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April 11, 2023

To: The Officials of the Barr-Reeve Community Schools, Inc.  
Barr-Reeve Community Schools, Inc.  
373 North Main St  
Montgomery, IN 47558

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Barr-Reeve Community Schools, Inc. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 36 through 38. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 39 and 40.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Report for Barr-Reeve Community Schools, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner

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

**FINANCIAL STATEMENT**  
As of June 30, 2022, and for the  
period of July 1, 2020 to June 30, 2022

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

FINANCIAL STATEMENT  
As of June 30, 2022, and for the  
period of July 1, 2020 to June 30, 2022

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BARR-REEVE COMMUNITY SCHOOLS, INC.  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period July 1, 2020 to June 30, 2022

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tamara J Swartzentruber	07-01-20 to 06-30-22
Superintendent of Schools	Travis Madison	07-01-20 to 06-30-22
President of the School Board	Lana Helms Alex Knepp	07-01-20 to 12-31-20 01-01-21 to 06-31-22

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of Barr-Reeve Community Schools, Inc. (the School Corporation) as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement.

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

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2022, or changes in net position for the period of July 1, 2020 to June 30, 2022.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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(Continued)

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

### ***Responsibilities of Management for the Financial Statement***

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

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

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are not a required part of the financial statement.

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(Continued)

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

### ***Other Information***

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2023 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 21, 2023

BARR-REEVE COMMUNITY SCHOOLS, INC.  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2022 and for the period of July, 2020 through June 30, 2022

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2020	Receipts	Disbursements		06-30-2021	Receipts	Disbursements		
Education	\$ 255,691	\$ 6,502,868	\$ 5,838,522	\$ (853,000)	\$ 67,037	\$ 6,983,841	\$ 5,986,273	\$ (964,800)	\$ 99,805
Operating Referendum Tax Levy	586,257	672,037	854,460	-	403,834	771,280	919,219	(150,000)	105,895
Debt Service	308,792	1,283,431	1,198,616	-	393,607	1,317,609	1,299,282	-	411,934
Operations	869,964	3,058,821	3,923,805	903,146	908,126	1,804,207	2,380,799	624,926	956,460
Local Rainy Day	96,169	522,581	130,474	-	488,276	-	206,131	500,000	782,145
2019 School Bonds - Trans	678,027	-	678,027	-	-	-	-	-	-
2020 Bond	-	261,020	81,899	-	179,121	-	20,000	-	159,121
School Lunch	4,263	344,190	257,485	(50,000)	40,968	453,955	394,593	-	100,330
Curricular Materials Rental	34,454	142,948	119,064	-	58,338	147,520	152,882	-	52,976
Self-Insurance	1,378,598	999,097	1,482,002	-	895,693	1,426,176	1,587,966	-	733,903
Educational License Plates	4,181	56	-	-	4,237	56	-	-	4,293
Ken & Paula Jones Scholarship	-	3,000	3,000	-	-	3,063	3,063	-	-
United Way Of Daviess County	-	3,000	-	-	3,000	-	874	-	2,126
Formative Assessment	-	9,449	8,844	-	605	11,340	10,313	-	1,632
Secured Schools Safety Grant	-	23,732	8,376	-	15,356	17,058	51,718	-	(19,304)
Fy19 Stem Grant	-	1,204	2,804	-	(1,600)	5,994	4,394	-	-
Fy20 Stem Grant	-	31,751	35,552	-	(3,801)	8,249	4,448	-	-
Fy 20/21 Early Intervention Grant	-	3,662	1,348	-	2,314	-	2,181	-	133
Fy 21/22 Early Intervention Grant	-	-	-	-	-	3,997	2,013	-	1,984
Sel/Career Grant	-	-	-	-	-	8,000	-	-	8,000
Career And Technical Performance Grant	775	-	775	-	-	-	-	-	-
High Ability Students	17,223	23,245	22,233	-	18,235	25,752	34,704	-	9,283
State Connectivity Grant	14,777	15,818	-	-	30,595	11,928	-	-	42,523
Project Lead The Way	-	2,400	1,200	-	1,200	-	1,200	-	-
19-20 Title I	(18,181)	83,868	65,687	-	-	-	-	-	-
20-21 Title I	-	190,515	202,908	-	(12,393)	77,460	65,067	-	-
21-22 Title I	-	-	-	-	-	202,721	225,739	-	(23,018)
Dc Comm Foundation Grant	-	5,625	-	-	5,625	-	5,625	-	-
Fy20 Title Iv Part A Grant	-	18,801	18,801	-	-	-	-	-	-
Fy 21-22 Title Iv Part A	-	-	-	-	-	-	10,000	-	(10,000)
Fy 19 Title Ii Part A	-	45,476	45,476	-	-	-	-	-	-
Fy20 Title Ii Part A Grant	-	48,933	48,933	-	-	-	-	-	-
Federal Stimulus - 18003 Educ. Stab Reli	-	208,092	229,472	-	(21,380)	21,380	-	-	-
2021 Cares Ii	-	780,910	780,910	-	-	-	-	-	-
Cares Iii	-	-	-	-	-	962,516	983,326	-	(20,810)
Qualified Zone Academy Bond 17	2,261,097	-	2,261,097	-	-	-	-	-	-
Prepaid School Lunch Accounts	23,170	32,017	31,015	-	24,172	27,591	30,846	-	20,917
Federal Tax	-	427,484	427,484	-	-	443,616	443,616	-	-
Social Security	-	383,792	383,792	-	-	400,700	400,700	-	-
State Tax	-	157,293	157,293	-	-	164,346	164,346	-	-
County Tax	-	76,277	76,277	-	-	82,608	82,608	-	-

