

**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, 2020 to June 30, 2022



**FILED**  
02/24/2023



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Andrea Phillips	07-01-20 to 06-30-23
Superintendent of Schools	Thomas Hunter	07-01-20 to 06-30-23
President of the School Board	Mark Wolter Christy Norton	07-01-20 to 06-30-22 07-01-22 to 06-30-23



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, 2020 to June 30, 2022, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated February 13, 2023, 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.

***Report on 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) as a basis for designing 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 or significant deficiencies 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)

***Report on 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.



Beth Kelley, CPA, CFE  
Deputy State Examiner

February 13, 2023



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**

***Opinion on 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, 2020 to June 30, 2022. 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.

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, 2020 to June 30, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

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)

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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 Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002, to be material weaknesses.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* require the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the other 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.

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, 2020 to June 30, 2022, and the related notes to the financial statement. We issued our report thereon dated February 13, 2023, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed 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.



Beth Kelley, CPA, CFE  
Deputy State Examiner

February 13, 2023

## 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, 2021 and 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
<b>Department of Agriculture</b>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 20-21	\$ -	\$ 125,222	\$ -	\$ -
School Breakfast Program			FY 21-22	-	-	-	202,139
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 21-22	-	29,154	-	-
Total - School Breakfast Program				-	154,376	-	202,139
National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555					
Commodities			FY 20-21	-	594,273	-	-
School Lunch Program			FY 20-21	-	113,361	-	-
Commodities			FY 21-22	-	-	-	1,063,344
Commodities			FY 21-22	-	-	-	121,299
Subtotal - National School Lunch Program				-	707,634	-	1,184,643
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555					
School Lunch Program			FY 20-21	-	146,052	-	-
Total - National School Lunch Program				-	853,686	-	1,184,643
Total - Child Nutrition Cluster				-	1,008,062	-	1,386,782
Child and Adult Care Food Program	Indiana Department of Education	10.558					
CACFP Emergency Funds			FY 21-22	-	-	-	907
Total - Department of Agriculture				-	1,008,062	-	1,387,689
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
IDEA 2021-2022	Indiana Department of Education	84.027					
IDEA 19-20			22611-144-PN01	-	-	-	508,683
IDEA 2020-2021			20611-144-PN01	-	61,944	-	-
			21611-144-PN01	-	500,890	-	47,839
Subtotal - Special Education Grants to States				-	562,834	-	556,522
COVID-19 - Special Education Grants to States	Indiana Department of Education	84.027					
ARP IDEA			22611-144-ARP	-	-	-	1,938
Total - Special Education Grants to States				-	562,834	-	558,460
Special Education Preschool Grants							
Pre-School Grant 2021-2022	Indiana Department of Education	84.173					
Pre-School Grant 19-20			22619-144-PN01	-	-	-	14,452
Pre-School Grant 2020-2021			20619-144-PN01	-	2,855	-	-
			21619-114-PN01	-	11,027	-	3,472
Total - Special Education Preschool Grants				-	13,882	-	17,924
Total - Special Education Cluster (IDEA)				-	576,716	-	576,384

