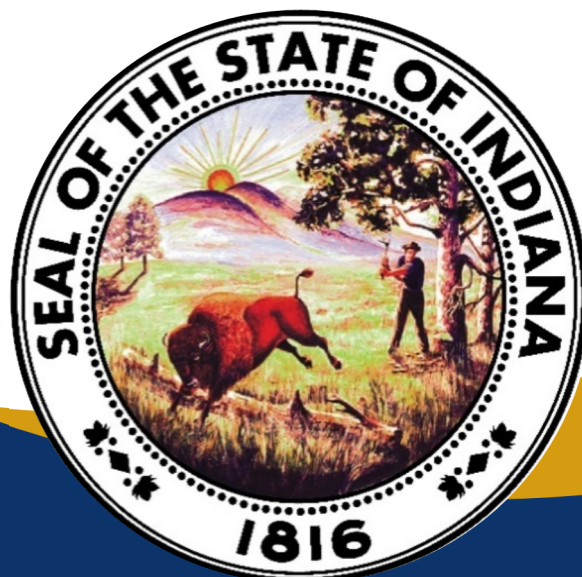


**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

**Paul D. Joyce, CPA  
State Examiner**

FINANCIAL STATEMENT AND  
FEDERAL COMPLIANCE AUDIT REPORT  
OF

BARR-REEVE COMMUNITY SCHOOLS, INC  
DAVISS COUNTY, INDIANA  
July 1, 2022 to June 30, 2024



**FILED**  
02/12/2025





Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769  
Telephone: (317) 232-2513  
Fax: (317) 232-4711  
[www.in.gov/sboa](http://www.in.gov/sboa)

February 12, 2025

To: The Officials of the Barr-Reeve Community Schools, Inc.  
Barr-Reeve Community Schools, Inc.  
Daviness County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Barr-Reeve Community Schools, Inc. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. Per the *Independent Auditor's 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, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 to June 30, 2024 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 34 through 36. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 37 and 38.

In our opinion, Crowe 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 Barr-Reeve Community Schools, Inc. 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



BARR-REEVE COMMUNITY SCHOOLS, INC.  
Daviness County, Indiana

FINANCIAL STATEMENT  
As of June 30, 2024, and for the  
period of July 1, 2022 through June 30, 2024

CONTENTS

SCHEDULE OF OFFICIALS (Unaudited) .....	1
INDEPENDENT AUDITOR'S REPORT .....	2
FINANCIAL STATEMENT	
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS .....	5
NOTES TO FINANCIAL STATEMENT .....	7
OTHER INFORMATION	
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS (Unaudited).....	13
SCHEDULE OF PAYABLES AND RECEIVABLES (Unaudited) .....	21
SCHEDULE OF LEASES AND DEBT (Unaudited).....	22
SCHEDULE OF CAPITAL ASSETS (Unaudited).....	23
STATE REPORTING INFORMATION (Unaudited) .....	24
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	25
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	27
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	28
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE .....	30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	33

BARR-REEVE COMMUNITY SCHOOLS, INC.  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period July 1, 2022 through June 30, 2024

---

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tamara J Swartzentruber	07-01-22 to 06-30-24
Superintendent of Schools	Travis Madison	07-01-22 to 06-30-23
	Andrea Huff	07-01-23 to 06-30-24
President of the School Board	Lana Helms	01-01-22 to 12-31-22
	Jody Schultheis	01-01-23 to 12-31-23
	Alex Knepp	01-01-24 to 12-31-24



## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
Barr-Reeve Community Schools, Inc.  
Daviess County, Indiana

### **Report on the Audit of the Financial Statement**

#### ***Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of Barr-Reeve Community Schools, Inc. (the School Corporation) as of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024, and the related notes to the financial statement.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 to June 30, 2024 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 School Corporation as of June 30, 2024, or changes in net position for the period of July 1, 2022 to June 30, 2024.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *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 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 opinion.

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

As described in Note 1 to the financial statement, the financial statement is prepared by the School Corporation on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

---

(Continued)

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 the financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 the 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 the 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 School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) 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.

---

(Continued)

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

### ***Other Information***

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement does 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 basic 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 Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report January 6, 2025 on our consideration of the 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
January 6, 2025

BARR-REEVE COMMUNITY SCHOOLS, INC.  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024

Fund	Cash and Investments 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
Education	\$ 99,805	\$ 7,839,577	\$ 6,106,401	\$ (1,032,900)	\$ 800,081	\$ 7,768,349	\$ 6,869,564	\$ (1,139,705)	\$ 559,161
Operating Referendum Tax Levy	105,895	959,687	718,980	-	346,602	1,035,410	932,947	(125,000)	324,065
Debt Service	411,934	1,263,228	1,298,248	-	376,914	1,664,013	1,515,325	-	525,602
Operations	956,460	1,891,440	3,195,955	735,499	387,444	1,993,759	2,717,358	995,108	658,953
Local Rainy Day	782,145	99,813	159,762	100,000	822,196	-	346,306	275,000	750,890
2020 Bond	159,121	-	159,121	-	-	-	-	-	-
2023 Bond	-	-	-	-	-	-	519,119	519,119	-
School Lunch	100,330	518,798	429,343	-	189,785	439,935	603,333	-	26,387
Curricular Materials Rental	52,976	143,743	392,810	200,000	3,909	163,612	121,831	-	45,690
Self Insurance	733,903	918,413	1,143,902	-	508,414	1,646,519	1,576,836	-	578,097
CEO Program	-	30,000	28,978	-	1,022	30,000	27,561	-	3,461
Educational License Plates	4,293	57	-	-	4,350	38	-	-	4,388
Ken & Paula Jones Scholarship	-	4,532	4,532	-	-	3,000	3,000	-	-
United Way Of Daviess County	2,126	-	-	-	2,126	-	-	-	2,126
Dc Comm Foundation Grant - Pe Equipment	-	500	500	-	-	-	-	-	-
Formative Assessment	1,632	11,700	8,604	-	4,728	13,581	10,422	-	7,887
Student Learning Recovery Grant (SIEC)	-	-	-	-	-	191,056	191,056	-	-
Secured Schools Safety Grant	(19,304)	44,993	31,993	-	(6,304)	30,461	34,510	-	(10,353)
FY 20/21 Early Intervention Grant	133	-	133	-	-	-	-	-	-
FY 21/22 Early Intervention Grant	1,984	-	1,984	-	-	-	-	-	-
FY 22/23 Early Intervention Grant	-	3,530	3,046	-	484	-	484	-	-
Early Literacy Achievement Grant	-	-	-	-	-	4,099	4,099	-	-
Sel/Career Grant	8,000	-	-	-	8,000	-	3,503	-	4,497
NESP 22-23	-	447	447	-	-	-	-	-	-
Career And Technical Performance Grant	-	73	-	-	73	96	-	-	169
High Ability Students	9,283	23,624	19,366	-	13,541	29,971	32,070	-	11,442
State Connectivity Grant	42,523	8,256	19,165	-	31,614	27,205	39,122	-	19,697
Ready Schools Initiative Grant	-	-	-	-	-	400,000	100,000	-	300,000
ICAP Grant	-	-	-	-	-	-	38,724	-	(38,724)

