

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

BROWNSBURG COMMUNITY SCHOOL CORPORATION
HENDRICKS COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
08/29/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dr. Kendall Hendricks Barry Gardner	07-01-12 to 04-01-16 04-02-16 to 06-30-18
Superintendent of Schools	Dr. James Snapp	07-01-12 to 06-30-18
President of the School Board	Mike Runyon Adam Brower	01-01-14 to 12-31-14 01-01-15 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE BROWNSBURG COMMUNITY SCHOOL CORPORATION, HENDRICKS COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Brownsburg Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

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 from 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 discussed in Note 1 to 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, 2014 to June 30, 2016.

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, 2014 to June 30, 2016, 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.


INDEPENDENT AUDITOR'S REPORT
(Continued)

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 7, 2017, 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

August 7, 2017



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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 BROWNSBURG COMMUNITY SCHOOL
CORPORATION, HENDRICKS 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 Brownsburg Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated August 7, 2017, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

August 7, 2017

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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.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 1,558,478	\$ 47,924,260	\$ 49,404,276	\$ 20,474	\$ 98,936	\$ 50,871,535	\$ 48,892,341	\$ 19,100	\$ 2,097,230
Debt Service	10,268,289	25,281,698	24,207,895	(23,594)	11,318,498	25,795,752	24,961,230	(30,492)	12,122,528
Retirement/Severance Bond Debt Service	512,949	600,692	603,221	-	510,420	527,317	949,807	-	87,930
Capital Projects	2,487,775	4,808,854	5,783,975	1,520	1,514,174	5,291,078	5,300,493	-	1,504,759
School Transportation	1,717,402	3,994,333	3,698,948	(500,000)	1,512,787	4,156,835	3,954,042	(350,000)	1,365,580
School Bus Replacement	608,689	475,501	435,328	-	648,862	438,365	242,933	-	844,294
Rainy Day	6,772,609	-	589,939	500,000	6,682,670	677,702	3,451,959	350,000	4,258,413
Post-Retirement/Severance Future Benefits	87,961	-	-	-	87,961	-	-	-	87,961
Technology Loan-Common School	-	-	-	-	-	-	124,824	-	(124,824)
Brown Elementary Project-2015	-	-	-	-	-	1,439	625,289	1,991,070	1,367,220
West Middle Sch. Project-2015	-	-	-	-	-	1,452	317,407	1,991,070	1,675,115
School Lunch	294,199	3,755,231	3,838,862	-	210,568	3,769,390	3,927,354	-	52,604
Textbook Rental	1,069,253	1,316,117	1,076,110	39,722	1,348,982	1,391,711	1,617,282	53,655	1,177,066
Levy Excess	176,524	6,663	-	-	183,187	-	-	-	183,187
Joint Services and Supply - Special Education Cooperative	-	390,237	563,926	-	(173,689)	707,719	730,096	-	(196,066)
Hearing Impaired	-	29,202	75,175	-	(45,973)	65,732	45,734	-	(25,975)
Educational License Plates	-	844	844	-	-	825	825	-	-
Alternative Education	49,373	86,564	98,273	-	37,664	92,596	87,564	-	42,696
Safe Haven	-	12,500	12,500	-	-	-	-	-	-
Coca-Cola/Pepsi Donation	44,764	71,180	102,451	-	13,493	59,776	59,013	-	14,256
Corporate Donations - Sports Facility	97,668	247,900	165,064	-	180,504	69,000	188,874	-	60,630
HS SR. Academy Laptops	129,126	48,375	-	-	177,501	-	-	-	177,501
Law Enforcement Continuing Ed.	312	80	280	-	112	140	-	-	252
The Children's Assistance Fund	180	-	-	-	180	-	-	(180)	-
Scholarships and Awards	3,488	-	3,488	-	-	-	-	-	-
Frank Clark Memorial School	7,855	-	7,855	-	-	-	-	-	-
IBE Best Buy Grant	1,598	-	524	-	1,074	-	873	-	201
Confucius Grant (09-30-11)	4,294	-	-	-	4,294	-	4,294	-	-
Confucius Grant (05-05-11)	2,994	-	-	-	2,994	-	2,994	-	-
Smart Officer Grant	9,000	-	8,975	-	25	-	-	-	25
Ind. Wildlife Federation Grant	1,200	-	-	-	1,200	-	-	-	1,200
1st Robotics - HS Academic Team	8,851	22,358	24,754	-	6,455	23,770	21,888	-	8,337
HCSATF-E CIG/Tobacco Awareness	-	-	-	-	-	400	-	-	400
Hendricks County Substance Abuse	2,515	3,000	1,320	-	4,195	3,000	651	-	6,544
HCSATF-K9 Supplies Mini Grant	-	-	-	-	-	400	342	-	58
Library Needs - All Schools	2,730	500	1,897	-	1,333	45	638	-	740
United Way - YAR Grants	60	-	60	-	-	-	-	-	-
Wal-Mart Foundation Grants	154	-	154	-	-	-	-	-	-
Oasis Tutoring Program	36	-	36	-	-	-	-	-	-
DOT Rhodes Grant EMS Art	3,688	-	2,441	-	1,247	-	-	-	1,247
BEF School to Career - SR Academy	7,948	-	969	-	6,979	63	1,480	-	5,562
QSCB 2009 Bond Sinking Fund	564,902	142,422	-	-	707,324	142,868	-	-	850,192
Education Foundation Admin Asst	5,738	18,658	19,323	-	5,073	22,000	20,413	-	6,660
BEF - Elem. Sch. Proj. S. Whitton	1,457	-	1,457	-	-	-	-	-	-

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

BROWNSBURG COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016
(Continued)

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
QSCB 2010 Bond Sinking Fund	586,587	197,060	-	-	783,647	197,589	-	-	981,236
Fast Track - 05-01-2013	2,613	8,021	3,636	-	6,998	4,512	4,581	180	7,109
BEF-DIST. Excel Award 2014-2015	-	67,103	66,082	-	1,021	-	1,020	-	1
Event Videos - HS Technology	3,702	700	1,701	-	2,701	800	1,370	-	2,131
Alpha-Grants	3,000	-	3,000	-	-	-	-	-	-
BEF-DIST. Excel Award 2015-16	-	40,000	-	-	40,000	33,000	70,393	-	2,607
BEF-DEA 2016 Awards	-	-	-	-	-	51,584	905	-	50,679
Duke Energy Foundation Grant	-	40,000	-	-	40,000	-	31,944	-	8,056
Confucius 2013-14 Classrm	10,185	-	4,990	-	5,195	-	5,040	-	155
Confucius Institute IUPI	-	15,230	3,090	-	12,140	-	-	-	12,140
Confucius 15-16 Classroom	-	-	-	-	-	7,800	3,660	-	4,140
NESP 11-12	10,764	-	10,764	-	-	-	-	-	-
High Ability 2014-2015	-	62,374	46,830	-	15,544	-	15,543	-	1
High Ability 2015-2016	-	-	-	-	-	63,281	32,229	-	31,052
Medicaid Reimbursement	59,964	57,703	36,554	(20,474)	60,639	53,843	46,139	(19,100)	49,243
Secured Schools Safety Grant	-	27,116	-	-	27,116	22,884	50,000	-	-
NESP 2013-2014 #5114-084	1,148	-	1,148	-	-	-	-	-	-
NESP 2014-2015	-	17,039	14,278	-	2,761	-	2,762	-	(1)
NESP 2015-2016	-	-	-	-	-	33,566	31,655	-	1,911
School Technology	89,942	62,038	274,305	-	(122,325)	148,023	112,335	-	(86,637)
Title I #14-3305 84.010A	(254,052)	296,138	42,084	-	2	-	-	-	2
Title I #15-3305	-	118,399	120,619	-	(2,220)	251,243	249,023	-	-
Title I #16-3305	-	-	-	-	-	157,739	173,465	-	(15,726)
IDEA Part B FY2013	-	6,383	6,383	-	-	-	-	-	-
IDEA Part B 611 FY2014 84	(50,498)	495,806	445,307	-	1	-	-	-	1
IDEA	-	806,685	961,508	-	(154,823)	559,187	404,365	-	(1)
Part B 611 FY2016	-	-	-	-	-	890,621	995,823	-	(105,202)
Part B TA FY2014	-	5,805	5,805	-	-	-	-	-	-
Part B TA Amended 2014	-	8,340	10,131	-	(1,791)	11,580	9,790	-	(1)
Part B 611 FY14 Amended	-	5,959	5,959	-	-	2,125	2,124	-	1
IDEA Part B (619) FY 14 84.173A	(875)	1,175	300	-	-	-	-	-	-
IDEA Part B (619) FY2015	-	31,165	35,740	-	(4,575)	5,477	902	-	-
IDEA Part B (619) FY2016	-	-	-	-	-	30,769	33,846	-	(3,077)
Title IIA #12-14	-	572	572	-	-	-	-	-	-
Title IIA #13-15 CFDA 84.367	(3,023)	21,538	18,515	-	-	580	580	-	-
Title IIA #15-17	-	-	-	-	-	22,687	26,637	-	(3,950)
Title IIA #14-16	-	34,296	43,590	-	(9,294)	44,665	35,431	-	(60)
Title III 2013-2015 CFDA 84.365A	(1,170)	8,013	6,843	-	-	4,389	4,389	-	-
Title III 2014-2016	-	17,036	18,868	-	(1,832)	6,992	5,257	-	(97)
Title III 2015-2017	-	-	-	-	-	14,902	16,164	-	(1,262)
Payroll Withholdings	172,623	13,415,522	13,292,935	-	295,210	13,951,064	14,070,113	-	176,161
Totals	<u>\$ 27,134,969</u>	<u>\$ 105,104,385</u>	<u>\$ 106,211,857</u>	<u>\$ 17,648</u>	<u>\$ 26,045,145</u>	<u>\$ 110,681,812</u>	<u>\$ 111,968,125</u>	<u>\$ 4,005,303</u>	<u>\$ 28,764,135</u>

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

BROWNSBURG COMMUNITY SCHOOL CORPORATION
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, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. 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.

