

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

FINANCIAL STATEMENTS AND  
FEDERAL SINGLE AUDIT REPORT  
OF

BATESVILLE COMMUNITY SCHOOL CORPORATION  
RIPLEY COUNTY, INDIANA

July 1, 2015 to June 30, 2017



**FILED**  
12/28/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Todd W. Nobbe	07-01-15 to 06-30-19
Superintendent of Schools	Dr. James S. Roberts William Narwold (interim) Paul Ketcham	07-01-15 to 06-30-16 07-01-16 to 12-31-16 01-01-17 to 06-30-20
President of the School Board	Jeremy Raver	07-01-15 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE BATESVILLE COMMUNITY SCHOOL CORPORATION, RIPLEY COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Batesville Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, 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.

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

As discussed in Note 1 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, 2015 to June 30, 2017.

***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, 2015 to June 30, 2017, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

November 13, 2018



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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 BATESVILLE COMMUNITY SCHOOL  
CORPORATION, RIPLEY 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 Batesville Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated November 13, 2018, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

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

**Compliance and Other Matters**


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

**Batesville Community School Corporation's Response to Findings**

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

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

November 13, 2018

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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.

BATESVILLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 1,126,014	\$ 14,014,961	\$ 13,901,039	\$ 145,895	\$ 1,385,831	\$ 14,244,999	\$ 15,050,974	\$ 160,563	\$ 740,419
Debt Service	1,128,247	1,974,654	1,860,483	-	1,242,418	2,390,323	2,187,216	-	1,445,525
Capital Projects	1,200,798	2,637,431	2,667,054	151,235	1,322,410	2,617,414	2,623,673	131,128	1,447,279
Transportation Operating	1,046,342	1,424,814	1,281,378	(151,458)	1,038,320	1,447,784	1,289,921	(162,575)	1,033,608
TR School Bus Replacement	206,695	170,364	272,830	-	104,229	170,844	210,668	-	64,405
Rainy Day	2,049	62,889	52,189	160,000	172,749	-	179,898	166,000	158,851
BHS 2016 Project	-	-	476,353	-	(476,353)	-	62,327	529,330	(9,350)
BPS Bond - 2014	20,646	-	48,689	42,013	13,970	-	13,970	-	-
School Lunch	210,220	1,006,469	1,047,995	-	168,694	1,015,684	1,040,894	-	143,484
Textbook Rental	88,954	296,959	247,283	-	138,630	319,297	353,715	-	104,212
Levy Excess	68	-	-	-	68	-	-	-	68
Book Store Days Caf	-	-	-	-	-	54,775	54,775	-	-
Latch Key	14,932	40,014	22,597	-	32,349	35,331	29,520	-	38,160
Little Bulldog Academy	-	1,300	960	-	340	51,150	45,071	-	6,419
Educational License Plates	1,188	337	-	-	1,525	150	-	-	1,675
Lilly Grant	-	-	-	-	-	30,000	4,674	-	25,326
Nora Wenning Scholarship	26	87,594	84,000	-	3,620	84,369	3,500	-	84,489
OCOF	10,824	5,268	10,368	-	5,724	660	638	-	5,746
Donations, Horstmam	21,151	-	-	-	21,151	-	-	-	21,151
Donations, Gifts (BPS Reading)	5,485	8,000	15,980	-	(2,495)	3,206	711	-	-
BPS BIS LIB Fundraiser	-	4,141	248	-	3,893	20	3,913	-	-
Project Lead the Way	25	-	98	98	25	499	1,593	1,069	-
Coca-Cola Sponsorship	3,363	2,500	-	-	5,863	2,500	-	-	8,363
Batesville Community Foundation	5,607	11,200	11,895	-	4,912	16,348	9,738	-	11,522
Donation for 1 to 1 BMS	7,500	5,000	7,500	-	5,000	-	5,000	-	-
Donation Royalty	1,356	750	-	-	2,106	614	176	-	2,544
Create Foundation	(26,054)	38,040	19,674	-	(7,688)	8,518	17,190	-	(16,360)
Lightspeed Grant	15	-	15	-	-	-	-	-	-
Student Incentive Fund	239	-	-	-	239	-	-	-	239
Global Initiative	4,380	-	2,282	-	2,098	3,100	197	-	5,001
Instrument Cleaning & Repair	592	1,500	592	-	1,500	-	1,500	-	-
Donation Staff Appreciation	2,177	5,869	4,464	-	3,582	3,885	5,673	-	1,794
Donation ETC ID Tags Computer	552	-	552	-	-	-	-	-	-
Food Day Event 10/24/13	69	-	69	-	-	-	-	-	-
Ripley County Fluorid Grant	254	200	161	-	293	100	161	-	232

