

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

GREENSBURG COMMUNITY SCHOOLS

DECATUR COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED

04/27/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cindy Navarra Andrea Phillips	07-01-18 to 11-15-19 11-16-19 to 06-30-21
Superintendent of Schools	Thomas Hunter	07-01-18 to 06-30-21
President of the School Board	Gail Rueff Mark Wolter	07-01-18 to 06-30-19 07-01-19 to 06-30-21



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 GREENSBURG COMMUNITY SCHOOLS, DECATUR 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 Greensburg Community Schools (School Corporation), for the period of July 1, 2018 to June 30, 2020, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated April 15, 2021, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

Compliance and Other Matters

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

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

April 15, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF THE GREENSBURG COMMUNITY SCHOOLS, DECATUR COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Greensburg Community Schools' (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, 2018 to June 30, 2020. 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. 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2018 to June 30, 2020.

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2018 to June 30, 2020, and the related notes to the financial statement. We issued our report thereon dated April 15, 2021, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with U.S. Generally Accepted Accounting Principles, and an unmodified opinion was issued regarding the presentation in accordance with the Regulatory Basis of Accounting. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 as a whole.


Paul D. Joyce, CPA
State Examiner

April 15, 2021

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

GREENSBURG COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2019 and 2020

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 06-30-19	Total Federal Awards Expended 06-30-19	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 18-19	\$ -	\$ 139,954	\$ -	\$ -
School Breakfast Program			FY 19-20	-	-	-	106,355
Total - School Breakfast Program				-	139,954	-	106,355
National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555					
School Lunch Program			FY 18-19	-	573,511	-	-
Commodities			FY 19-20	-	-	-	408,398
Commodities			FY 18-19	-	102,191	-	-
Commodities			FY 19-20	-	-	-	99,581
Sub-Total - National School Lunch Program				-	675,702	-	507,979
COVID-19 - National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555					
			FY 19-20	-	-	-	19,873
Total - National School Lunch Program				-	675,702	-	527,852
Total - Child Nutrition Cluster				-	815,656	-	634,207
Total - Department of Agriculture				-	815,656	-	634,207
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
IDEA 17-18	Indiana Department of Education	84.027					
IDEA 18-19			18611-144-PN01	-	84,070	-	-
IDEA 19-20			19611-144-PN01	-	442,129	-	105,982
			20611-144-PN01	-	-	-	472,785
Total - Special Education Grants to Schools				-	526,199	-	578,767
Special Education Preschool Grants							
Pre-School 17-18	Indiana Department of Education	84.173					
Pre-School 18-19			18619-144-PN01	-	3,440	-	-
Pre-School 19-20			19619-144-PN01	-	11,709	-	2,280
			20619-144-PN01	-	-	-	11,595
Total - Special Education Preschool Grants				-	15,149	-	13,875
Total - Special Education Cluster (IDEA)				-	541,348	-	592,642

GREENSBURG COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2019 and 2020

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 06-30-19	Total Federal Awards Expended 06-30-19	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 17-18			17611-001-PN01	-	65,138	-	-
Title I 18-19			18611-001-PN01	-	409,874	-	79,449
Title I 19-20			19611-001-PN01	-	-	-	365,289
Total - Title I Grants to Local Educational Agencies				-	475,012	-	444,738
Rural Education	Indiana Department of Education	84.358					
Rural & Low Income Grant 16-18			S358B160014	-	11,969	-	-
Rural & Low Income Grant 17-19			S358B170014	-	39,890	-	2,257
Total - Rural Education				-	51,859	-	2,257
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II A 16-18			S367A160013	-	22,245	-	-
Title II A 17-19			S367A170013	-	64,748	-	17,857
Title II A 18-20			S367A180013	-	-	-	45,329
Title II A 19-21			S367A190013	-	-	-	8,321
Total - Supporting Effective Instruction State Grants				-	86,993	-	71,507
Education Innovation and Research Rural Early College Network	University of Indianapolis	84.411	U411B190018	-	-	-	188
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV 2017-19			S424A170015	-	71,513	-	3,487
Title IV 2018-20			S424A180015	-	-	-	23,231
Title IV 2019-21			S424A190015	-	-	-	4,196
Total - Student Support and Academic Enrichment Program				-	71,513	-	30,914
Total - Department of Education				-	1,226,725	-	1,142,246
Total federal awards expended				\$ -	\$ 2,042,381	\$ -	\$ 1,776,453

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

GREENSBURG COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. 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, 2019 and 2020. 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.

B. Other 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.

Note 2. Indirect Cost Rate

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

GREENSBURG COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

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	Unmodified
Special Education Cluster (IDEA)	Unmodified

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

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.



Greensburg Community Schools
1312 W Westridge Parkway. Greensburg, IN 47240
Phone: (812) 663-4774 Fax: (812) 663-5713

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-001

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding: The Food Service Department has changed the way they handle the prepaid food records. They no longer calculate the netting of total sales. They record the daily deposit all month long and then transfer funds out of the prepaid account just once a month. For oversight, review, and approval they created a monthly accountability form that the Food Service Director, Assistant Food Service Director, and ECA Treasurer all sign at the end of the month. The Food Service Director signs the deposit slips that the Assistant Food Service Director uses. Both the ECA Treasurer and Food Service Director sign the form that was created that shows the transfer amount of the prepaid account.

Andrea Phillips
Director of Finance
Greensburg Community Schools

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-002

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding:

Procurement: If it is a small purchase, the Food Service Director (FSD) looks up prices from 3 different vendors, typically choosing the lowest price. A summary sheet is completed by the FSD and reviewed by an additional person (typically the ECA Treasurer or Assistant FSD) and filed with the quotes in a binder in the FSD's office. If it is over \$150,000 we will complete a full RFP. The FSD will type this up and will work with the education service centers. We then attend meetings sometimes via zoom and work with them to discuss details of the bid.

Suspension and Debarment: The food service now looks up all vendors on the SAM website to monitor for suspension and debarment. If the vendor is not listed on the SAM website, the FSD sends the IDOE form to the vendor to complete and return. All forms are kept in a procurement binder in the FSD's office.

Andrea Phillips
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-003

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding:

- **Eligibility** – Free and reduced applications are signed by the individual who inputs them in the system. After original determination is made, it is reviewed for accuracy by a second individual who also signs the application.
- **Reporting** –
 - **The Annual Financial Report** – The AFR is prepared by the Assistant FSD. It is reviewed by the FSD and then submitted to IDOE via CNP web. The FSD prints and signs the final copy and gives to the Assistant FSD to sign and file.
 - **Monthly Sponsor Claims for Reimbursement** – Monthly reimbursement forms are prepared by the Food Service Director and reviewed by the Assistant FSD.
 - **School Food Authority (SFA) Verification Summary Reports** – The actual applications that we verify are chosen by the system. The Assistant FSD pulls the actual application and the FSD send the letters and inputs the info into Skyward. When verification is over, the Assistant FSD and FSD pull the summary reports together. The FSD puts the summary report into CNPWeb. The Assistant FSD keeps all paperwork and files it with the applications.

Andrea Phillips
Director of Finance
Greensburg Community Schools

<http://www.greensburg.k12.in.us>

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/>.