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:

BROWNSBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

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.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

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:

BROWNSBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 disbursements exceeding receipts and timing issues related to reimbursable grant funds that are required to pay expenses prior to requesting reimbursements.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The School Corporation has entered into capital leases with Brownsburg 1999 School Bldg Corp (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 fiscal years 2015 and 2016 totaled \$18,810,000 and \$18,834,500, respectively.

Note 9. *Subsequent Events*

The School Corporation is in the process of refunding the 2008 bonds and issuance of a \$35 million Bond Anticipation Note.

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OTHER INFORMATION - UNAUDITED

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

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Technology Loan-Common School
Cash and investments - beginning	\$ 1,558,478	\$ 10,268,289	\$ 512,949	\$ 2,487,775	\$ 1,717,402	\$ 608,689	\$ 6,772,609	\$ 87,961	\$ -
Receipts:									
Local sources	1,921,795	20,034,055	600,692	4,804,390	3,992,333	475,501	-	-	-
Intermediate sources	14	-	-	-	-	-	-	-	-
State sources	46,001,284	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	5,247,643	-	-	-	-	-	-	-
Other receipts	1,167	-	-	4,464	2,000	-	-	-	-
Total receipts	<u>47,924,260</u>	<u>25,281,698</u>	<u>600,692</u>	<u>4,808,854</u>	<u>3,994,333</u>	<u>475,501</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Instruction	35,418,303	-	-	-	-	-	-	-	-
Support services	13,560,160	-	-	3,731,322	3,398,948	435,328	-	-	-
Noninstructional services	425,813	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,052,653	-	-	589,939	-	-
Debt service	-	24,207,895	603,221	-	300,000	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>49,404,276</u>	<u>24,207,895</u>	<u>603,221</u>	<u>5,783,975</u>	<u>3,698,948</u>	<u>435,328</u>	<u>589,939</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(1,480,016)</u>	<u>1,073,803</u>	<u>(2,529)</u>	<u>(975,121)</u>	<u>295,385</u>	<u>40,173</u>	<u>(589,939)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	1,520	-	-	-	-	-
Transfers in	20,474	-	-	-	-	-	500,000	-	-
Transfers out	-	(23,594)	-	-	(500,000)	-	-	-	-
Total other financing sources (uses)	<u>20,474</u>	<u>(23,594)</u>	<u>-</u>	<u>1,520</u>	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,459,542)</u>	<u>1,050,209</u>	<u>(2,529)</u>	<u>(973,601)</u>	<u>(204,615)</u>	<u>40,173</u>	<u>(89,939)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 98,936</u>	<u>\$ 11,318,498</u>	<u>\$ 510,420</u>	<u>\$ 1,514,174</u>	<u>\$ 1,512,787</u>	<u>\$ 648,862</u>	<u>\$ 6,682,670</u>	<u>\$ 87,961</u>	<u>\$ -</u>

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Brown Elementary Project-2015	West Middle Sch. Project-2015	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply - Special Education Cooperative	Hearing Impaired	Educational License Plates	Alternative Education
Cash and investments - beginning	\$ -	\$ -	\$ 294,199	\$ 1,069,253	\$ 176,524	\$ -	\$ -	\$ -	\$ 49,373
Receipts:									
Local sources	-	-	2,435,405	1,158,557	6,663	390,237	29,202	-	-
Intermediate sources	-	-	-	-	-	-	-	844	-
State sources	-	-	54,706	157,560	-	-	-	-	86,564
Federal sources	-	-	1,264,896	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	224	-	-	-	-	-	-
Total receipts	-	-	3,755,231	1,316,117	6,663	390,237	29,202	844	86,564
Disbursements:									
Instruction	-	-	-	-	-	500,142	75,175	-	98,273
Support services	-	-	16,130	1,076,110	-	63,784	-	-	-
Noninstructional services	-	-	3,822,732	-	-	-	-	844	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	3,838,862	1,076,110	-	563,926	75,175	844	98,273
Excess (deficiency) of receipts over disbursements	-	-	(83,631)	240,007	6,663	(173,689)	(45,973)	-	(11,709)
Other financing sources (uses):									
Sale of capital assets	-	-	-	16,128	-	-	-	-	-
Transfers in	-	-	-	23,594	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	39,722	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(83,631)	279,729	6,663	(173,689)	(45,973)	-	(11,709)
Cash and investments - ending	\$ -	\$ -	\$ 210,568	\$ 1,348,982	\$ 183,187	\$ (173,689)	\$ (45,973)	\$ -	\$ 37,664

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Safe Haven	Coca-Cola/ Pepsi Donation	Corporate Donations - Sports Facility	HS SR. Academy Laptops	Law Enforcement Continuing Ed.	The Children's Assistance Fund	Scholarships and Awards	Frank Clark Memorial School	IBE Best Buy Grant
Cash and investments - beginning	\$ -	\$ 44,764	\$ 97,668	\$ 129,126	\$ 312	\$ 180	\$ 3,488	\$ 7,855	\$ 1,598
Receipts:									
Local sources	-	71,180	247,900	48,375	80	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	12,500	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	12,500	71,180	247,900	48,375	80	-	-	-	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	524
Support services	12,500	102,451	-	-	280	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	165,064	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	3,488	7,855	-
Total disbursements	12,500	102,451	165,064	-	280	-	3,488	7,855	524
Excess (deficiency) of receipts over disbursements	-	(31,271)	82,836	48,375	(200)	-	(3,488)	(7,855)	(524)
Other financing sources (uses):									
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	-	(31,271)	82,836	48,375	(200)	-	(3,488)	(7,855)	(524)
Cash and investments - ending	\$ -	\$ 13,493	\$ 180,504	\$ 177,501	\$ 112	\$ 180	\$ -	\$ -	\$ 1,074

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Confucius Grant (09-30-11)	Confucius Grant (05-05-11)	Smart Officer Grant	Ind. Wildlife Federation Grant	1st Robotics - HS Academic Team	HCSATF-E CIG/Tobacco Awareness	Hendricks County Substance Abuse	HCSATF-K9 Supplies Mini Grant	Library Needs - All Schools
Cash and investments - beginning	\$ 4,294	\$ 2,994	\$ 9,000	\$ 1,200	\$ 8,851	\$ -	\$ 2,515	\$ -	\$ 2,730
Receipts:									
Local sources	-	-	-	-	22,358	-	3,000	-	500
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	22,358	-	3,000	-	500
Disbursements:									
Instruction	-	-	-	-	24,754	-	-	-	-
Support services	-	-	8,975	-	-	-	1,320	-	1,897
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	8,975	-	24,754	-	1,320	-	1,897
Excess (deficiency) of receipts over disbursements	-	-	(8,975)	-	(2,396)	-	1,680	-	(1,397)
Other financing sources (uses):									
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	-	-	(8,975)	-	(2,396)	-	1,680	-	(1,397)
Cash and investments - ending	\$ 4,294	\$ 2,994	\$ 25	\$ 1,200	\$ 6,455	\$ -	\$ 4,195	\$ -	\$ 1,333

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	United Way - YAR Grants	Wal-Mart Foundation Grants	Oasis Tutoring Program	DOT Rhodes Grant EMS Art	BEF School to Career - SR Academy	QSCB 2009 Bond Sinking Fund	Education Foundation Admin Asst	BEF - Elem. Sch. Proj. S. Whitton	QSCB 2010 Bond Sinking Fund
Cash and investments - beginning	\$ 60	\$ 154	\$ 36	\$ 3,688	\$ 7,948	\$ 564,902	\$ 5,738	\$ 1,457	\$ 586,587
Receipts:									
Local sources	-	-	-	-	-	142,422	-	-	197,060
Intermediate sources	-	-	-	-	-	-	18,658	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	142,422	18,658	-	197,060
Disbursements:									
Instruction	60	154	-	2,441	969	-	-	1,457	-
Support services	-	-	36	-	-	-	19,323	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	60	154	36	2,441	969	-	19,323	1,457	-
Excess (deficiency) of receipts over disbursements	(60)	(154)	(36)	(2,441)	(969)	142,422	(665)	(1,457)	197,060
Other financing sources (uses):									
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	(60)	(154)	(36)	(2,441)	(969)	142,422	(665)	(1,457)	197,060
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,247	\$ 6,979	\$ 707,324	\$ 5,073	\$ -	\$ 783,647

