

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

BARR-REEVE COMMUNITY SCHOOLS, INC.
DAVISS COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
01/15/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary Lottes	07-01-12 to 06-30-16
Superintendent of Schools	Travis Madison	07-01-12 to 06-30-16
President of the School Board	Galen Graber Joe Cummings Scott Lottes Galen Graber	07-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE BARR-REEVE COMMUNITY SCHOOLS, INC., DAVIESS COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Barr-Reeve Community Schools, Inc. (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 6, 2015, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

October 6, 2015



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

TO: THE OFFICIALS OF THE BARR-REEVE COMMUNITY SCHOOLS, INC., DAVIESS COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Barr-Reeve Community Schools, Inc. (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated October 6, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be material weaknesses.

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

Compliance and Other Matters


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

Barr-Reeve Community Schools, Inc.'s Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

October 6, 2015

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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BARR-REEVE COMMUNITY SCHOOLS, INC.
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 260,362	\$ 4,197,142	\$ 4,389,315	\$ (7,500)	\$ 60,689	\$ 4,170,244	\$ 4,083,398	\$ (3,500)	\$ 144,035
Referendum Tax Levy	-	-	-	-	-	525,419	472,540	-	52,879
Debt Service	346,499	471,184	452,746	(2,884)	362,053	113,348	305,522	-	169,879
Retirement/Severance Bond Debt Service	20,379	250,014	242,506	-	27,887	244,909	244,614	-	28,182
Capital Projects	234,648	654,243	594,461	(200,000)	94,430	714,062	653,648	-	154,844
School Transportation	330,186	523,370	411,353	(126,465)	315,738	514,019	400,925	(150,000)	278,832
School Bus Replacement	15,881	-	-	-	15,881	-	-	-	15,881
Rainy Day	771,571	264,867	832,916	350,000	553,522	-	632,754	150,000	70,768
School Lunch	3,409	309,171	312,273	7,500	7,807	318,161	327,958	3,500	1,510
Textbook Rental	26,538	104,692	48,293	2,884	85,821	108,352	113,921	-	80,252
Self-Insurance	1,089,254	684,618	804,513	-	969,359	883,810	802,816	-	1,050,353
Educational License Plates	3,638	150	-	-	3,788	37	-	-	3,825
Miscellaneous Programs	500	-	500	-	-	-	-	-	-
2012 DC Community Foundation Grant	-	2,000	438	-	1,562	-	1,000	-	562
DC Youth Council Grant	-	1,000	-	-	1,000	-	-	-	1,000
Walmart Library Grant	-	-	-	-	-	1,000	503	-	497
School Technology	27,393	15,246	9,360	-	33,279	17,352	13,543	-	37,088
2011-2012 HAL Grant	5,191	-	5,191	-	-	-	-	-	-
2012-2013 HAL Grant	-	27,087	26,091	-	996	-	996	-	-
2013-2014 HAL Grant	-	-	-	-	-	26,627	26,288	-	339
Excess PTRC Distributions	17,202	6,333	-	(23,535)	-	-	-	-	-
2011-2012 Title I	(36,087)	132,254	96,167	-	-	-	-	-	-
2012-2013 Title I	-	369,107	392,935	-	(23,828)	126,370	102,542	-	-
2013-2014 Title I	-	-	-	-	-	315,508	336,968	-	(21,460)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	17,559	17,559	-	-	18,653	18,653	-	-
2011-2012 Title II, Part A	-	7,079	7,079	-	-	-	-	-	-
2012-2013 Title II, Part A	-	25,000	26,112	-	(1,112)	34,054	32,942	-	-
2013-2014 Title II, Part A	-	-	-	-	-	36,634	37,982	-	(1,348)
FY 10 Rural Schools and Low Income Grant	(643)	11,065	10,422	-	-	-	-	-	-
FY 11 Rural Schools and Low Income Grant	-	7,215	7,215	-	-	9,793	9,793	-	-
FY 12 Rural Schools and Low Income Grant	-	-	-	-	-	14,557	14,557	-	-
FY 13 Rural Schools and Low Income Grant	-	-	-	-	-	8,741	8,741	-	-
Education Jobs	(43,520)	46,224	2,704	-	-	-	-	-	-
Prepaid Food	5,935	1,466	566	-	6,835	609	246	-	7,198
Federal Taxes	-	410,574	410,574	-	-	394,058	394,058	-	-
Social Security	-	254,933	254,933	-	-	290,413	290,413	-	-
State Taxes	-	127,770	127,770	-	-	127,485	127,485	-	-
County Taxes	-	61,978	61,978	-	-	61,323	61,323	-	-
PERF - Vol	-	11,094	11,094	-	-	11,683	11,683	-	-
TERF - Vol	-	2,390	2,390	-	-	2,333	2,333	-	-
Group Health	-	117,377	117,377	-	-	165,922	165,922	-	-
Annuities	-	93,914	93,914	-	-	66,178	66,178	-	-
AM FID/AFLAC	-	54,570	54,570	-	-	50,122	50,122	-	-
Garnishments	-	7,411	7,411	-	-	6,037	6,037	-	-
ISTA Dues	-	26,426	26,426	-	-	20,510	20,510	-	-
United Way	-	649	649	-	-	288	288	-	-
Flex Spending	-	17,154	17,154	-	-	17,404	17,404	-	-
ECA Reimbursement	-	9,718	9,718	-	-	4,300	4,300	-	-
Fringe Benefits	-	9,288	9,288	-	-	1,440	1,440	-	-
Insurance Clearing	-	12,276	12,276	-	-	11,268	11,268	-	-
Totals	\$ 3,078,336	\$ 9,345,608	\$ 9,908,237	\$ -	\$ 2,515,707	\$ 9,433,023	\$ 9,873,614	\$ -	\$ 2,075,116