BATESVILLE COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Drivers Education Fund	33,726	36,195	45,660	-	24,261	36,576	38,817	-	22,020
Vision Grants	(3,424)	14,938	10,680	-	834	11,460	9,123	-	3,171
Formative Assessment	-	-	-	-	-	27,581	24,726	-	2,855
High Ability 15-16	-	35,262	35,262	-	-	-	-	-	-
High Ability 16-17	-	-	-	-	-	35,119	35,510	-	(391)
NESP 2017-2018	-	6,331	6,331	-	-	6,593	6,593	-	-
School Technology	12,438	8,724	2,300	-	18,862	10,628	27,220	-	2,270
Summer of Elearning 2014 Conf.	(1,229)	7,717	8,859	-	(2,371)	8,856	9,874	-	(3,389)
Career and Technical Performance Grant	-	-	-	-	-	13,803	6,176	-	7,627
Senator David Ford Technology	(7,475)	26,465	18,990	-	-	-	1,000	-	(1,000)
Safe Routes to School	(34,225)	38,800	2,984	-	1,591	-	1,591	-	-
IN Dual Language Immersion	-	38,174	87,196	-	(49,022)	128,003	95,451	-	(16,470)
SPF-SIG Strategic Prevention	282	-	282	-	-	-	-	-	-
Title I 2014-2015	(14,598)	62,477	47,879	-	-	-	-	-	-
Title I, 15-16	-	117,308	150,786	-	(33,478)	50,716	17,238	-	-
Title I, 16-17	-	-	-	-	-	142,478	149,534	-	(7,056)
Secured School Safety Grant ST	(37,500)	37,500	-	-	-	10,715	12,392	(6,248)	(7,925)
Medicaid Reimbursement - Federal	12,311	7,813	1,051	-	19,073	22,082	1,265	(13,455)	26,435
Title II Part A FY14	-	20,345	30,683	-	(10,338)	13,735	3,397	-	-
Title II Part A FY 16	-	-	-	-	-	4,820	11,349	-	(6,529)
Title II Part A FY 15	-	4,276	4,301	-	(25)	24,637	29,510	-	(4,898)
Title II FY 2013	(6,109)	12,909	6,800	-	-	-	-	-	-
Title II E-Learning Conference	(200)	14,000	20,283	-	(6,483)	13,000	17,118	-	(10,601)
Title III 15-17	-	-	43	-	(43)	-	6,759	(43)	(6,802)
Title III 16-18	-	-	-	-	-	-	6,383	-	(6,383)
Title III 2013-2014	(6,836)	6,836	-	-	-	-	-	-	-
Title III 2014-2016	(7,958)	-	1,372	-	(9,330)	9,437	107	-	-
Prepaid School Lunch	27,832	575,301	584,299	-	18,834	596,163	591,276	-	23,721
Self-Group Insurance	15,849	124,461	118,505	-	21,805	84,739	85,772	-	20,772
Payroll	58,390	3,770,468	3,766,601	-	62,257	3,957,128	3,887,993	-	131,392
Totals	\$ 5,124,988	\$ 26,766,554	\$ 26,987,895	\$ 347,783	\$ 5,251,430	\$ 27,709,838	\$ 28,273,460	\$ 805,812	\$ 5,493,620

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

BATESVILLE 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.

BATESVILLE 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.

*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:

*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.

BATESVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

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

BATESVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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:

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.

BATESVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursable grants and construction loan costs before debt was issued with reimbursements not received by June 30 of the reporting year.

**Note 8. Holding Corporation**

The School Corporation has entered into a capital lease with Batesville School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ending June 30, 2016, and June 30, 2017, totaled \$1,491,000 and \$1,489,500, respectively.

BATESVILLE COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. Fund Name Changes**

For the year ended June 30, 2015, certain changes have been made to some of the fund names on the financial statement to more appropriately reflect the funds of the School Corporation. The following schedule presents a summary of fund names changes:

<u>Fund Name as of June 30, 2015</u>	<u>Fund Name as of July 1, 2015</u>
School Transportation	Transportation Operating
School Bus Replacement	TR School Bus Replacement
Child Care Program	Latch Key
Cultural Arts	Global Initiative
Miscellaneous Programs	Ripley County Fluorid Grant
Rising Sun Regional Grant	Drivers Education Fund

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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 Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

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

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

BATESVILLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	General	Debt Service	Capital Projects	Transportation Operating	TR School Bus Replacement	Rainy Day	BHS 2016 Project	BPS Bond - 2014	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 1,126,014	\$ 1,128,247	\$ 1,200,798	\$ 1,046,342	\$ 206,695	\$ 2,049	\$ -	\$ 20,646	\$ 210,220	\$ 88,954	\$ 68
Receipts:											
Local sources	901,712	1,974,654	2,637,431	1,424,814	170,364	62,889	-	-	582,518	250,729	-
Intermediate sources	43	-	-	-	-	-	-	-	-	-	-
State sources	13,113,206	-	-	-	-	-	-	-	18,867	46,230	-
Federal sources	-	-	-	-	-	-	-	-	393,058	-	-
Other receipts	-	-	-	-	-	-	-	-	12,026	-	-
Total receipts	14,014,961	1,974,654	2,637,431	1,424,814	170,364	62,889	-	-	1,006,469	296,959	-
Disbursements:											
Instruction	10,174,997	-	-	-	-	-	-	-	-	-	-
Support services	3,470,332	-	1,990,689	1,281,378	272,830	52,189	-	-	-	247,283	-
Noninstructional services	255,710	-	-	-	-	-	-	-	1,047,995	-	-
Facilities acquisition and construction	-	-	676,365	-	-	-	476,353	48,689	-	-	-
Debt service	-	1,860,483	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	13,901,039	1,860,483	2,667,054	1,281,378	272,830	52,189	476,353	48,689	1,047,995	247,283	-
Excess (deficiency) of receipts over disbursements	113,922	114,171	(29,623)	143,436	(102,466)	10,700	(476,353)	(48,689)	(41,526)	49,676	-
Other financing sources (uses):											
Sale of capital assets	145,895	-	151,235	8,542	-	-	-	42,013	-	-	-
Transfers in	-	-	-	-	-	160,000	-	-	-	-	-
Transfers out	-	-	-	(160,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	145,895	-	151,235	(151,458)	-	160,000	-	42,013	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	259,817	114,171	121,612	(8,022)	(102,466)	170,700	(476,353)	(6,676)	(41,526)	49,676	-
Cash and investments - ending	\$ 1,385,831	\$ 1,242,418	\$ 1,322,410	\$ 1,038,320	\$ 104,229	\$ 172,749	\$ (476,353)	\$ 13,970	\$ 168,694	\$ 138,630	\$ 68