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Fast Track - 05-01-2013	BEF-DIST. Excel Award 2014-2015	Event Videos - HS Technology	Alpha- Grants	BEF-DIST. Excel Award 2015-16	BEF-DEA 2016 Awards	Duke Energy Foundation Grant	Confucius 2013-14 Classrm	Confucius Institute IUPUI
Cash and investments - beginning	\$ 2,613	\$ -	\$ 3,702	\$ 3,000	\$ -	\$ -	\$ -	\$ 10,185	\$ -
Receipts:									
Local sources	8,021	67,103	700	-	40,000	-	40,000	-	180
Intermediate sources	-	-	-	-	-	-	-	-	15,050
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>8,021</u>	<u>67,103</u>	<u>700</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>15,230</u>
Disbursements:									
Instruction	-	44,806	-	3,000	-	-	-	4,990	3,090
Support services	2,333	21,276	1,701	-	-	-	-	-	-
Noninstructional services	1,303	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>3,636</u>	<u>66,082</u>	<u>1,701</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,990</u>	<u>3,090</u>
Excess (deficiency) of receipts over disbursements	<u>4,385</u>	<u>1,021</u>	<u>(1,001)</u>	<u>(3,000)</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>(4,990)</u>	<u>12,140</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,385</u>	<u>1,021</u>	<u>(1,001)</u>	<u>(3,000)</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>(4,990)</u>	<u>12,140</u>
Cash and investments - ending	<u>\$ 6,998</u>	<u>\$ 1,021</u>	<u>\$ 2,701</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 5,195</u>	<u>\$ 12,140</u>

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Confucius 15-16 Classroom	NESP 11-12	High Ability 2014-2015	High Ability 2015-2016	Medicaid Reimbursement	Secured Schools Safety Grant	NESP 2013-2014 #5114-084	NESP 2014-2015
Cash and investments - beginning	\$ -	\$ 10,764	\$ -	\$ -	\$ 59,964	\$ -	\$ 1,148	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	62,374	-	57,703	27,116	-	17,039
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	62,374	-	57,703	27,116	-	17,039
Disbursements:								
Instruction	-	10,764	46,830	-	36,554	-	1,148	14,278
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	10,764	46,830	-	36,554	-	1,148	14,278
Excess (deficiency) of receipts over disbursements	-	(10,764)	15,544	-	21,149	27,116	(1,148)	2,761
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(20,474)	-	-	-
Total other financing sources (uses)	-	-	-	-	(20,474)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(10,764)	15,544	-	675	27,116	(1,148)	2,761
Cash and investments - ending	\$ -	\$ -	\$ 15,544	\$ -	\$ 60,639	\$ 27,116	\$ -	\$ 2,761

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	NESP 2015-2016	School Technology	Title I #14-3305 84.010A	Title I #15-3305	Title I #16-3305	IDEA Part B FY2013	IDEA Part B 611 FY2014 84	IDEA
Cash and investments - beginning	\$ -	\$ 89,942	\$ (254,052)	\$ -	\$ -	\$ -	\$ (50,498)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	62,038	-	-	-	-	-	-
Federal sources	-	-	296,138	118,399	-	6,383	495,806	806,685
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	62,038	296,138	118,399	-	6,383	495,806	806,685
Disbursements:								
Instruction	-	-	26,634	10,358	-	6,383	374,895	756,329
Support services	-	274,305	15,450	108,979	-	-	70,412	205,179
Noninstructional services	-	-	-	1,282	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	274,305	42,084	120,619	-	6,383	445,307	961,508
Excess (deficiency) of receipts over disbursements	-	(212,267)	254,054	(2,220)	-	-	50,499	(154,823)
Other financing sources (uses):								
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	-	(212,267)	254,054	(2,220)	-	-	50,499	(154,823)
Cash and investments - ending	\$ -	\$ (122,325)	\$ 2	\$ (2,220)	\$ -	\$ -	\$ 1	\$ (154,823)

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Part B 611 FY2016	Part B TA FY2014	Part B TA Amended 2014	Part B 611 FY14 Amended	IDEA Part B (619) FY 14 84.173A	IDEA Part B (619) FY2015	IDEA Part B (619) FY2016	Title IIA #12-14
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (875)	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	5,805	8,340	5,959	1,175	31,165	-	572
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	5,805	8,340	5,959	1,175	31,165	-	572
Disbursements:								
Instruction	-	5,805	10,131	5,959	-	-	-	572
Support services	-	-	-	-	300	35,740	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	5,805	10,131	5,959	300	35,740	-	572
Excess (deficiency) of receipts over disbursements	-	-	(1,791)	-	875	(4,575)	-	-
Other financing sources (uses):								
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	-	-	(1,791)	-	875	(4,575)	-	-
Cash and investments - ending	\$ -	\$ -	\$ (1,791)	\$ -	\$ -	\$ (4,575)	\$ -	\$ -

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Title IIA #13-15 CFDA 84.367	Title IIA #15-17	Title IIA #14-16	Title III 2013-2015 CFDA 84.365A	Title III 2014-2016	Title III 2015-2017	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (3,023)	\$ -	\$ -	\$ (1,170)	\$ -	\$ -	\$ 172,623	\$ 27,134,969
Receipts:								
Local sources	-	-	-	-	-	-	-	36,737,709
Intermediate sources	-	-	-	-	-	-	-	34,566
State sources	-	-	-	-	-	-	-	46,538,884
Federal sources	21,538	-	34,296	8,013	17,036	-	-	3,122,206
Temporary loans	-	-	-	-	-	-	-	5,247,643
Other receipts	-	-	-	-	-	-	13,415,522	13,423,377
Total receipts	21,538	-	34,296	8,013	17,036	-	13,415,522	105,104,385
Disbursements:								
Instruction	15,965	-	43,590	6,843	18,868	-	-	37,570,044
Support services	2,550	-	-	-	-	-	-	23,166,789
Noninstructional services	-	-	-	-	-	-	-	4,251,974
Facilities acquisition and construction	-	-	-	-	-	-	-	2,807,656
Debt service	-	-	-	-	-	-	-	25,111,116
Nonprogrammed charges	-	-	-	-	-	-	13,292,935	13,304,278
Total disbursements	18,515	-	43,590	6,843	18,868	-	13,292,935	106,211,857
Excess (deficiency) of receipts over disbursements	3,023	-	(9,294)	1,170	(1,832)	-	122,587	(1,107,472)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	17,648
Transfers in	-	-	-	-	-	-	-	544,068
Transfers out	-	-	-	-	-	-	-	(544,068)
Total other financing sources (uses)	-	-	-	-	-	-	-	17,648
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,023	-	(9,294)	1,170	(1,832)	-	122,587	(1,089,824)
Cash and investments - ending	\$ -	\$ -	\$ (9,294)	\$ -	\$ (1,832)	\$ -	\$ 295,210	\$ 26,045,145

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Technology Loan-Common School
Cash and investments - beginning	\$ 98,936	\$ 11,318,498	\$ 510,420	\$ 1,514,174	\$ 1,512,787	\$ 648,862	\$ 6,682,670	\$ 87,961	\$ -
Receipts:									
Local sources	1,916,744	20,719,537	527,317	5,290,978	4,156,835	438,365	677,702	-	-
Intermediate sources	15	-	-	-	-	-	-	-	-
State sources	48,954,776	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	5,076,215	-	-	-	-	-	-	-
Other receipts	-	-	-	100	-	-	-	-	-
Total receipts	<u>50,871,535</u>	<u>25,795,752</u>	<u>527,317</u>	<u>5,291,078</u>	<u>4,156,835</u>	<u>438,365</u>	<u>677,702</u>	<u>-</u>	<u>-</u>
Disbursements:									
Instruction	34,442,492	-	-	-	-	-	1,967,310	-	-
Support services	14,014,115	-	-	3,320,354	3,954,042	242,933	-	-	124,824
Noninstructional services	435,734	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,980,139	-	-	1,484,649	-	-
Debt service	-	24,961,230	949,807	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>48,892,341</u>	<u>24,961,230</u>	<u>949,807</u>	<u>5,300,493</u>	<u>3,954,042</u>	<u>242,933</u>	<u>3,451,959</u>	<u>-</u>	<u>124,824</u>
Excess (deficiency) of receipts over disbursements	<u>1,979,194</u>	<u>834,522</u>	<u>(422,490)</u>	<u>(9,415)</u>	<u>202,793</u>	<u>195,432</u>	<u>(2,774,257)</u>	<u>-</u>	<u>(124,824)</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	19,100	-	-	-	-	-	350,000	-	-
Transfers out	-	(30,492)	-	-	(350,000)	-	-	-	-
Total other financing sources (uses)	<u>19,100</u>	<u>(30,492)</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,998,294</u>	<u>804,030</u>	<u>(422,490)</u>	<u>(9,415)</u>	<u>(147,207)</u>	<u>195,432</u>	<u>(2,424,257)</u>	<u>-</u>	<u>(124,824)</u>
Cash and investments - ending	<u>\$ 2,097,230</u>	<u>\$ 12,122,528</u>	<u>\$ 87,930</u>	<u>\$ 1,504,759</u>	<u>\$ 1,365,580</u>	<u>\$ 844,294</u>	<u>\$ 4,258,413</u>	<u>\$ 87,961</u>	<u>\$ (124,824)</u>