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

BARR-REEVE COMMUNITY SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

BARR-REEVE COMMUNITY SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

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

Transfers in which includes money 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 which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

BARR-REEVE COMMUNITY SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money 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 money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

BARR-REEVE COMMUNITY SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

BARR-REEVE COMMUNITY SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds being set up as reimbursable grants. Reimbursements for expenditures made by the School Corporation were not received by June 30.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with 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 during the years 2012-2013 and 2013-2014 totaled \$64,008 and \$96,538, respectively.

BARR-REEVE COMMUNITY SCHOOLS, INC.
NOTES TO FINANCIAL STATEMENT
(Continued)

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 are paid by the School Corporation for each individual retiree until they are eligible for Medicare. Individual retirees can receive family plans for dental and vision if they pay the difference in cost for family plan. Retirees are eligible to remain on the school health insurance plan until they are eligible for Medicare if the premium is paid by the retirees. 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.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. 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 Gateway 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 Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

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, 2013

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 260,362	\$ -	\$ 346,499	\$ 20,379	\$ 234,648	\$ 330,186	\$ 15,881	\$ 771,571	\$ 3,409
Receipts:									
Local sources	35,031	-	471,184	250,014	654,243	523,370	-	125,644	227,401
Intermediate sources	7	-	-	-	-	-	-	-	-
State sources	4,162,104	-	-	-	-	-	-	-	5,023
Federal sources	-	-	-	-	-	-	-	139,223	76,747
Other	-	-	-	-	-	-	-	-	-
Total receipts	4,197,142	-	471,184	250,014	654,243	523,370	-	264,867	309,171
Disbursements:									
Current:									
Instruction	3,649,376	-	-	-	-	-	-	-	-
Support services	623,280	-	-	-	341,392	411,353	-	738,479	-
Noninstructional services	116,659	-	-	-	-	-	-	-	312,273
Facilities acquisition and construction	-	-	-	-	253,069	-	-	94,437	-
Debt services	-	-	452,746	242,506	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,389,315	-	452,746	242,506	594,461	411,353	-	832,916	312,273
Excess (deficiency) of receipts over disbursements	(192,173)	-	18,438	7,508	59,782	112,017	-	(568,049)	(3,102)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	23,535	-	350,000	7,500
Transfers out	(7,500)	-	(2,884)	-	(200,000)	(150,000)	-	-	-
Total other financing sources (uses)	(7,500)	-	(2,884)	-	(200,000)	(126,465)	-	350,000	7,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(199,673)	-	15,554	7,508	(140,218)	(14,448)	-	(218,049)	4,398
Cash and investments - ending	\$ 60,689	\$ -	\$ 362,053	\$ 27,887	\$ 94,430	\$ 315,738	\$ 15,881	\$ 553,522	\$ 7,807

