

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

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

July 1, 2016 to June 30, 2018



FILED
03/29/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mary Lottes	07-01-16 to 08-09-16
	(Vacant)	08-10-16 to 10-04-16
	Tamara J. Swartzentruber	10-05-16 to 12-31-19
Superintendent of Schools	Travis Madison	07-01-16 to 06-30-20
President of the School Board	Ronald Boyd	07-01-16 to 12-31-16
	Lana Helms	01-01-17 to 12-31-17
	Alex Knepp	01-01-18 to 12-31-18
	Lana Helms	01-01-19 to 12-31-19



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Barr-Reeve Community Schools, Inc. (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, 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, 2016 to June 30, 2018.

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, 2016 to June 30, 2018, 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 March 21, 2019, 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

March 21, 2019



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Barr-Reeve Community Schools, Inc. (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated March 21, 2019, 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 2018-001, 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2018-001.

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

The School Corporation's response to the finding 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

March 21, 2019

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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BARR-REEVE COMMUNITY SCHOOLS, INC.
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 402,524	\$ 4,914,394	\$ 4,920,414	\$ (4,489)	\$ 392,015	\$ 5,169,875	\$ 4,992,423	\$ (12,576)	\$ 556,891
Referendum Tax Levy	292,032	1,177,913	1,001,090	(100,000)	368,855	1,209,437	1,196,420	(150,000)	231,872
Debt Service	93,631	140,715	167,311	-	67,035	446,978	384,336	-	129,677
Retirement/Severance Bond Debt Service	26,060	217,762	225,593	-	18,229	231,265	229,161	-	20,333
Capital Projects	133,686	728,299	566,062	-	295,923	746,979	610,378	(75,000)	357,524
School Transportation	289,104	562,697	459,335	(100,000)	292,466	513,530	503,960	(75,000)	227,036
School Bus Replacement	15,881	-	-	-	15,881	-	-	-	15,881
Rainy Day	370,744	119,823	230,945	200,000	459,622	90,000	389,051	300,000	460,571
School Lunch	510	348,955	350,925	5,000	3,540	331,290	321,227	-	13,603
Textbook Rental	183,033	128,903	264,499	-	47,437	110,737	173,395	15,221	-
Self-Insurance	1,218,364	1,041,346	937,565	-	1,322,145	1,084,333	937,318	-	1,469,160
Educational License Plates	3,975	56	-	-	4,031	56	-	-	4,087
Lilly Endowment Grant	-	30,000	4,642	-	25,358	-	25,358	-	-
Toyota Library Donation	-	1,500	-	-	1,500	-	-	-	1,500
2012 DC Community Foundation Grant	562	-	40	-	522	-	519	-	3
DC Youth Council Grant	1,000	-	360	-	640	-	171	-	469
Formative Assessment	3,397	10,799	9,294	-	4,902	10,331	15,233	-	-
Medicaid Reimbursement	-	-	-	-	-	25,396	25,396	-	-
Scholarships and Awards	-	1,000	-	-	1,000	1,000	2,000	-	-
Viking Promise Scholarship	-	-	-	-	-	1,920	1,920	-	-
School Technology	14,937	46,287	33,507	-	27,717	15,339	26,304	-	16,752
Career and Technical Performance Grant	-	8,028	3,000	-	5,028	7,464	3,000	-	9,492
2015-2016 HAL Grant	7,549	-	7,549	-	-	-	-	-	-
2016-2017 HAL Grant	-	28,039	28,039	-	-	-	-	-	-
2017-2018 HAL Grant	-	-	-	-	-	30,455	30,455	-	-
Senator David Ford Technology	-	24,000	24,000	-	-	24,075	41,886	-	(17,811)
Excess PTRC Distributions	34	-	-	-	34	-	-	-	34
2015-2016 Title I	(9,931)	128,500	118,569	-	-	-	-	-	-
2016-2017 Title I	-	255,448	273,726	-	(18,278)	108,923	90,645	-	-
2017-2018 Title I	-	-	-	-	-	220,943	246,597	-	(25,654)
2014-2015 Title II, Part A	-	243	243	-	-	-	-	-	-
2015-2016 Title II, Part A	(529)	529	-	-	-	-	-	-	-
2016-2017 Title II, Part A	-	55,111	55,111	-	-	-	-	-	-
2017-2018 Title II, Part A	-	-	-	-	-	46,641	46,641	-	-
FY 15 Rural Schools and Low Income Program	(4,410)	14,551	10,141	-	-	500	500	-	-
FY 16 Rural Schools and Low Income Program	-	4,959	4,959	-	-	13,806	13,806	-	-
FY 14 Rural Schools and Low Income Program	(423)	2,833	2,410	-	-	-	-	-	-
Qualified Zone Academy Bond	-	-	-	-	-	-	507	830,000	829,493
Prepaid Foods	7,284	2,100	1,089	-	8,295	(20)	(263)	-	8,538
Payroll Withholdings	-	1,309,093	1,309,093	-	-	1,310,806	1,302,985	-	7,821
Totals	<u>\$ 3,049,014</u>	<u>\$ 11,303,883</u>	<u>\$ 11,009,511</u>	<u>\$ 511</u>	<u>\$ 3,343,897</u>	<u>\$ 11,752,059</u>	<u>\$ 11,611,329</u>	<u>\$ 832,645</u>	<u>\$ 4,317,272</u>

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

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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.