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Brown Elementary Project-2015	West Middle Sch. Project-2015	School Lunch	Textbook Rental	Levy Excess	Joint Services and Supply - Special Education Cooperative	Hearing Impaired	Educational License Plates	Alternative Education
Cash and investments - beginning	\$ -	\$ -	\$ 210,568	\$ 1,348,982	\$ 183,187	\$ (173,689)	\$ (45,973)	\$ -	\$ 37,664
Receipts:									
Local sources	1,439	1,452	2,452,651	1,281,434	-	707,719	65,732	-	-
Intermediate sources	-	-	-	-	-	-	-	825	-
State sources	-	-	58,668	110,277	-	-	-	-	92,596
Federal sources	-	-	1,257,847	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	224	-	-	-	-	-	-
Total receipts	1,439	1,452	3,769,390	1,391,711	-	707,719	65,732	825	92,596
Disbursements:									
Instruction	-	-	-	-	-	641,080	45,734	-	87,564
Support services	-	-	23,643	1,617,282	-	89,016	-	-	-
Noninstructional services	-	-	3,903,711	-	-	-	-	825	-
Facilities acquisition and construction	625,289	317,407	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	625,289	317,407	3,927,354	1,617,282	-	730,096	45,734	825	87,564
Excess (deficiency) of receipts over disbursements	(623,850)	(315,955)	(157,964)	(225,571)	-	(22,377)	19,998	-	5,032
Other financing sources (uses):									
Proceeds of long-term debt	1,991,070	1,991,070	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	23,163	-	-	-	-	-
Transfers in	-	-	-	30,492	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,991,070	1,991,070	-	53,655	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,367,220	1,675,115	(157,964)	(171,916)	-	(22,377)	19,998	-	5,032
Cash and investments - ending	\$ 1,367,220	\$ 1,675,115	\$ 52,604	\$ 1,177,066	\$ 183,187	\$ (196,066)	\$ (25,975)	\$ -	\$ 42,696

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Safe Haven	Coca-Cola/ Pepsi Donation	Corporate Donations - Sports Facility	HS SR. Academy Laptops	Law Enforcement Continuing Ed.	The Children's Assistance Fund	Scholarships and Awards	Frank Clark Memorial School	IBE Best Buy Grant
Cash and investments - beginning	\$ -	\$ 13,493	\$ 180,504	\$ 177,501	\$ 112	\$ 180	\$ -	\$ -	\$ 1,074
Receipts:									
Local sources	-	59,776	69,000	-	140	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	59,776	69,000	-	140	-	-	-	-
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	873
Support services	-	59,013	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	188,874	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	59,013	188,874	-	-	-	-	-	873
Excess (deficiency) of receipts over disbursements	-	763	(119,874)	-	140	-	-	-	(873)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(180)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(180)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	763	(119,874)	-	140	(180)	-	-	(873)
Cash and investments - ending	\$ -	\$ 14,256	\$ 60,630	\$ 177,501	\$ 252	\$ -	\$ -	\$ -	\$ 201

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Confucius Grant (09-30-11)	Confucius Grant (05-05-11)	Smart Officer Grant	Ind. Wildlife Federation Grant	1st Robotics - HS Academic Team	HCSATF-E CIG/Tobacco Awareness	Hendricks County Substance Abuse	HCSATF-K9 Supplies Mini Grant	Library Needs - All Schools
Cash and investments - beginning	\$ 4,294	\$ 2,994	\$ 25	\$ 1,200	\$ 6,455	\$ -	\$ 4,195	\$ -	\$ 1,333
Receipts:									
Local sources	-	-	-	-	23,770	400	3,000	400	45
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	23,770	400	3,000	400	45
Disbursements:									
Instruction	4,294	2,994	-	-	21,888	-	-	-	-
Support services	-	-	-	-	-	-	651	342	638
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,294	2,994	-	-	21,888	-	651	342	638
Excess (deficiency) of receipts over disbursements	(4,294)	(2,994)	-	-	1,882	400	2,349	58	(593)
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	(4,294)	(2,994)	-	-	1,882	400	2,349	58	(593)
Cash and investments - ending	\$ -	\$ -	\$ 25	\$ 1,200	\$ 8,337	\$ 400	\$ 6,544	\$ 58	\$ 740

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	United Way - YAR Grants	Wal-Mart Foundation Grants	Oasis Tutoring Program	DOT Rhodes Grant EMS Art	BEF School to Career - SR Academy	QSCB 2009 Bond Sinking Fund	Education Foundation Admin Asst	BEF - Elem. Sch. Proj. S. Whitton	QSCB 2010 Bond Sinking Fund
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1,247	\$ 6,979	\$ 707,324	\$ 5,073	\$ -	\$ 783,647
Receipts:									
Local sources	-	-	-	-	-	142,868	-	-	197,589
Intermediate sources	-	-	-	-	-	-	22,000	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	63	-	-	-	-
Total receipts	-	-	-	-	63	142,868	22,000	-	197,589
Disbursements:									
Instruction	-	-	-	-	1,480	-	-	-	-
Support services	-	-	-	-	-	-	20,413	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	1,480	-	20,413	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(1,417)	142,868	1,587	-	197,589
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	-	-	-	-	(1,417)	142,868	1,587	-	197,589
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,247	\$ 5,562	\$ 850,192	\$ 6,660	\$ -	\$ 981,236

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Fast Track - 05-01-2013	BEF-DIST. Excel Award 2014-2015	Event Videos - HS Technology	Alpha- Grants	BEF-DIST. Excel Award 2015-16	BEF-DEA 2016 Awards	Duke Energy Foundation Grant	Confucius 2013-14 Classrm	Confucius Institute IUPUI
Cash and investments - beginning	\$ 6,998	\$ 1,021	\$ 2,701	\$ -	\$ 40,000	\$ -	\$ 40,000	\$ 5,195	\$ 12,140
Receipts:									
Local sources	4,512	-	800	-	33,000	51,584	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>4,512</u>	<u>-</u>	<u>800</u>	<u>-</u>	<u>33,000</u>	<u>51,584</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Instruction	-	965	-	-	68,200	905	31,944	5,040	-
Support services	4,581	55	1,370	-	2,193	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>4,581</u>	<u>1,020</u>	<u>1,370</u>	<u>-</u>	<u>70,393</u>	<u>905</u>	<u>31,944</u>	<u>5,040</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(69)</u>	<u>(1,020)</u>	<u>(570)</u>	<u>-</u>	<u>(37,393)</u>	<u>50,679</u>	<u>(31,944)</u>	<u>(5,040)</u>	<u>-</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	180	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>111</u>	<u>(1,020)</u>	<u>(570)</u>	<u>-</u>	<u>(37,393)</u>	<u>50,679</u>	<u>(31,944)</u>	<u>(5,040)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 7,109</u>	<u>\$ 1</u>	<u>\$ 2,131</u>	<u>\$ -</u>	<u>\$ 2,607</u>	<u>\$ 50,679</u>	<u>\$ 8,056</u>	<u>\$ 155</u>	<u>\$ 12,140</u>

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Confucius 15-16 Classroom	NESP 11-12	High Ability 2014-2015	High Ability 2015-2016	Medicaid Reimbursement	Secured Schools Safety Grant	NESP 2013-2014 #5114-084	NESP 2014-2015
Cash and investments - beginning	\$ -	\$ -	\$ 15,544	\$ -	\$ 60,639	\$ 27,116	\$ -	\$ 2,761
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	7,800	-	-	-	-	-	-	-
State sources	-	-	-	63,281	53,843	22,884	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	7,800	-	-	63,281	53,843	22,884	-	-
Disbursements:								
Instruction	3,660	-	15,543	32,229	46,139	-	-	2,762
Support services	-	-	-	-	-	50,000	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	3,660	-	15,543	32,229	46,139	50,000	-	2,762
Excess (deficiency) of receipts over disbursements	4,140	-	(15,543)	31,052	7,704	(27,116)	-	(2,762)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(19,100)	-	-	-
Total other financing sources (uses)	-	-	-	-	(19,100)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,140	-	(15,543)	31,052	(11,396)	(27,116)	-	(2,762)
Cash and investments - ending	\$ 4,140	\$ -	\$ 1	\$ 31,052	\$ 49,243	\$ -	\$ -	\$ (1)

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	NESP 2015-2016	School Technology	Title I #14-3305 84.010A	Title I #15-3305	Title I #16-3305	IDEA Part B FY2013	IDEA Part B 611 FY2014 84	IDEA
Cash and investments - beginning	\$ -	\$ (122,325)	\$ 2	\$ (2,220)	\$ -	\$ -	\$ 1	\$ (154,823)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	33,566	148,023	-	-	-	-	-	-
Federal sources	-	-	-	251,243	157,739	-	-	559,187
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>33,566</u>	<u>148,023</u>	<u>-</u>	<u>251,243</u>	<u>157,739</u>	<u>-</u>	<u>-</u>	<u>559,187</u>
Disbursements:								
Instruction	31,655	-	-	216,363	34,961	-	-	349,095
Support services	-	112,335	-	31,161	134,233	-	-	55,270
Noninstructional services	-	-	-	1,499	4,271	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>31,655</u>	<u>112,335</u>	<u>-</u>	<u>249,023</u>	<u>173,465</u>	<u>-</u>	<u>-</u>	<u>404,365</u>
Excess (deficiency) of receipts over disbursements	<u>1,911</u>	<u>35,688</u>	<u>-</u>	<u>2,220</u>	<u>(15,726)</u>	<u>-</u>	<u>-</u>	<u>154,822</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,911</u>	<u>35,688</u>	<u>-</u>	<u>2,220</u>	<u>(15,726)</u>	<u>-</u>	<u>-</u>	<u>154,822</u>
Cash and investments - ending	<u>\$ 1,911</u>	<u>\$ (86,637)</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ (15,726)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (1)</u>

