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STATE BOARD OF ACCOUNTS
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April 14, 2023

To: The Officials of the Eastbrook Community School Corporation
Eastbrook Community School Corporation
560 South 900 East
Marion, IN 46953

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Eastbrook Community School Corporation. We have reviewed the audit report opined upon by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. Per the *Independent Auditors' Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 40-45. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 47-50.

In our opinion, CliftonLarsonAllen LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a Supplemental Report for Eastbrook Community School Corporation was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA**

**FINANCIAL STATEMENT AND
SUPPLEMENTARY INFORMATION**

PERIOD OF JULY 1, 2020 TO JUNE 30, 2022



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**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
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**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF OFFICIALS**

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lisa Baker	07-01-20 to 06-30-23
Superintendent of Schools	Dr. Brett Garrett	07-01-20 to 06-30-23
President of the School Board	Roger Richard	07-01-20 to 06-30-23

See accompanying Notes to Financial statement.



INDEPENDENT AUDITORS' REPORT

The Officials of the Eastbrook Community School Corporation
Grant County, Indiana

Report on the Audit of the Financial Statement

Opinions

We have audited the accompanying financial statement of the Eastbrook Community School Corporation, which comprise the Statement of Receipts, Disbursements, Other Financing Sources, and Cash and Investment Balances - Regulatory Basis as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, other financing sources, and cash and investment balances of the Eastbrook Community School Corporation as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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 of the Eastbrook Community School Corporation as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022 or changes in net position and cash flows thereof for the period then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statement section of our report. We are required to be independent of the Eastbrook Community School Corporation, and to meet our other ethical responsibilities, in accordance with the 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 audit opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statement, the Eastbrook Community 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 required 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 and pervasive.

Responsibilities of Management 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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 Eastbrook Community School Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eastbrook Community School Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the Eastbrook Community School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis 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 See *accompanying Notes to Financial statement*.

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 GAAS. 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 on the basis of accounting described in Note 1.

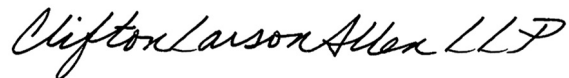
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Officials, 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 but does not include the financial statement and our auditors' report thereon. Our opinions on the financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, on our consideration of the Eastbrook Community School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Eastbrook Community 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 Eastbrook Community School Corporation's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Indianapolis, Indiana
March 27, 2023

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH INVESTMENT BALANCES – REGULATORY BASIS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
Education	\$ 1,767,140	\$ 10,949,100	\$ 9,267,838	\$ (1,444,200)	\$ 2,004,202	\$ 11,438,339	\$ 9,830,770	\$ (1,416,000)	\$ 2,195,771
Debt Service	595,427	1,086,736	978,662	(27,702)	675,799	1,144,532	1,180,865	(32,453)	607,013
Operations	2,110,232	2,481,816	3,395,401	1,446,220	2,642,867	2,526,197	3,776,763	1,054,247	2,446,548
Local Rainy Day	1,109,232	8,374	(71,474)	-	1,189,080	-	5,385	400,000	1,583,695
Construction Funds	-	375,398	692,875	1,500,000	1,182,523	488	685,208	-	497,803
School Lunch	171,092	1,059,617	872,262	-	358,447	1,180,330	977,942	-	560,835
Curricular Materials Rental	135,930	168,999	677,273	27,702	(344,642)	176,602	168,275	56,557	(279,758)
Other Local Funds	-	103,135	82,141	-	20,994	109,114	82,848	-	47,260
Educational License Plates	76	19	-	-	95	38	-	-	133
Various Gifts/Donations/Grants	30,325	16,609	22,076	-	24,858	13,736	18,222	-	20,372
Donations Gifts & Trust Funds	137,401	201,667	155,289	-	183,779	158,316	202,258	-	139,837
Lilly Endowment Grant S	6,595	-	6,595	-	-	-	-	-	-
United Way Pre-K Grant	59,929	-	35,269	-	24,660	-	24,660	-	-
Scholarships	-	-	-	-	-	1,070	120	50	1,000
Dual Language Immersion	-	21,018	21,018	-	-	87	87	-	-
Formative Assessment	4,145	16,842	20,988	-	(1)	21,167	13,260	-	7,906
Indiana Preschool Grants	-	-	-	-	-	588,559	135,158	-	453,401
Secured Schools Safety Grant	(18,030)	36,612	18,581	-	1	18,581	18,581	-	1
Early Intervention Grant	466	-	466	-	-	-	-	-	-
Early Intervention Grant	-	3,986	-	-	3,986	4,517	3,733	-	4,770
Non-English Speaking Programs	1,964	3,376	1,964	-	3,376	-	3,376	-	-
Non-English Speaking Program	-	-	-	-	-	2,611	-	-	-
Teacher Appreciation Grant	-	59,167	59,130	-	37	58,438	58,371	-	104
High Ability Students	16,635	25,690	28,702	-	13,623	29,274	40,971	-	1,926
State Connectivity Grant	7,663	11,864	9,253	-	10,274	12,760	12,734	-	10,300
Project Lead The Way	-	1,919	1,919	-	-	60,000	24,593	-	35,407
Title I-Federal Program	(4,454)	37,450	32,996	-	-	-	-	-	-
Title I-Federal Program Fy21	-	136,785	143,030	-	(6,245)	98,785	92,541	-	(1)
Title I-Federal Program Fy22	-	-	-	-	-	176,223	232,805	-	(56,582)
Fy20 Part B Special Ed	(16,675)	66,264	49,589	-	-	-	-	-	-
Fy21 Part B Special Education	-	301,315	315,961	-	(14,646)	72,661	58,015	-	-
Fy22 Part B Special Education	-	-	-	-	-	313,167	331,082	-	(17,915)
Special Ed Pre-School Fy21	-	11,761	11,761	-	-	-	-	-	-
Special Ed Pre-School Fy22	-	-	-	-	-	11,996	11,996	-	-
Title Iv Fy18 Student Support	-	5,964	5,964	-	-	-	-	-	-
Title Iv Fy19 Student Support	-	11,838	11,838	-	-	410	410	-	-
Title Iv Fy20 Student Support	-	1,885	1,885	-	-	7,636	10,761	-	(3,125)
Title Iv Fy21 Student Support	-	-	-	-	-	-	5,265	-	(5,265)
Nutritional Grant - Federal	-	40,000	40,000	-	-	-	-	-	-