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024

Fund	Cash and Investments 07-01-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2024
Title I Part A 2021-2022	\$ (23,018)	\$ 49,588	\$ 26,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Title I Part A 2022-2023	-	217,408	217,408	-	-	-	-	-	-
Title I Part A 2023-2024	-	-	-	-	-	156,612	193,879	-	(37,267)
Dc Comm Foundation Grant	-	5,500	-	-	5,500	-	-	-	5,500
FY 21-22 Title IV Part A	(10,000)	18,336	8,336	-	-	-	-	-	-
FY 22-23 Title IV Part A	-	-	10,000	-	(10,000)	16,323	6,323	-	-
FY 23-24 Title IV Part A	-	-	-	-	-	-	16,936	-	(16,936)
FY 21-22 Title II Part A	-	36,732	36,732	-	-	-	-	-	-
FY 22-23 Title II Part A	-	40,349	40,349	-	-	-	-	-	-
FY 23-24 Title II Part A	-	-	-	-	-	21,062	21,062	-	-
Cares III	(20,810)	370,822	370,307	-	(20,295)	238,222	284,570	-	(66,643)
Prepaid School Lunch Accounts	20,917	195,236	196,983	-	19,170	202,173	200,201	-	21,142
Federal Tax	-	463,351	463,351	-	-	467,175	467,175	-	-
Social Security	-	435,863	435,863	-	-	460,037	460,037	-	-
State Tax	-	168,897	168,897	-	-	181,008	181,008	-	-
County Tax	-	90,193	90,193	-	-	95,684	95,684	-	-
Perf - Voluntary	-	10,011	10,011	-	-	10,027	10,027	-	-
Trf - Voluntary Deductions	-	20,967	20,967	-	-	19,259	19,259	-	-
Group Health Insurance	-	149,639	149,639	-	-	137,555	137,555	-	-
Annuities	-	153,520	153,520	-	-	159,752	159,752	-	-
American Fidelity/Aflac	-	46,858	46,858	-	-	50,684	50,684	-	-
Garnishment	-	10,992	10,992	-	-	3,120	3,120	-	-
United Way	-	120	120	-	-	205	205	-	-
Flexible Spending Account	-	1,600	1,600	-	-	-	-	-	-
Receipts & Services From ECA	-	16,167	16,167	-	-	20,797	20,797	-	-
Fringe Benefits	-	2,880	2,880	-	-	-	-	-	-
HSA Contributions	-	116,776	116,776	-	-	168,714	168,714	-	-
<b>Totals</b>	<b>\$ 3,420,328</b>	<b>\$ 16,384,216</b>	<b>\$ 16,317,789</b>	<b>\$ 2,599</b>	<b>\$ 3,489,354</b>	<b>\$ 17,849,513</b>	<b>\$ 18,184,158</b>	<b>\$ 524,522</b>	<b>\$ 3,679,231</b>

See notes to financial statement.

BARR-REEVE COMMUNITY SCHOOLS, INC.  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

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 (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

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.

*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.

---

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*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.

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.

*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 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.

---

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 School Corporation itself.

**NOTE 2 - BUDGETS**

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

**NOTE 3 - PROPERTY TAXES**

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

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation did not hold investments for the period under audit.

---

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

---

**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

The School Corporation has purchased insurance to address the risks described above.

**NOTE 6 - CASH BALANCE DEFICITS**

The financial statement contain some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024.

**NOTE 7 - HOLDING CORPORATION**

The School Corporation has entered into a series of capital leases with the Barr-Reeve Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2023 to June 30, 2024 totaled \$1,127,500. Lease payments for the period July 1, 2022 to June 30, 2023 totaled \$901,000.

**NOTE 8 - PENSION PLANS**

**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.

---

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

---

**NOTE 8 - PENSION PLANS** (Continued)

*Financial Report*

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (844) 464-6777

*Contributions*

Members' contributions are set by state statute at 3 percent of compensation for the defined contribution component of PERF Hybrid. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid.

**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 Teachers' 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.

---

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

---

**NOTE 8 - PENSION PLANS** (Continued)

*Financial Report*

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (844) 464-6777

*Contributions*

The School Corporation contributes the employer's share to Teachers' 1996 DB 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 the 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 DB) is 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 9 - OTHER POSTEMPLOYMENT BENEFITS**

The School Corporation provides to eligible retirees and their spouses the following benefits: single dental, single vision, and \$105,000 in life insurance plus AD&D are paid by the School Corporation for each individual retiree until they are eligible for Medicare. Family coverage is available under the dental and vision plans if the retiree pays the difference in cost for a family plan. Retirees are eligible to remain on the school health insurance plan until they are eligible for Medicare. All health insurance premiums are the responsibility of the retiree. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