BATESVILLE 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

	Book Store Days Caf	Latch Key	Little Bulldog Academy	Educational License Plates	Lilly Grant	Nora Wenning Scholarship	OCOFC	Donations, Horstman	Donations, Gifts (BPS Reading)	BPS BIS LIB Fundraiser	Project Lead the Way
Cash and investments - beginning	\$ -	\$ 14,932	\$ -	\$ 1,188	\$ -	\$ 26	\$ 10,824	\$ 21,151	\$ 5,485	\$ -	\$ 25
Receipts:											
Local sources	-	40,014	-	-	-	87,594	5,268	-	8,000	4,141	-
Intermediate sources	-	-	-	337	-	-	-	-	-	-	-
State sources	-	-	1,300	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	40,014	1,300	337	-	87,594	5,268	-	8,000	4,141	-
Disbursements:											
Instruction	-	-	-	-	-	84,000	-	-	15,980	-	98
Support services	-	-	-	-	-	-	10,368	-	-	248	-
Noninstructional services	-	22,597	960	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	22,597	960	-	-	84,000	10,368	-	15,980	248	98
Excess (deficiency) of receipts over disbursements	-	17,417	340	337	-	3,594	(5,100)	-	(7,980)	3,893	(98)
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	98
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	98
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	17,417	340	337	-	3,594	(5,100)	-	(7,980)	3,893	-
Cash and investments - ending	\$ -	\$ 32,349	\$ 340	\$ 1,525	\$ -	\$ 3,620	\$ 5,724	\$ 21,151	\$ (2,495)	\$ 3,893	\$ 25

BATESVILLE 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

	Coca-Cola Sponsorship	Batesville Community Foundation	Donation for 1 to 1 BMS	Donation Royalty	Create Foundation	Lightspeed Grant	Student Incentive Fund	Global Initiative	Instrument Cleaning & Repair	Donation Staff Appreciation	Donation ETC ID Tags Computer
Cash and investments - beginning	\$ 3,363	\$ 5,607	\$ 7,500	\$ 1,356	\$ (26,054)	\$ 15	\$ 239	\$ 4,380	\$ 592	\$ 2,177	\$ 552
Receipts:											
Local sources	2,500	11,200	5,000	750	36,631	-	-	-	1,500	5,869	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	1,409	-	-	-	-	-	-
Total receipts	2,500	11,200	5,000	750	38,040	-	-	-	1,500	5,869	-
Disbursements:											
Instruction	-	11,895	-	-	-	-	-	2,282	-	-	-
Support services	-	-	7,500	-	19,674	15	-	-	592	4,464	552
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	11,895	7,500	-	19,674	15	-	2,282	592	4,464	552
Excess (deficiency) of receipts over disbursements	2,500	(695)	(2,500)	750	18,366	(15)	-	(2,282)	908	1,405	(552)
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	2,500	(695)	(2,500)	750	18,366	(15)	-	(2,282)	908	1,405	(552)
Cash and investments - ending	\$ 5,863	\$ 4,912	\$ 5,000	\$ 2,106	\$ (7,688)	\$ -	\$ 239	\$ 2,098	\$ 1,500	\$ 3,582	\$ -

BATESVILLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2016

	Food Day Event 10/24/13	Ripley County Fluorid Grant	Drivers Education Fund	Vision Grants	Formative Assessment	High Ability 15-16	High Ability 16-17	NESP 2017-2018	School Technology	Summer of Elearning 2014 Conf.	Career and Technical Performance Grant
Cash and investments - beginning	\$ 69	\$ 254	\$ 33,726	\$ (3,424)	\$ -	\$ -	\$ -	\$ -	\$ 12,438	\$ (1,229)	\$ -
Receipts:											
Local sources	-	200	36,195	-	-	-	-	-	-	7,717	-
Intermediate sources	-	-	-	14,938	-	-	-	-	-	-	-
State sources	-	-	-	-	-	35,262	-	6,331	8,724	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	200	36,195	14,938	-	35,262	-	6,331	8,724	7,717	-
Disbursements:											
Instruction	69	161	-	10,680	-	35,262	-	6,331	-	-	-
Support services	-	-	-	-	-	-	-	-	2,300	8,859	-
Noninstructional services	-	-	45,660	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	69	161	45,660	10,680	-	35,262	-	6,331	2,300	8,859	-
Excess (deficiency) of receipts over disbursements	(69)	39	(9,465)	4,258	-	-	-	-	6,424	(1,142)	-
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	(69)	39	(9,465)	4,258	-	-	-	-	6,424	(1,142)	-
Cash and investments - ending	\$ -	\$ 293	\$ 24,261	\$ 834	\$ -	\$ -	\$ -	\$ -	\$ 18,862	\$ (2,371)	\$ -