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, 2013
 (Continued)

	Textbook Rental	Self- Insurance	Educational License Plates	Miscellaneous Programs	2012 DC Community Foundation Grant	DC Youth Council Grant	Walmart Library Grant	School Technology	2011-2012 HAL Grant
Cash and investments - beginning	\$ 26,538	\$ 1,089,254	\$ 3,638	\$ 500	\$ -	\$ -	\$ -	\$ 27,393	\$ 5,191
Receipts:									
Local sources	94,410	684,618	-	-	-	-	-	8,145	-
Intermediate sources	-	-	150	-	2,000	1,000	-	-	-
State sources	10,282	-	-	-	-	-	-	7,101	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	104,692	684,618	150	-	2,000	1,000	-	15,246	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	5,191
Support services	48,293	804,513	-	500	438	-	-	9,360	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	48,293	804,513	-	500	438	-	-	9,360	5,191
Excess (deficiency) of receipts over disbursements	56,399	(119,895)	150	(500)	1,562	1,000	-	5,886	(5,191)
Other financing sources (uses):									
Transfers in	2,884	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	2,884	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	59,283	(119,895)	150	(500)	1,562	1,000	-	5,886	(5,191)
Cash and investments - ending	\$ 85,821	\$ 969,359	\$ 3,788	\$ -	\$ 1,562	\$ 1,000	\$ -	\$ 33,279	\$ -

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, 2013
 (Continued)

	2012-2013 HAL Grant	2013-2014 HAL Grant	Excess PTRC Distributions	2011-2012 Title I	2012-2013 Title I	2013-2014 Title I	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	2011-2012 Title II, Part A	2012-2013 Title II, Part A
Cash and investments - beginning	\$ -	\$ -	\$ 17,202	\$ (36,087)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	6,333	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	27,087	-	-	-	-	-	-	-	-
Federal sources	-	-	-	132,254	369,107	-	17,559	7,079	25,000
Other	-	-	-	-	-	-	-	-	-
Total receipts	27,087	-	6,333	132,254	369,107	-	17,559	7,079	25,000
Disbursements:									
Current:									
Instruction	26,091	-	-	72,440	257,098	-	17,559	7,079	25,704
Support services	-	-	-	22,568	127,278	-	-	-	408
Noninstructional services	-	-	-	1,159	8,559	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	26,091	-	-	96,167	392,935	-	17,559	7,079	26,112
Excess (deficiency) of receipts over disbursements	996	-	6,333	36,087	(23,828)	-	-	-	(1,112)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(23,535)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(23,535)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	996	-	(17,202)	36,087	(23,828)	-	-	-	(1,112)
Cash and investments - ending	\$ 996	\$ -	\$ -	\$ -	\$ (23,828)	\$ -	\$ -	\$ -	\$ (1,112)

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, 2013
 (Continued)