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2022 and for the period of July, 2020 through June 30, 2022

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
Perf - Voluntary	\$ -	\$ 9,362	\$ 9,362	\$ -	\$ -	\$ 9,014	\$ 9,014	\$ -	\$ -
Trf - Voluntary Deductions	-	22,944	22,944	-	-	22,603	22,603	-	-
Group Health Insurance	500	82,373	81,492	-	1,381	123,693	125,074	-	-
Annuities	-	148,292	148,292	-	-	148,230	148,230	-	-
American Fidelity/Aflac	105	49,326	49,352	-	79	47,796	47,875	-	-
Garnishment	-	-	-	-	-	3,837	3,837	-	-
Ista Dues	-	8,421	8,421	-	-	-	-	-	-
United Way	-	200	200	-	-	120	120	-	-
Flexible Spending Account	-	4,925	4,925	-	-	4,275	4,275	-	-
Receipts & Services From Eca	-	2,429	2,429	-	-	4,008	4,008	-	-
Hsa Contributions	-	93,653	93,653	-	-	103,394	103,394	-	-
Gil Clearing Account	-	5,332	5,332	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 6,515,862</b>	<b>\$ 16,790,650</b>	<b>\$ 19,804,033</b>	<b>\$ 146</b>	<b>\$ 3,502,625</b>	<b>\$ 15,849,933</b>	<b>\$ 15,942,356</b>	<b>\$ 10,126</b>	<b>\$ 3,420,328</b>

See notes to financial statement.

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

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

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

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

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

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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

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

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

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

*State sources.* Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Federal sources.* Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Temporary loans.* Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

*Interfund loans.* Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

BARR-REEVE COMMUNITY SCHOOLS, INC.  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

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

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

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

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

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

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

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

*Debt services.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

*Nonprogrammed charges.* Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

*Interfund loans.* Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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

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

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

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

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

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(Continued)

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

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

**NOTE 2 - BUDGETS**

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

**NOTE 3 - PROPERTY TAXES**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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(Continued)

**NOTE 5 - RISK MANAGEMENT**

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters. These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks

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

**NOTE 6 - CASH BALANCE DEFICITS**

The financial statement contain some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2021, and 2022.

**NOTE 7 - HOLDING CORPORATION**

The School Corporation has entered into a series of capital leases with the Barr-Reeve Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$953,500. Lease payments for the period July 1, 2021 to June 30, 2022 totaled \$1,059,500.