BARR-REEVE COMMUNITY SCHOOLS, INC.
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:

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

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's 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.

BARR-REEVE COMMUNITY SCHOOLS, INC.
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.

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

C. Additional Pension Plan

The School Corporation also contributes to an additional pension plan unique to the School Corporation. Information regarding this plan may be obtained from the School Corporation.

Note 7. Negative Receipts and Disbursements

The financial statement contains some receipts and disbursements which appear as negative entries in the Prepaid Foods fund. This is a result of both transfers out posted as negative receipts, and an error correction for the negative disbursement to transfer from the School Lunch fund to the Textbook Rental fund during the current period. The transfers reflected student payments for school lunch and textbook rental.

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

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants for which the reimbursements for expenditures made by the School Corporation were not received by June 30, 2017 and 2018.

Note 9. Holding Corporation

The School Corporation has entered into two capital leases with Barr-Reeve Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments for school building renovations and school building additions and renovations during the years 2017 and 2018 totaled \$160,000 and \$375,000, respectively.

Note 10. Subsequent Events

The Barr-Reeve Community School Building Corporation approved \$5,730,000 of Ad Valorem Property Tax First Mortgage Bonds, Series 2018, which were closed on December 11, 2018. The project encompasses renovation and construction of improvements to Barr-Reeve Community Schools, Inc.'s buildings. The School Board approved, on September 11, 2018, an amendment to the lease agreement with the holding corporation.

Note 11. Other Postemployment Benefits

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

Note 12. Combined Funds

Funds related to payroll withholdings were reported individually in the prior financial statement, but were combined into one fund for the current financial statement.

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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.

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

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 402,524	\$ 292,032	\$ 93,631	\$ 26,060	\$ 133,686	\$ 289,104	\$ 15,881	\$ 370,744	\$ 510
Receipts:									
Local sources	37,895	1,177,913	140,715	217,762	728,299	562,697	-	-	213,070
Intermediate sources	21	-	-	-	-	-	-	-	-
State sources	4,876,478	-	-	-	-	-	-	-	5,885
Federal sources	-	-	-	-	-	-	-	119,823	130,000
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>4,914,394</u>	<u>1,177,913</u>	<u>140,715</u>	<u>217,762</u>	<u>728,299</u>	<u>562,697</u>	<u>-</u>	<u>119,823</u>	<u>348,955</u>
Disbursements:									
Instruction	3,259,089	725,311	-	-	-	-	-	-	-
Support services	1,661,325	131,682	-	-	374,707	459,335	-	81,660	-
Noninstructional services	-	144,097	-	-	-	-	-	-	350,925
Facilities acquisition and construction	-	-	-	-	191,355	-	-	149,285	-
Debt service	-	-	167,311	225,593	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>4,920,414</u>	<u>1,001,090</u>	<u>167,311</u>	<u>225,593</u>	<u>566,062</u>	<u>459,335</u>	<u>-</u>	<u>230,945</u>	<u>350,925</u>
Excess (deficiency) of receipts over disbursements	<u>(6,020)</u>	<u>176,823</u>	<u>(26,596)</u>	<u>(7,831)</u>	<u>162,237</u>	<u>103,362</u>	<u>-</u>	<u>(111,122)</u>	<u>(1,970)</u>
Other financing sources (uses):									
Sale of capital assets	511	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	200,000	5,000
Transfers out	(5,000)	(100,000)	-	-	-	(100,000)	-	-	-
Total other financing sources (uses)	<u>(4,489)</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>200,000</u>	<u>5,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(10,509)</u>	<u>76,823</u>	<u>(26,596)</u>	<u>(7,831)</u>	<u>162,237</u>	<u>3,362</u>	<u>-</u>	<u>88,878</u>	<u>3,030</u>
Cash and investments - ending	<u>\$ 392,015</u>	<u>\$ 368,855</u>	<u>\$ 67,035</u>	<u>\$ 18,229</u>	<u>\$ 295,923</u>	<u>\$ 292,466</u>	<u>\$ 15,881</u>	<u>\$ 459,622</u>	<u>\$ 3,540</u>