	2013-2014 Title II, Part A	FY 10 Rural Schools and Low Income Grant	FY 11 Rural Schools and Low Income Grant	FY 12 Rural Schools and Low Income Grant	FY 13 Rural Schools and Low Income Grant	Education Jobs	Prepaid Food	Federal Taxes
Cash and investments - beginning	\$ -	\$ (643)	\$ -	\$ -	\$ -	\$ (43,520)	\$ 5,935	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	11,065	7,215	-	-	46,224	-	-
Other	-	-	-	-	-	-	1,466	410,574
Total receipts	-	11,065	7,215	-	-	46,224	1,466	410,574
Disbursements:								
Current:								
Instruction	-	1,960	4,667	-	-	2,704	-	-
Support services	-	8,462	2,548	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	566	410,574
Total disbursements	-	10,422	7,215	-	-	2,704	566	410,574
Excess (deficiency) of receipts over disbursements	-	643	-	-	-	43,520	900	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	643	-	-	-	43,520	900	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,835	\$ -

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, 2013
 (Continued)

	Social Security	State Taxes	County Taxes	PERF - Vol	TERF - Vol	Group Health	Annuities	AM FID/ AFLAC
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	254,933	127,770	61,978	11,094	2,390	117,377	93,914	54,570
Total receipts	<u>254,933</u>	<u>127,770</u>	<u>61,978</u>	<u>11,094</u>	<u>2,390</u>	<u>117,377</u>	<u>93,914</u>	<u>54,570</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	254,933	127,770	61,978	11,094	2,390	117,377	93,914	54,570
Total disbursements	<u>254,933</u>	<u>127,770</u>	<u>61,978</u>	<u>11,094</u>	<u>2,390</u>	<u>117,377</u>	<u>93,914</u>	<u>54,570</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2013
 (Continued)

	Garnishments	ISTA Dues	United Way	Flex Spending	ECA Reimbursement	Fringe Benefits	Insurance Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,078,336
Receipts:								
Local sources	-	-	-	-	-	-	-	3,080,393
Intermediate sources	-	-	-	-	-	-	-	3,157
State sources	-	-	-	-	-	-	-	4,211,597
Federal sources	-	-	-	-	-	-	-	831,473
Other	7,411	26,426	649	17,154	9,718	9,288	12,276	1,218,988
Total receipts	7,411	26,426	649	17,154	9,718	9,288	12,276	9,345,608
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	4,069,869
Support services	-	-	-	-	-	-	-	3,138,872
Noninstructional services	-	-	-	-	-	-	-	438,650
Facilities acquisition and construction	-	-	-	-	-	-	-	347,506
Debt services	-	-	-	-	-	-	-	695,252
Nonprogrammed charges	7,411	26,426	649	17,154	9,718	9,288	12,276	1,218,088
Total disbursements	7,411	26,426	649	17,154	9,718	9,288	12,276	9,908,237
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	(562,629)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	383,919
Transfers out	-	-	-	-	-	-	-	(383,919)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	(562,629)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,515,707

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, 2014

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 60,689	\$ -	\$ 362,053	\$ 27,887	\$ 94,430	\$ 315,738	\$ 15,881	\$ 553,522	\$ 7,807
Receipts:									
Local sources	53,511	525,419	113,348	244,909	714,062	514,019	-	-	218,213
Intermediate sources	16	-	-	-	-	-	-	-	-
State sources	4,116,717	-	-	-	-	-	-	-	5,188
Federal sources	-	-	-	-	-	-	-	-	94,760
Other	-	-	-	-	-	-	-	-	-
Total receipts	4,170,244	525,419	113,348	244,909	714,062	514,019	-	-	318,161
Disbursements:									
Current:									
Instruction	3,138,563	316,663	-	-	-	-	-	115,955	-
Support services	912,821	50,477	-	-	425,405	400,925	-	516,799	-
Noninstructional services	32,014	105,400	-	-	-	-	-	-	327,958
Facilities acquisition and construction	-	-	-	-	228,243	-	-	-	-
Debt services	-	-	305,522	244,614	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,083,398	472,540	305,522	244,614	653,648	400,925	-	632,754	327,958
Excess (deficiency) of receipts over disbursements	86,846	52,879	(192,174)	295	60,414	113,094	-	(632,754)	(9,797)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	150,000	3,500
Transfers out	(3,500)	-	-	-	-	(150,000)	-	-	-
Total other financing sources (uses)	(3,500)	-	-	-	-	(150,000)	-	150,000	3,500
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	83,346	52,879	(192,174)	295	60,414	(36,906)	-	(482,754)	(6,297)
Cash and investments - ending	\$ 144,035	\$ 52,879	\$ 169,879	\$ 28,182	\$ 154,844	\$ 278,832	\$ 15,881	\$ 70,768	\$ 1,510