**SUPPLEMENTARY INFORMATION**

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	Education	Operating Referendum Tax Levy	Debt Service	Operations	Local Rainy Day	2020 Bond	School Lunch	Curricular Materials Rental	Self Insurance	CEO Program	Educational License Plates
Cash and investments - beginning	\$ 99,805	\$ 105,895	\$ 411,934	\$ 956,460	\$ 782,145	\$ 159,121	\$ 100,330	\$ 52,976	\$ 733,903	\$ -	\$ 4,293
Receipts:											
Local sources	509,233	959,687	1,263,228	1,891,440	99,813	-	196,360	122,535	918,413	30,000	-
Intermediate sources	76	-	-	-	-	-	-	-	-	-	57
State sources	7,330,268	-	-	-	-	-	3,554	21,208	-	-	-
Federal sources	-	-	-	-	-	-	318,884	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	7,839,577	959,687	1,263,228	1,891,440	99,813	-	518,798	143,743	918,413	30,000	57
Disbursements:											
Instruction	5,499,711	56,747	-	-	12,500	-	-	-	-	28,978	-
Support services	606,690	406,259	-	2,669,439	6,590	-	-	392,810	1,143,902	-	-
Noninstructional services	-	255,974	-	-	-	-	429,343	-	-	-	-
Facilities acquisition and construction	-	-	-	526,516	140,672	159,121	-	-	-	-	-
Debt services	-	-	1,298,248	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,106,401	718,980	1,298,248	3,195,955	159,762	159,121	429,343	392,810	1,143,902	28,978	-
Excess (deficiency) of receipts over disbursements	1,733,176	240,707	(35,020)	(1,304,515)	(59,949)	(159,121)	89,455	(249,067)	(225,489)	1,022	57
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	2,599	-	-	-	-	-	-	-
Transfers in	-	-	-	1,032,900	300,000	-	-	200,000	-	-	-
Transfers out	(1,032,900)	-	-	(300,000)	(200,000)	-	-	-	-	-	-
Total other financing sources (uses)	(1,032,900)	-	-	735,499	100,000	-	-	200,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	700,276	240,707	(35,020)	(569,016)	40,051	(159,121)	89,455	(49,067)	(225,489)	1,022	57
Cash and investments - ending	\$ 800,081	\$ 346,602	\$ 376,914	\$ 387,444	\$ 822,196	\$ -	\$ 189,785	\$ 3,909	\$ 508,414	\$ 1,022	\$ 4,350

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	Ken & Paula Jones Scholarship	United Way Of Davie County	Dc Comm Foundation Grant - Pe Equipment	Formative Assessment	Secured Schools Safety Grant	FY 20/21 Early Intervention Grant	FY 21/22 Early Intervention Grant	FY 22/23 Early Intervention Grant	Sel/Career Grant	NESP 22-23	Career And Technical Performance Grant	High Ability Students
Cash and investments - beginning	\$ -	\$ 2,126	\$ -	\$ 1,632	\$ (19,304)	\$ 133	\$ 1,984	\$ -	\$ 8,000	\$ -	\$ -	\$ 9,283
Receipts:												
Local sources	4,532	-	-	-	-	-	-	-	-	-	-	4,456
Intermediate sources	-	-	500	-	-	-	-	-	-	-	-	-
State sources	-	-	-	11,700	-	-	-	3,530	-	447	73	19,168
Federal sources	-	-	-	-	44,993	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	4,532	-	500	11,700	44,993	-	-	3,530	-	447	73	23,624
Disbursements:												
Instruction	-	-	500	-	13,440	133	1,984	3,046	-	447	-	19,366
Support services	-	-	-	8,604	18,553	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	4,532	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,532	-	500	8,604	31,993	133	1,984	3,046	-	447	-	19,366
Excess (deficiency) of receipts over disbursements	-	-	-	3,096	13,000	(133)	(1,984)	484	-	-	73	4,258
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	-	-	-	3,096	13,000	(133)	(1,984)	484	-	-	73	4,258
Cash and investments - ending	\$ -	\$ 2,126	\$ -	\$ 4,728	\$ (6,304)	\$ -	\$ -	\$ 484	\$ 8,000	\$ -	\$ 73	\$ 13,541

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	State Connectivity Grant	Title I Part A 2021-2022	Title I Part A 2022-2023	Dc Comm Foundation Grant	FY 21-22 Title IV Part A	FY 22-23 Title IV Part A	FY 21-22 Title II Part A	FY 22-23 Title II Part A	Cares III	Prepaid School Lunch Accounts	Federal Tax	Social Security	State Tax
Cash and investments - beginning	\$ 42,523	\$ (23,018)	\$ -	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ (20,810)	\$ 20,917	\$ -	\$ -	\$ -
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	8,256	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	49,588	217,408	5,500	18,336	-	36,732	40,349	370,822	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	195,236	463,351	435,863	168,897
Total receipts	8,256	49,588	217,408	5,500	18,336	-	36,732	40,349	370,822	195,236	463,351	435,863	168,897
Disbursements:													
Instruction	-	26,570	217,408	-	8,336	-	-	-	266,445	-	-	-	-
Support services	19,165	-	-	-	-	10,000	36,732	40,349	103,862	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	196,983	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	463,351	435,863	168,897
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	19,165	26,570	217,408	-	8,336	10,000	36,732	40,349	370,307	196,983	463,351	435,863	168,897
Excess (deficiency) of receipts over disbursements	(10,909)	23,018	-	5,500	10,000	(10,000)	-	-	515	(1,747)	-	-	-
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	(10,909)	23,018	-	5,500	10,000	(10,000)	-	-	515	(1,747)	-	-	-
Cash and investments - ending	\$ 31,614	\$ -	\$ -	\$ 5,500	\$ -	\$ (10,000)	\$ -	\$ -	\$ (20,295)	\$ 19,170	\$ -	\$ -	\$ -