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

	Textbook Rental	Self- Insurance	Educational License Plates	Lilly Endowment Grant	Toyota Library Donation	2012 DC Community Foundation Grant	DC Youth Council Grant	Formative Assessment
Cash and investments - beginning	\$ 183,033	\$ 1,218,364	\$ 3,975	\$ -	\$ -	\$ 562	\$ 1,000	\$ 3,397
Receipts:								
Local sources	111,600	1,024,304	-	30,000	1,500	-	-	-
Intermediate sources	-	-	56	-	-	-	-	-
State sources	17,303	-	-	-	-	-	-	10,799
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	17,042	-	-	-	-	-	-
Total receipts	128,903	1,041,346	56	30,000	1,500	-	-	10,799
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	264,499	23,364	-	4,642	-	40	360	9,294
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	914,201	-	-	-	-	-	-
Total disbursements	264,499	937,565	-	4,642	-	40	360	9,294
Excess (deficiency) of receipts over disbursements	(135,596)	103,781	56	25,358	1,500	(40)	(360)	1,505
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	(135,596)	103,781	56	25,358	1,500	(40)	(360)	1,505
Cash and investments - ending	\$ 47,437	\$ 1,322,145	\$ 4,031	\$ 25,358	\$ 1,500	\$ 522	\$ 640	\$ 4,902

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

	Medicaid Reimbursement	Scholarships and Awards	Viking Promise Scholarship	School Technology	Career and Technical Performance Grant	2015-2016 HAL Grant	2016-2017 HAL Grant	2017-2018 HAL Grant
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 14,937	\$ -	\$ 7,549	\$ -	\$ -
Receipts:								
Local sources	-	1,000	-	35,659	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	10,628	8,028	-	28,039	-
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	1,000	-	46,287	8,028	-	28,039	-
Disbursements:								
Instruction	-	-	-	-	3,000	7,549	28,039	-
Support services	-	-	-	33,507	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	33,507	3,000	7,549	28,039	-
Excess (deficiency) of receipts over disbursements	-	1,000	-	12,780	5,028	(7,549)	-	-
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,000	-	12,780	5,028	(7,549)	-	-
Cash and investments - ending	\$ -	\$ 1,000	\$ -	\$ 27,717	\$ 5,028	\$ -	\$ -	\$ -

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

	Senator David Ford Technology	Excess PTRC Distributions	2015-2016 Title I	2016-2017 Title I	2017-2018 Title I	2014-2015 Title II, Part A	2015-2016 Title II, Part A	2016-2017 Title II, Part A
Cash and investments - beginning	\$ -	\$ 34	\$ (9,931)	\$ -	\$ -	\$ -	\$ (529)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	24,000	-	-	-	-	-	-	-
Federal sources	-	-	128,500	255,448	-	243	529	55,111
Other receipts	-	-	-	-	-	-	-	-
Total receipts	24,000	-	128,500	255,448	-	243	529	55,111
Disbursements:								
Instruction	-	-	108,925	243,831	-	-	-	-
Support services	24,000	-	9,644	27,414	-	243	-	55,111
Noninstructional services	-	-	-	2,481	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	24,000	-	118,569	273,726	-	243	-	55,111
Excess (deficiency) of receipts over disbursements	-	-	9,931	(18,278)	-	-	529	-
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	-	-	9,931	(18,278)	-	-	529	-
Cash and investments - ending	\$ -	\$ 34	\$ -	\$ (18,278)	\$ -	\$ -	\$ -	\$ -

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

	2017-2018 Title II, Part A	FY 15 Rural Schools and Low Income Program	FY 16 Rural Schools and Low Income Program	FY 14 Rural Schools and Low Income Program	Qualified Zone Academy Bond	Prepaid Foods	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (4,410)	\$ -	\$ (423)	\$ -	\$ 7,284	\$ -	\$ 3,049,014
Receipts:								
Local sources	-	-	-	-	-	-	-	4,282,414
Intermediate sources	-	-	-	-	-	-	-	77
State sources	-	-	-	-	-	-	-	4,981,160
Federal sources	-	14,551	4,959	2,833	-	-	-	711,997
Other receipts	-	-	-	-	-	2,100	1,309,093	1,328,235
Total receipts	-	14,551	4,959	2,833	-	2,100	1,309,093	11,303,883
Disbursements:								
Instruction	-	10,141	4,959	292	-	-	-	4,391,136
Support services	-	-	-	-	-	-	-	3,160,827
Noninstructional services	-	-	-	2,118	-	-	-	499,621
Facilities acquisition and construction	-	-	-	-	-	-	-	340,640
Debt service	-	-	-	-	-	-	-	392,904
Nonprogrammed charges	-	-	-	-	-	1,089	1,309,093	2,224,383
Total disbursements	-	10,141	4,959	2,410	-	1,089	1,309,093	11,009,511
Excess (deficiency) of receipts over disbursements	-	4,410	-	423	-	1,011	-	294,372
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	511
Transfers in	-	-	-	-	-	-	-	205,000
Transfers out	-	-	-	-	-	-	-	(205,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	511
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,410	-	423	-	1,011	-	294,883
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,295	\$ -	\$ 3,343,897