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, 2014
 (Continued)

	Textbook Rental	Self- Insurance	Educational License Plates	Miscellaneous Programs	2012 DC Community Foundation Grant	DC Youth Council Grant	Walmart Library Grant	School Technology	2011-2012 HAL Grant
Cash and investments - beginning	\$ 85,821	\$ 969,359	\$ 3,788	\$ -	\$ 1,562	\$ 1,000	\$ -	\$ 33,279	\$ -
Receipts:									
Local sources	90,181	883,810	-	-	-	-	-	9,036	-
Intermediate sources	-	-	37	-	-	-	1,000	-	-
State sources	18,171	-	-	-	-	-	-	8,316	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	108,352	883,810	37	-	-	-	1,000	17,352	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	113,921	802,816	-	-	1,000	-	503	13,543	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	113,921	802,816	-	-	1,000	-	503	13,543	-
Excess (deficiency) of receipts over disbursements	(5,569)	80,994	37	-	(1,000)	-	497	3,809	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,569)	80,994	37	-	(1,000)	-	497	3,809	-
Cash and investments - ending	\$ 80,252	\$ 1,050,353	\$ 3,825	\$ -	\$ 562	\$ 1,000	\$ 497	\$ 37,088	\$ -

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, 2014
 (Continued)

	2012-2013 HAL Grant	2013-2014 HAL Grant	Excess PTRC Distributions	2011-2012 Title I	2012-2013 Title I	2013-2014 Title I	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	2011-2012 Title II, Part A	2012-2013 Title II, Part A
Cash and investments - beginning	\$ 996	\$ -	\$ -	\$ -	\$ (23,828)	\$ -	\$ -	\$ -	\$ (1,112)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	26,627	-	-	-	-	-	-	-
Federal sources	-	-	-	-	126,370	315,508	18,653	-	34,054
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	26,627	-	-	126,370	315,508	18,653	-	34,054
Disbursements:									
Current:									
Instruction	996	26,288	-	-	69,398	251,656	18,653	-	19,796
Support services	-	-	-	-	31,363	82,126	-	-	13,146
Noninstructional services	-	-	-	-	1,781	3,186	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	996	26,288	-	-	102,542	336,968	18,653	-	32,942
Excess (deficiency) of receipts over disbursements	(996)	339	-	-	23,828	(21,460)	-	-	1,112
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(996)	339	-	-	23,828	(21,460)	-	-	1,112
Cash and investments - ending	\$ -	\$ 339	\$ -	\$ -	\$ -	\$ (21,460)	\$ -	\$ -	\$ -

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, 2014
 (Continued)

	2013-2014 Title II, Part A	FY 10 Rural Schools and Low Income Grant	FY 11 Rural Schools and Low Income Grant	FY 12 Rural Schools and Low Income Grant	FY 13 Rural Schools and Low Income Grant	Education Jobs	Prepaid Food	Federal Taxes
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,835	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	36,634	-	9,793	14,557	8,741	-	-	-
Other	-	-	-	-	-	-	609	394,058
Total receipts	<u>36,634</u>	<u>-</u>	<u>9,793</u>	<u>14,557</u>	<u>8,741</u>	<u>-</u>	<u>609</u>	<u>394,058</u>
Disbursements:								
Current:								
Instruction	-	-	8,342	14,557	741	-	-	-
Support services	37,982	-	1,451	-	8,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	246	394,058
Total disbursements	<u>37,982</u>	<u>-</u>	<u>9,793</u>	<u>14,557</u>	<u>8,741</u>	<u>-</u>	<u>246</u>	<u>394,058</u>
Excess (deficiency) of receipts over disbursements	<u>(1,348)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,348)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363</u>	<u>-</u>
Cash and investments - ending	<u>\$ (1,348)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,198</u>	<u>\$ -</u>