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH INVESTMENT BALANCES – REGULATORY BASIS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
Medicaid Reimbursement-Federal	124,428	103,804	47,464	-	180,768	101,104	84,830	-	197,042
Title li Part A Fy20	-	8,925	8,925	-	-	35,830	35,831	-	(1)
Title li Part A Fy21	-	-	-	-	-	12,802	37,005	-	(24,203)
Title li Part A Fy19	-	28,794	28,794	-	-	-	-	-	-
Fy22 American Rescue Plan 611	-	-	-	-	-	4,255	4,255	-	-
Fy22 Pre-K American Rescue Plan 619	-	-	-	-	-	6,538	6,538	-	-
Esser lii	-	-	-	-	-	1,265,984	1,292,501	-	(26,517)
Esser li	-	110,674	198,582	-	(87,908)	630,234	618,904	-	(76,578)
Geer Grant	-	121,483	122,080	-	(597)	33,944	33,347	-	-
Cares Act Stimulus	-	114,517	114,517	-	-	28,944	28,944	-	-
Covid-19 Fema S	-	9,775	-	-	9,775	-	-	(9,775)	-
Petty Cash Clearing Account	(197,881)	81,418	85,070	-	(201,533)	8,462	9,893	(50)	(203,014)
Prepaid Lunch Account	17,790	-	-	197	17,987	-	-	(2,973)	15,014
Star-All S Investment	200,000	-	-	-	200,000	-	-	-	200,000
Lunch Invest-Star	25,000	-	-	-	25,000	-	-	-	25,000
Payroll Withholding Clearing	32,271	2,527,045	2,525,922	-	33,394	2,767,826	2,766,376	-	34,844
Other Clearing	-	-	-	-	-	267,759	156,795	-	110,964
Misc Life Ins Taxable	-	390	390	-	-	-	-	-	-
Totals	\$ 6,316,701	\$ 20,352,031	\$ 20,020,996	\$ 1,502,217	\$ 8,149,953	\$ 23,389,316	\$ 23,084,885	\$ 49,603	\$ 8,503,987

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENT
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

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.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENT
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

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.

Temporary loans. Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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 services. 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.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENT
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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:

Proceeds of long-term debt. Amounts received in relation to the issuance of bonds or other long-term debt issues.

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENT
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

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 December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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.

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.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENT
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

Financial Report

INPRS issues a publicly available financial report that includes Financial Statement 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. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
NOTES TO FINANCIAL STATEMENT
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

B. Teachers' Retirement Fund

Plan Descriptions

The Indiana Teachers' Hybrid Plan (TRF Hybrid) consists of two components: Indiana Teachers' Pre-1996 Defined Benefit Account (Teachers' Pre-1996 DB) or Indiana Teachers' 1996 Defined Benefit Account (Teachers' 1996 DB) the monthly employer-funded defined benefit components, along with the Indiana Teachers' Defined Contribution Account (TRF DC), the defined contribution component. Generally, members hired before 1996 participate in the Teachers' Pre-1996 DB and members hired after 1995 participate in the Teachers' 1996 DB.

The Teachers' 1996 DB is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in the Teachers' 1996 DB.

The Teachers' Pre-1996 DB is a pay-as-you-go, cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. Membership in the Teacher' Pre-1996 DB is closed to new entrants.

The TRF DC is a multiple-employer defined contribution plan providing supplemental retirement benefits to Teachers' 1996 DB and Teachers' Pre-1996 DB members.

The Retirement Savings Plan for Public Teachers (My Choice) is a multiple-employer defined contribution plan. New employees hired after June 30, 2019, have a one-time election to join either the TRF Hybrid plan that is not closed to new entrants or the My Choice plan.

All these plans are administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3, and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School Corporation authority to contribute to the plan when applicable.

Financial Report

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

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Indianapolis, IN 46204
Ph. (844) 464-6777

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
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Contributions

The School Corporation contributes the employer's share to Teachers' 1996 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. These contributions are determined by INPRS Board based on actuarial valuation. 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 (Teachers' Pre-1996) is considered to be an obligation of, and is paid by, the State of Indiana.

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of grant expenditure reimbursements not being received by the end of the fiscal year.

Note 8. Holding Corporations

The School Corporation has entered into leases with the Eastbrook Multi-School Building Corporation and the Eastbrook 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 fiscal years 2020-2021 and 2021-2022, totaled \$754,000 and \$753,500, respectively.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
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Note 9. *Establishment of the Education Fund and Operations Fund*

State statute (IC 20-40-2-2) required the establishment of an Education Fund to be used to pay expenses allocated to student instruction and learning. The balance in the School Corporation's General Fund as of December 31, 2018, was required to be transferred to the Education Fund on January 1, 2019 (IC 20-40-2-7).

In addition, an Operations Fund was required to be established under state statute (IC 20-40-18-1). The fund may be used to carry out capital project plans; pay transportation costs attributable to the transportation of school children; carry out a school bus replacement plan; pay expenses that are allocated to overhead and operational expenditures; provide funds to an art association or a historical society; and establish, maintain, and equip a public playground. The Indiana Codes establishing the Capital Projects Fund (IC 20-40-8-6); School Transportation (IC 20-40-6-4); School Bus Replacement (IC 20-40-7-5); Historical Fund; Playground Fund; and Art Fund were repealed effective January 1, 2019. Guidance was provided by the Indiana Department of Education to transfer the balances remaining in these funds as of December 31, 2018, to the Operations Fund.

The Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, issued by the Indiana State Board of Accounts, includes the chart of accounts used by school corporations which coincides with the State Board of Education's determined categories in accordance with state statute (IC 20-42.5-3-7).

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
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AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS
YEAR ENDED JUNE 30, 2022**

	Education	Debt Service	Operations	Local Rainy Day	Construction Funds	School Lunch	Curricular Materials Rental	Other Local Funds	Educational License Plates	Various Gifts/Donations/ Grants
Cash and investments - beginning	\$ 2,004,202	\$ 675,799	\$ 2,642,997	\$ 1,189,080	\$ 1,182,523	\$ 358,447	\$ (344,642)	\$ 20,994	\$ 95	\$ 24,858
Receipts:										
Local sources	41,449	1,144,532	2,525,951	-	488	114,161	125,870	109,114	-	13,736
Intermediate sources	4,805	-	-	-	-	-	-	-	38	-
State sources	11,392,085	-	-	-	-	8,008	50,732	-	-	-
Federal sources	-	-	-	-	-	1,057,547	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	246	-	-	614	-	-	-	-
Total receipts	11,438,339	1,144,532	2,526,197	-	488	1,180,330	176,602	109,114	38	13,736
Disbursements:										
Instruction	7,103,559	-	-	-	-	-	-	82,848	-	8,070
Support services	2,478,657	-	3,244,255	5,385	-	-	168,275	-	-	10,152
Noninstructional services	248,554	-	-	-	-	977,942	-	-	-	-
Facilities acquisition and construction	-	-	532,508	-	685,208	-	-	-	-	-
Debt services	-	1,180,865	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,830,770	1,180,865	3,776,763	5,385	685,208	977,942	168,275	82,848	-	18,222
Excess (deficiency) of receipts over disbursements	1,607,569	(36,333)	(1,250,566)	(5,385)	(684,720)	202,388	8,327	26,266	38	(4,486)
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	28,472	-	-	-	24,104	-	-	-
Transfers in	-	-	1,425,775	400,000	-	-	32,453	-	-	-
Transfers out	(1,416,000)	(32,453)	(400,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,416,000)	(32,453)	1,054,247	400,000	-	-	56,557	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	191,569	(68,786)	(196,319)	394,615	(684,720)	202,388	64,884	26,266	38	(4,486)
Cash and investments - ending	\$ 2,195,771	\$ 607,013	\$ 2,446,678	\$ 1,583,695	\$ 497,803	\$ 560,835	\$ (279,758)	\$ 47,260	\$ 133	\$ 20,372