BATESVILLE 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

	Senator David Ford Technology	Safe Routes to School	IN Dual Language Immersion	SPF-SIG Strategic Prevention	Title I 2014-2015	Title I, 15-16	Title I, 16-17	Secured School Safety Grant ST	Medicaid Reimbursement - Federal	Title II Part A FY 14	Title II Part A FY 16
Cash and investments - beginning	\$ (7,475)	\$ (34,225)	\$ -	\$ 282	\$ (14,598)	\$ -	\$ -	\$ (37,500)	\$ 12,311	\$ -	\$ -
Receipts:											
Local sources	-	38,800	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	26,465	-	38,174	-	-	-	37,500	-	-	-	-
Federal sources	-	-	-	-	62,477	117,308	-	-	7,813	20,345	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	26,465	38,800	38,174	-	62,477	117,308	-	37,500	7,813	20,345	-
Disbursements:											
Instruction	-	-	87,196	-	47,879	141,006	-	-	-	10,634	-
Support services	18,990	2,984	-	-	-	9,780	-	-	1,051	20,049	-
Noninstructional services	-	-	-	282	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	18,990	2,984	87,196	282	47,879	150,786	-	-	1,051	30,683	-
Excess (deficiency) of receipts over disbursements	7,475	35,816	(49,022)	(282)	14,598	(33,478)	-	37,500	6,762	(10,338)	-
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	7,475	35,816	(49,022)	(282)	14,598	(33,478)	-	37,500	6,762	(10,338)	-
Cash and investments - ending	\$ -	\$ 1,591	\$ (49,022)	\$ -	\$ -	\$ (33,478)	\$ -	\$ -	\$ 19,073	\$ (10,338)	\$ -

BATESVILLE COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	Title II Part A FY 15	Title II FY 2013	Title II E-Learning Conference	Title III 15-17	Title III 16-18	Title III 2013-2014	Title III 2014-2016	Prepaid School Lunch	Self-Group Insurance	Payroll	Totals
Cash and investments - beginning	\$ -	\$ (6,109)	\$ (200)	\$ -	\$ -	\$ (6,836)	\$ (7,958)	\$ 27,832	\$ 15,849	\$ 58,390	\$ 5,124,988
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	8,296,490
Intermediate sources	-	-	-	-	-	-	-	-	-	-	15,318
State sources	-	-	-	-	-	-	-	-	-	-	13,332,059
Federal sources	4,276	12,909	14,000	-	-	6,836	-	-	-	-	639,022
Other receipts	-	-	-	-	-	-	-	575,301	124,461	3,770,468	4,483,665
Total receipts	4,276	12,909	14,000	-	-	6,836	-	575,301	124,461	3,770,468	26,766,554
Disbursements:											
Instruction	-	5,793	-	43	-	-	1,372	-	-	-	10,635,678
Support services	4,301	1,007	20,283	-	-	-	-	-	-	-	7,447,718
Noninstructional services	-	-	-	-	-	-	-	-	-	-	1,373,204
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	1,201,407
Debt service	-	-	-	-	-	-	-	-	-	-	1,860,483
Nonprogrammed charges	-	-	-	-	-	-	-	584,299	118,505	3,766,601	4,469,405
Total disbursements	4,301	6,800	20,283	43	-	-	1,372	584,299	118,505	3,766,601	26,987,895
Excess (deficiency) of receipts over disbursements	(25)	6,109	(6,283)	(43)	-	6,836	(1,372)	(8,998)	5,956	3,867	(221,341)
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	347,783
Transfers in	-	-	-	-	-	-	-	-	-	-	160,000
Transfers out	-	-	-	-	-	-	-	-	-	-	(160,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	347,783
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25)	6,109	(6,283)	(43)	-	6,836	(1,372)	(8,998)	5,956	3,867	126,442
Cash and investments - ending	\$ (25)	\$ -	\$ (6,483)	\$ (43)	\$ -	\$ -	\$ (9,330)	\$ 18,834	\$ 21,805	\$ 62,257	\$ 5,251,430

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
REGULATORY BASIS  
For the Year Ended June 30, 2017

	General	Debt Service	Capital Projects	Transportation Operating	TR School Bus Replacement	Rainy Day	BHS 2016 Project	BPS Bond - 2014	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	\$ 1,385,831	\$ 1,242,418	\$ 1,322,410	\$ 1,038,320	\$ 104,229	\$ 172,749	\$ (476,353)	\$ 13,970	\$ 168,694	\$ 138,630	\$ 68
Receipts:											
Local sources	925,306	2,390,323	2,617,414	1,447,699	170,844	-	-	-	590,049	270,007	-
Intermediate sources	71	-	-	-	-	-	-	-	-	-	-
State sources	13,319,622	-	-	-	-	-	-	-	19,078	49,290	-
Federal sources	-	-	-	-	-	-	-	-	397,547	-	-
Other receipts	-	-	-	85	-	-	-	-	9,010	-	-
Total receipts	14,244,999	2,390,323	2,617,414	1,447,784	170,844	-	-	-	1,015,684	319,297	-
Disbursements:											
Instruction	11,183,487	-	-	-	-	-	9,350	-	-	-	-
Support services	3,598,628	-	1,971,952	1,289,921	210,668	179,898	-	-	-	353,715	-
Noninstructional services	268,859	-	-	-	-	-	-	-	1,040,894	-	-
Facilities acquisition and construction	-	-	651,721	-	-	-	52,977	13,970	-	-	-
Debt service	-	2,187,216	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	15,050,974	2,187,216	2,623,673	1,289,921	210,668	179,898	62,327	13,970	1,040,894	353,715	-
Excess (deficiency) of receipts over disbursements	(805,975)	203,107	(6,259)	157,863	(39,824)	(179,898)	(62,327)	(13,970)	(25,210)	(34,418)	-
Other financing sources (uses):											
Sale of capital assets	147,108	-	124,880	3,425	-	-	529,330	-	-	-	-
Transfers in	13,455	-	6,248	-	-	166,000	-	-	-	-	-
Transfers out	-	-	-	(166,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	160,563	-	131,128	(162,575)	-	166,000	529,330	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(645,412)	203,107	124,869	(4,712)	(39,824)	(13,898)	467,003	(13,970)	(25,210)	(34,418)	-
Cash and investments - ending	\$ 740,419	\$ 1,445,525	\$ 1,447,279	\$ 1,033,608	\$ 64,405	\$ 158,851	\$ (9,350)	\$ -	\$ 143,484	\$ 104,212	\$ 68