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Part B 611 FY2016	Part B TA FY2014	Part B TA Amended 2014	Part B 611 FY14 Amended	IDEA Part B (619) FY 14 84.173A	IDEA Part B (619) FY2015	IDEA Part B (619) FY2016	Title IIA #12-14
Cash and investments - beginning	\$ -	\$ -	\$ (1,791)	\$ -	\$ -	\$ (4,575)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	890,621	-	11,580	2,125	-	5,477	30,769	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>890,621</u>	<u>-</u>	<u>11,580</u>	<u>2,125</u>	<u>-</u>	<u>5,477</u>	<u>30,769</u>	<u>-</u>
Disbursements:								
Instruction	779,471	-	9,790	2,124	-	-	-	-
Support services	216,352	-	-	-	-	902	33,846	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>995,823</u>	<u>-</u>	<u>9,790</u>	<u>2,124</u>	<u>-</u>	<u>902</u>	<u>33,846</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(105,202)</u>	<u>-</u>	<u>1,790</u>	<u>1</u>	<u>-</u>	<u>4,575</u>	<u>(3,077)</u>	<u>-</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(105,202)</u>	<u>-</u>	<u>1,790</u>	<u>1</u>	<u>-</u>	<u>4,575</u>	<u>(3,077)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (105,202)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,077)</u>	<u>\$ -</u>

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2016
 (Continued)

	Title IIA #13-15 CFDA 84.367	Title IIA #15-17	Title IIA #14-16	Title III 2013-2015 CFDA 84.365A	Title III 2014-2016	Title III 2015-2017	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (9,294)	\$ -	\$ (1,832)	\$ -	\$ 295,210	\$ 26,045,145
Receipts:								
Local sources	-	-	-	-	-	-	-	38,824,789
Intermediate sources	-	-	-	-	-	-	-	30,640
State sources	-	-	-	-	-	-	-	49,537,914
Federal sources	580	22,687	44,665	4,389	6,992	14,902	-	3,260,803
Temporary loans	-	-	-	-	-	-	-	5,076,215
Other receipts	-	-	-	-	-	-	13,951,064	13,951,451
Total receipts	580	22,687	44,665	4,389	6,992	14,902	13,951,064	110,681,812
Disbursements:								
Instruction	580	26,637	35,431	4,389	5,257	16,164	-	38,935,013
Support services	-	-	-	-	-	-	-	24,109,564
Noninstructional services	-	-	-	-	-	-	-	4,346,040
Facilities acquisition and construction	-	-	-	-	-	-	-	4,596,358
Debt service	-	-	-	-	-	-	-	25,911,037
Nonprogrammed charges	-	-	-	-	-	-	14,070,113	14,070,113
Total disbursements	580	26,637	35,431	4,389	5,257	16,164	14,070,113	111,968,125
Excess (deficiency) of receipts over disbursements	-	(3,950)	9,234	-	1,735	(1,262)	(119,049)	(1,286,313)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	3,982,140
Sale of capital assets	-	-	-	-	-	-	-	23,163
Transfers in	-	-	-	-	-	-	-	399,772
Transfers out	-	-	-	-	-	-	-	(399,772)
Total other financing sources (uses)	-	-	-	-	-	-	-	4,005,303
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(3,950)	9,234	-	1,735	(1,262)	(119,049)	2,718,990
Cash and investments - ending	\$ -	\$ (3,950)	\$ (60)	\$ -	\$ (97)	\$ (1,262)	\$ 176,161	\$ 28,764,135

BROWNSBURG COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF PAYABLES AND RECEIVABLES
 June 30, 2016

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ -</u>	<u>\$ 129,372</u>

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Brownsburg 1999 School Bldg Corp	FMRIB 2008	\$ 1,450,000	7/15/2008	1/15/2028
Brownsburg 1999 School Bldg Corp	FMRIB 2012	1,076,000	8/1/2012	2/1/2022
Brownsburg 1999 School Bldg Corp	FMB 2013A	790,000	8/1/2014	2/1/2034
Brownsburg 1999 School Bldg Corp	FMB 2013B	37,000	8/1/2014	2/1/2034
Brownsburg 1999 School Bldg Corp	FMRB 2015A	6,405,000	1/15/2016	1/15/2024
Brownsburg 1999 School Bldg Corp	FMRB 2015B	6,102,000	1/15/2016	1/15/2026
Brownsburg 1999 School Bldg Corp	FMRB 2016A	340,000	8/5/2016	2/5/2027
Brownsburg 1999 School Bldg Corp	FMRB 2016B	2,162,500	8/5/2016	2/5/2028
Copier Consultants	Copy Machines	3,201	7/15/2011	7/15/2016
State Bank of Lizton	Bleacher	91,948	9/1/2013	3/1/2023
State Bank of Lizton	Turf	72,958	9/1/2013	3/1/2023
Synovia Monitoring Service	GPS Systems	<u>32,244</u>	7/31/2012	7/6/2015
Total of annual lease payments		<u>\$ 18,562,851</u>		

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities:		
General obligation bonds	Qualified School Construction Bonds Series 2009	\$ 1,990,000 \$ 14,925
General obligation bonds	Qualified School Construction Bonds Series 2010	1,950,000 107,055
General obligation bonds	School Severance 2013A Ref (Taxable)	2,590,000 697,791
General obligation bonds	General Obligation Bonds Series 2015	3,870,000 1,247,046
Tax anticipation warrants	2016 Advance Funding Program	5,078,622 5,132,484
Notes and loans payable	Common School Loan A0601	1,781,373 169,230
Notes and loans payable	Common School Loan A0609	<u>1,791,000 170,145</u>
Totals		<u>\$ 19,050,995 \$ 7,538,676</u>

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BROWNSBURG COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2016

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	\$ 8,821,778
Infrastructure	1,440,842
Buildings	245,093,571
Improvements other than buildings	9,595,177
Machinery, equipment, and vehicles	18,070,583
 Total capital assets	 \$ 283,021,951

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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 BROWNSBURG COMMUNITY SCHOOL CORPORATION, HENDRICKS COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Brownsburg Community School Corporation'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, 2014 to June 30, 2016. 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 each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. Except as discussed in the following paragraph, 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.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in item 2016-006 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the School Corporation with the Child Nutrition Cluster regarding Eligibility. Consequently, we were unable to determine whether the School complied with these requirements applicable to the program.

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

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the School Corporation's compliance with the requirements of Child Nutrition Cluster regarding Eligibility, described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Child Nutrition Cluster for the period of July 1, 2014 to June 30, 2016.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2014 to June 30, 2016.

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 2016-002, 2016-005, 2016-007, 2016-008, and 2016-009. 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.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001, 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, 2016-008, 2016-009, and 2016-010 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

August 7, 2017

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.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Department of Agriculture							
Child Nutrition Cluster School Breakfast Program	Indiana Department of Education	10.553	3305	\$ -	\$ 168,191	\$ -	\$ 197,620
National School Lunch Program National School Lunch Program - Commodities	Indiana Department of Education	10.555	3305 3305	- -	1,096,705 207,743	- -	1,060,227 229,441
Total - National School Lunch Program				-	1,304,448	-	1,289,668
Total - Child Nutrition Cluster				-	1,472,639	-	1,487,288
Total - Department of Agriculture				-	1,472,639	-	1,487,288
Department of Education							
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	14-3305 15-3305 16-3305	- - -	296,138 118,399 -	- - -	- 251,243 157,739
Total - Title I Grants to Local Educational Agencies				-	414,537	-	408,982
Special Education Cluster (IDEA) Special Education_Grants to States	Indiana Department of Education	84.027	14213-063-PN01 14214-159-PN01 14215-159-PN01 14216-128-PN01	- - - -	6,383 501,765 806,685 -	- - - -	- 2,125 559,187 890,621
Technical Assistance FY14			99914-159-TA01	-	14,145	-	11,580
Total - Special Education_Grants to States				-	1,328,978	-	1,463,513
Special Education_Preschool Grants	Indiana Department of Education	84.173	45714-063-PN01 45715-159-PN01 45716-128-PN01	- - -	1,175 31,165 -	- - -	- 5,477 30,769
Total - Special Education_Preschool Grants				-	32,340	-	36,246
Total - Special Education Cluster (IDEA)				-	1,361,318	-	1,499,759

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

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016
(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	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
<u>Department of Education (continued)</u>							
English Language Acquisition State Grants	Indiana Department of Education	84.365	01114-007-PN01	-	8,013	-	4,389
			01115-030-PN01	-	17,036	-	6,992
			01116-030-PN01	-	-	-	14,902
Total - English Language Acquisition State Grants				-	25,049	-	26,283
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	12-3305	-	572	-	-
			13-3305	-	21,538	-	580
			14-3305	-	34,296	-	44,665
			15-3305	-	-	-	22,687
Total - Improving Teacher Quality State Grants				-	56,406	-	67,932
Total - Department of Education				-	1,857,310	-	2,002,956
<u>Department of Health and Human Services</u>							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778	FY 14/15	-	15,369	-	-
			FY 15/16	-	-	-	18,187
Total - Medical Assistance Program				-	15,369	-	18,187
Total - Department of Health and Human Services				-	15,369	-	18,187
<u>Department of Homeland Security</u>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	FY 14/15	-	21,188	-	-
Total - Department of Homeland Security				-	21,188	-	-
Total federal awards expended				\$ -	\$ 3,366,506	\$ -	\$ 3,508,431

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

BROWNSBURG COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

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. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified opinion on all major programs except the Child Nutrition Cluster, which was qualified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

No matters are reportable.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-001 - CASH MANAGEMENT AND REPORTING

Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 15-3305, 16-3305
Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Cash Management and Reporting compliance requirements.