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	County Tax	Perf - Voluntary	Trf - Voluntary Deductions	Group Health Insurance	Annuities	American Fidelity/Aflac	Garnishment	United Way	Flexible Spending Account	Receipts & Services From ECA	Fringe Benefits	HSA Contributions	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,420,328
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	5,999,697
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	633
State sources	-	-	-	-	-	-	-	-	-	-	-	-	7,398,204
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	1,102,612
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	90,193	10,011	20,967	149,639	153,520	46,858	10,992	120	1,600	16,167	2,880	116,776	1,883,070
Total receipts	90,193	10,011	20,967	149,639	153,520	46,858	10,992	120	1,600	16,167	2,880	116,776	16,384,216
Disbursements:													
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	6,155,611
Support services	-	-	-	-	-	-	-	-	-	-	-	-	5,462,955
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	882,300
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	826,309
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	1,298,248
Nonprogrammed charges	90,193	10,011	20,967	149,639	153,520	46,858	10,992	120	1,600	16,167	2,880	116,776	1,692,366
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	90,193	10,011	20,967	149,639	153,520	46,858	10,992	120	1,600	16,167	2,880	116,776	16,317,789
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-	-	-	-	66,427
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	2,599
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	1,532,900
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(1,532,900)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	2,599
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	-	-	-	-	69,026
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,489,354

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2024

	Education	Operating Referendum Tax Levy	Debt Service	Operations	Local Rainy Day	2023 Bond	School Lunch	Curricular Materials Rental	Self Insurance	CEO Program	Educational License Plates
Cash and investments - beginning	\$ 800,081	\$ 346,602	\$ 376,914	\$ 387,444	\$ 822,196	\$ -	\$ 189,785	\$ 3,909	\$ 508,414	\$ 1,022	\$ 4,350
Receipts:											
Local sources	146,332	1,035,410	1,664,013	1,993,759	-	-	199,984	4,132	1,646,519	30,000	-
Intermediate sources	75	-	-	-	-	-	-	-	-	-	38
State sources	7,621,942	-	-	-	-	-	6,153	159,480	-	-	-
Federal sources	-	-	-	-	-	-	233,798	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	7,768,349	1,035,410	1,664,013	1,993,759	-	-	439,935	163,612	1,646,519	30,000	38
Disbursements:											
Instruction	6,080,796	15,905	-	17,456	-	-	-	-	-	27,561	-
Support services	769,004	555,406	-	2,357,523	4,495	-	40	121,831	1,409,717	-	-
Noninstructional services	-	256,448	-	-	-	-	603,293	-	-	-	-
Facilities acquisition and construction	-	105,188	-	342,379	341,811	519,119	-	-	-	-	-
Debt services	19,764	-	1,515,325	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	167,119	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,869,564	932,947	1,515,325	2,717,358	346,306	519,119	603,333	121,831	1,576,836	27,561	-
Excess (deficiency) of receipts over disbursements	898,785	102,463	148,688	(723,599)	(346,306)	(519,119)	(163,398)	41,781	69,683	2,439	38
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	519,119	-	-	-	-	-
Sale of capital assets	-	-	-	5,403	-	-	-	-	-	-	-
Transfers in	-	-	-	1,139,705	275,000	-	-	-	-	-	-
Transfers out	(1,139,705)	(125,000)	-	(150,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,139,705)	(125,000)	-	995,108	275,000	519,119	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(240,920)	(22,537)	148,688	271,509	(71,306)	-	(163,398)	41,781	69,683	2,439	38
Cash and investments - ending	\$ 559,161	\$ 324,065	\$ 525,602	\$ 658,953	\$ 750,890	\$ -	\$ 26,387	\$ 45,690	\$ 578,097	\$ 3,461	\$ 4,388

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2024

	Ken & Paula Jones Scholarship	United Way Of Davies County	Formative Assessment	Student Learning Recovery Grant (SIEC)	Secured Schools Safety Grant	FY 22/23 Early Intervention Grant	Early Literacy Achievement Grant	Sel/Career Grant	Career And Technical Performance Grant	High Ability Students	State Connectivity Grant
Cash and investments - beginning	\$ -	\$ 2,126	\$ 4,728	\$ -	\$ (6,304)	\$ 484	\$ -	\$ 8,000	\$ 73	\$ 13,541	\$ 31,614
Receipts:											
Local sources	3,000	-	-	-	-	-	-	-	-	13,505	-
Intermediate sources	-	-	-	191,056	-	-	-	-	-	-	-
State sources	-	-	13,581	-	-	-	4,099	-	96	16,466	27,205
Federal sources	-	-	-	-	30,461	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,000	-	13,581	191,056	30,461	-	4,099	-	96	29,971	27,205
Disbursements:											
Instruction	-	-	-	191,056	15,000	484	4,099	3,503	-	32,070	-
Support services	-	-	10,422	-	19,510	-	-	-	-	-	39,122
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	3,000	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,000	-	10,422	191,056	34,510	484	4,099	3,503	-	32,070	39,122
Excess (deficiency) of receipts over disbursements	-	-	3,159	-	(4,049)	(484)	-	(3,503)	96	(2,099)	(11,917)
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	-	-	3,159	-	(4,049)	(484)	-	(3,503)	96	(2,099)	(11,917)
Cash and investments - ending	\$ -	\$ 2,126	\$ 7,887	\$ -	\$ (10,353)	\$ -	\$ -	\$ 4,497	\$ 169	\$ 11,442	\$ 19,697

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2024

	Ready Schools Initiative Grant	ICAP Grant	Title I Part A 2023-2024	Dc Comm Foundation Grant	FY 22-23 Title IV Part A	FY 23-24 Title IV Part A	FY 23-24 Title II Part A	Cares III	Prepaid School Lunch Accounts	Federal Tax	Social Security
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 5,500	\$ (10,000)	\$ -	\$ -	\$ (20,295)	\$ 19,170	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	400,000	-	-	-	16,323	-	-	-	-	-	-
Federal sources	-	-	156,612	-	-	-	21,062	238,222	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	202,173	467,175	460,037
Total receipts	400,000	-	156,612	-	16,323	-	21,062	238,222	202,173	467,175	460,037
Disbursements:											
Instruction	-	38,724	193,879	-	6,323	6,936	-	284,570	-	-	-
Support services	100,000	-	-	-	-	10,000	21,062	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	200,201	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	467,175	460,037
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	100,000	38,724	193,879	-	6,323	16,936	21,062	284,570	200,201	467,175	460,037
Excess (deficiency) of receipts over disbursements	300,000	(38,724)	(37,267)	-	10,000	(16,936)	-	(46,348)	1,972	-	-
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	300,000	(38,724)	(37,267)	-	10,000	(16,936)	-	(46,348)	1,972	-	-
Cash and investments - ending	\$ 300,000	\$ (38,724)	\$ (37,267)	\$ 5,500	\$ -	\$ (16,936)	\$ -	\$ (66,643)	\$ 21,142	\$ -	\$ -