BARR-REEVE COMMUNITY SCHOOLS, INC.
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	General	Referendum Tax Levy	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch
Cash and investments - beginning	\$ 392,015	\$ 368,855	\$ 67,035	\$ 18,229	\$ 295,923	\$ 292,466	\$ 15,881	\$ 459,622	\$ 3,540
Receipts:									
Local sources	89,476	1,209,437	446,978	231,265	746,979	513,530	-	90,000	199,668
Intermediate sources	23	-	-	-	-	-	-	-	-
State sources	5,080,376	-	-	-	-	-	-	-	5,897
Federal sources	-	-	-	-	-	-	-	-	125,725
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	5,169,875	1,209,437	446,978	231,265	746,979	513,530	-	90,000	331,290
Disbursements:									
Instruction	3,344,006	912,770	-	-	-	-	-	-	-
Support services	1,648,417	131,022	-	-	407,732	503,560	-	71,750	2,094
Noninstructional services	-	152,555	-	-	-	-	-	-	319,133
Facilities acquisition and construction	-	73	-	-	202,646	400	-	317,301	-
Debt service	-	-	384,336	229,161	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	4,992,423	1,196,420	384,336	229,161	610,378	503,960	-	389,051	321,227
Excess (deficiency) of receipts over disbursements	177,452	13,017	62,642	2,104	136,601	9,570	-	(299,051)	10,063
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	2,645	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	300,000	-
Transfers out	(15,221)	(150,000)	-	-	(75,000)	(75,000)	-	-	-
Total other financing sources (uses)	(12,576)	(150,000)	-	-	(75,000)	(75,000)	-	300,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	164,876	(136,983)	62,642	2,104	61,601	(65,430)	-	949	10,063
Cash and investments - ending	\$ 556,891	\$ 231,872	\$ 129,677	\$ 20,333	\$ 357,524	\$ 227,036	\$ 15,881	\$ 460,571	\$ 13,603

BARR-REEVE COMMUNITY SCHOOLS, INC.
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Textbook Rental	Self- Insurance	Educational License Plates	Lilly Endowment Grant	Toyota Library Donation	2012 DC Community Foundation Grant	DC Youth Council Grant	Formative Assessment
Cash and investments - beginning	\$ 47,437	\$ 1,322,145	\$ 4,031	\$ 25,358	\$ 1,500	\$ 522	\$ 640	\$ 4,902
Receipts:								
Local sources	91,929	1,084,333	-	-	-	-	-	-
Intermediate sources	-	-	56	-	-	-	-	-
State sources	18,808	-	-	-	-	-	-	10,331
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	110,737	1,084,333	56	-	-	-	-	10,331
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	173,395	-	-	25,358	-	519	171	15,233
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	937,318	-	-	-	-	-	-
Total disbursements	173,395	937,318	-	25,358	-	519	171	15,233
Excess (deficiency) of receipts over disbursements	(62,658)	147,015	56	(25,358)	-	(519)	(171)	(4,902)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	15,221	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	15,221	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(47,437)	147,015	56	(25,358)	-	(519)	(171)	(4,902)
Cash and investments - ending	\$ -	\$ 1,469,160	\$ 4,087	\$ -	\$ 1,500	\$ 3	\$ 469	\$ -

BARR-REEVE COMMUNITY SCHOOLS, INC.
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Medicaid Reimbursement	Scholarships and Awards	Viking Promise Scholarship	School Technology	Career and Technical Performance Grant	2015-2016 HAL Grant	2016-2017 HAL Grant	2017-2018 HAL Grant
Cash and investments - beginning	\$ -	\$ 1,000	\$ -	\$ 27,717	\$ 5,028	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	1,000	1,920	1,089	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	25,396	-	-	14,250	7,464	-	-	30,455
Federal sources	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	25,396	1,000	1,920	15,339	7,464	-	-	30,455
Disbursements:								
Instruction	25,396	-	-	-	3,000	-	-	30,455
Support services	-	-	-	26,304	-	-	-	-
Noninstructional services	-	-	1,920	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	2,000	-	-	-	-	-	-
Total disbursements	25,396	2,000	1,920	26,304	3,000	-	-	30,455
Excess (deficiency) of receipts over disbursements	-	(1,000)	-	(10,965)	4,464	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,000)	-	(10,965)	4,464	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 16,752	\$ 9,492	\$ -	\$ -	\$ -

BARR-REEVE COMMUNITY SCHOOLS, INC.
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Senator David Ford Technology	Excess PTRC Distributions	2015-2016 Title I	2016-2017 Title I	2017-2018 Title I	2014-2015 Title II, Part A	2015-2016 Title II, Part A	2016-2017 Title II, Part A
Cash and investments - beginning	\$ -	\$ 34	\$ -	\$ (18,278)	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	24,075	-	-	-	-	-	-	-
Federal sources	-	-	-	108,923	220,943	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	24,075	-	-	108,923	220,943	-	-	-
Disbursements:								
Instruction	-	-	-	80,882	221,428	-	-	-
Support services	41,886	-	-	9,763	25,169	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	41,886	-	-	90,645	246,597	-	-	-
Excess (deficiency) of receipts over disbursements	(17,811)	-	-	18,278	(25,654)	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,811)	-	-	18,278	(25,654)	-	-	-
Cash and investments - ending	\$ (17,811)	\$ 34	\$ -	\$ -	\$ (25,654)	\$ -	\$ -	\$ -