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Donations Gifts & Trust Funds	United Way Pre- K Grant	Scholarships	Dual Language Immersion	Formative Assessment	Indiana Preschool Grants	Secured Schools Safety Grant	Early Intervention Grant	Non-English Speaking Programs	Non-English Speaking Program
Cash and investments - beginning	\$ 183,779	\$ 24,660	\$ -	\$ -	\$ (1)	\$ -	\$ 1	\$ 3,986	\$ 3,376	\$ -
Receipts:										
Local sources	158,316	-	1,070	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	87	21,167	588,559	18,581	4,517	-	2,611
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	158,316	-	1,070	87	21,167	588,559	18,581	4,517	-	2,611
Disbursements:										
Instruction	65,166	24,660	-	87	13,260	135,158	-	-	-	1,452
Support services	21,399	-	-	-	-	-	18,581	3,733	3,376	1,159
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	115,693	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	120	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	202,258	24,660	120	87	13,260	135,158	18,581	3,733	3,376	2,611
Excess (deficiency) of receipts over disbursements	(43,942)	(24,660)	950	-	7,907	453,401	-	784	(3,376)	-
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	50	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	50	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(43,942)	(24,660)	1,000	-	7,907	453,401	-	784	(3,376)	-
Cash and investments - ending	\$ 139,837	\$ -	\$ 1,000	\$ -	\$ 7,906	\$ 453,401	\$ 1	\$ 4,770	\$ -	\$ -

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Title I-Federal Program Fy21	Title I-Federal Program Fy22	Fy21 Part B Special Education	Fy22 Part B Special Education	Special Ed Pre- School Fy22	Title Iv Student Support	Fy19
Cash and investments - beginning	\$ 37	\$ 13,623	\$ 10,274	\$ -	\$ (6,245)	\$ -	\$ (14,646)	\$ -	\$ -	\$ -	
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	58,438	29,274	12,760	60,000	-	-	-	-	-	-	-
Federal sources	-	-	-	-	98,785	176,223	72,661	313,167	11,996	-	410
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	58,438	29,274	12,760	60,000	98,785	176,223	72,661	313,167	11,996	-	410
Disbursements:											
Instruction	58,371	40,971	-	24,593	90,641	187,524	58,015	323,082	11,996	-	-
Support services	-	-	12,734	-	1,900	45,051	-	8,000	-	-	410
Noninstructional services	-	-	-	-	-	230	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	58,371	40,971	12,734	24,593	92,541	232,805	58,015	331,082	11,996	-	410
Excess (deficiency) of receipts over disbursements	67	(11,697)	26	35,407	6,244	(56,582)	14,646	(17,915)	-	-	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	67	(11,697)	26	35,407	6,244	(56,582)	14,646	(17,915)	-	-	-
Cash and investments - ending	\$ 104	\$ 1,926	\$ 10,300	\$ 35,407	\$ (1)	\$ (56,582)	\$ -	\$ (17,915)	\$ -	\$ -	

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Title Iv Fy20	Title Iv Fy21	Medicaid	Title li Part A	Title li Part A	Fy22 American	Fy22 Pre-K		
	Student Support	Student Support	Reimbursement- Federal	Fy20	Fy21	Rescue Plan 611	American Rescue Plan 619	Esser lii	Esser li
Cash and investments - beginning	\$ -	\$ -	\$ 180,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (87,908)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	189
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	7,636	-	101,104	35,830	12,802	4,255	6,538	1,265,984	630,045
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	7,636	-	101,104	35,830	12,802	4,255	6,538	1,265,984	630,234
Disbursements:									
Instruction	-	5,150	36,261	30,951	-	4,255	6,538	216,897	298,936
Support services	10,761	115	48,569	4,880	37,005	-	-	204,236	189,930
Noninstructional services	-	-	-	-	-	-	-	23,548	-
Facilities acquisition and construction	-	-	-	-	-	-	-	847,820	130,038
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	10,761	5,265	84,830	35,831	37,005	4,255	6,538	1,292,501	618,904
Excess (deficiency) of receipts over disbursements	(3,125)	(5,265)	16,274	(1)	(24,203)	-	-	(26,517)	11,330
Other financing sources (uses)									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,125)	(5,265)	16,274	(1)	(24,203)	-	-	(26,517)	11,330
Cash and investments - ending	\$ (3,125)	\$ (5,265)	\$ 197,042	\$ (1)	\$ (24,203)	\$ -	\$ -	\$ (26,517)	\$ (76,578)