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2024

	State Tax	County Tax	Perf - Voluntary	Trf - Voluntary Deductions	Group Health Insurance	Annuities	American Fidelity/Aflac	Garnishment	United Way	Receipts & Services From ECA	HSA Contributions	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,489,354
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	6,736,654
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	191,169
State sources	-	-	-	-	-	-	-	-	-	-	-	8,265,345
Federal sources	-	-	-	-	-	-	-	-	-	-	-	680,155
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	181,008	95,684	10,027	19,259	137,555	159,752	50,684	3,120	205	20,797	168,714	1,976,190
Total receipts	181,008	95,684	10,027	19,259	137,555	159,752	50,684	3,120	205	20,797	168,714	17,849,513
Disbursements:												
Instruction	-	-	-	-	-	-	-	-	-	-	-	6,918,362
Support services	-	-	-	-	-	-	-	-	-	-	-	5,418,132
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	1,059,942
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	1,308,497
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,535,089
Nonprogrammed charges	181,008	95,684	10,027	19,259	137,555	159,752	50,684	3,120	205	20,797	168,714	1,944,136
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	181,008	95,684	10,027	19,259	137,555	159,752	50,684	3,120	205	20,797	168,714	18,184,158
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-	-	-	(334,645)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	519,119
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	5,403
Transfers in	-	-	-	-	-	-	-	-	-	-	-	1,414,705
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(1,414,705)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	524,522
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	-	-	-	189,877
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,679,231

BARR-REEVE COMMUNITY SCHOOLS, INC.  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2024

---

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>30,908</u>	\$ <u>169,921</u>

BARR-REEVE COMMUNITY SCHOOLS, INC.  
SCHEDULE OF LEASES AND DEBT  
June 30, 2024

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Barr-Reeve Community School Building Corporation	School Building Renovations - QSCB	\$ 160,000	7/1/2012	1/1/2026
Barr-Reeve Community School Building Corporation	School Building Additions and Renovations - QZAB	182,000	7/1/2017	12/31/2036
Barr-Reeve Community School Building Corporation	School Building Additions and Renovations - Tax Bonds	508,000	7/1/2018	12/31/2037
Barr-Reeve Community School Building Corporation	School Building Renovations - Tax Bonds	<u>458,500</u>	11/21/2023	12/31/2042
Total governmental activities		<u>1,308,500</u>		
Total of annual lease payments		<u>\$ 1,308,500</u>		

<u>Type</u>	<u>Description of Debt</u>	<u>Purpose</u>	<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
Governmental activities:				
General Obligation Bonds	FY 19 Bond - Transportation		\$ 1,400,000	\$ 200,000
General Obligation Bonds	FY 20 Bond		<u>4,385,000</u>	<u>120,000</u>
Total governmental activities			<u>5,785,000</u>	<u>320,000</u>
Totals			<u>\$ 5,785,000</u>	<u>\$ 320,000</u>

BARR-REEVE COMMUNITY SCHOOLS, INC.  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2024

---

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	\$ 516,251
Buildings	20,889,041
Improvements other than buildings	1,643,779
Machinery, equipment, and vehicles	<u>3,554,834</u>
Total governmental activities	<u>26,603,905</u>
Total capital assets	<u>\$ 26,603,905</u>

BARR-REEVE COMMUNITY SCHOOLS, INC.  
STATE REPORTING INFORMATION  
July 1, 2022 - June 30, 2024

---

*Financial Statement and Accompanying Notes:*

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

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/>.

*Indiana Department of Education Reporting:*

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information on the IDOE website and on the Indiana Gateway for Government Units presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

BARR-REEVE COMMUNITY SCHOOLS, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period of July 1, 2022 through June 30, 2024

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	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 7-01-2022 to 06-30-24
<b>Department of Agriculture</b>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2023, FY2024	\$ 40,753	\$ 30,415	\$ 71,168
National School Lunch Program		10.555	FY2023, FY2024	277,503	173,794	451,297
Commodities		10.555	FY2023, FY2024	21,162	19,104	40,266
Fresh Fruit and Vegetable Program		10.582	FY2023, FY2024	-	25,627	25,627
				<u>339,418</u>	<u>248,940</u>	<u>588,358</u>
Total - Child Nutrition Cluster						
Child Nutrition Cluster	Indiana Department of Education					
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants		10.649	FY2023, FY2024	628	-	628
				<u>340,046</u>	<u>248,940</u>	<u>588,986</u>
<b>Department of Education</b>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-07-ARP	36,835	31,763	68,598
IDEA, Part B		84.027	22611-07-PN01	131,370	3,271	134,641
IDEA, Part B		84.027	23611-007-PN01	231,268	129,695	360,963
IDEA, Part B		84.027	24611-007-PN01	-	157,034	157,034
				<u>399,473</u>	<u>321,763</u>	<u>721,236</u>
Total - Special Education Grants to States						
Special Education Grants to States	Indiana Department of Education					
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-007-ARP	5,080	64	5,144
IDEA, Preschool		84.173	22619-07-PN01	798	124	922
IDEA, Preschool		84.173	23619-007-PN01	-	6,957	6,957
IDEA, Preschool		84.173	24619-007-PN01	-	2,242	2,242
				<u>5,878</u>	<u>9,387</u>	<u>15,265</u>
Total - Special Education Preschool Grants						
Total - Special Education Cluster (IDEA)				<u>405,351</u>	<u>331,150</u>	<u>736,501</u>

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period of July 1, 2022 through June 30, 2024