Context

We selected a sample of four Title 1 reimbursement requests submitted during the audit period for testing. The reimbursement requests are prepared by the Special Funding Program Facilitator and reviewed and approved by the Director of Finance prior to the submission of the request. However, each of the reimbursement requests tested did not have sufficient tangible audit evidence to indicate proper management review, oversight, or approval occurred prior to the School Corporation's submission of the requests.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls over the Cash Management and Reporting compliance requirements, which would have prevented, or detected and corrected, material noncompliance.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Cash Management and Reporting compliance requirements.

Views of Responsible Officials

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

FINDING 2016-002 - ELIGIBILITY

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 15-3305, 16-3305

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Eligibility compliance requirement. The School Corporation was unable to provide tangible documentation of the student's eligibility review process conducted by the building level staff. Additionally, management had not retained documentation to support the eligibility determinations made during the audit period.

Context

We selected a sample of 40 individuals that received Title I services during the audit period for testing. Building level staff conducted quarterly meetings in which student eligibility was discussed and approved. However, management had not retained the documentation from the quarterly meetings to substantiate the eligibility determinations for 13 of the 40 individuals tested, including students receiving Title 1 services at nonpublic schools.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

34 CFR 74.53(b) states in part:

"Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Secretary"

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not developed a system of internal controls over the Eligibility compliance requirement, which would have prevented, or detected and corrected, material noncompliance.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance of the grant agreement or compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Eligibility compliance requirement to ensure that compliance is met and proper supporting documentation is maintained.

Views of Responsible Officials

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

FINDING 2016-003 - SPECIAL TESTS AND PROVISIONS - COMPARABILITY

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 15-3305, 16-3305

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

Context

All of the annual comparability reports submitted by the School Corporation during the audit period were tested. Management had not implemented an effective internal control to ensure the accuracy of the reports, such as a secondary review, oversight, or approval or other compensating control.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls over the Special Tests and Provisions - Comparability compliance requirement, which would have prevented, or detected and corrected, material noncompliance.

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 requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

Views of Responsible Officials

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

FINDING 2016-004 - SPECIAL TESTS AND PROVISIONS - HIGHLY QUALIFIED TEACHERS AND PARAPROFESSIONALS

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 15-3305, 16-3305

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirement.

Context

We selected a sample of four Title 1 teachers or paraprofessionals that were hired during the audit period. Building level staff made recommendations to hire certain individuals. Each individual's education and qualifications were verified by the Human Resource Department to ensure the Title I teachers or paraprofessionals were highly qualified. Information was provided to a hiring committee which approved these individuals for hire. However, each one of the individuals tested did not have sufficient tangible audit evidence to substantiate that review or approval had occurred by the hiring committee prior to the School Corporation hiring these individuals.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls over the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirement, which would have prevented, or detected and corrected, material noncompliance.

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 requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Special Tests and Provisions - Highly Qualified Teachers and Paraprofessionals compliance requirement.

Views of Responsible Officials

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

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2016-005 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-063-PN01, 14214-159-PN01,
14215-159-PN01, 14216-128-PN01,
45714-063-PN01, 45715-159-PN01,
45716-128-PN01

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. Salaries paid to Special Education teachers for extracurricular activities during the audit period were paid with Special Education federal grant funds, which is not an allowable cost.

Context

We selected a sample of 40 payroll transactions paid with Special Education Grant funds during the audit period. During our testing, we identified 5 out of the 40 transactions in which the employee's extracurricular salaries were improperly charged to the Special Education federal grant. We expanded our testing and found two additional employee's extracurricular salaries also being improperly charged to the Special Education grant.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A-87, Attachment A, Part C, states in part:

"1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

- a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- b. Be allocable to Federal awards under the provisions of this Circular.
- c. Be authorized or not prohibited under State or local laws or regulations.
- d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- g. Except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles.
- h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- i. Be the net of all applicable credits.
- j. Be adequately documented. . . ."

2 CFR 200.405(a) states in part:

"A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- (1) Is incurred specifically for the Federal award;
- (2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
- (3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart. . . ."

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not developed a system of internal controls over the Allowable Costs/Cost Principles compliance requirement, which would have prevented, or detected and corrected, material noncompliance.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance of the grant agreement or compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

The total of known questioned costs is \$13,800.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement to ensure that only allowable costs are charged to the federal program.

Views of Responsible Officials

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

FINDING 2016-006 - ELIGIBILITY

Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): 3305
Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Eligibility compliance requirement. The School Corporation is required to determine eligibility of students for the Child Nutrition Free and Reduced Lunch programs. Management had not retained the application population from their electronic system nor had they retained the documentation to support the eligibility determinations made by the electronic system during the audit period.

Context

Since the School Corporation did not retain eligibility populations and the documentation to support the eligibility determinations made by their electronic system, we could not test the requirement of Eligibility for compliance.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 3016.20(b)(2) states:

"*Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

7 CFR 3016.42 states in part:

"(a) *Applicability.*

(1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:

(i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or

(ii) Otherwise reasonably considered as pertinent to the program regulations or the grant agreement. . . .

(b) *Length of retention period.*

(1) Except as otherwise provided, records must be retained for three years . . ."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not established an effective system of internal control to ensure that documentation was maintained and made available for audit relating to the Eligibility compliance requirement.

Effect

The failure to retain or provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the Eligibility compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure that documentation was maintained and made available for audit relating to the Eligibility compliance requirement.

Views of Responsible Officials

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

FINDING 2016-007 - REPORTING

Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): 3305
Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement. Additionally, our testing revealed that the number of breakfast and lunch meals claimed on the February 2015 reimbursement request were inaccurate.

Context

The School Corporation is required to submit a monthly Sponsor Claim (claims for reimbursement), an Annual Financial Report, and an Annual Verification Summary for the Child Nutrition programs. Based on the testing completed for these required reports, management had not established an internal control to ensure the accuracy of the reports, such as a secondary review, oversight, or approval.

Our testing of the Monthly Claims for Reimbursement revealed inaccurate breakfast and lunch meal counts being claimed for reimbursement for February 2015. Sales and Meal Count Reports for the month total 890 breakfast meals being served, and lunch meals served as 6,420. However, the meal counts reported and claimed for reimbursement through Indiana Department of Education are 2,019 and 7,185, respectively. The breakfast meal counts were overstated by 1,129 meals and the lunch meal counts by 765 meals.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 210.7(c) states in part:

"Reimbursement limitations. To be entitled to reimbursement under this part, each school food authority shall ensure that Claims for Reimbursement are limited to the number of free, reduced price and paid lunches and meal supplements that are served to children eligible for free, reduced price and paid lunches and meal supplements, respectively, for each day of operation.

(1) *Lunch count system.* To ensure that the Claim for Reimbursement accurately reflects the number of lunches and meal supplements served to eligible children, the school food authority shall, at a minimum: . . .

(iii) Base Claims for Reimbursement on lunch counts, taken daily at the point of service, which correctly identify the number of free, reduced price and paid lunches served to eligible children;

(iv) Correctly record, consolidate and report those lunch and supplement counts on the Claim for Reimbursement; and

(v) Ensure that Claims for Reimbursement do not request payment for any excess lunches produced, as prohibited in §210.10(a)(2), or non-Program lunches (i.e., a la carte or adult lunches) or for more than one meal supplement per child per day. . . ."

Cause

Management had not developed a system of internal controls over the Reporting compliance requirement, which would have prevented, or detected and corrected, material noncompliance.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance of the grant agreement or compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

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

FINDING 2016-008 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): 3305

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. The School Corporation did not complete the Semi-Annual Certifications for food service staff for the 2014-2015 school year.

Context

The School Corporation was required to complete and maintain Semi-Annual Certifications for all full and part-time food service employees, who were expected to work solely within the food service department. During our testing performed, it was determined that the School Corporation did not maintain the Semi-Annual Certifications for the required employees who were paid with Child Nutrition grant funds for the 2014-2015 school year.

Criteria

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. . . ."

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A-87, Attachment B, item 8h(3) states:

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

Cause

Management had not developed a system of internal controls over the Allowable Costs/Cost Principles compliance requirement, which would have prevented, or detected and corrected, material noncompliance.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirement could result in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement listed above. We also recommended that the School Corporation complete and maintain the Semi-Annual Certifications for the food service employees.