BARR-REEVE COMMUNITY SCHOOLS, INC.
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	2017-2018 Title II, Part A	FY 15 Rural Schools and Low Income Program	FY 16 Rural Schools and Low Income Program	FY 14 Rural Schools and Low Income Program	Qualified Zone Academy Bond	Prepaid Foods	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,295	\$ -	\$ 3,343,897
Receipts:								
Local sources	-	-	-	-	-	-	-	4,707,604
Intermediate sources	-	-	-	-	-	-	-	79
State sources	-	-	-	-	-	-	-	5,217,052
Federal sources	46,641	500	13,806	-	-	-	-	516,538
Other receipts	-	-	-	-	-	(20)	1,310,806	1,310,786
Total receipts	46,641	500	13,806	-	-	(20)	1,310,806	11,752,059
Disbursements:								
Instruction	-	500	3,754	-	-	-	-	4,622,191
Support services	46,641	-	-	-	-	-	-	3,129,014
Noninstructional services	-	-	10,052	-	-	-	-	483,660
Facilities acquisition and construction	-	-	-	-	507	-	-	520,927
Debt service	-	-	-	-	-	-	-	613,497
Nonprogrammed charges	-	-	-	-	-	(263)	1,302,985	2,242,040
Total disbursements	46,641	500	13,806	-	507	(263)	1,302,985	11,611,329
Excess (deficiency) of receipts over disbursements	-	-	-	-	(507)	243	7,821	140,730
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	830,000	-	-	830,000
Sale of capital assets	-	-	-	-	-	-	-	2,645
Transfers in	-	-	-	-	-	-	-	315,221
Transfers out	-	-	-	-	-	-	-	(315,221)
Total other financing sources (uses)	-	-	-	-	830,000	-	-	832,645
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	829,493	243	7,821	973,375
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 829,493	\$ 8,538	\$ 7,821	\$ 4,317,272

BARR-REEVE COMMUNITY SCHOOLS, INC.
SCHEDULE OF LEASES AND DEBT
June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
KS State Bank	105 Dell Teacher Computers	\$ 12,446	6/26/2017	6/30/2020
Barr-Reeve Community School Building Corporation	School Building Renovations	163,000	7/1/2012	1/1/2026
Barr-Reeve Community School Building Corporation	School Building Additions and Renovations	<u>296,500</u>	7/1/2018	1/1/2036
Total governmental activities		<u>471,946</u>		
Total of annual lease payments		<u>\$ 471,946</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Retirement/Severance Bond	\$ 375,000	\$ 231,849
Total governmental activities		<u>375,000</u>	<u>231,849</u>
Totals		<u>\$ 375,000</u>	<u>\$ 231,849</u>

BARR-REEVE COMMUNITY SCHOOLS, INC.
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2018

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

	Ending Balance
Governmental activities:	
Land	\$ 158,251
Buildings	10,033,011
Improvements other than buildings	1,128,137
Machinery, equipment, and vehicles	<u>1,383,405</u>
Total governmental activities	<u>12,702,804</u>
Total capital assets	<u>\$ 12,702,804</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for the Major Federal Program

We have audited the Barr-Reeve Community Schools, Inc.'s (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal program is 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 the School Corporation's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on the Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the period of July 1, 2016 to June 30, 2018.

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


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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, CPA
State Examiner

March 21, 2019

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

BARR-REEVE COMMUNITY SCHOOLS, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2017 and 2018

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	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
FY 16/17 School Breakfast Program			FY 16-17	\$ -	\$ 10,127	\$ -	\$ -
FY 17/18 School Breakfast Program			FY 17-18	-	-	-	12,428
Total - School Breakfast Program				-	10,127	-	12,428
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555					
FY 16/17 School Lunch Program			FY 16-17	-	119,873	-	-
FY 17/18 School Lunch Program			FY 17-18	-	-	-	113,297
NSLP - Commodities			FY 16-17	-	27,539	-	-
NSLP - Commodities			FY 17-18	-	-	-	29,689
Total - National School Lunch Program				-	147,412	-	142,986
Total - Child Nutrition Cluster				-	157,539	-	155,414
Total - Department of Agriculture				-	157,539	-	155,414
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
FY 15 Federal Part B 611			14215-009-PN01	-	8,053	-	-
FY16 Federal Part B 611			14216-007-PN01	-	62,430	-	18,605
FY 17 Federal Part B 611			14217-007-PN01	-	84,588	-	57,093
FY 18 Federal Part B 611			18611-007-PN01	-	-	-	106,426
Total - Special Education Grants to States				-	155,071	-	182,124

