in to all financial transactions and duties. At least 2 employees prepare and review the receipts, disbursement, payroll and bank reconciliation processes and we have added a documentation activity to confirm this.

Cash and Investment:

Reconciling the bank statement will now include all accounts each month. After the statements are reconciled, the Deputy Treasurer and Business Manager will review and document the review process.

Receipts:

Mail is opened by the front desk receptionist and all checks and cash are given to the Payroll Specialist. The Payroll Specialist documents the items and writes receipts for each and gives this to the Treasurer. The Treasurer prepares the deposit slip and takes the deposit to the bank. The Treasurer enters the receipt in to Komputrol and prints a receipt for the Deputy Treasurer. At the end of the month, the Deputy Treasurer reconciles the account and insures that the revenue in the bank statements matches the deposit slips and Komputrol Receipts.

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Disbursements:

The Deputy Treasurer matches invoices to encumbered Purchase Orders when applicable and review all invoices for accuracy. The Deputy Treasurer inputs the claims on to the Komputrol Accounts Payable module and generates a claim docket. The Treasurer and Business Manager review the claims docket, which is signed by the Treasurer, and the Business Manager reviews all claims and initials them. The claim docket is presented to the Superintendent and Board for approval.

Payroll:

Payroll is generated by the Treasurer and Payroll Specialist. The Payroll Specialist and Administrative Assistant to the Business Manager review the payroll. Before posting the Treasurer reviews their work and posts payroll.

SEFA:

The Treasurer inputs the information in to Gateway and it is reviewed by the business manager.

After the above reviews, all parties will complete and sign the review worksheet.

Anticipated Completion Date: January 2019, but many of these procedures were started in the Fall of 2017. We will continue to refine and improve our Internal Controls throughout the audit period.

FINDING 2017-002 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Nathaniel Day
Contact Phone Number: 317-462-4434

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Segregation of duties has been introduced in to all financial transactions and duties.

Activities Allowed and Unallowed Allowable Costs/Costs Principles:

The corporation will no longer allocate salaries between the School Nutrition and General Fund. All employees paid from School Nutrition will be only working on School Nutrition

Eligibility:

Eligibility parameters will be reviewed by the Director of Food Service and Business Manager and/or Dietitian.

Reporting:

All Sponsor Claims, SFA Verification Collection Reports, and Annual Financial Reports will be reviewed by the Director of Food Service and Business Manager and/or Dietitian.

Special Tests and Provisions – Verification of Free and Reduced Lunch Applications:

The Food Service Director will complete the verification and review with the Business Manager and/or Dietitian.

Special Tests and Provisions – School Food Accounts:

End of the Month Reports for the Food Service Fund will be prepared by the Administrative Assistant to the Business Manager and reviewed by the Food Service Director and Business Manager.

Special Tests and Provisions – Paid Lunch Equity:

Paid Lunch Equity will be calculated and reviewed by the Director of Food Service and Business Manager and/or Dietitian.

After the above reviews, all parties will complete and sign the review worksheet.

Anticipated Completion Date: January 2019, and we will continue to refine and improve our Internal Controls throughout the audit period.

FINDING 2017-003 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Nathaniel Day
Contact Phone Number: 317-462-4434

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Food Service Director and Business Manager will calculate the average 3 month balance limit and compare the current month balance to the limit as part of the month end report review.

After the above review, all parties will complete and sign the review worksheet.

Anticipated Completion Date: January 2019, and we will continue to refine and improve our Internal Controls throughout the audit period.

FINDING 2017-004 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Nathaniel Day
Contact Phone Number: 317-462-4434

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Food Service Director and Business Manager will develop a procurement policy that conforms to the grant agreement and review all procurement activities to insure compliance. Each procurement activity will be reviewed against this policy and a procurement policy documentation worksheet will be completed.

Anticipated Completion Date: March 2019, and we will continue to refine and improve our Procurement Policy throughout the audit period.

FINDING 2017-005

Contact Person Responsible for Corrective Action: Nathaniel Day
Contact Phone Number: 317-462-4434

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

We have refined our use of Fund 8400 to follow proper receipt and expenditure procedure. The Administrative Assistant to the Business Manager, Deputy Treasurer and Food Service Director will review deposits and make the appropriate transfers to the Food Service Fund each month.

After the above reviews, all parties will complete and sign the review worksheet.

Anticipated Completion Date: January 2019, and we will continue to refine and improve this process throughout the audit period.

FINDING 2017-006

Contact Person Responsible for Corrective Action: Nathaniel Day
Contact Phone Number: 317-462-4434

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Activities Allowed and Unallowed Allowable Costs/Costs Principles:

After assigning the payroll codes for salary and benefits the Treasurer will review the employees assigned to the grant with the Director of Student Services to insure compliance with the grant application

Period of Performance:

The Deputy Treasurer will review disbursements from the grant with the Treasurer and Director of Student Services to insure that disbursements are paid within the period of performance.

Reporting (Special Reports):

All Special Reports will be reviewed by the Director of Student Services after preparation and before submittal.

After the above reviews, all parties will complete and sign the review worksheet.

Anticipated Completion Date: January 2019, and we will continue to refine and improve our grants process throughout the audit period.

FINDING 2017-007

Contact Person Responsible for Corrective Action: Nathaniel Day
Contact Phone Number: 317-462-4434

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Internal Controls:

The Deputy Treasurer will review claims with the Director of Student Services and the Treasurer before submission to insure that the costs are allowable and expended.

Compliance:

The Deputy Treasurer will review claims with the Director of Student Services and the Treasurer before submission to insure that the costs are allowable and expended.

After the above reviews, all parties will complete and sign the review worksheet.

Anticipated Completion Date: January 2019, and we will continue to refine and improve our Internal Controls throughout the audit period.

FINDING 2017-008

Contact Person Responsible for Corrective Action: Nathaniel Day

Contact Phone Number: 317-462-4434

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Proportionate Share Earmarking and Reporting:

The Director of Student Services will collect Time and Effort Logs for all employees who service non-public students as part of the Special Education Grant. The Deputy Treasurer and Treasurer will review the costs associated to those employees and supply them to the Director of Student Services. The Director of Student Services will complete the Proportionate Share Report and the Business Manager will review the completed report.

After the above reviews, all parties will complete and sign the review worksheet.

Anticipated Completion Date: January 2019, and we will continue to refine and improve our process throughout the audit period.



(Signature)

Treasurer

(Title)

12-13-18

(Date)



(Signature)

Interim Business Manager

(Title)

12-13-18

(Date)

OTHER REPORTS

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