**NOTE 8 - PENSION PLANS**

**Public Employees' Retirement Fund**

*Plan Description*

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

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

*Financial Report*

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

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

*Contributions*

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

**Teachers' Retirement Fund**

*Plan Descriptions*

The Indiana Teachers' Hybrid Plan (TRF Hybrid) consists of two components: Indiana Teachers' Pre-1996 Defined Benefit Account (Teachers' Pre-1996 DB) or Indiana Teachers' 1996 Defined Benefit Account (Teachers' 1996 DB) the monthly employer-funded defined benefit components, along with the Indiana Teachers' Defined Contribution Account (TRF DC), the defined contribution component. Generally, members hired before 1996 participate in the Teachers' Pre-1996 DB and members hired after 1995 participate in the Teachers' 1996 DB.

The Teachers' 1996 DB is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in the Teachers' 1996 DB.

The Teachers' Pre-1996 DB is a pay-as-you-go, cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. Membership in the Teachers' Pre-1996 DB is closed to new entrants.

The TRF DC is a multiple-employer defined contribution plan providing supplemental retirement benefits to Teachers' 1996 DB and Teachers' Pre-1996 DB members.

The Retirement Savings Plan for Public Teachers (My Choice) is a multiple-employer defined contribution plan. New employees hired after June 30, 2019, have a one-time election to join either the TRF Hybrid plan that is not closed to new entrants or the My Choice plan.

All these plans are administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3, and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School Corporation authority to contribute to the plan when applicable.

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(Continued)

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

*Financial Report*

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

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

*Contributions*

The School Corporation contributes the employer's share to Teachers' 1996 DB for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. These contributions are determined by the INPRS Board based on actuarial valuation. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995 (Teachers' Pre-1996 DB) is an obligation of, and is paid by, the State of Indiana.

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS**

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

**SUPPLEMENTARY INFORMATION**

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2020 through June 30, 2021

	Education	Operating Referendum Tax Levy	Debt Service	Operations	Local Rainy Day	2019 School Bonds - Trans	2020 Bond	School Lunch	Curricular Materials Rental	Self-Insurance	Educational License Plates
Cash and investments - beginning	\$ 255,691	\$ 586,257	\$ 308,792	\$ 869,964	\$ 96,169	\$ 678,027	\$ -	\$ 4,263	\$ 34,454	\$ 1,378,598	\$ 4,181
Receipts:											
Local sources	83,093	672,037	1,283,431	3,058,821	522,581	-	13,320	44,703	123,315	-	-
Intermediate sources	82	-	-	-	-	-	-	-	-	-	56
State sources	6,419,693	-	-	-	-	-	-	5,882	19,633	-	-
Federal sources	-	-	-	-	-	-	247,700	279,038	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	14,567	-	999,097	-
Total receipts	6,502,868	672,037	1,283,431	3,058,821	522,581	-	261,020	344,190	142,948	999,097	56
Disbursements:											
Instruction	4,794,660	41,263	-	-	73,202	-	-	-	-	-	-
Support services	1,010,950	50,433	-	1,881,538	63,879	-	-	-	119,064	-	-
Noninstructional services	32,912	167,464	-	-	3,230	-	-	257,485	-	-	-
Facilities acquisition and construction	-	374,826	-	1,411,751	(9,837)	678,027	81,899	-	-	-	-
Debt services	-	220,474	1,198,616	630,516	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,482,002	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,838,522	854,460	1,198,616	3,923,805	130,474	678,027	81,899	257,485	119,064	1,482,002	-
Excess (deficiency) of receipts over disbursements	664,346	(182,423)	84,815	(864,984)	392,107	(678,027)	179,121	86,705	23,884	(482,905)	56
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	146	-	-	-	-	-	-	-
Transfers in	50,000	-	-	903,000	-	-	-	-	-	-	-
Transfers out	(903,000)	-	-	-	-	-	-	(50,000)	-	-	-
Total other financing sources (uses)	(853,000)	-	-	903,146	-	-	-	(50,000)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(188,654)	(182,423)	84,815	38,162	392,107	(678,027)	179,121	36,705	23,884	(482,905)	56
Cash and investments - ending	\$ 67,037	\$ 403,834	\$ 393,607	\$ 908,126	\$ 488,276	\$ -	\$ 179,121	\$ 40,968	\$ 58,338	\$ 895,693	\$ 4,237