BARR-REEVE COMMUNITY SCHOOLS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

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	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Special Education Preschool Grants	Indiana Department of Education	84.173					
FY 18 Federal Preschool 619			18619-007-PN01	-	-	-	4,904
FY 17 Federal Preschool 619			45717-007-PN01	-	4,827	-	175
Total - Special Education Preschool Grants				-	4,827	-	5,079
Total - Special Education Cluster (IDEA)				-	159,898	-	187,203
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
FY15 Title I			S010A150014	-	128,500	-	-
FY16 Title I			S010A160014	-	255,448	-	158,316
FY17 Title I			S010A170014	-	-	-	171,550
Total - Title I Grants to Local Educational Agencies				-	383,948	-	329,866
Rural Education	Indiana Department of Education	84.358					
FY 14 Rural & Low income			S358B140014	-	2,833	-	-
FY 15 Rural & Low Income			S358B150014	-	14,551	-	500
FY 16 Rural & Low Income			S358B160014	-	4,959	-	13,806
Total - Rural Education				-	22,343	-	14,306
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
FY 14 Title II Part A			S367A140013	-	243	-	-
FY 15 Title II part A			S367A150013	-	529	-	-
FY 17 Title II part A			S367A160013	-	55,111	-	46,641
Total - Supporting Effective Instruction State Grants				-	55,883	-	46,641
Total - Department of Education				-	622,072	-	578,016
Total federal awards expended				\$ -	\$ 779,611	\$ -	\$ 733,430

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. 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.

Note 3. Special Education Cooperative

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

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

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit finding disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for it:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Title I Grants to Local Educational Agencies	Unmodified

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

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2018-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat of Finding 2016-001 from the immediately prior audit.

Condition

The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation implemented an internal control over the preparation of the SEFA; however, the control was not effective as material misstatements of the SEFA remained undetected.

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

Context

Due to the lack of controls, the SEFA contained the following errors: Commodities for the National School Lunch Program for both fiscal years were reported twice resulting in an overstatement of \$57,228; during fiscal year 2016-2017, the School Breakfast Program was overstated by \$966, the National School Lunch Program was overstated by \$12,439, and one grant for Supporting Effective Instruction State Grants was omitted totaling \$55,111.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Criteria

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

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

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

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

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

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

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

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

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established a system of internal controls that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the School Corporation's management establish controls related to 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.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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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.

BARR-REEVE COMMUNITY SCHOOLS, INC.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

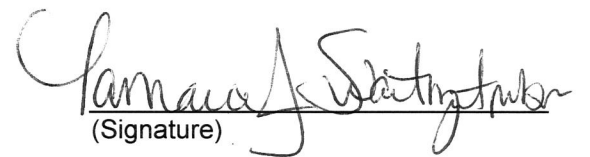
FINDING 2016-001

Fiscal year in which finding initially occurred: 2012/2013

Contact Person Responsible for Corrective Action: Tamara Swartzentruber, Treasurer

Contact Phone Number: 812-486-3220

Status of Audit Finding: The School Corporation's management is in the process of establishing controls to ensure accurate preparation of the Schedule of Expenditures of Federal Awards (SEFA).


(Signature)

Corporation Treasurer
(Title)

3-11-2019
(Date)

Travis Madison, Superintendent
Andrea Huff, STEM/Career Director
Tamara Swartzentruber, Treasurer
Lisa Claridge, Secretary

P.O Box 97
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FAX (812) 486-3509
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Lana Helms, Board Member
Alex Knepp, Board Member
Jody Schultheis, Board Member

BARR-REEVE COMMUNITY SCHOOLS, INC.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

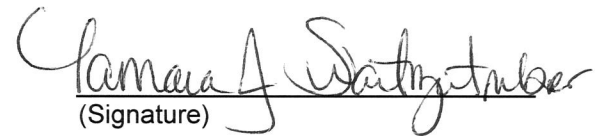
FINDING 2016-002

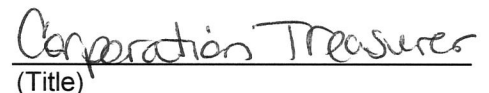
Fiscal year in which finding initially occurred: 2014/2015

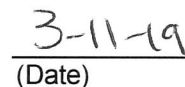
Contact Person Responsible for Corrective Action: Tamara Swartzentruber, Treasurer

Contact Phone Number: 812-486-3220

Status of Audit Finding: Dunn & Associates will continue to submit audits and inform Barr-Reeve Community Schools immediately if there are any findings associated with funds related to the Barr-Reeve Community Schools Benefit Trust. The true Self Insurance Reserve fund (1100) is reported and maintained by Barr-Reeve Community Schools. The district will continue to ensure all transactions associated with that fund are subject to the regular approval process per board policy.