GREENSBURG COMMUNITY SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2021 and 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 19-20			19611-001-PN01	-	53,367	-	-
Title I 2020-2021			20611-001-PN01	-	351,138	-	100,592
Title I 2021-2022			21611-001-PN01	-	-	-	333,454
Total - Title I Grants to Local Educational Agencies				-	404,505	-	434,046
Career and Technical Education - Basic Grants to States Career & Tech Ed Grant	Indiana Governor's Workforce Cabinet	84.048	20-0512-PP12	-	4,545	-	-
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II 2018-20			S367A180013	-	16,018	-	-
Title II 2019-21			S367A190013	-	30,964	-	61,208
Title II 2020-2022			S367A200013	-	4,724	-	78,604
Title II 2021-2023			S367A210013	-	-	-	2,883
Teacher Leader Bootcamp 3			Teacher Leader Bootcamp 3	-	-	-	3,000
Total - Supporting Effective Instruction State Grants				-	51,706	-	145,695
Education Innovation and Research	University of Indianapolis	84.411					
Rural Early College Network (Year 1)			U411B190018	-	18,108	-	-
Rural Early College Network (Year 2)			U411B190018	-	13,579	-	21,088
Rural Early College Network (Year 3)			U411B190018	-	-	-	23,050
Total - Education Innovation and Research				-	31,687	-	44,138
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV 2018-20			S424A180015	-	6,389	-	-
Title IV 2019-21			S424A190015	-	29,868	-	6,650
Title IV 2020-2022			S424A200015	-	1,167	-	1,956
Total - Student Support and Academic Enrichment Program				-	37,424	-	8,606
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
Governor's Emergency Education Relief Fund (GEER)		84.425C	S425C200018	-	59,402	-	37,082
CARES Act		84.425D	S425D200013	-	455,086	-	68,051
ESSER II (CRRSA)		84.425D	S425D210013	-	3,443	-	972,872
ESSER III (ARRP)		84.425U	S425U210013	-	-	-	948,554
Total - COVID-19 - Education Stabilization Fund				-	517,931	-	2,026,559
Total - Department of Education				-	1,624,514	-	3,235,428
<b>Department of Health and Human Services</b>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778	FY 21-22	-	-	-	23,937
Medicaid							
Total - Medicaid Cluster				-	-	-	23,937
Total - Department of Health and Human Services				-	-	-	23,937
Total federal awards expended				\$ -	\$ 2,632,576	\$ -	\$ 4,647,054

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, 2021 and 2022. 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?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

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

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.425	COVID-19 - Education Stabilization Fund	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**

**FINDING 2022-001**

Subject: COVID-19 - Education Stabilization Fund - Reporting  
 Federal Agency: Department of Education  
 Federal Program: COVID-19 - Education Stabilization Fund  
 Assistance Listings Number: 84.425  
 Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013, S425U210013

Pass-Through Entity: Indiana Department of Education  
 Compliance Requirement: Reporting  
 Audit Finding: Material Weakness

GREENSBURG COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

An effective internal control system was not designed, nor implemented at the School Corporation to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation had not designed, nor implemented a system of internal control to ensure that the annual Elementary and Secondary School Emergency Relief (ESSER) annual Data Collection report (Report) was complete and accurately submitted. The Reports were prepared by one employee without a documented oversight, review, or approval process in place to prevent, or detect and correct, errors on the Reports.

The lack of internal controls was a systemic issue 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 or implemented a system of internal control that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal control related to the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

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

GREENSBURG COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2022-002***

Subject: Title I Grants to Local Educational Agencies - Internal Controls

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 19611-001-PN01, 20611-001-PN01,  
21611-001-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Eligibility; Reporting; Matching, Level of Effort, Earmarking; Special Tests  
and Provisions - Annual Report Card, High School Graduation Rate

Audit Finding: Material Weakness

*Condition and Context*

An effective internal control system was not designed nor implemented at the School Corporation to ensure compliance with the grant agreement and the Eligibility; the Reporting; the Matching, Level of Effort, Earmarking; and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirements.

*Eligibility*

The October 1<sup>st</sup> Real Time Report of Public Enrollment (PE) was used by the Indiana Department of Education to populate the enrollment and poverty status data in the Title I applications. These numbers were then used to calculate Percent Poverty, which was used to rank schools for Title I eligibility. One person was primarily responsible for compiling and uploading student data, including poverty status, for Real Time reports. There were no documented controls in place, such as an oversight, review, or approval process to ensure eligibility was properly determined.

*Reporting*

The Indiana Department of Education used the Form 9 financial reports submitted by the School Corporation in the state's submission of the average State Per Pupil Expenditure data submitted to the National Center for Education Statistics. The Treasurer was responsible for preparing and submitting the Form 9. There were no documented controls in place such as an oversight, review, or approval process to ensure expenditures were correctly reported.