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	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 7-01-2022 to 06-30-24
Title I Grants to Local Educational Agencies						
	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	\$ 49,588	\$ -	\$ 49,588
Title I, Part A		84.010A	S010A220014	217,408	-	217,408
Title I, Part A		84.010A	S010A230014	<u>-</u>	<u>156,612</u>	<u>156,612</u>
Total - Title I Grants to Local Educational Agencies				<u>266,996</u>	<u>156,612</u>	<u>423,608</u>
Supporting Effective Instruction State Grants						
	Indiana Department of Education					
Title II, Part A		84.367A	S367A210013	36,732	-	36,732
Title II, Part A		84.367A	S367A220013	40,349	-	40,349
Title II, Part A		84.367A	S367A230013	<u>-</u>	<u>21,062</u>	<u>21,062</u>
Total - Supporting Effective Instruction State Grants				<u>77,081</u>	<u>21,062</u>	<u>98,143</u>
Student Support and Academic Enrichment Program						
	Indiana Department of Education					
Title IV, Part A		84.424	S424A210015	18,336	-	18,336
Title IV, Part A		84.424	S424A220015	<u>-</u>	<u>16,323</u>	<u>16,323</u>
Total - Student Support and Academic Enrichment Grant				<u>18,336</u>	<u>16,323</u>	<u>34,659</u>
COVID-19 - Education Stabilization Fund						
	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER III) Fund		84.425U	S425U210013	<u>370,822</u>	<u>238,222</u>	<u>609,044</u>
Total - Department of Education				<u>1,138,586</u>	<u>763,369</u>	<u>1,901,955</u>
Total federal awards expended				<u>\$ 1,478,632</u>	<u>\$ 1,012,309</u>	<u>\$ 2,490,941</u>

See accompanying notes to the schedule of expenditure of federal awards.

BARR-REEVE COMMUNITY SCHOOLS, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period of July 1, 2022 through June 30, 2024

---

**NOTE 1 - BASIS OF PRESENTATION**

*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 period of July 1, 2022 to June 30, 2024. 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 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 as allowed under the Uniform Guidance.

**NOTE 3 - OTHER INFORMATION**

The School Corporation did not have any subrecipient activity for the period July 1, 2022 to June 30, 2024.

**NOTE 4 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173)**

The School Corporation is a member of the Daviess-Martin Special Education Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

**NOTE 5 - NON-CASH PROGRAMS (COMMODITIES)**

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$40,266 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

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

Those Charged with Governance  
Barr-Reeve Community Schools, Inc.  
Daviness 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 Barr-Reeve Community Schools, Inc. ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 to June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated January 6, 2025.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

---

(Continued)

## Report on Compliance and Other Matters

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

## School Corporation's Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned cost. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Crowe LLP*

Crowe LLP

Indianapolis, Indiana  
January 6, 2025

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

Those Charged with Governance  
Barr-Reeve Community Schools, Inc.  
Daviess County, Indiana

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

***Opinion on Each Major Federal Program***

We have audited Barr-Reeve Community Schools, Inc. (School Corporation) 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 the School Corporation's major federal programs for the period of July 1, 2022 to June 30, 2024. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 to June 30, 2024.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

---

(Continued)

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

---

(Continued)

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 the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The School Corporation is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The School Corporation's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

*Crowe LLP*

Crowe LLP

Indianapolis, Indiana  
January 6, 2025

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 July 1, 2022 through June 30, 2024

---

**Section I – Summary of Auditor’s Results**

***Financial Statement***

Type of auditor’s report issued: Adverse as to GAAP, Unmodified  
as to regulatory basis

Internal control over financial reporting:

Material weakness(es) identified?   X   Yes        No

Significant deficiencies identified not  
considered to be material weaknesses?        Yes   X   None Reported

Noncompliance material to financial statement  
noted?        Yes   X   No

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiencies identified not  
considered to be material weaknesses?   X   Yes        None Reported

Type of auditor’s report issued on compliance for  
major programs: Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with  
2CFR 200.516(a)?   X   Yes        No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.582	Child Nutrition Cluster
84.425U	COVID-19 - Education Stabilization Fund

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

Auditee qualified as low-risk auditee?        Yes   X   No

---

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

---

**Section II – Financial Statement Findings**

**FINDING 2024-001**

Subject: Preparation of the Annual Financial Report  
Audit Findings: Material Weakness

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

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

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:

- ...
- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, ..."

**Condition:** The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

**Cause:** Management had not established a system of internal control that would have ensured proper reporting of the AFR.

**Context:** The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

---

(Continued)

BARR-REEVE COMMUNITY SCHOOLS INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

---

**Section II – Financial Statement Findings** (Continued)

**FINDING 2024-001** (Continued)

During the tie out of the AFR, it was noted the beginning balance as of July 1, 2022 balance was understated by \$733,895 as compared to the prior audit report. This was the result of prior period audit adjustments to the Self Insurance fund not reflected on the AFR submitted for fiscal year 2023. Adjustments were posted for the period of July 1, 2022 through June 2023 to increase total receipts by \$945,449, increase total disbursements by \$1,171,133, and increase the cash and investments balance as of June 30, 2023 by \$508,211.

For fiscal year 2024, the School Corporation reported accurate cash and investments balances, however, an adjustment was required to the Self Insurance fund to adjust receipts and disbursements to properly reflect activity during the account and account for impact of the entry posted for fiscal year 2023. Adjustments were posted for the period of July 1, 2023 through June 2024 to decrease total receipts by \$488,875 and increase total disbursements by \$19,336. There was no change to the ending cash and investment balance as of June 30, 2024.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the issues noted above.

**Effect:** Without a proper system of internal control in place that operated effectively, material misstatements of the financial statement remained undetected. The financial statement contained the errors identified in the Context section.