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, 2014
 (Continued)

	Social Security	State Taxes	County Taxes	PERF - Vol	TERF - Vol	Group Health	Annuities	AM FID/ AFLAC
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	290,413	127,485	61,323	11,683	2,333	165,922	66,178	50,122
Total receipts	<u>290,413</u>	<u>127,485</u>	<u>61,323</u>	<u>11,683</u>	<u>2,333</u>	<u>165,922</u>	<u>66,178</u>	<u>50,122</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	290,413	127,485	61,323	11,683	2,333	165,922	66,178	50,122
Total disbursements	<u>290,413</u>	<u>127,485</u>	<u>61,323</u>	<u>11,683</u>	<u>2,333</u>	<u>165,922</u>	<u>66,178</u>	<u>50,122</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2014
 (Continued)

	Garnishments	ISTA Dues	United Way	Flex Spending	ECA Reimbursement	Fringe Benefits	Insurance Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,515,707
Receipts:								
Local sources	-	-	-	-	-	-	-	3,366,508
Intermediate sources	-	-	-	-	-	-	-	1,053
State sources	-	-	-	-	-	-	-	4,175,019
Federal sources	-	-	-	-	-	-	-	659,070
Other	6,037	20,510	288	17,404	4,300	1,440	11,268	1,231,373
Total receipts	6,037	20,510	288	17,404	4,300	1,440	11,268	9,433,023
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	3,981,608
Support services	-	-	-	-	-	-	-	3,412,278
Noninstructional services	-	-	-	-	-	-	-	470,339
Facilities acquisition and construction	-	-	-	-	-	-	-	228,243
Debt services	-	-	-	-	-	-	-	550,136
Nonprogrammed charges	6,037	20,510	288	17,404	4,300	1,440	11,268	1,231,010
Total disbursements	6,037	20,510	288	17,404	4,300	1,440	11,268	9,873,614
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	(440,591)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	153,500
Transfers out	-	-	-	-	-	-	-	(153,500)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	(440,591)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,075,116

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BARR-REEVE COMMUNITY SCHOOLS, INC.
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 20,099</u>	<u>\$ 22,808</u>

BARR-REEVE COMMUNITY SCHOOLS, INC.
 SCHEDULE OF LEASES AND DEBT
 June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Barr-Reeve Community School Building Corporation	Barr-Reeve Jr./Sr. High School Renovations	\$ 143,000	11/9/2010	12/31/2025
Total of annual lease payments		<u>\$ 143,000</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: General obligation bonds		Retirement/Severance Bond	\$ 1,215,000	\$ 250,909
Totals			<u>\$ 1,215,000</u>	<u>\$ 250,909</u>

BARR-REEVE COMMUNITY SCHOOLS, INC.
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2014

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

	Ending Balance
Governmental activities:	
Land	\$ 129,251
Buildings	9,949,728
Improvements other than buildings	674,781
Machinery, equipment, and vehicles	1,235,893
Total governmental activities	11,989,653
Total capital assets	\$ 11,989,653

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE BARR-REEVE COMMUNITY SCHOOLS, INC., DAVIESS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Barr-Reeve Community Schools, Inc.'s (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the period of July 1, 2012 to June 30, 2014.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002 and 2014-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

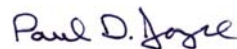
Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002, 2014-003, and 2014-004 to be material weaknesses.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