*Matching, Level of Effort, Earmarking*

The Indiana Department of Education calculates the Maintenance of Effort - Level of Effort based on expenditure information submitted on the Form 9 for that fiscal year. The Treasurer was responsible for the preparation and submission of the Form 9. There were no documented internal controls in place such as an oversight, review, or approval process to ensure expenditures were correctly reported.

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

One person was primarily responsible for removing students from a cohort and receiving required documentation to support their removal. There were no documented controls in place to ensure the proper exit code was entered and that the required documentation was obtained.

The lack of internal controls was a systemic issue throughout the entire audit period.

GREENSBURG COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 designed or implemented a system of internal control that would have ensured compliance with the grant agreement and the Eligibility; the Reporting; the Matching, Level of Effort, Earmarking; and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirements.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Eligibility; the Reporting; the Matching, Level of Effort, Earmarking; and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal control related to the grant agreement and the Eligibility; the Reporting; the Matching, Level of Effort, Earmarking; and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirements.

*Views of Responsible Officials*

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

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*

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#### CORRECTIVE ACTION PLAN

***FINDING 2022-001***

Contact Person Responsible for Corrective Action: Andrea Phillips  
Contact Phone Number: (812) 663-4774

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The ESSER Annual Data Collection Report will be prepared by the Treasurer and then reviewed and approved by the Superintendent and/or the Grant Administrator. During the secondary review, the Superintendent and/or Grant Administrator will compare the ESSER Report to Komputrol Reports and/or calculations prepared by Treasurer, check mark or highlight numbers verified, and signoff on the reports.

The Treasurer and Superintendent and/or Grant Administrator will review compliance requirements related to the grant agreement and signoff that all requirements were met.

Anticipated Completion Date: April 2023

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



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

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## CORRECTIVE ACTION PLAN

### **FINDING 2022-002**

Contact Person Responsible for Corrective Action: Andrea Phillips  
Contact Phone Number: (812) 663-4774

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

Eligibility – The Food Service Director is responsible for communicating/uploading information in regard to families who are eligible for Free/Reduced Benefits. This work is reviewed by the Cafeteria Bookkeeper and filed in her office. The students who are “Directly Certified” by the state of Indiana are added to the electronic student data system. The Corporation Data Manager files all necessary documents for the October 1 count day, which is then signed off by the Superintendent and Treasurer. Once the state of Indiana approves this data, a copy will be provided to the Grant Administrator. The Treasurer and Grant Administrator will be able to verify the data matches with the Eligible School Summary page of Title I basic application by comparing the October 1 count data with the Title 1 application data and signing off to this.

Reporting – The Form 9 Financial Reports will be prepared by the Treasurer and then reviewed by the Accounts Payable Clerk. During the secondary review, the Accounts Payable Clerk will compare the Form 9 Financial Report to Komputrol Reports and/or calculations prepared by Treasurer, check mark or highlight numbers verified, and signoff on the reports to ensure expenditures are correctly reported.

Matching, Level of Effort, Earmarking – The Form 9 Financial Reports will be prepared by the Treasurer and then reviewed by the Accounts Payable Clerk. During the secondary review, the Accounts Payable Clerk will compare the Form 9 Financial Report to Komputrol Reports and/or calculations prepared by Treasurer, check mark or highlight numbers verified, and signoff on the reports to ensure expenditures are correctly reported.

Special Tests and Provisions – Annual Report Card, High School Graduation Rate – The Guidance Department and School Administration will communicate with the Registrar to prepare all documentation needed prior to a student’s removal from a cohort. Once those documents are prepared, they will be given to the Corporation Data Manager. The Building Administrator will sign off that the proper exit code was entered and documentation is available.

Anticipated Completion Date: June 2023

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## 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/>.