**Identification as a repeat finding, if applicable:** Yes, see Finding 2022-001.

**Recommendation:** We recommended that the School Corporation's management establish a formal review over the AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

---

(Continued)

BARR-REEVE COMMUNITY SCHOOLS INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

---

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

**FINDING 2024-002**

**Information on the federal program:**

Subject: Education Stabilization Fund (ESSER) – Internal Controls  
Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425U  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Finding: Significant Deficiency

**Criteria:** 2 CFR 200.313(d) states in part:

"The non-Federal entity must provide for the following:

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

**Condition:** An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management compliance.

**Cause:** The School Corporation's management had not developed a system of internal controls to ensure compliance with the requirements listed above.

**Effect:** The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements.

**Questioned Costs:** There were no questioned costs identified.

**Context:** We noted that there was no inventory of the property and equipment owned by the School Corporation performed during the audit period. We did note that an inventory was conducted a month after the audit period. Management had scheduled the inventory count to take place during June 2024, the bi-annual period under audit; however, it was delayed until July 2024.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommended that the School Corporation perform a physical inventory as least once every two years and formally document the results of their inventory count.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

# ***BARR-REEVE COMMUNITY SCHOOLS, INC.***

***Dedicated Staff \* Engaged Students \* Involved Parents \* Devoted Community  
"Together We Are Better"***

## **CORRECTIVE ACTION PLAN**

### **FINDING 2024-001**

Contact Person Responsible for Corrective Action: Tamara Swartzentruber, Treasurer

Contact Phone Number: 812-486-3220

Views of Responsible Official: We concur with the finding.


Description of Corrective Action Plan:

The Treasurer has worked with management and will implement better controls when preparing the Annual Financial Report. The Superintendent will continue to compare the prepared documents to supporting documentation for accuracy, make changes as necessary, and will also approve the final version. We will report all funds including the self-insurance fund.

Anticipated Completion Date: December 31, 2024

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

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

  
\_\_\_\_\_  
(Date)

Andrea Huff, Superintendent  
Dena Lengacher, Services Director  
Tamara Swartzentruber, Treasurer  
Jessica Mattingly, Secretary

P.O Box 97  
Montgomery, IN 47558  
(812) 486-3220  
FAX (812) 486-3509  
[www.barr.k12.in.us](http://www.barr.k12.in.us)

Board Members  
Lana Helms  
Alex Knepp  
Jody Schultheis

# ***BARR-REEVE COMMUNITY SCHOOLS, INC.***

***Dedicated Staff \* Engaged Students \* Involved Parents \* Devoted Community  
"Together We Are Better"***

## **CORRECTIVE ACTION PLAN**

### **FINDING 2024-002**

Contact Person Responsible for Corrective Action: Tamara Swartzentruber, Treasurer

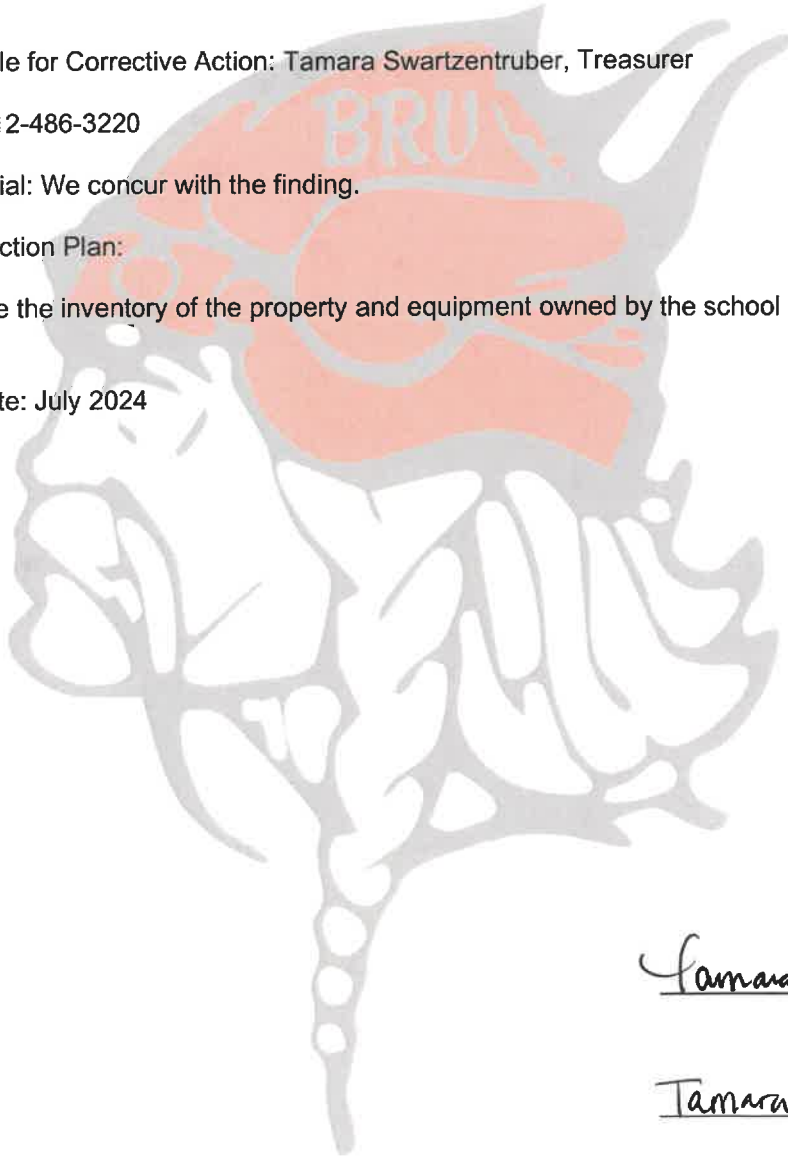
Contact Phone Number: 812-486-3220

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Treasurer will schedule the inventory of the property and equipment owned by the school corporation to be completed during the audit period.