Views of Responsible Officials

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

FINDING 2016-009 - EQUIPMENT AND REAL PROPERTY MANAGEMENT

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): 3305

Pass-Through Entity: Indiana Department of Education

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Equipment and Real Property Management compliance requirement. Equipment purchased with Child Nutrition federal grant funds during the audit period was not recorded appropriately. The proper federal documentation was not maintained.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

We reviewed all of the equipment purchases that individually exceeded \$5,000. The School Corporation recorded these items on their capital asset register; however, the appropriate federal information was not documented, including the percentage of federal funds used and the federal program from which it was purchased.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 3016.32 states in part:

". . . (b) . . . Other grantees and subgrantees will follow paragraphs (c) through (e) of this section. . . ."

(d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. . . ."

2 CFR 200.33 states:

"*Equipment* means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000."

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.313 states in part:

". . . (b) . . . Other non-Federal entities must follow paragraphs (c) through (e) of this section. . . .

(d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property. . . ."

Cause

Management had not developed a system of internal controls over the Equipment and Real Property Management compliance requirement, which would have prevented, or detected and corrected, material noncompliance.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Equipment and Real Property Management compliance requirement to ensure that proper documentation is maintained for federally purchased equipment.

Views of Responsible Officials

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

FINDING 2016-010 - SPECIAL TESTS AND PROVISIONS - VERIFICATION OF FREE AND REDUCED LUNCH APPLICATIONS AND PAID LUNCH EQUITY

Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): 3305
Pass-Through Entity: Indiana Department of Education

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

Management of the School Corporation had not established an effective internal control system related to the grant agreement and the Special Test and Provision - Verification of Free and Reduced Lunch Applications (NSLP) and the Special Test and Provision - Paid Lunch Equity compliance requirements.

Context

Special Tests and Provisions - Verification of Free and Reduced Lunch Applications (NSLP)

Management of the School Corporation completed the required verification process for free and reduced lunch applications and submitted appropriate reports during the audit period. However, the School Corporation had not implemented an effective internal control system to ensure the accuracy of the verification process and required report, such as proper oversight, review, or approval, or other compensating control.

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)

Management of the School Corporation materially complied with the Paid Lunch Equity requirements for the Child Nutrition federal grant. However, the School Corporation had not implemented an effective internal control system to ensure the accuracy of the paid lunch equity calculations, such as proper oversight, review, or approval, or other compensating control.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls over the Special Test and Provision - Verification of Free and Reduced Lunch Applications (NSLP) and the Special Test and Provision - Paid Lunch Equity compliance requirements, which would have prevented, or detected and corrected, material noncompliance.

BROWNSBURG COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Special Test and Provision - Verification of Free and Reduced Lunch Applications and the Special Test and Provision - Paid Lunch Equity compliance requirements.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014 - 001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). For fiscal year 2013, the School under reported the SEFA by \$944,605, and for 2014 the School under reported the SEFA by \$1,568,427. The School should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: The School did not report any amounts for the Child Nutrition Cluster and reported expenses on the 2013 SEFA instead of amounts received for reimbursement. Audit adjustments were proposed, accepted by the school corporation, and made to the SEFA presented in this report.

Status of Audit Finding:

Contact Person Responsible for Corrective Action: Director of Finance
Contact Phone Number: 317-852-5726

Description of Corrective Action Plan:

1. Between the dates of July 1 and July 15 of each calendar year a Fund Detail Report will be generated by the Deputy Treasurer. This report will be for the time period July 1 to June 30 of the following year.
2. The Director of Finance will verify the accuracy of this data.
3. The Director of Finance will provide this data to the Supervisor of Food Services and Director of Operations.
4. The Supervisor of Food Services will verify the receipts and disbursements.
5. The Supervisor of Food Services will then provide the Special Programs Funding Facilitator with proper data to input into the Gateway Annual Financial Report.
6. This report will be completed prior to the statutory deadline of September 1

The processes and procedures described above for this audit finding were implemented as of March 28, 2016. The implementation of these procedures did not take place until this time due to the audit for the July 2012 to June 2014 not being finalized until this point. When these findings were issued, we made the adjustments described to correct the issue.

FINDING 2014-002 - INTERNAL CONTROL OVER REPORTING

Federal Agency: Department of Agriculture

Federal Program: Child Nutrition Cluster

CFDA Number: 10.555

Federal Award Number and Year (or Other Identifying Number): FY 2013 and FY 2014

Pass-Through Entity: Indiana Department of Education

Management of the school has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Reporting.

The meal count numbers being uploaded into the Indiana Department of Education's system were not in agreement with supporting documentation during November of 2012 and October of 2013. Sales and Meal Count reports for the two months total 57,291 meals being served, while the meal counts reported to IDOE are 57,426. The meal counts were overstated by 135 total meals.

The failure to establish an effective internal control system places the school at risk of noncompliance with the grant agreement and 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.

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.

Status of Audit Finding:

Contact Person Responsible for Corrective Action: Supervisor of Food Services

Contact Phone Number: 317-852-5726

Description of Corrective Action Plan:

The process resulting in this finding was the manual tracking of student meals served at a remote site (Harris Academy) from the main serving kitchen (West Middle School). With the installation of a full kitchen at Harris, this process has been halted for the past two years.

In addition, BCSC's Food Services Department now requires all meal transactions to be processed through the department's Point Of Sale system; manual documentation and tracking of student meals is no longer permitted. The POS system provides the ability for edit checks to be made at regular intervals. The Food Services Supervisor reviews the edit checks daily and individual school Food Service Managers are required to review and sign off on their edit checks monthly.

The processes and procedures described above for this audit finding were implemented as of March 28, 2016. The implementation of these procedures did not take place until this time due to the audit for the July 2012 to June 2014 not being finalized until this point. When these findings were issued, we made the adjustments described to correct the issue.

FINDING 2014-003 - INTERNAL CONTROL OVER ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Agriculture
Federal Program: Child Nutrition Cluster
CFDA Number: 10.555
Federal Award Number and Year (or Other Identifying Number): FY 2013 and 2014
Pass-Through Entity: Indiana Department of Education

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): 12-3305 and 13-3305
Pass-Through Entity: Indiana Department of Education

Federal Agency: Department of Education
Federal Program: English Language Acquisition State Grants
CFDA Number: 84.365
Federal Award Number and Year (or Other Identifying Number): 0112-027-PN01, 0113-027-PN01, and 0114-027-PN01
Pass-Through Entity: Indiana Department of Education

Federal Agency: Department of Education
Federal Program: Improving Teacher Quality State Grants
CFDA Number: 84.367
Federal Award Number and Year (or Other Identifying Number): 10-3305, 11-3305, 12-3305, and 13-3305
Pass-Through Entity: Indiana Department of Education

Management of the School has not established an effective internal control system over compliance requirements relating to allowable costs/cost principles.

The school corporation was required to keep time and effort reports on all full and part time employees paid from the Title I, Title II, Title III, and Child Nutrition Cluster grants. There were no time and effort reports completed for these grants during the audit period.

The failure to establish an effective internal control system places the school at risk of noncompliance with the grant agreement and 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.

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.

Status of Audit Finding:

Contact Person Responsible for Corrective Action: Director of Finance
Contact Phone Number: 317-852-5726

Description of Corrective Action Plan:

With regard to certification of payroll for U.S. Department of Agriculture grant funds administered through the School Breakfast and National School Lunch Programs, the BCSC Food Services Department is now submitting the necessary certifications. Because all BCSC Food Services staff are paid only through the Food Service Fund, the certification is being submitted for all staff by the BCSC Food Services Supervisor. The Semi-Annual Employee Certification Form is first verified by each building level cafeteria manager and then confirmed by the Corporation Supervisor of Food Services in order to have a higher level of internal controls and segregation of duties.

With regard to certification of payroll for U. S. Department of Education Title I Grants to LEAs, the BCSC Coordinator of Curriculum and Special Programs began submitting necessary certifications with the 2014-2015 school year. BCSC staff who are split-funded maintain monthly Time & Effort logs while staff paid solely through Title I are verified with Semi-Annual Certification. Both the Time & Effort Logs and the Semi-Annual Certification forms are first verified by building level administrators and then confirmed by the Coordinator of Curriculum and Special Programs (Title I grant administrator) in order to have a higher level of internal controls and segregation of duties.

With regard to certification of payroll for U. S. Department of Education English Language Acquisition State Grants, the BCSC Coordinator of Curriculum and Special Programs began submitting necessary certifications with the 2013-2014 school year. BCSC staff who are split-funded maintain monthly Time & Effort logs while staff paid solely through Title III are verified with Semi-Annual Certification. Both the Time & Effort Logs and the Semi-Annual Certification forms are first verified by building level administrators and then confirmed by the Coordinator of Curriculum and Special Programs (Title III grant administrator) in order to have a higher level of internal controls and segregation of duties.

With regard to certification of payroll for U. S. Department of Education Improving Teacher Quality State Grants, the BCSC Coordinator of Curriculum and Special Programs began submitting necessary certifications with the 2014-2015 school year. BCSC staff who are split-funded maintain monthly Time & Effort logs while staff paid solely through Title IIA are verified with Semi-Annual Certification. Both the Time & Effort Logs and the Semi-Annual Certification forms are first verified by building level administrators and then confirmed by the Coordinator of Curriculum and Special Programs (Title IIA grant administrator) in order to have a higher level of internal controls and segregation of duties.

The processes and procedures described above for this audit finding were implemented as of March 28, 2016. The implementation of these procedures did not take place until this time due to the audit for the July 2012 to June 2014 not being finalized until this point. When these findings were issued, we made the adjustments described to correct the issue.