BARR-REEVE COMMUNITY SCHOOLS, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast Program			FY 12/13	\$ 8,317	\$ -
School Breakfast Program			FY 13/14	-	7,499
				-	-
National School Lunch Program	Indiana Department of Education	10.555			
National School Lunch Program			FY 12/13	89,827	-
National School Lunch Program			FY 13/14	-	108,908
				-	-
Total - Child Nutrition Cluster				98,144	116,407
Total - Department of Agriculture				98,144	116,407
<u>Department of Education</u>					
Special Education Cluster					
Special Education - Grants to States	Indiana Department of Education	84.027			
Special Ed Grant			13-1315	17,559	-
Special Ed Grant			13-1315	-	18,653
Special Ed Grant			99910-09-TA01	-	1,090
Special Ed Grant			14212-009-PN01	43,988	-
Special Ed Grant			14213-009-PN01	107,079	50,519
Special Ed Grant			14214-009-PN01	-	94,049
				-	-
Total - for program				168,626	164,311
Special Education Preschool Grants	Indiana Department of Education	84.173			
FY 2013			45713-009-PN01	4,939	-
FY 2014			45714-009-PN01	-	4,682
				-	-
Total - for program				4,939	4,682
Total - Special Education Cluster				173,565	168,993

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

BARR-REEVE COMMUNITY SCHOOLS, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2013 and 2014
 (Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies					
	Indiana Department of Education	84.010			
			12-1315	96,167	-
			13-1315	369,107	126,370
			14-1315	-	315,508
				<u>465,274</u>	<u>441,878</u>
Total - Title I, Part A Cluster					
Rural Education					
	Indiana Department of Education	84.358			
			10-1315	10,422	-
			11-1315	7,215	9,793
			12-1315	-	14,557
			13-1315	-	8,741
				<u>17,637</u>	<u>33,091</u>
Total - Rural Education					
Improving Teacher Quality State Grants					
	Indiana Department of Education	84.367			
			12-1315	7,079	-
			13-1315	25,000	34,054
			14-1315	-	36,634
				<u>32,079</u>	<u>70,688</u>
Total - Improving Teacher Quality State Grant					
Education Jobs Fund					
	Indiana Department of Education	84.410			
				-	2,704
				<u>2,704</u>	<u>-</u>
Total - Department of Education					
				<u>691,259</u>	<u>714,650</u>
Total federal awards expended				<u>\$ 789,403</u>	<u>\$ 831,057</u>

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

BARR-REEVE COMMUNITY SCHOOLS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 21,396	\$ 21,647

BARR-REEVE COMMUNITY SCHOOLS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-002 - ALLOWABLE COSTS

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 12-1315, 13-1315, and 14-1315
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Allowable Costs compliance requirement that has a direct and material effect on the program. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements.

The School Corporation has not designed or implemented adequate policies and procedures to ensure that costs budgeted and disbursed for parental involvement activities were for allowable costs. During the audit period, costs incurred for parental involvement family night activities were charged to the grant for items such as gift cards totaling \$750 that were given away for local restaurants and food expenses totaling \$1,263.07. The total amount of \$2,013.07 is considered to be a questioned cost.

The Title I Fiscal Handbook, Allowable Uses of Title I Funds section, states in part: . . .

"Gift Cards - gift cards are never an allowable expense, as there is no guarantee the card will be used on educationally-related purchases. This includes, for example, gift cards issues as door-prizes, gift cards issued to teachers for supplies, or Apple gift cards to download software on iPads and iPods.

Food - Generally, there is a very high burden of proof to show that paying for food and beverages with Federal funds is necessary to meet the goals and objectives of a Federal grant. When a grantee is hosting a meeting, the grantee should structure the agenda for the meeting so that there is time for participants to purchase their own food, beverages, and snacks. In addition, when planning a meeting, grantees may want to consider a location in which participants have easy access to food and beverages.

While these determinations will be made on a case-by-case basis, and there may be some circumstances where the cost would be permissible, it is likely that those circumstances will be rare. Grantees, therefore, will have to make compelling case that the unique circumstances they have identified would justify these costs as reasonable and necessary."