Anticipated Completion Date: July 2024



Tamara J Swartzentruber  
(Signature)

Tamara J Swartzentruber  
(Title)

12-16-2024  
(Date)

Andrea Huff, Superintendent  
Dena Lengacher, Services Director  
Tamara Swartzentruber, Treasurer  
Jessica Mattingly, Secretary

P.O Box 97  
Montgomery, IN 47558  
(812) 486-3220  
FAX (812) 486-3509  
[www.barr.k12.in.us](http://www.barr.k12.in.us)

Board Members  
Lana Helms  
Alex Knepp  
Jody Schultheis

# ***BARR-REEVE COMMUNITY SCHOOLS, INC.***

***Dedicated Staff \* Engaged Students \* Involved Parents \* Devoted Community  
"Together We Are Better"***

## SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

### FINDING 2022-001

Subject: Preparation of the Annual Financial Report  
Audit Findings: Material Weakness

**Condition:** The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

**Context:** The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

1. For the period of July 1, 2020 to June 30, 2021, receipts and disbursements were understated by approximately \$1.8 million and \$2.2 million, respectively. The net impact on cash was an understatement of approximately \$1.0 million. The School Corporation excluded certain clearing funds and misreported opening cash of approximately \$1.4 million for the period of July 1, 2020 to June 30, 2021 in the Indiana Gateway AFR.
2. For the period of July 1, 2021 to June 30, 2022, receipts and disbursements were understated by approximately \$2.4 million and \$2.7 million respectively. The net impact on cash was an understatement of approximately \$746,000. The School Corporation also excluded certain clearing funds for the period of July 1, 2021 to June 30, 2022 in the Indiana Gateway AFR.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the issues noted above.

**Status:** Not resolved. See Finding 2024-001.

### FINDING 2022-002

Andrea Huff, Superintendent  
Dena Lengacher, Services Director  
Tamara Swartzentruber, Treasurer  
Jessica Mattingly, Secretary

P.O Box 97  
Montgomery, IN 47558  
(812) 486-3220  
FAX (812) 486-3509  
[www.barr.k12.in.us](http://www.barr.k12.in.us)

Board Members  
Lana Helms  
Alex Knapp  
Jody Schultheis

# ***BARR-REEVE COMMUNITY SCHOOLS, INC.***

***Dedicated Staff \* Engaged Students \* Involved Parents \* Devoted Community  
"Together We Are Better"***

## **FINDING 2022-002**

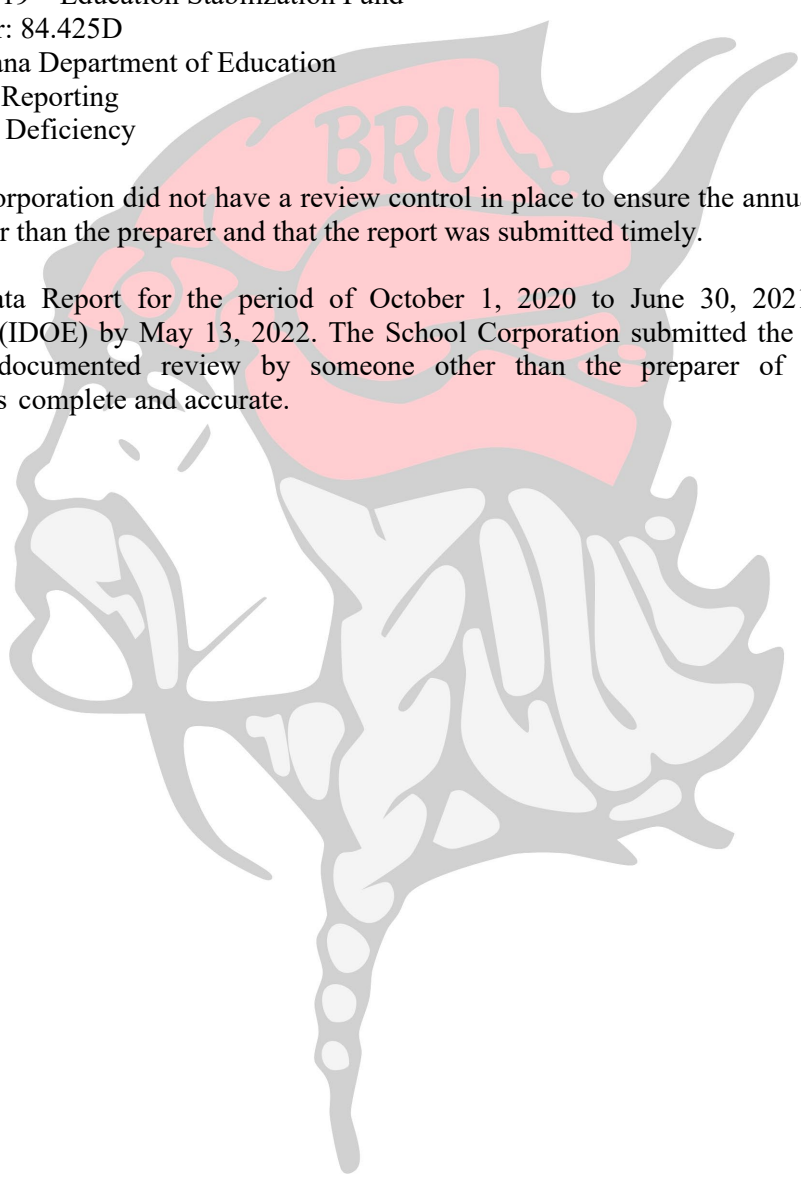
### **Information on the federal program:**

Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425D  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Significant Deficiency

**Condition:** The School Corporation did not have a review control in place to ensure the annual data report was reviewed by someone other than the preparer and that the report was submitted timely.

**Context:** The Annual Data Report for the period of October 1, 2020 to June 30, 2021 was due to the Indiana Department of Education (IDOE) by May 13, 2022. The School Corporation submitted the report on June 3, 2022. In addition, there was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

**Status:** Resolved.



Andrea Huff, Superintendent  
Dena Lengacher, Services Director  
Tamara Swartzentruber, Treasurer  
Jessica Mattingly, Secretary

P.O Box 97  
Montgomery, IN 47558  
(812) 486-3220  
FAX (812) 486-3509  
[www.barr.k12.in.us](http://www.barr.k12.in.us)

Board Members  
Lana Helms  
Alex Knepp  
Jody Schultheis