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
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AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Geer Grant	Cares Act Stimulus	Covid-19 Fema S	Petty Cash Clearing Account	Prepaid Lunch Account	Star-All S Investment	Lunch Invest- Star	Payroll Withholding Clearing	Other Clearing	Misc Life Ins Taxable	Totals
Cash and investments - beginning	\$ (597)	\$ -	\$ 9,775	\$ (201,533)	\$ 17,987	\$ 200,000	\$ 25,000	\$ 33,394	\$ -	\$ -	\$ 8,149,953
Receipts:											
Local sources	-	-	-	8,462	-	-	-	-	267,759	-	4,523,696
Intermediate sources	-	-	-	-	-	-	-	-	-	-	4,843
State sources	-	-	-	-	-	-	-	-	-	-	12,246,819
Federal sources	33,944	28,944	-	-	-	-	-	-	-	-	3,845,272
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	2,767,826	-	-	2,768,686
Total receipts	33,944	28,944	-	8,462	-	-	-	2,767,826	267,759	-	23,389,316
Disbursements:											
Instruction	33,347	24,704	-	450	-	-	-	-	-	-	8,886,942
Support services	-	4,240	-	-	-	-	-	-	-	-	6,522,803
Noninstructional services	-	-	-	-	-	-	-	-	-	-	1,250,274
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	2,311,267
Debt services	-	-	-	-	-	-	-	-	-	-	1,180,865
Nonprogrammed charges	-	-	-	9,443	-	-	-	2,766,376	156,795	-	2,932,734
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	33,347	28,944	-	9,893	-	-	-	2,766,376	156,795	-	23,084,885
Excess (deficiency) of receipts over disbursements	597	-	-	(1,431)	-	-	-	1,450	110,964	-	304,431
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	52,576
Transfers in	-	-	-	-	61,741	-	-	-	-	-	1,920,019
Transfers out	-	-	(9,775)	(50)	(64,714)	-	-	-	-	-	(1,922,992)
Total other financing sources (uses)	-	-	(9,775)	(50)	(2,973)	-	-	-	-	-	49,603
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	597	-	(9,775)	(1,481)	(2,973)	-	-	1,450	110,964	-	354,034
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (203,014)	\$ 15,014	\$ 200,000	\$ 25,000	\$ 34,844	\$ 110,964	\$ -	\$ 8,503,987

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS
YEAR ENDED JUNE 30, 2021**

	Education	Debt Service	Operations	Local Rainy Day	Construction Funds	School Lunch	Curricular Materials Rental	Other Local Funds	Educational License Plates
Cash and investments - beginning	\$ 1,767,140	\$ 595,427	\$ 2,110,362	\$ 1,109,232	\$ -	\$ 171,092	\$ 135,930	\$ -	\$ 76
Receipts:									
Local sources	39,077	1,086,736	2,481,652	8,374	375,398	118,935	116,277	103,135	-
Intermediate sources	162	-	-	-	-	-	-	-	19
State sources	10,909,861	-	-	-	-	8,329	52,722	-	-
Federal sources	-	-	-	-	-	932,287	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	164	-	-	66	-	-	-
Total receipts	10,949,100	1,086,736	2,481,816	8,374	375,398	1,059,617	168,999	103,135	19
Disbursements:									
Instruction	6,677,487	-	-	-	-	-	-	82,141	-
Support services	2,362,214	-	3,176,586	-	-	-	677,273	-	-
Noninstructional services	228,137	-	-	-	-	864,778	-	-	-
Facilities acquisition and construction	-	-	218,815	(71,474)	692,875	-	-	-	-
Debt services	-	978,662	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	7,484	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	9,267,838	978,662	3,395,401	(71,474)	692,875	872,262	677,273	82,141	-
Excess (deficiency) of receipts over disbursements	1,681,262	108,074	(913,585)	79,848	(317,477)	187,355	(508,274)	20,994	19
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	1,500,000	-	-	-	-
Sale of capital assets	-	-	2,020	-	-	-	-	-	-
Transfers in	-	-	1,444,200	-	-	-	27,702	-	-
Transfers out	(1,444,200)	(27,702)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,444,200)	(27,702)	1,446,220	-	1,500,000	-	27,702	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	237,062	80,372	532,635	79,848	1,182,523	187,355	(480,572)	20,994	19
Cash and investments - ending	\$ 2,004,202	\$ 675,799	\$ 2,642,997	\$ 1,189,080	\$ 1,182,523	\$ 358,447	\$ (344,642)	\$ 20,994	\$ 95

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Various Gifts/Donations/ Grants	Donations & Trust Funds	Gifts	Lilly Endowment Grant S	United Way Pre- K Grant	Dual Language Immersion	Formative Assessment	Secured Schools Safety Grant	Early Intervention Grant	Early Intervention Grant
Cash and investments - beginning	\$ 30,325	\$ 137,401		\$ 6,595	\$ 59,929	\$ -	\$ 4,145	\$ (18,030)	\$ 466	\$ -
Receipts:										
Local sources	16,609	201,667	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	21,018	16,842	36,612	-	3,986
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	16,609	201,667	-	-	-	21,018	16,842	36,612	-	3,986
Disbursements:										
Instruction	10,074	15,100	-	-	35,269	21,018	20,988	-	-	-
Support services	12,002	106,273	6,595	-	-	-	-	18,581	466	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	33,916	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	22,076	155,289	6,595	-	35,269	21,018	20,988	18,581	466	-
Excess (deficiency) of receipts over disbursements	(5,467)	46,378	(6,595)	-	(35,269)	-	(4,146)	18,031	(466)	3,986
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,467)	46,378	(6,595)	-	(35,269)	-	(4,146)	18,031	(466)	3,986
Cash and investments - ending	\$ 24,858	\$ 183,779	\$ -	\$ -	\$ 24,660	\$ -	\$ (1)	\$ 1	\$ -	\$ 3,986

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Non-English Speaking Programs	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Title I-Federal Program	Title I-Federal Program Fy21	Fy20 Part B Special Ed	Fy21 Part B Special Education
Cash and investments - beginning	\$ 1,964	\$ -	\$ 16,635	\$ 7,663	\$ -	\$ (4,454)	\$ -	\$ (16,675)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	3,376	59,167	25,690	11,864	1,919	-	-	-	-
Federal sources	-	-	-	-	-	37,450	136,785	66,264	301,315
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>3,376</u>	<u>59,167</u>	<u>25,690</u>	<u>11,864</u>	<u>1,919</u>	<u>37,450</u>	<u>136,785</u>	<u>66,264</u>	<u>301,315</u>
Disbursements:									
Instruction	1,664	59,130	28,702	-	1,919	32,996	142,804	49,589	307,961
Support services	-	-	-	9,253	-	-	226	-	8,000
Noninstructional services	300	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>1,964</u>	<u>59,130</u>	<u>28,702</u>	<u>9,253</u>	<u>1,919</u>	<u>32,996</u>	<u>143,030</u>	<u>49,589</u>	<u>315,961</u>
Excess (deficiency) of receipts over disbursements	<u>1,412</u>	<u>37</u>	<u>(3,012)</u>	<u>2,611</u>	<u>-</u>	<u>4,454</u>	<u>(6,245)</u>	<u>16,675</u>	<u>(14,646)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,412</u>	<u>37</u>	<u>(3,012)</u>	<u>2,611</u>	<u>-</u>	<u>4,454</u>	<u>(6,245)</u>	<u>16,675</u>	<u>(14,646)</u>
Cash and investments - ending	<u>\$ 3,376</u>	<u>\$ 37</u>	<u>\$ 13,623</u>	<u>\$ 10,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,245)</u>	<u>\$ -</u>	<u>\$ (14,646)</u>