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2020 through June 30, 2021

	Ken & Paula Jones Scholarship	United Way Of Davies County	Formative Assessment	Secured Schools Safety Grant	Fy19 Stem Grant	Fy20 Stem Grant	Fy 20/21 Early Intervention Grant	Fy 21/22 Early Intervention Grant	Sel/Career Grant	Career And Technical Performance Grant	High Ability Students
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 775	\$ 17,223
Receipts:											
Local sources	3,000	3,000	-	-	-	-	-	-	-	-	170
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	9,449	-	1,204	31,751	3,662	-	-	-	23,075
Federal sources	-	-	-	23,732	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,000	3,000	9,449	23,732	1,204	31,751	3,662	-	-	-	23,245
Disbursements:											
Instruction	-	-	-	8,376	2,804	35,552	1,348	-	-	775	22,233
Support services	-	-	8,844	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	3,000	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,000	-	8,844	8,376	2,804	35,552	1,348	-	-	775	22,233
Excess (deficiency) of receipts over disbursements	-	3,000	605	15,356	(1,600)	(3,801)	2,314	-	-	(775)	1,012
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,000	605	15,356	(1,600)	(3,801)	2,314	-	-	(775)	1,012
Cash and investments - ending	\$ -	\$ 3,000	\$ 605	\$ 15,356	\$ (1,600)	\$ (3,801)	\$ 2,314	\$ -	\$ -	\$ -	\$ 18,235

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2020 through June 30, 2021

	State Connectivity Grant	Project Lead The Way	19-20 Title I	20-21 Title I	21-22 Title I	Dc Comm Foundation Grant	Fy20 Title Iv Part A Grant	Fy 21-22 Title Iv Part A	Fy 19 Title Ii Part A	Fy20 Title Ii Part A Grant	Federal Stimulus - 18003 Educ. Stab Reli
Cash and investments - beginning	\$ 14,777	\$ -	\$ (18,181)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	15,818	-	-	-	-	-	-	-	-	-	-
Federal sources	-	2,400	83,868	190,515	-	5,625	18,801	-	45,476	48,933	208,092
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>15,818</b>	<b>2,400</b>	<b>83,868</b>	<b>190,515</b>	<b>-</b>	<b>5,625</b>	<b>18,801</b>	<b>-</b>	<b>45,476</b>	<b>48,933</b>	<b>208,092</b>
Disbursements:											
Instruction	-	-	65,687	202,908	-	-	8,801	-	-	-	27,894
Support services	-	1,200	-	-	-	-	10,000	-	45,476	48,933	79,894
Noninstructional services	-	-	-	-	-	-	-	-	-	-	62,885
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	58,799
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>1,200</b>	<b>65,687</b>	<b>202,908</b>	<b>-</b>	<b>-</b>	<b>18,801</b>	<b>-</b>	<b>45,476</b>	<b>48,933</b>	<b>229,472</b>
Excess (deficiency) of receipts over disbursements	15,818	1,200	18,181	(12,393)	-	5,625	-	-	-	-	(21,380)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,818	1,200	18,181	(12,393)	-	5,625	-	-	-	-	(21,380)
Cash and investments - ending	\$ 30,595	\$ 1,200	\$ -	\$ (12,393)	\$ -	\$ 5,625	\$ -	\$ -	\$ -	\$ -	\$ (21,380)

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2020 through June 30, 2021

	2021 Cares li	Cares lii	Qualified Zone Academy Bond 17	Prepaid School Lunch Accounts	Federal Tax	Social Security	State Tax	County Tax	Perf - Voluntary	Trf - Voluntary Deductions	Group Health Insurance
Cash and investments - beginning	\$ -	\$ -	\$ 2,261,097	\$ 23,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	780,910	-	-	32,017	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	427,484	383,792	157,293	76,277	9,362	22,944	82,373
Total receipts	780,910	-	-	32,017	427,484	383,792	157,293	76,277	9,362	22,944	82,373
Disbursements:											
Instruction	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	31,015	-	-	-	-	-	-	-
Facilities acquisition and construction	780,910	-	2,261,097	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	427,484	383,792	157,293	76,277	9,362	22,944	81,492
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	780,910	-	2,261,097	31,015	427,484	383,792	157,293	76,277	9,362	22,944	81,492
Excess (deficiency) of receipts over disbursements	-	-	(2,261,097)	1,002	-	-	-	-	-	-	881
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	-	-	(2,261,097)	1,002	-	-	-	-	-	-	881
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 24,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,381