(Signature)


(Title)


(Date)

Travis Madison, Superintendent
Andrea Huff, STEM/Career Director
Tamara Swartzentruber, Treasurer
Lisa Claridge, Secretary

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-003

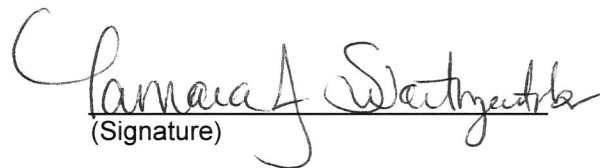
Fiscal year in which finding initially occurred: 2012/2013

Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Tamara Swartzentruber, Treasurer

Contact Phone Number: 812-486-3220

Status of Audit Finding: Effective July 1, 2016 the School Corporation's management has established controls to ensure compliance with the grant agreement and the compliance requirement for allowable costs. Management has established better communication between each other to make sure that the proper forms are complete and that the funds being paid out of Title I are in compliance with requirements related to the grant agreement.


(Signature)

Corporation Treasurer
(Title)

3-11-19
(Date)

Travis Madison, Superintendent
Andrea Huff, STEM/Career Director
Tamara Swartzentruber, Treasurer
Lisa Claridge, Secretary

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-004

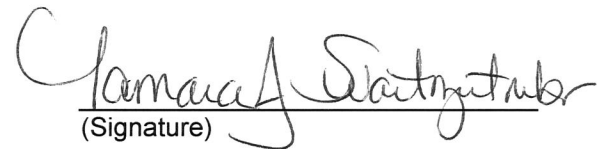
Fiscal year in which finding initially occurred: 2012/2013

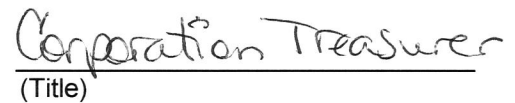
Pass-Through Entity: Indiana Department of Education

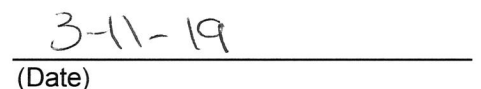
Contact Person Responsible for Corrective Action: Travis Madison, Superintendent

Contact Phone Number: 812-486-3220

Status of Audit Finding: Effective July 1, 2016, the school has implemented additional control procedures. We have established segregation of duties by making sure proper oversight, reviews and approvals take place and have a separation of functions related to reporting.


(Signature)


(Title)


(Date)

Travis Madison, Superintendent
Andrea Huff, STEM/Career Director
Tamara Swartzentruber, Treasurer
Lisa Claridge, Secretary

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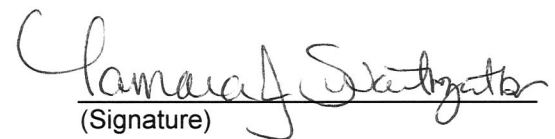
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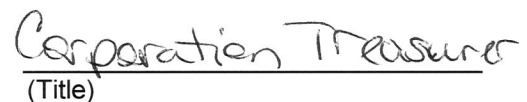
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

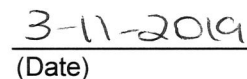
FINDING 2016-005

Fiscal year in which finding initially occurred: 2012/2013
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Travis Madison, Superintendent
Contact Phone Number: 812-486-3220

Status of Audit Finding: During the audit period the superintendent sent letters and held meetings for the private school officials to offer private school children any educational services needed.


(Signature)


(Title)


(Date)

Travis Madison, Superintendent
Andrea Huff, STEM/Career Director
Tamara Swartzentruber, Treasurer
Lisa Claridge, Secretary

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Montgomery, IN 47558
(812) 486-3220
FAX (812) 486-3509
www.barr.k12.in.us

Lana Helms, Board Member
Alex Knepp, Board Member
Jody Schultheis, Board Member

BARR-REEVE COMMUNITY SCHOOLS, INC.

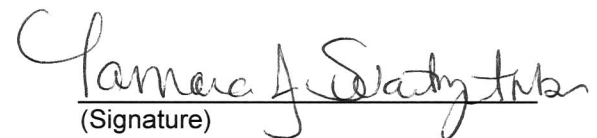
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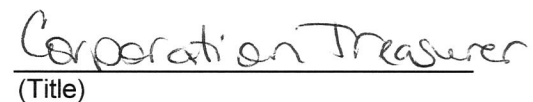
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

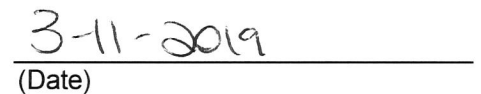
FINDING 2016-006

Fiscal year in which finding initially occurred: 2014/2015
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Travis Madison, Superintendent
Contact Phone Number: 812-486-3220

Status of Audit Finding: During the audit period, the School Corporation approved a policy that established a controls to ensure compliance and comply with the Special Tests and Provisions – Assessment System Security compliance requirement.