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Special Ed Pre- School Fy21	Title Iv Fy18 Student Support	Title Iv Fy19 Student Support	Title Iv Fy20 Student Support	Nutritional Grant - Federal	Medicaid Reimbursement- Federal	Title Ii Part A Fy20	Title Ii Part A Fy19	Essex Ii
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,428	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	11,761	5,964	11,838	1,885	40,000	103,804	8,925	28,794	110,674
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	11,761	5,964	11,838	1,885	40,000	103,804	8,925	28,794	110,674
Disbursements:									
Instruction	11,761	2,615	10,448	-	-	8,850	7,805	28,794	192,323
Support services	-	3,349	1,390	1,885	-	38,614	1,120	-	6,259
Noninstructional services	-	-	-	-	40,000	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	11,761	5,964	11,838	1,885	40,000	47,464	8,925	28,794	198,582
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	56,340	-	-	(87,908)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	56,340	-	-	(87,908)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,768	\$ -	\$ -	\$ (87,908)

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

	Geer Grant	Cares Act Stimulus	Covid-19 Fema S	Petty Cash Clearing Account	Prepaid Lunch Account	Star-All S Investment	Lunch Invest- Star	Payroll Withholding Clearing	Other Clearing	Misc Life Ins Taxable	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (197,881)	\$ 17,790	\$ 200,000	\$ 25,000	\$ 32,271	\$ -	\$ -	\$ 6,316,701
Receipts:											
Local sources	-	-	-	80,968	-	-	-	-	-	-	5,466,744
Intermediate sources	-	-	-	-	-	-	-	-	-	-	181
State sources	-	-	-	-	-	-	-	-	-	-	11,151,386
Federal sources	121,483	114,517	9,775	-	-	-	-	-	-	-	1,205,605
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	450	-	-	-	2,527,045	-	390	2,528,115
Total receipts	121,483	114,517	9,775	81,418	-	-	-	2,527,045	-	390	20,352,031
Disbursements:											
Instruction	122,080	114,517	-	4,877	-	-	-	-	-	-	7,990,912
Support services	-	-	-	-	-	-	-	-	-	-	6,430,086
Noninstructional services	-	-	-	10,122	-	-	-	-	-	-	1,143,337
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	874,132
Debt services	-	-	-	-	-	-	-	-	-	-	978,662
Nonprogrammed charges	-	-	-	70,071	-	-	-	2,525,922	-	390	2,603,867
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	122,080	114,517	-	85,070	-	-	-	2,525,922	-	390	20,020,996
Excess (deficiency) of receipts over disbursements	(597)	-	9,775	(3,652)	-	-	-	1,123	-	-	331,035
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	1,500,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	2,020
Transfers in	-	-	-	-	80,219	-	-	-	-	-	1,552,121
Transfers out	-	-	-	-	(80,022)	-	-	-	-	-	(1,551,924)
Total other financing sources (uses)	-	-	-	-	197	-	-	-	-	-	1,502,217
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(597)	-	9,775	(3,652)	197	-	-	1,123	-	-	1,833,252
Cash and investments - ending	\$ (597)	\$ -	\$ 9,775	\$ (201,533)	\$ 17,987	\$ 200,000	\$ 25,000	\$ 33,394	\$ -	\$ -	\$ 8,149,953

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF PAYABLES AND RECEIVABLES
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 209,216</u>	<u>\$ 178,767</u>

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF LEASES AND DEBT
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Eastbrook Multi-School Building Corporation	2002 School Construction	\$ 236,500	3/19/2002	12/31/2022
Eastbrook School Building Corporation	2014 School Construction	314,500	9/1/2009	6/30/2026
Eastbrook School Building Corporation	2020 School Construction	544,000	10/28/2020	12/31/2039
Mail Finance	Postage Meter	1,500	1/16/2018	3/31/2023
Toshiba Equipment Finance	Copiers	14,500	6/4/2021	5/31/2026
US Bancorp Government Leasing	Apple TVs & Connectors HP Chrome Book G4 & Cases Technology Equipment & Software	<u>163,811</u>	6/1/2020	7/15/2024
Total governmental activities		<u>1,274,811</u>		
Total of annual lease payments		<u>\$ 1,274,811</u>		
Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year	
Type	Purpose			
Governmental activities:				
Notes and Loans Payable	2004 Common School Loan	<u>\$ 324,129</u>	<u>\$ 132,569</u>	
Totals		<u>\$ 324,129</u>	<u>\$ 132,569</u>	

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF CAPITAL ASSETS
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 20,378
Buildings	37,385,724
Improvements other than buildings	2,085,413
Machinery, equipment, and vehicles	3,697,548
Books and other	<u>473,559</u>
Total governmental activities	<u>43,662,622</u>
Total capital assets	<u><u>\$ 43,662,622</u></u>

See accompanying Notes to Financial statement.



**INDEPENDENT AUDITORS' 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**

The Officials of the Eastbrook Community School Corporation
Grant County, Indiana

We have audited, in accordance with the 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 Eastbrook Community School Corporation, as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement, which collectively comprise the Eastbrook Community School Corporation's basic financial statement, and have issued our report thereon dated March 27, 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 Eastbrook Community 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 opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Eastbrook Community School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Eastbrook Community 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

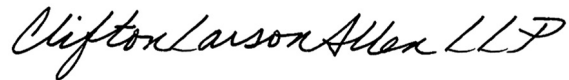
As part of obtaining reasonable assurance about whether Eastbrook Community School Corporation's financial statement are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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.

Eastbrook Community School Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Eastbrook Community School Corporation's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Eastbrook Community School Corporation's response was not subjected to the other auditing procedures applied in the audit of the Financial Statement and, accordingly, we express no opinion on the response.

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 entity'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 Eastbrook Community School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Indianapolis, Indiana
March 27, 2023



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Officials of the Eastbrook Community School Corporation
Grant County, Indiana

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Eastbrook Community School Corporation's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Eastbrook Community School Corporation's major federal programs for the period of July 1, 2020 to June 30, 2022. Eastbrook Community School Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Covid-19 Elementary and Secondary School Emergency Relief Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Eastbrook Community School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Covid-19 Elementary and Secondary School Emergency Relief Fund for the period of July 1, 2020 to June 30, 2022.

Unmodified Opinion on Each of the Other Major Programs

In our opinion, Eastbrook Community School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the period of July 1, 2020 to June 30, 2022.

Basis for Qualified and Unmodified Opinions

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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Eastbrook Community 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 Eastbrook Community School Corporation's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinions on Covid-19 Elementary and Secondary School Emergency Relief Fund

As described in the accompanying schedule of findings and questioned costs, Eastbrook Community School Corporation did not comply with requirements regarding Assistance Listing Numbers 84.425C, 84.425D and 84.425U as described in finding numbers 2022-002 for Allowable Costs and 2022-004 for Davis-Bacon Prevailing Wage Requirements.