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2020 through June 30, 2021

	Annuities	American Fidelity/Aflac	Garnishment	Ista Dues	United Way	Flexible Spending Account	Receipts & Services From Eca	Hsa Contributions	Gtl Clearing Account	Totals
Cash and investments - beginning	\$ -	\$ 105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,515,862
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	5,807,471
Intermediate sources	-	-	-	-	-	-	-	-	-	138
State sources	-	-	-	-	-	-	-	-	-	6,530,167
Federal sources	-	-	-	-	-	-	-	-	-	1,967,107
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	148,292	49,326	-	8,421	200	4,925	2,429	93,653	5,332	2,485,767
Total receipts	148,292	49,326	-	8,421	200	4,925	2,429	93,653	5,332	16,790,650
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	5,285,503
Support services	-	-	-	-	-	-	-	-	-	3,320,211
Noninstructional services	-	-	-	-	-	-	-	-	-	554,991
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	5,637,472
Debt services	-	-	-	-	-	-	-	-	-	2,049,606
Nonprogrammed charges	148,292	49,352	-	8,421	200	4,925	2,429	93,653	5,332	2,956,250
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	148,292	49,352	-	8,421	200	4,925	2,429	93,653	5,332	19,804,033
Excess (deficiency) of receipts over disbursements	-	(26)	-	-	-	-	-	-	-	(3,013,383)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	146
Transfers in	-	-	-	-	-	-	-	-	-	953,000
Transfers out	-	-	-	-	-	-	-	-	-	(953,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	146
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(26)	-	-	-	-	-	-	-	(3,013,237)
Cash and investments - ending	\$ -	\$ 79	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,502,625

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	Education	Operating Referendum Tax Levy	Debt Service	Operations	Local Rainy Day	2019 School Bonds - Trans	2020 Bond	School Lunch	Curricular Materials Rental	Self-Insurance	Educational License Plates
Cash and investments - beginning	\$ 67,037	\$ 403,834	\$ 393,607	\$ 908,126	\$ 488,276	\$ -	\$ 179,121	\$ 40,968	\$ 58,338	\$ 895,693	\$ 4,237
Receipts:											
Local sources	142,255	771,280	1,317,609	1,804,207	-	-	-	29,746	127,688	-	-
Intermediate sources	77	-	-	-	-	-	-	-	-	-	56
State sources	6,841,509	-	-	-	-	-	-	3,250	19,832	-	-
Federal sources	-	-	-	-	-	-	-	420,959	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	1,426,176	-
Total receipts	6,983,841	771,280	1,317,609	1,804,207	-	-	-	453,955	147,520	1,426,176	56
Disbursements:											
Instruction	4,933,084	251,715	-	-	85,326	-	-	-	-	-	-
Support services	1,035,621	305,850	-	2,076,518	120,805	-	-	283	152,882	-	-
Noninstructional services	-	269,970	-	-	-	-	-	394,310	-	-	-
Facilities acquisition and construction	-	91,684	-	304,281	-	-	20,000	-	-	-	-
Debt services	17,568	-	1,299,282	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,587,966	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,986,273	919,219	1,299,282	2,380,799	206,131	-	20,000	394,593	152,882	1,587,966	-
Excess (deficiency) of receipts over disbursements	997,568	(147,939)	18,327	(576,592)	(206,131)	-	(20,000)	59,362	(5,362)	(161,790)	56
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	10,126	-	-	-	-	-	-	-
Transfers in	-	-	-	964,800	500,000	-	-	-	-	-	-
Transfers out	(964,800)	(150,000)	-	(350,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(964,800)	(150,000)	-	624,926	500,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32,768	(297,939)	18,327	48,334	293,869	-	(20,000)	59,362	(5,362)	(161,790)	56
Cash and investments - ending	\$ 99,805	\$ 105,895	\$ 411,934	\$ 956,460	\$ 782,145	\$ -	\$ 159,121	\$ 100,330	\$ 52,976	\$ 733,903	\$ 4,293