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CORRECTIVE ACTION PLAN

FINDING 2016-001 CASH MANAGEMENT AND REPORTING

Contact Person Responsible for Corrective Action: Coordinator of Curriculum & Special Programs
Contact Phone Number: 317-852-5726

Views of Responsible Official: We concur with finding. This process of review was in place during this audit period. The issue of tangible audit evidence was not made aware to BCSC in the previous audit completed just over a year ago. The issue at hand was not due to a lack of internal controls, but simply a lack of tangible evidence of internal controls.

Description of Corrective Action Plan:

1. The Director of Finance designee will prepare a spreadsheet summarizing the expenses for the month for the Title I program. That spreadsheet would be sent to the Coordinator of Curriculum and Special Programs for review.
2. The Coordinator of Curriculum and Special Programs will review the data and the Coordinator of Curriculum and Special Programs will reply to each email verifying the accuracy of each Federal program prior to the reimbursement request.
3. The Director of Finance will finalize the review process prior to signing off on submission of the report.
4. The Business Office will also print the email verification and sign offs and attach printed copies to the request for reimbursement.

Anticipated Completion Date: Corrective action began in April 2017 with email verification on reimbursement requests prior to submission of request.

FINDING 2016-002 - ELIGIBILITY

Contact Person Responsible for Corrective Action: Coordinator of Curriculum & Special Programs
Contact Phone Number: 317-852-5726

Views of Responsible Official: We concur with finding. This process of review was in place during this audit period. The issue of tangible audit evidence was not made aware to BCSC in the previous audit completed just over a year ago. The issue at hand was not due to a lack of internal controls, but simply a lack of tangible evidence of internal controls. Feedback from an Indiana Department of Education on a site monitoring visit in February 2015 indicated that the procedure for selecting students during building PLC meetings was adequate. However, copies of PLC agendas were not available for the audit team to review along with the data information that was provided. After discussion with the audit team, the Coordinator of Curriculum and Special Programs met with principals of Title I schools on June 7, 2017 to discuss needed documentation for eligibility of students.



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Description of Corrective Action Plan:

1. Principals will work with grade level teacher teams to gather the PLC agenda notes each time an eligibility determination is made.
2. These notes will be collected for the school year and passed to the Coordinator of Curriculum and Special Programs at the end of each school year for future audit review.

Anticipated Completion Date: Process begins with the 2017-2018 School Year

FINDING 2016-003 – SPECIAL TESTS AND PROVISIONS - COMPARABILITY

Contact Person Responsible for Corrective Action: Coordinator of Curriculum & Special Programs
Contact Phone Number: 317-852-5726

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

1. The Coordinator of Curriculum and Special Programs will compile the data and prepare the report on an annual basis. Additionally, this individual will sign off on the accuracy of the report.
2. The report will then be submitted to the Assistant Superintendent for Curriculum who will review the data and sign off on the accuracy of the report.
3. Beginning with the 2017 Comparability Report, 2 signatures will be affixed to each report as a secondary review/oversight to ensure accuracy.

Anticipated Completion Date: October 2017



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FINDING 2016-004 SPECIAL TESTS AND PROVISIONS – HIGHLY QUALIFIED TEACHERS AND PARAPROFESSIONALS

Contact Person Responsible for Corrective Action: Coordinator of Curriculum and Special Program
Contact Phone Number: 317-852-5726

Views of Responsible Official: We concur with finding.

Description of Corrective Action Plan:

1. The Coordinator of Curriculum and Special Programs will review the potential list of staff to be paid through Title I funding. The Coordinator of Curriculum and Special Programs will review the list for any potential staff who do not qualify as Highly Qualified Teachers and Para professionals.
2. The Coordinator of Curriculum and Special Programs will then submit the list to the Director of Human Resources for review.
3. Prior to any staff being paid through Title I funding, the Coordinator of Curriculum and Special Programs will confer with the Human Resources Director to ensure that certified and non-certified staff have appropriate documentation on file as proof of Highly Qualified status.
4. The Director of Human Resources will review the list and verify the staff have appropriate documentation on file as proof of Highly Qualified status.
5. Beginning with the 2017-2018 school year, that secondary oversight will include an email verification for documentation purposes.

Anticipated Completion Date: October 2017

FINDING 2016-005 ALLOWABLE COSTS/COST PRINCIPLES

Contact Person Responsible for Corrective Action: Director of Finance
Contact Phone Number: 317-852-5726

Views of Responsible Official: We concur with finding.

Description of Corrective Action Plan:

1. Human Resources has prepared a report detailing the finding and the dollars used to pay ECA stipends out of the Special Education grant funding.
2. Human Resources then in coordination with the Director of Special Education transferred the monies incorrectly paid out of the Special Education grant back into the correct, corresponding year Special Education grant to reimburse those dollars.
3. Human Resources then corrected the distribution codes of the ECA dollars associated with these staff members so this issue would be resolved and not continue forward for those individuals identified.
4. Human Resources in conjunction with the Director of Finance will ensure that all ECA dollars are paid out of the General Fund for all staff moving forward.
5. Moving forward, any new staff hired that will be paid out of a special education grant, federal grant, or similar program will be reviewed by the Human Resources department.



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6. The Human Resources department will then make a recommendation of what distribution codes each staff member will be paid from for the following year to the Director of Finance.
7. The Director of Finance will review the recommendation and approve any final changes made to the distribution codes associated with these staff members.
8. The Director of Finance will respond in a tangible manner to the request from Human Resources on all final changes made to distribution codes associated with these staff members.

Anticipated Completion Date: July 2017

FINDING 2016-006 ELIGIBILITY

Contact Person Responsible for Corrective Action: Nutrition Services Coordinator
Contact Phone Number: 317-852-5726

Views of Responsible Official: We concur with finding.

Description of Corrective Action Plan:

1. The Nutrition Services Department will keep a copy of each letter sent to families for indication of eligibility determination, as well as prepare an electronic report at the end of each school year that details the application population for that school year.
2. The Nutrition Services Coordinator will review the data and sign off of the accuracy of the report.
3. Prior to submission, the Nutrition Services Coordinator will submit the report to the Chief Operations Officer for review and sign off.

Anticipated Completion Date: October 2017

FINDING 2016-007 REPORTING

Contact Person Responsible for Corrective Action: Nutrition Services Coordinator
Contact Phone Number: 317-852-5726

Views of Responsible Official: We concur with finding.

Description of Corrective Action Plan:

1. The Nutrition Services Coordinator will review and verify the Monthly Claim for Reimbursement prior to submission.
2. The Nutrition Services Coordinator will send the Monthly Claim to the Chief Operations Officer for review and approval prior to submission.
3. Once the Chief Operations Officer reviews and signs off on the Monthly Claim, the Nutrition Services Coordinator will submit the Monthly Claim.

Anticipated Completion Date: August 2017



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FINDING 2016-008 ALLOWABLE COSTS/PRINCIPLES

Contact Person Responsible for Corrective Action: Nutrition Services Coordinator
Contact Phone Number: 317-852-5726

Views of Responsible Official: We concur with finding.

Description of Corrective Action Plan:

1. The Nutrition Services Coordinator will maintain Semi-Annual Certifications for all full and part time food services employees.
2. The Nutrition Services Coordinator will report these Certifications to the Chief Operations Officer to ensure compliance.
3. Prior to submission, the Nutrition Services Coordinator will submit the report to the Chief Operations Officer for review and sign off.

Anticipated Completion Date: August 2017

FINDING 2016-009 EQUIPMENT AND REAL PROPERTY

Contact Person Responsible for Corrective Action: Nutrition Services Coordinator
Contact Phone Number: 317-852-5726

Views of Responsible Official: We concur with finding.

Description of Corrective Action Plan:

1. The Nutrition Services Coordinator will maintain a database of all equipment purchases that exceed \$5,000.
2. The Nutrition Services Coordinator will forward this information to the Director of Finance to be included in the corporation asset management program.
3. The Nutrition Services Coordinator and Director of Finance will work cooperatively to calculate the percentage of federal funds used and the federal program from which the equipment was purchased in order to maintain compliance with the Equipment and Real Property Management guidelines.

Anticipated Completion Date: August 2017



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FINDING 2016-010 SPECIAL TESTS AND PROVISIONS

Contact Person Responsible for Corrective Action: Nutrition Services Coordinator

Views of Responsible Official: We concur with finding.

Description of Corrective Action Plan:

1. Nutrition Services Coordinator will collect verification data from families randomly selected by WebSmart program verify for Verification process.
2. Nutrition Services Coordinator will enter the results back into WebSmart program.
3. Nutrition Services Coordinator will print verification summary report from WebSmart which will then be used to enter the information into the DOE Verification process.
4. Prior to submission, the Nutrition Services Coordinator will print off both the WebSmart report and the DOE submission report to be verified by the Chief Operations Officer.
5. Once the reports have been verified for accuracy and signed off by the Chief Operations Officer, the Nutrition Services Coordinator will submit the report.
6. Nutrition Services Coordinator will collect the Paid Lunch Equity data and prepare DOE report for submission.
7. Prior to submission, the Nutrition Services Coordinator will submit the report to the Chief Operations Officer for review and sign off.

Anticipated Completion Date: August 2017

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.