Compliance with such requirements is necessary, in our opinion, for Eastbrook Community School Corporation to comply with the requirements applicable to that program.

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 Eastbrook Community School Corporation's federal programs.

Auditors' 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 Eastbrook Community 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 Eastbrook Community 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 Eastbrook Community 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 Eastbrook Community 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 Eastbrook Community 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Eastbrook Community School Corporation's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Eastbrook Community 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.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items, 2022-002, 2022-003 and 2022-004 to be material weaknesses.

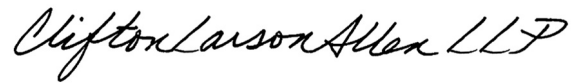
A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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 requires the auditor to perform limited procedures on Eastbrook Community 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. Eastbrook Community 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 Officials of the Eastbrook Community School Corporation
Grant County, Indiana

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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Indianapolis, Indiana
March 27, 2023

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Pass-Through To Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
Child Nutrition Cluster	Indiana Department of Education						
School Breakfast Program		10.553	FY21	\$ -	\$ 16,879	\$ -	\$ -
School Breakfast Program		10.553	FY22	-	-	-	234,682
National School Lunch Program		10.555	FY21	-	77,492	-	-
National School Lunch Program		10.555	FY22	-	-	-	810,266
Summer Food Service Program for Children		10.559	FY21	-	837,916	-	-
Summer Food Service Program for Children		10.559	FY22	-	-	-	12,599
Commodities		10.555	FY21-22	-	68,770	-	83,696
Total - Child Nutrition Cluster				-	1,001,057	-	1,141,243
Total - Child Nutrition Cluster				-	1,001,057	-	1,141,243
2019 School National Lunch Program Equipment Grant	Indiana Department of Education						
National School Lunch Program Equipment Grant		10.579	201918N810342	-	40,000	-	-
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY2022	-	-	-	614
Total - Department of Agriculture				-	1,041,057	-	1,141,857
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Cluster (IDEA)	Mississinewa Community Schools Corporation						
Special Education-Grants to States		84.027	Grant #20611-019-PN01	-	66,264	-	-
Special Education-Grants to States		84.027	Grant #20611-021-PN01	-	-	-	313,167
Special Education-Grants to States		84.027	Grant #21611-020-PN01	-	301,315	-	-
Special Education-Grants to States		84.027	Grant #21611-020-PN01	-	-	-	72,661
Total - Special Education Cluster (IDEA)				-	367,579	-	385,828
Covid-19 Section 611	Indiana Department of Education						
Covid-19 Section 611		84.027	H027X210084	-	-	-	4,255

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Pass-Through To Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Special Education Cluster Pre-School Grant	Mississinewa Community Schools Corporation						
Special Education-Grant to States		84.173	Grant #21619-019-PN01	-	11,761	-	-
Special Education-Grant to States		84.173	Grant #21619-021-PN01	-	-	-	11,996
Total - Special Education Cluster Pre-School Grant				-	11,761	-	11,996
'Covid-19 Section 619	Indiana Department of Education						
'Covid-19 Section 619		84.173	H173X210104	-	-	-	6,538
Total - Special Education Cluster(IDEA)				-	379,340	-	408,617
Title I Part A Cluster	Indiana Department of Education						
Title I Grants to Local Educational Agencies		84.010	Project #18611-001-PN01	-	37,450	-	-
Title I Grants to Local Educational Agencies		84.010	Project #18611-001-PN01	-	136,786	-	-
Title I Grants to Local Educational Agencies		84.010	Project #18611-001-PN01	-	-	-	176,223
Title I Grants to Local Educational Agencies		84.010	Project #18611-001-PN01	-	-	-	98,785
Total - Title I Part A Cluster				-	174,236	-	275,008
Title II A Improving Teacher Quality State Grants	Indiana Department of Education						
Title II A Improving Teacher Quality State Grants		84.367	S367A200012	-	28,794	-	-
Title II A Improving Teacher Quality State Grants		84.367	S367A210012	-	8,925	-	-
Title II A Improving Teacher Quality State Grants		84.367	S367A200013	-	-	-	35,830
Title II A Improving Teacher Quality State Grants		84.367	S367A210013	-	-	-	12,802
Total - Title II A Improving Teacher Quality State Grants				-	37,719	-	48,632
Title IV A Student Support & Academic Enrichment Grant	Indiana Department of Education						
Title IV A Student Support & Academic Enrichment Grant		84.424	S424A180015	-	5,964	-	-
Title IV A Student Support & Academic Enrichment Grant		84.424	S424A190015	-	11,838	-	-
Title IV A Student Support & Academic Enrichment Grant		84.424	S424A190015	-	-	-	410
Title IV A Student Support & Academic Enrichment Grant		84.424	S424A200015	-	1,885	-	-
Title IV A Student Support & Academic Enrichment Grant		84.424	S424A200015	-	-	-	7,636
Total - Title IV A Student Support & Academic Enrichment Grant				-	19,687	-	8,046

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Pass-Through To Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Covid-19 Governor's Emergency Education Relief Fund	Indiana Department of Education						
Governor's Emergency Education Relief Fund		84.425C	S425C200018	-	121,483	-	-
Governor's Emergency Education Relief Fund		84.425C	S425C200018	-	-	-	33,944
Subtotal - Covid-19 Governor's Emergency Education Relief Fund				-	121,483	-	33,944
Covid-19 Education Stabilization Fund	Indiana Department of Education						
CARES Act Grant		84.425D	S425D200013	-	114,517	-	-
CARES Act Grant		84.425D	S425D200013	-	-	-	28,944
Subtotal - Covid-19 Education Stabilization Relief Fund				-	114,517	-	28,944
Covid-19 Education Stabilization Fund	Indiana Department of Education						
ESSER II Grant FY21		84.425D	S425D210013	-	110,674	-	-
ESSER II Grant FY21		84.425D	S425D210013	-	-	-	630,234
Subtotal - Covid-19 Education Stabilization Fund				-	110,674	-	630,234
Covid-19 Education Stabilization Fund	Indiana Department of Education						
ESSER III Grant FY21		84.425U	S425U210013	-	-	-	1,265,984
Total - Covid-19 Education Stabilization Fund				-	346,674	-	1,959,106
Total - Department of Education				-	957,656	-	2,699,409
Department of Health and Human Services							
Medicaid Cluster							
Medicaid Cluster	Family & Social Service Administration						
Medicaid Reimbursement		93.778	FY21	-	74,770	-	-
Medicaid Reimbursement		93.778	FY22	-	-	-	73,296
Total - Medicaid Cluster				-	74,770	-	73,296