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	Ken & Paula Jones Scholarship	United Way Of Davies County	Formative Assessment	Secured Schools Safety Grant	Fy19 Stem Grant	Fy20 Stem Grant	Fy 20/21 Early Intervention Grant	Fy 21/22 Early Intervention Grant	Sel/Career Grant	Career And Technical Performance Grant	High Ability Students
Cash and investments - beginning	\$ -	\$ 3,000	\$ 605	\$ 15,356	\$ (1,600)	\$ (3,801)	\$ 2,314	\$ -	\$ -	\$ -	\$ 18,235
Receipts:											
Local sources	3,063	-	-	-	-	-	-	-	-	-	3,853
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	11,340	-	5,994	8,249	-	3,997	8,000	-	21,899
Federal sources	-	-	-	17,058	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,063	-	11,340	17,058	5,994	8,249	-	3,997	8,000	-	25,752
Disbursements:											
Instruction	-	-	-	33,504	4,394	4,448	2,181	2,013	-	-	34,704
Support services	-	-	10,313	18,214	-	-	-	-	-	-	-
Noninstructional services	-	874	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	3,063	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,063	874	10,313	51,718	4,394	4,448	2,181	2,013	-	-	34,704
Excess (deficiency) of receipts over disbursements	-	(874)	1,027	(34,660)	1,600	3,801	(2,181)	1,984	8,000	-	(8,952)
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	-	(874)	1,027	(34,660)	1,600	3,801	(2,181)	1,984	8,000	-	(8,952)
Cash and investments - ending	\$ -	\$ 2,126	\$ 1,632	\$ (19,304)	\$ -	\$ -	\$ 133	\$ 1,984	\$ 8,000	\$ -	\$ 9,283

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	State Connectivity Grant	Project Lead The Way	19-20 Title I	20-21 Title I	21-22 Title I	Dc Comm Foundation Grant	Fy20 Title Iv Part A Grant	Fy 21-22 Title Iv Part A	Fy 19 Title Ii Part A	Fy20 Title Ii Part A Grant	Federal Stimulus - 18003 Educ. Stab Reli
Cash and investments - beginning	\$ 30,595	\$ 1,200	\$ -	\$ (12,393)	\$ -	\$ 5,625	\$ -	\$ -	\$ -	\$ -	\$ (21,380)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	11,928	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	77,460	202,721	-	-	-	-	-	21,380
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	11,928	-	-	77,460	202,721	-	-	-	-	-	21,380
Disbursements:											
Instruction	-	-	-	65,067	225,739	5,625	-	-	-	-	-
Support services	-	1,200	-	-	-	-	-	10,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,200	-	65,067	225,739	5,625	-	10,000	-	-	-
Excess (deficiency) of receipts over disbursements	11,928	(1,200)	-	12,393	(23,018)	(5,625)	-	(10,000)	-	-	21,380
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	11,928	(1,200)	-	12,393	(23,018)	(5,625)	-	(10,000)	-	-	21,380
Cash and investments - ending	\$ 42,523	\$ -	\$ -	\$ -	\$ (23,018)	\$ -	\$ -	\$ (10,000)	\$ -	\$ -	\$ -

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	2021 Cares li	Cares lii	Qualified Zone Academy Bond 17	Prepaid School Lunch Accounts	Federal Tax	Social Security	State Tax	County Tax	Perf - Voluntary	Trf - Voluntary Deductions	Group Health Insurance
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 24,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,381
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	962,516	-	27,591	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	443,616	400,700	164,346	82,608	9,014	22,603	123,693
Total receipts	-	962,516	-	27,591	443,616	400,700	164,346	82,608	9,014	22,603	123,693
Disbursements:											
Instruction	-	236,939	-	-	-	-	-	-	-	-	-
Support services	-	1,214	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	30,846	-	-	-	-	-	-	-
Facilities acquisition and construction	-	745,173	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	443,616	400,700	164,346	82,608	9,014	22,603	125,074
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	983,326	-	30,846	443,616	400,700	164,346	82,608	9,014	22,603	125,074
Excess (deficiency) of receipts over disbursements	-	(20,810)	-	(3,255)	-	-	-	-	-	-	(1,381)
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	-	(20,810)	-	(3,255)	-	-	-	-	-	-	(1,381)
Cash and investments - ending	\$ -	\$ (20,810)	\$ -	\$ 20,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2021 through June 30, 2022