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
REGULATORY BASIS  
For the Year Ended June 30, 2017

	Book Store Days Caf	Latch Key	Little Bulldog Academy	Educational License Plates	Lilly Grant	Nora Wenning Scholarship	OCOF	Donations, Horstmam	Donations, Gifts (BPS Reading)	BPS BIS LIB Fundraiser	Project Lead the Way
Cash and investments - beginning	\$ -	\$ 32,349	\$ 340	\$ 1,525	\$ -	\$ 3,620	\$ 5,724	\$ 21,151	\$ (2,495)	\$ 3,893	\$ 25
Receipts:											
Local sources	54,775	35,331	-	-	30,000	84,369	660	-	3,206	20	499
Intermediate sources	-	-	-	150	-	-	-	-	-	-	-
State sources	-	-	51,150	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	54,775	35,331	51,150	150	30,000	84,369	660	-	3,206	20	499
Disbursements:											
Instruction	-	-	-	-	-	3,500	-	-	711	-	1,593
Support services	-	-	-	-	4,674	-	638	-	-	3,913	-
Noninstructional services	-	29,520	45,071	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	54,775	-	-	-	-	-	-	-	-	-	-
Total disbursements	54,775	29,520	45,071	-	4,674	3,500	638	-	711	3,913	1,593
Excess (deficiency) of receipts over disbursements	-	5,811	6,079	150	25,326	80,869	22	-	2,495	(3,893)	(1,094)
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	1,069
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	1,069
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	5,811	6,079	150	25,326	80,869	22	-	2,495	(3,893)	(25)
Cash and investments - ending	\$ -	\$ 38,160	\$ 6,419	\$ 1,675	\$ 25,326	\$ 84,489	\$ 5,746	\$ 21,151	\$ -	\$ -	\$ -

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
REGULATORY BASIS  
For the Year Ended June 30, 2017

	Coca-Cola Sponsorship	Batesville Community Foundation	Donation for 1 to 1 BMS	Donation Royalty	Create Foundation	Lightspeed Grant	Student Incentive Fund	Global Initiative	Instrument Cleaning & Repair	Donation Staff Appreciation	Donation ETC ID Tags Computer
Cash and investments - beginning	\$ 5,863	\$ 4,912	\$ 5,000	\$ 2,106	\$ (7,688)	\$ -	\$ 239	\$ 2,098	\$ 1,500	\$ 3,582	\$ -
Receipts:											
Local sources	2,500	16,348	-	614	8,265	-	-	3,100	-	3,885	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	253	-	-	-	-	-	-
Total receipts	2,500	16,348	-	614	8,518	-	-	3,100	-	3,885	-
Disbursements:											
Instruction	-	9,738	-	-	-	-	-	197	-	-	-
Support services	-	-	5,000	176	17,190	-	-	-	1,500	5,673	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	9,738	5,000	176	17,190	-	-	197	1,500	5,673	-
Excess (deficiency) of receipts over disbursements	2,500	6,610	(5,000)	438	(8,672)	-	-	2,903	(1,500)	(1,788)	-
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	2,500	6,610	(5,000)	438	(8,672)	-	-	2,903	(1,500)	(1,788)	-
Cash and investments - ending	\$ 8,363	\$ 11,522	\$ -	\$ 2,544	\$ (16,360)	\$ -	\$ 239	\$ 5,001	\$ -	\$ 1,794	\$ -

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
REGULATORY BASIS  
For the Year Ended June 30, 2017

	Food Day Event 10/24/13	Ripley County Fluorid Grant	Drivers Education Fund	Vision Grants	Formative Assessment	High Ability 15-16	High Ability 16-17	NESP 2017-2018	School Technology	Summer of Elearning 2014 Conf.	Career and Technical Performance Grant
Cash and investments - beginning	\$ -	\$ 293	\$ 24,261	\$ 834	\$ -	\$ -	\$ -	\$ -	\$ 18,862	\$ (2,371)	\$ -
Receipts:											
Local sources	-	100	36,576	-	-	-	-	-	2,160	8,856	-
Intermediate sources	-	-	-	11,460	-	-	-	-	-	-	-
State sources	-	-	-	-	27,581	-	35,119	6,593	8,468	-	13,803
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	100	36,576	11,460	27,581	-	35,119	6,593	10,628	8,856	13,803
Disbursements:											
Instruction	-	161	-	9,123	24,726	-	35,510	6,593	-	-	6,176
Support services	-	-	-	-	-	-	-	-	27,220	9,874	-
Noninstructional services	-	-	38,817	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	161	38,817	9,123	24,726	-	35,510	6,593	27,220	9,874	6,176
Excess (deficiency) of receipts over disbursements	-	(61)	(2,241)	2,337	2,855	-	(391)	-	(16,592)	(1,018)	7,627
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	-	(61)	(2,241)	2,337	2,855	-	(391)	-	(16,592)	(1,018)	7,627
Cash and investments - ending	\$ -	\$ 232	\$ 22,020	\$ 3,171	\$ 2,855	\$ -	\$ (391)	\$ -	\$ 2,270	\$ (3,389)	\$ 7,627

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
REGULATORY BASIS  
For the Year Ended June 30, 2017