(Signature)


(Title)


(Date)

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Andrea Huff, STEM/Career Director
Tamara Swartzentruber, Treasurer
Lisa Claridge, Secretary

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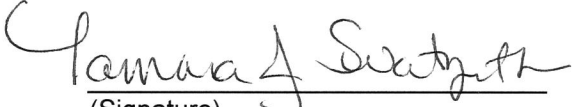
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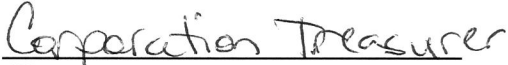
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-007

Fiscal year in which finding initially occurred: 2014/2015
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Tamara Swartzentruber, Treasurer
Contact Phone Number: 812-486-3220

Status of Audit Finding: Effective July 1, 2016, the School Corporation's Management established controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirements.


(Signature)


(Title)


(Date)

Travis Madison, Superintendent
Andrea Huff, STEM/Career Director
Tamara Swartzentruber, Treasurer
Lisa Claridge, Secretary

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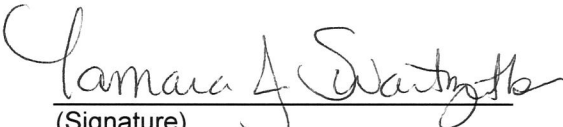
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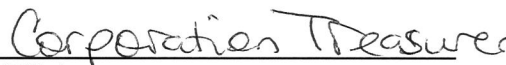
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS


FINDING 2016-008

Fiscal year in which finding initially occurred: 2014/2015
Pass-Through Entity: Indiana Department of Education
Contact Person Responsible for Corrective Action: Travis Madison, Superintendent
Contact Phone Number: 812-486-3220

Status of Audit Finding: During the audit period the superintendent sent letters and held meetings for the private school officials to offer private school children any educational services needed.


(Signature)


(Title)


(Date)

Travis Madison, Superintendent
Andrea Huff, STEM/Career Director
Tamara Swartzentruber, Treasurer
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CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Tamara Swartzentruber, Treasurer

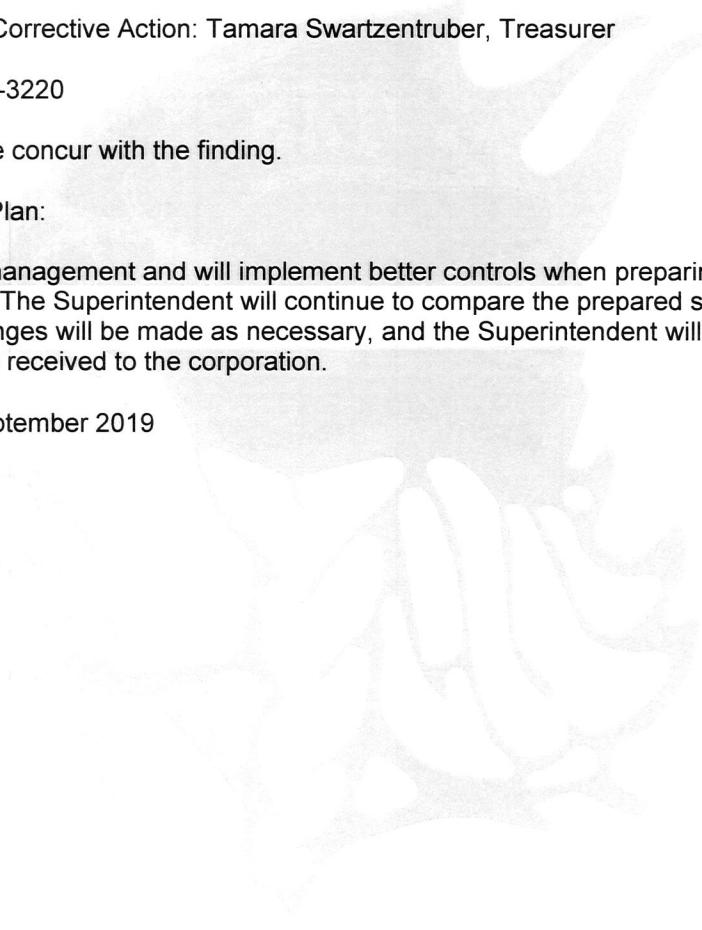
Contact Phone Number: 812-486-3220

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Treasurer has worked with management and will implement better controls when preparing the Schedule of Expenditures of Federal Awards. The Superintendent will continue to compare the prepared schedule to supporting documentation for accuracy, changes will be made as necessary, and the Superintendent will approve the final version. We will report all grants that were received to the corporation.

Anticipated Completion Date: September 2019


Tamara Swartzentruber
(Signature)

Corporation Treasurer
(Title)

3-7-2019
(Date)

Travis Madison, Superintendent
Andrea Huff, Career/Stem Director
Tamara Swartzentruber, Treasurer
Lisa Claridge, Secretary

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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/>.