	Annuities	American Fidelity/Aflac	Garnishment	Ista Dues	United Way	Flexible Spending Account	Receipts & Services From Eca	Hsa Contributions	Gtl Clearing Account	Totals
Cash and investments - beginning	\$ -	\$ 79	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,502,625
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	4,199,701
Intermediate sources	-	-	-	-	-	-	-	-	-	133
State sources	-	-	-	-	-	-	-	-	-	6,935,998
Federal sources	-	-	-	-	-	-	-	-	-	1,729,685
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	148,230	47,796	3,837	-	120	4,275	4,008	103,394	-	2,984,416
Total receipts	148,230	47,796	3,837	-	120	4,275	4,008	103,394	-	15,849,933
Disbursements:										
Instruction	-	-	-	-	-	-	-	-	-	5,884,739
Support services	-	-	-	-	-	-	-	-	-	3,732,900
Noninstructional services	-	-	-	-	-	-	-	-	-	696,000
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	1,161,138
Debt services	-	-	-	-	-	-	-	-	-	1,316,850
Nonprogrammed charges	148,230	47,875	3,837	-	120	4,275	4,008	103,394	-	3,150,729
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	148,230	47,875	3,837	-	120	4,275	4,008	103,394	-	15,942,356
Excess (deficiency) of receipts over disbursements	-	(79)	-	-	-	-	-	-	-	(92,423)
Other financing sources (uses)										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	10,126
Transfers in	-	-	-	-	-	-	-	-	-	1,464,800
Transfers out	-	-	-	-	-	-	-	-	-	(1,464,800)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	10,126
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(79)	-	-	-	-	-	-	-	(82,297)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,420,328

BARR-REEVE COMMUNITY SCHOOL, INC.  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2022

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

BARR-REEVE COMMUNITY SCHOOL, INC.  
SCHEDULE OF LEASES AND DEBT  
June 30, 2022

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Barr-Reeve Community School Building Corporation	School Building Renovations - QSCB	\$ 160,000	7/1/2012	1/1/2026
Barr-Reeve Community School Building Corporation	School Building Additions and Renovations - QZAB	187,500	7/1/2017	12/31/2036
Barr-Reeve Community School Building Corporation	School Building Additions and Renovations - Tax Bonds	502,000	7/1/2018	12/31/2037
HP Financial	55 Viewsonic Boards	<u>21,495</u>	3/19/2020	9/19/2022
Total governmental activities		<u>870,995</u>		
Total of annual lease payments		<u>\$ 870,995</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	FY 19 Bond - Transportation	\$ 1,780,000	\$ 190,000
General Obligation Bonds	FY 20 Bond	<u>4,615,000</u>	<u>115,000</u>
Total governmental activities		<u>6,395,000</u>	<u>305,000</u>
Totals		<u>\$ 6,395,000</u>	<u>\$ 305,000</u>

BARR-REEVE COMMUNITY SCHOOL, INC.  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2022

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 516,251
Buildings	20,889,041
Improvements other than buildings	1,548,011
Machinery, equipment, and vehicles	<u>3,143,060</u>
Total governmental activities	<u>26,096,363</u>
Total capital assets	<u>\$ 26,096,363</u>

BARR-REEVE COMMUNITY SCHOOLS, INC.  
STATE REPORTING INFORMATION  
July 1, 2020 - June 30, 2022

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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.