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Pass-Through To Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Total - Department of Health and Human Services				-	74,770	-	73,296
<u>Department of Homeland Security</u>							
Public Assistance Program	Indiana Department of Homeland Security						
COVID-19 FEMA Funds		97.036	FY21	-	-	-	-
COVID-19 FEMA Funds		97.036	FY22	-	9,775	-	-
Total - Public Assistance Program				-	9,775	-	-
Total - Department of Homeland Security				-	9,775	-	-
Total federal awards expended				\$ -	\$ 2,083,258	\$ -	\$ 3,914,562

See accompanying Notes to Financial statement.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

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 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.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statement

1. Type of auditors’ report issued: GAAP: Adverse, Regulatory Basis: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? X yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? X yes _____ no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditors’ report issued on compliance for major federal programs: Qualified – Covid-19 Elementary and Secondary School Emergency Relief Fund
Unmodified - Special Education Cluster (IDEA)
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes _____ no

Identification of Major Federal Programs

ALN Number(s)

84.027/84.173
84.425C, 84.425D, 84.425U

Name of Federal Program or Cluster

Special Education Cluster (IDEA)
Covid-19 Elementary and Secondary School
Emergency Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes X no

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Section II – Financial Statement Findings

2022 – 001 – Accounting Records

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: The School Corporation had not established effective internal controls over accounting records and lacked a comprehensive formal journal entry system. The School Corporation was not able to provide a population of non-routine journal entries, including, adjusting entries and transfers. The population of non-routine journal entries lacked a journal entry number, the journal entry postdates, account number, the credit and debit of the transaction and who authorized the journal entry.

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

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

2 CFR 200.303 states in part: "The non-Federal entity must: . . .
(a) Establish and maintain effective internal control . . ."

Cause: Management had not established an effective system of internal controls over accounting records that meet the minimum standards.

Effect: Without a proper system of internal controls in place that operated effectively, material misstatements of the Financial Statement may go undetected.

Repeat Finding: No

Recommendation: We recommend that the School Corporation implements the following items; a formal journal entry system to ensure that all expenditures and revenues are recorded within one system, have a formal review process in place, additional training on the general ledger system, and have a designated area where support is kept and located.

Views of Responsible Officials: There is no disagreement with the audit finding.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 002 – Elementary and Secondary School Emergency Relief Fund Activities Allowed or Unallowed & Allowable Costs/Cost Principles

Federal Agency: U.S. Department of Education

Federal Program Title: Elementary and Secondary School Emergency Relief Fund

Assistance Listing Number: 84.425C, 84.425D, 84.425U

Federal Award Identification Number and Year: FY 21 and FY 22

Pass-Through Entity: Indiana Department of Education

Pass-Through Entity Number: S425C200018, S425D200013, S425U210013

Award Period: July 1, 2020 through June 30, 2022

Type of Finding:

- Material Weakness in Internal Control over Compliance, Material Noncompliance (Modified Opinion)

Criteria: Per 2 CFR 200.430, charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity,
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and
- vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Condition: During our testing we noted the internal control process in place during the majority of the period was insufficient to ensure proper time and effort reviews were performed and documented, and to ensure that all expenditures were supported as allowable activities and allowable costs for the program in the audit period.

Questioned costs: Known - \$9,653.17, Likely - \$299,904.00. Known and questioned costs exceed program materiality.

Context: In a statistically valid sample, 14 of 14 selections were not supported by appropriate documentation to support the amounts charged to the grants. 14 of 14 selections did not have adequate time and effort documentation.

Cause: Eastbrook Community School Corporation did not have a process implemented to track time and effort for the grant, as they believed that they were not required to.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022 – 002 – Elementary and Secondary School Emergency Relief Fund Activities Allowed or Unallowed & Allowable Costs/Cost Principles (Continued)

Effect: Activities or costs could be charged to a federal grant which do not meet the allowability standards, leading to noncompliance.

Repeat Finding: No.

Recommendation: We recommend the management ensure controls are consistently in place. Training over the organization's controls may be beneficial.

View of Responsible Officials: There is no disagreement with the audit finding.

2022 – 003 – Elementary and Secondary School Emergency Relief Fund Reporting

Federal Agency: U.S. Department of Education

Federal Program Title: Elementary and Secondary School Emergency Relief Fund

Assistance Listing Number: 84.425

Federal Award Identification Number and Year: FY 21 and FY 22

Pass-Through Entity: Indiana Department of Education

Pass-Through Entity Number: S425C200018, S425D200013, S425U210013

Award Period: July 1, 2020 through June 30, 2022

Type of Finding:

- Material Weakness in Internal Control over Compliance, Other Matters

Criteria: Grantees must submit an annual performance report with data on expenditures, planned expenditures, subrecipients, and uses of funds, including for mandatory reservations. Amounts reports must be supported by the unit's records. Per 2 CFR 200.303, ""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).

Condition: During our testing we noted that supporting documentation for key line items was insufficient or not provided. Proper controls around annual reporting requirements were not in place during the period under audit. In addition, one report was not submitted in a timely manner and 2 of the 6 reports were not properly approved.

Questioned costs: None

Context: CLA selected the entire population of reports. 5 of the 6 reports tested contained key elements that were not supported by the supporting documentation reviewed. In addition, 1 of the 6 reports tested were not submitted in a timely manner and 2 of the 6 reports were not properly approved.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022 – 003 – Elementary and Secondary School Emergency Relief Fund Reporting (Continued)

Cause: Lack of internal controls surrounding the reporting process were not in place during the period under audit.

Effect: The failure to establish an effective internal control system may enable noncompliance with the grant agreement and the reporting compliance requirement. Noncompliance may go undetected.

Repeat Finding: No.

Recommendation: We recommend the Eastbrook Community School Corporation's management establish a system of internal control to ensure compliance. Training over proper internal control development and implementation may be beneficial.

View of Responsible Officials: There is no disagreement with the audit finding.

2022 – 004 – Elementary and Secondary School Emergency Relief Fund Davis-Bacon Prevailing Wage Requirements

Federal Agency: U.S. Department of Education

Federal Program Title: Elementary and Secondary School Emergency Relief Fund

Assistance Listing Number: 84.425

Federal Award Identification Number and Year: FY 21 and FY 22

Pass-Through Entity: Indiana Department of Education

Pass-Through Entity Number: S425C200018, S425D200013, S425U210013

Award Period: July 1, 2020 through June 30, 2022

Type of Finding:

- Material Weakness in Internal Control over Compliance, Material Noncompliance (Qualified Opinion)

Criteria: "2 CFR section 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) ""

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022 – 004 – Elementary and Secondary School Emergency Relief Fund Davis-Bacon Prevailing Wage Requirements (Continued)

29 CFR 5.5 states in part:

a. The Agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in §5.1, the following clauses...