BARR-REEVE COMMUNITY SCHOOLS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the compliance requirement for Allowable Costs.

FINDING 2014-003 - REPORTING

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): 12-1315, 13-1315, and 14-1315

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the Reporting compliance requirement. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

The final expenditure reports and monthly requests for reimbursements are filed on-line by the School Corporation Treasurer. There was no segregation of duties over the report submission, such as an oversight, review, or approval process.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

BARR-REEVE COMMUNITY SCHOOLS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance with the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the compliance requirement listed above.

FINDING 2014-004 - SPECIAL TEST AND PROVISION - PARTICIPATION OF PRIVATE SCHOOL CHILDREN

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): 12-1315, 13-1315, and 14-1315

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system over compliance with Special Tests and Provisions - Participation of Private School Children. The failure to establish an effective internal control system places the School Corporation at risk of material noncompliance. The School Corporation did not conduct consultations with private school officials to determine the kind of educational services to provide to eligible private school children regarding Title I Local Educational Grants requirements.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

20 USC 7881(c)(1) states:

"To ensure timely and meaningful consultation, a State educational agency, local educational agency, educational service agency, consortium of those agencies, or entity shall consult with appropriate private school officials during the design and development of the programs under this chapter, on issues such as-

- (A) how the children's needs will be identified;
- (B) what services will be offered;
- (C) how, where, and by whom the services will be provided;
- (D) how the services will be assessed and how the results of the assessment will be used to improve those services;
- (E) the size and scope of the equitable services to be provided to the eligible private school children, teachers, and other educational personnel and the amount of funds available for those services; and

BARR-REEVE COMMUNITY SCHOOLS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(F) how and when the agency, consortium, or entity will make decisions about the delivery of services, including a thorough consideration and analysis of the views of the private school officials on the provision of contract services through potential third-party providers."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation establish controls to ensure all grant requirements are complied with and to conduct consultations with private school officials to ensure private school children receive any educational services needed.

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AUDITEE PREPARED DOCUMENT

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

BARR-REEVE COMMUNITY SCHOOLS, INC.

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

CORRECTIVE ACTION PLAN

FINDING 2014-001

Contact Person Responsible for Corrective Action: **Mary Lottes, Treasurer**
Contact Phone Number **812-486-3220**

Description of Corrective Action Plan

Changes are being made to implement better internal controls of the Schedule of Federal Awards (SEFA). The superintendent will review the SEFA when completed by the treasurer for accuracy.

Anticipated Completion Date: **07-01-2015**

FINDING 2014-002

Contact Person Responsible for Corrective Action: **Mary Lottes, Treasurer**
Contact Phone Number **812-486-3220**

Description of Corrective Action Plan

Discussions have been held with the Title I Director to review allowable expenditures from the grant and the School Corporation will review the Title I Fiscal Handbook periodically to assure that we are in compliance of expenditures of the grant.

Anticipated completion Date: **07-01-2015**

BARR-REEVE COMMUNITY SCHOOLS, INC.

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

FINDING 2014-003

Contact Person Responsible for Corrective Action: **Mary Lottes, Treasurer**
Contact Phone Number **812-486-3220**

Description of Corrective Action Plan

The Superintendent or Title I Director will review and initial all reports that are submitted to Title I for reimbursement and the final reports to assure that no errors or misrepresentations are submitted by the treasurer.

Anticipated completion Date: 07-01-2015

FINDING 2014-004

Contact Person Responsible for Corrective Action: **Travis Madison**
Contact Phone Number **812-486-3220**

Description of Corrective Action Plan

The Superintendent will send letters to the private schools officials in our corporation inviting them to attend a meeting to explain the Title I program and what services are available to the private school students.

Anticipated completion Date: 07-01-2015



(Signature)

SUPERINTENDENT

(Title)

6/4/15

(Date)

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.