	Senator David Ford Technology	Safe Routes to School	IN Dual Language Immersion	SPF-SIG Strategic Prevention	Title I 2014-2015	Title I, 15-16	Title I, 16-17	Secured School Safety Grant ST	Medicaid Reimbursement - Federal	Title II Part A FY 14	Title II Part A FY 16
Cash and investments - beginning	\$ -	\$ 1,591	\$ (49,022)	\$ -	\$ -	\$ (33,478)	\$ -	\$ -	\$ 19,073	\$ (10,338)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	128,003	-	-	-	-	10,715	-	-	-
Federal sources	-	-	-	-	-	50,716	142,478	-	22,082	13,735	4,820
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	128,003	-	-	50,716	142,478	10,715	22,082	13,735	4,820
Disbursements:											
Instruction	-	-	95,451	-	-	17,238	149,534	-	-	3,397	2,900
Support services	1,000	1,591	-	-	-	-	-	-	1,265	-	8,449
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	12,392	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,000	1,591	95,451	-	-	17,238	149,534	12,392	1,265	3,397	11,349
Excess (deficiency) of receipts over disbursements	(1,000)	(1,591)	32,552	-	-	33,478	(7,056)	(1,677)	20,817	10,338	(6,529)
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(6,248)	(13,455)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(6,248)	(13,455)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,000)	(1,591)	32,552	-	-	33,478	(7,056)	(7,925)	7,362	10,338	(6,529)
Cash and investments - ending	\$ (1,000)	\$ -	\$ (16,470)	\$ -	\$ -	\$ -	\$ (7,056)	\$ (7,925)	\$ 26,435	\$ -	\$ (6,529)

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
OTHER FINANCING SOURCES (USES), AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS  
REGULATORY BASIS  
For the Year Ended June 30, 2017

	Title II Part A FY 15	Title II FY 2013	Title II E-Learning Conference	Title III 15-17	Title III 16-18	Title III 2013-2014	Title III 2014-2016	Prepaid School Lunch	Self-Group Insurance	Payroll	Totals
Cash and investments - beginning	\$ (25)	\$ -	\$ (6,483)	\$ (43)	\$ -	\$ -	\$ (9,330)	\$ 18,834	\$ 21,805	\$ 62,257	\$ 5,251,430
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	8,702,906
Intermediate sources	-	-	-	-	-	-	-	-	-	-	11,681
State sources	-	-	-	-	-	-	-	-	-	-	13,669,422
Federal sources	24,637	-	13,000	-	-	-	9,437	-	-	-	678,452
Other receipts	-	-	-	-	-	-	-	596,163	84,739	3,957,128	4,647,377
Total receipts	24,637	-	13,000	-	-	-	9,437	596,163	84,739	3,957,128	27,709,838
Disbursements:											
Instruction	17,166	-	-	6,759	6,383	-	107	-	-	-	11,589,800
Support services	12,344	-	17,118	-	-	-	-	-	-	-	7,722,407
Noninstructional services	-	-	-	-	-	-	-	-	-	-	1,423,161
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	731,060
Debt service	-	-	-	-	-	-	-	-	-	-	2,187,216
Nonprogrammed charges	-	-	-	-	-	-	-	591,276	85,772	3,887,993	4,619,816
Total disbursements	29,510	-	17,118	6,759	6,383	-	107	591,276	85,772	3,887,993	28,273,460
Excess (deficiency) of receipts over disbursements	(4,873)	-	(4,118)	(6,759)	(6,383)	-	9,330	4,887	(1,034)	69,135	(563,622)
Other financing sources (uses):											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	805,812
Transfers in	-	-	-	-	-	-	-	-	-	-	185,703
Transfers out	-	-	-	-	-	-	-	-	-	-	(185,703)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	805,812
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,873)	-	(4,118)	(6,759)	(6,383)	-	9,330	4,887	(1,034)	69,135	242,190
Cash and investments - ending	\$ (4,898)	\$ -	\$ (10,601)	\$ (6,802)	\$ (6,383)	\$ -	\$ -	\$ 23,721	\$ 20,772	\$ 131,392	\$ 5,493,620

BATESVILLE COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Apple Financial Services	1 to 1 Devices BPS	\$ 48,392	2/14/2014	2/15/2018
Apple Financial Services	1 to 1 Devices BIS	55,160	2/14/2014	2/15/2018
Apple Financial Services	1 to 1 Devices BHS	148,908	4/6/2015	8/15/2018
Apple Financial Services	1 to 1 Devices BMS	115,788	5/11/2016	2/15/2020
Apple Financial Services	Staff Devices	66,464	5/15/2015	2/15/2019
Apple inc	1 to 1 Devices BPS and BIS	120,218	4/23/2017	8/15/2020
Batesville School Building Corporation - 2005 Issue	BMS & BHS Renovations	961,000	8/24/2005	12/31/2018
Batesville School Building Corporation - 2011 Issue	BHS/BIS Renovations & Additions	523,000	5/25/2011	12/31/2028
Batesville School Building Corporation - 2016 Issue	BHS Renovations and Additions	660,000	8/24/2016	1/15/2036
Peter Paul	Copier lease	<u>22,069</u>	6/25/2013	6/25/2018
Total governmental activities		<u>2,720,999</u>		
Total of annual lease payments		<u>\$ 2,720,999</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	BPS Bonds 2014		\$ 1,515,000	\$ 253,142
General obligation bonds	IVY Tech Bonds		<u>630,000</u>	<u>122,088</u>
Total governmental activities			<u>2,145,000</u>	<u>375,230</u>
Totals			<u>\$ 2,145,000</u>	<u>\$ 375,230</u>

BATESVILLE COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2017

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

	<u>Ending Balance</u>
Governmental activities:	
Buildings	\$ 34,431,579
Improvements other than buildings	1,721,579
Machinery, equipment, and vehicles	2,534,567
Construction in progress	<u>8,667,200</u>
Total governmental activities	<u>47,354,925</u>
Total capital assets	<u>\$ 47,354,925</u>

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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 BATESVILLE COMMUNITY SCHOOL  
CORPORATION, RIPLEY COUNTY, INDIANA

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

We have audited the Batesville Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017.