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

(3)(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency).

2 CFR 200 Appendix II states in part:

In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week ""

Condition: During our testing we noted that supporting documentation for key line items was insufficient or not provided. Proper controls around annual reporting requirements were not in place during the period under audit. In addition, one report was not submitted in a timely manner and 2 of the 6 reports were not properly approved.

Questioned costs: \$226,860.00

Context: In a statistically valid sample, 5 of 5 selections were not supported by appropriate documentation to perform the testing. The School Corporation did not have an internal control designed to collect the weekly payroll reports certifications from a construction company and its subcontractors for a building project.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022 – 004 – Elementary and Secondary School Emergency Relief Fund Davis-Bacon Prevailing Wage Requirements (Continued)

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above. The School Corporation did not have an internal control in place to ensure the required weekly payroll reports certifications are collected and reviewed to ensure compliance with the wage rate requirements.

Effect: The failure to establish an effective internal control system may enable noncompliance with the grant agreement and the reporting compliance requirement. Noncompliance may go undetected and could result in the loss of future federal funds to the School Corporation.

Repeat Finding: No.

Recommendation: We recommend the Eastbrook Community School Corporation's management establish a system of internal control to ensure the required weekly payroll reports certifications are collected and reviewed to ensure compliance with the wage rate requirements. Training over proper internal control development and implementation may be beneficial.

View of Responsible Officials: There is no disagreement with the audit finding.

**EASTBROOK COMMUNITY SCHOOL CORPORATION
GRANT COUNTY, INDIANA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
PERIOD OF JULY 1, 2020 TO JUNE 30, 2022**

Indiana State Board of Accounts

Eastbrook Community School Corporation respectfully submits the following summary schedule of prior audit findings for the period of July 1, 2020 to June 30, 2022

Audit period: July 1, 2020 to June 30, 2022

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

No prior financial statement findings were noted from the prior period.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2020 – 001 – Child Nutrition Cluster – Program Income

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with the grant agreement and the Program Income compliance requirement. The School Corporation's Board of School Trustees approved school breakfast prices for fiscal year 2019-2020 to be charged at a rate of \$1.40; however, the approved prices were not entered into the software system properly. Each school breakfast purchased during 2019-2020 was assessed incorrectly at a rate of \$1.30. The lack of effective internal controls and noncompliance were systemic issues throughout 2019-2020.

Status: Resolved.



EASTBROOK COMMUNITY SCHOOLS CORP.

Brett T. Garrett, Ed.S., Superintendent
560 South 900 East • Marion, IN 46953
765-664-0624 • 765-664-0626 (Fax)
www.eastbrook.k12.in.us

CORRECTIVE ACTION PLAN

Section II – Financial Statement Findings

FINDING 2022-001 – ACCOUNTING RECORDS

Contact Person Responsible for Corrective Action: Lisa Baker, Business Manager
Contact Person’s Phone Number: 765-664-0624

Views of Responsible Official: There is no disagreement with the audit finding.

Description of Correction Action Plan:

Non-routine journal entries, including adjusting entries and transfers will now be reviewed and approved by an employee other than the employee who is entering the adjusting entries and transfers. The reviewer/approver will initial and date the supporting documentation and/or the report that is generated once the adjusting entry or transfer is completed. The supporting documentation and reports will be filed in the designated areas in the office. In addition, the Internal Control Manual will be updated to include this critical update to procedures.

Anticipated Completion Date: March 24, 2023



EASTBROOK COMMUNITY SCHOOLS CORP.

Brett T. Garrett, Ed.S., Superintendent
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765-664-0624 • 765-664-0626 (Fax)
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CORRECTIVE ACTION PLAN

Section III – Findings and Questioned Costs – Major Federal Programs

***FINDING 2022-002 – ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF
FUND ACTIVITIES ALLOWED OR UNALLOWED AND ALLOWABLE COSTS/COST
PRINCIPLES***

Contact Person Responsible for Corrective Action: Lisa Baker, Business Manager
Contact Person’s Phone Number: 765-664-0624

Views of Responsible Official: There is no disagreement with the audit finding.

Description of Correction Action Plan:

The following phrase will be added to payroll time cards and bus trip sheets when ESSER funds will be used to pay wages and payroll-related expenses: “I hereby certify that this is a true and accurate representation of all hours worked on behalf of ESSER-funded Summer Academy (or ESSER-funded After-School Tutoring) and that duties performed were only for Summer Academy (or After-School Tutoring).” Contract addendums will include the phrase “ESSER-funded Summer Academy” as well.

Anticipated Completion Date: March 24, 2023



EASTBROOK COMMUNITY SCHOOLS CORP.

Brett T. Garrett, Ed.S., Superintendent
560 South 900 East • Marion, IN 46953
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CORRECTIVE ACTION PLAN

Section III – Findings and Questioned Costs – Major Federal Programs

FINDING 2022-003 – ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND REPORTING

Contact Person Responsible for Corrective Action: Lisa Baker, Business Manager
Contact Person's Phone Number: 765-664-0624

Views of Responsible Official: There is no disagreement with the audit finding.

Description of Correction Action Plan:

The recipients of the ESSER Data Reporting notice from the Indiana Department of Education, which include the director of curriculum and assessment and the business manager, will work together to ensure the data reports are properly completed, approved, and submitted by the due date. The director of curriculum and assessment will complete the reports and present them to the business manager who will review and approve the reports. The director of curriculum and assessment will submit the reports and make record of the date and time submitted.

Anticipated Completion Date: March 24, 2023



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CORRECTIVE ACTION PLAN

Section III – Findings and Questioned Costs – Major Federal Programs

FINDING 2022-004 – ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND DAVIS-BACON PREVAILING WAGE REQUIREMENTS

Contact Person Responsible for Corrective Action: Lisa Baker, Business Manager
Contact Person's Phone Number: 765-664-0624

Views of Responsible Official: There is no disagreement with the audit finding.

Description of Correction Action Plan:

When the school district is awarded federal funds that will be used for construction, alteration, or repair projects in excess of \$2,000, the superintendent and/or business manager will notify the contractors that the project is being funded by federal funds and the requirements as outlined by the Davis-Bacon Act. In addition, the superintendent and/or the business manager will ensure that the contractors provide weekly payroll report certifications and will review the documents to ensure compliance with the wage rate requirements.

Anticipated Completion Date: March 24, 2023

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/>.



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