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

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-003. 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 the Uniform Guidance, 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002 and 2017-003, that we consider 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.

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

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

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

November 13, 2018

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.

BATESVILLE COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 06-30-17	
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
School Breakfast Program	Indiana Department of Education	10.553	FY 2016	\$ 66,681	\$ -	
School Breakfast			FY 2017	-	68,367	
School Breakfast						
Total - School Breakfast Program				66,681	68,367	
National School Lunch Program						
School Lunch	Indiana Department of Education	10.555	FY 2016	326,377	-	
School Lunch			FY 2017	-	329,180	
Commodities			FY 2016	71,013	-	-
Commodities			FY 2017	-	93,681	-
Total - National School Lunch Program				397,390	422,861	
Total - Child Nutrition Cluster				464,071	491,228	
Total - Department of Agriculture				464,071	491,228	
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education_Grants to States	Indiana Department of Education	84.027	14214-052-PN01	645	-	
Special Education			14215-052-PN01	178,871	-	
Special Education			14216-050-PN01	217,943	-	
Special Education			14216-050-PN01	-	176,798	
Special Education			14217-052-PN01	-	274,876	
Special Education - Technical Assistance			99914-052-TA01	3,129	-	
Total - Special Education_Grants to States				400,588	451,674	
Special Education_Preschool Grants						
Special Education Preschool	Indiana Department of Education	84.173	45714-052-PN01	346	-	
Special Education Preschool			45715-052-PN01	14,010	-	
Special Education Preschool			45716-050-PN01	268	-	
Special Education Preschool			45716-050-PN01	-	9,461	
Special Education Preschool			45717-052-PN01	-	1,201	
Total - Special Education_Preschool Grants				14,624	10,662	
Total - Special Education Cluster (IDEA)				415,212	462,336	

BATESVILLE COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-16	Total Federal Awards Expended 06-30-17
Title I Grants to Local Educational Agencies	Indiana Department of Education				
Title I		84.010	15-6895	62,477	-
Title I			16-6895	117,307	-
Title I			16-6895	-	50,716
Title I			17-6895	-	142,478
Total - Title I Grants to Local Educational Agencies				179,784	193,194
English Language Acquisition State Grants	Franklin Township Community School Corporation				
Title III		84.365	FY 13	6,836	-
Title III			FY 14	-	9,437
Total - English Language Acquisition State Grants				6,836	9,437
Improving Teacher Quality State Grants	Indiana Department of Education				
Title II		84.367	13-6895	12,909	-
Title II			14-6895	20,345	-
Title II			14-6895	-	13,735
Title II			15-6895	4,276	-
Title II			15-6895	-	24,637
Title II			16-6895	-	4,820
E-Learning Grant			FY 15	14,000	-
E-Learning Grant			FY 16	-	13,000
Total - Improving Teacher Quality State Grants				51,530	56,192
Total - Department of Education				653,362	721,159
<u>Department of Health and Human Services</u>					
Assistance Programs for Chronic Disease Prevention and Control	Indiana Department of Health				
Indiana to Prevent & Control and Promote School Health		93.945	FY 15	1,543	-
Total - Department of Health and Human Services				1,543	-
Total federal awards expended				<u>\$ 1,118,976</u>	<u>\$ 1,212,387</u>

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

BATESVILLE 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, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

**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 the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

BATESVILLE 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 weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified
Special Education Cluster (IDEA)	Unmodified

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

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

**FINDING 2017-001**

Subject: Internal Controls over Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat of Finding 2015-001 from the immediately prior audit.

*Condition*

There were deficiencies, including a lack of segregation of duties, in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to receipts and the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

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

*Context*

1. Receipts: The Treasurer was primarily responsible for issuing receipts, posting receipts, and making bank deposits. There was no segregation of duties documented, such as an oversight, review or approval process, or other compensating control.
2. Preparation of the SEFA: The Treasurer was solely responsible for preparing and submitting the grant information into the Indiana Gateway for Government Units financial reporting system, which is used to compile the School Corporation's SEFA. There was no segregation of duties documented, such as an oversight, review or approval process, or other compensating control to ensure the information prepared and submitted was accurate.

*Criteria*

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

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

An integral part of the control activity component is segregation of duties. . . .

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

*Cause*

Management of the School Corporation had not developed a system of internal control that segregated key functions.

*Effect*

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregations of duties, related to financial transactions and reporting and the preparation of the SEFA.

*Views of Responsible Officials*

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

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

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

**FINDING 2017-002**

Subject: Child Nutrition Cluster - Cash Management  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers (or Other Identifying Numbers): FY 2016, FY 2017  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Cash Management  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat of Finding 2015-004 from the immediately prior audit.

*Condition*

Management of the School Corporation had not established an effective internal control system over the Cash Management compliance requirement.

The School Corporation had not established a control process to ensure that the School Lunch fund's net cash resources were limited to three months' average expenditures.

*Context*

The lack of controls was a systematic problem over the cash management requirement during the entire audit period.

*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). . . ."

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

*Cause*

Management had not developed a system of internal controls that would ensure compliance with the Cash Management compliance requirement.

*Effect*

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with 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 Cash Management 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 2017-003**

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

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): 14216-050-PN01, 14217-050-PN01,  
45716-050-PN01, 45717-050-PN01

Pass Through Entity: Indiana Department of Education

Compliance Requirements: Procurement and Suspension and Debarment

Audit Finding: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirements.

The School Corporation designated a fiscal agent to receive and manage the funding of the Special Education programs. The School Corporation had no controls in place to monitor the fiscal agent's system of internal control. There were the following deficiencies in the internal control system of the fiscal agent and noncompliance with the compliance requirement identified above.

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

*Procurement*

The School Corporation did not have internal controls in place to ensure that the purchasing methods used by the fiscal agent complied with their procurement procedures and applicable state, local, and federal requirements. Additionally, the School Corporation did not have internal controls in place to ensure the fiscal agent was documenting the history of their procurements, including the rationale for method of procurement, selection of contract type, basis for contractor selection, and the basis for the contract price.

The fiscal agent contracted out personal services to many vendors, including several with yearly expenditures over the \$3,500 threshold for small purchases. The fiscal agent did not obtain price/rate quotations from an adequate number of qualified sources for the contracts that were anticipated to be over \$3,500 as required.

*Suspension and Debarment*

The School Corporation had not established an effective internal control system to ensure the fiscal agent was compliance with Suspension and Debarment requirements. There were no controls in place by the fiscal agent to ensure that vendors were not suspended or debarred from participation in federal programs.

The fiscal agent entered into one covered service transaction over \$25,000. The fiscal agent did not verify that this vendor was not suspended or debarred prior to entering into this contract.

*Context*

The lack of controls and the noncompliance were systemic issues throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318 states in part:

"(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part. . . ."

- (i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

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

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . .

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

The School Corporation had not developed or implemented a system of internal controls to monitor the fiscal agent's compliance with the Procurement and Suspension and Debarment compliance requirements.

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

*Effect*

This lack of internal controls allowed material noncompliance to go undetected.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish internal controls and ensure compliance with the grant agreement and Procurement and Suspension and Debarment 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.



P.O. Box 121, 626 North Huntersville Road, Batesville, IN 47006 batesvilleinschools.com T: 812-934-2194 F: 812-933-0833

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2015-001***

Fiscal year in which the finding initially occurred: 2012-2013  
Contact Person Responsible for Corrective Action: Todd W. Nobbe  
Contact Phone Number: 812-934-2194

Status of Audit Finding: Segregation of duties have been addressed in the SY17-18

### ***FINDING 2015-002***

Fiscal year in which the finding initially occurred: 2012-2013  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Todd W. Nobbe  
Contact Phone Number: 812-934-2194

Status of Audit Finding: Cash Management and Reporting fixed SY16-17. Superintendents review and sign a form at the monthly ROD board meetings that details each fund along with fund balances, date of availability, cash balances, and other reporting information requests and final reports are received and filled local.

### ***FINDING 2015-003***

Fiscal year in which the finding initially occurred: 2014-2015  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Todd W. Nobbe  
Contact Phone Number: 812-934-2194

Status of Audit Finding: Procurement and Suspension and Debarment will be corrected SY 18-19

### ***FINDING 2015-004***

Fiscal year in which the finding initially occurred: 2012-2013  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Todd W. Nobbe  
Contact Phone Number: 812-934-2194

Status of Audit Finding: Activities Allowed or Unallowed, allowable Cost/Cost Principles, Program Income, Cash Management, Eligibility fixed SY 15-16. Equipment and Real Property Management, Reporting, and Special Test and Provisions Fixed SY 17-18

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**FINDING 2015-005**

Fiscal year in which the finding initially occurred: 2012-2013  
Pass-Through Entity: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Todd W. Nobbe  
Contact Phone Number: 812-934-2194

Status of Audit Finding: Eligibility, Reporting, and Special Test and Provisions Fixed SY 17-18



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

\_\_\_\_\_  
Corporation Treasurer

(Title)

\_\_\_\_\_  
11-7-14

(Date)

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### Corrective Action Plan

#### **FINDING 2017-001**

Contact Person Responsible for Corrective Action: Todd Nobbe  
Views of Responsible Official: We concur with the finding.  
Contact Phone Number: 812-934-2194

Receipts: Cash and Checks received will be recorded on control form held by someone other than the person who reconciles the bank accounts.

Schedule of Expenditures of Federal Awards will be reviewed by Superintendent.

Completion Date: July 2018

#### **FINDING 2017-002**

Contact Person Responsible for Corrective Action: Todd Nobbe  
Views of Responsible Official: We concur with the finding.  
Contact Phone Number: 812-934-2194

Corporation Treasurer will be reviewing monthly cash balances.

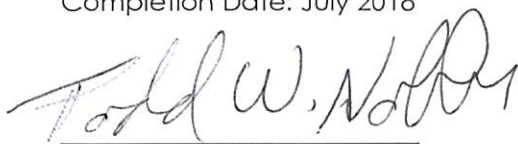
Completion Date: July 2018

#### **FINDING 2017-003**

Contact Person Responsible for Corrective Action: Todd Nobbe  
Views of Responsible Official: We concur with the finding.  
Contact Phone Number: 812-934-2194

Vendors will be review for suspension or debarment for federal programs. Supporting documentation will be kept for audit.

Completion Date: July 2018

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

Corporation Treasurer

November 13, 2018

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#### OTHER REPORTS

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