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

*Indiana Department of Education Reporting:*

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

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

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

BARR-REEVE COMMUNITY SCHOOL, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2021 to 06-30-22
<b>Department of Agriculture</b>						
Child Nutrition Cluster						
Food & Nutrition Service/ School Breakfast Program	Indiana Department of Education	10.553	FY2021, FY2022	\$ 31,105	54,267	85,372
School Breakfast Program		10.555	FY2021, FY2022	247,933	366,078	614,011
National School Lunch Program				33,396	41,378	74,774
Commodities				<u>312,434</u>	<u>461,723</u>	<u>774,157</u>
Total - Child Nutrition Cluster						
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY2021, FY2022	-	614	614
Food and Nutrition Service				<u>312,434</u>	<u>462,337</u>	<u>774,771</u>
Total - Department of Agriculture						
<b>Department of Education</b>						
Special Education Cluster(IDEA)						
Special Education Grants to States						
IDEA, Part B	Indiana Department of Education	84.027	19611-007-PN01	68,539	-	68,539
IDEA, Part B		84.027	20611-007-PN01	108,114	-	108,114
IDEA, Part B		84.027	21611-007-PN01	104,769	150,868	255,637
IDEA, Part B		84.027	22611-07-PN01	-	132,486	132,486
Total - Special Education Grants to States						
				<u>281,422</u>	<u>283,354</u>	<u>564,776</u>
Special Education Preschool Grants						
IDEA, Preschool	Indiana Department of Education	84.173	19619-361-PN01	419	-	419
IDEA, Preschool		84.173	20619-07-PN01	-	6,355	6,355
IDEA, Preschool		84.173	21619-361-PN01	-	6,497	6,497
IDEA, Preschool		84.173	22619-07-PN01	-	5,792	5,792
Total - Special Education Preschool Grants						
				<u>419</u>	<u>18,644</u>	<u>19,063</u>
Total - Special Education Cluster(IDEA)						
				<u>281,841</u>	<u>301,998</u>	<u>583,839</u>
Title I Grants to Local Education Agencies						
Title I, Part A	Indiana Department of Education	84.010	S010A190014	83,868	-	83,868
Title I, Part A		84.010	S010A200014	190,515	77,460	267,975
Title I, Part A		84.010	S010A210014	-	202,721	202,721
Total - Title I Grants to Local Educational Agencies						
				<u>274,383</u>	<u>280,181</u>	<u>554,564</u>

(Continued)

BARR-REEVE COMMUNITY SCHOOL, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period July 1, 2020 through June 30, 2022

Federal Grantor Agency <u>Cluster Title/Program Title/Project Title</u>	<u>Pass-Through Entity or Direct Grant</u>	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended <u>06-30-21</u>	Total Federal Awards Expended <u>06-30-22</u>	Total Federal Awards Expended 07-01-2021 to <u>06-30-22</u>
Title II Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A180013	\$ 2,000	\$ -	\$ 2,000
Title II, Part A		84.367	S367A190013	45,476	-	45,476
Title II, Part A		84.367	S367A200013	<u>48,933</u>	<u>-</u>	<u>48,933</u>
Total - Title II Supporting Effective Instruction State Grants				<u>96,409</u>	<u>-</u>	<u>96,409</u>
Title IV Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A200015	<u>18,801</u>	<u>-</u>	<u>18,801</u>
Total - Title IV Part A: The Student Support and Academic Enrichment				<u>18,801</u>	<u>-</u>	<u>18,801</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	208,092	21,380	229,472
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	780,910	-	780,910
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	<u>-</u>	<u>962,516</u>	<u>962,516</u>
Total - COVID-19 Education Stabilization Fund				<u>989,002</u>	<u>983,896</u>	<u>1,972,898</u>
Total - Department of Education				<u>1,660,436</u>	<u>1,566,075</u>	<u>3,226,511</u>
Total federal awards expended				<u>\$ 1,972,870</u>	<u>\$ 2,028,412</u>	<u>\$ 4,001,282</u>

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

BARR-REEVE COMMUNITY SCHOOLS, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period of July 1, 2020 to June 30, 2022

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**NOTE 1 - BASIS OF PRESENTATION**

*A. Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2019 to June 30, 2021. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

*B. Other Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**NOTE 2 - INDIRECT COST RATE**

The School Corporation has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 - OTHER INFORMATION**

The School Corporation did not have any subrecipient activity for the period July 1, 2020 to June 30, 2022.

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Barr-Reeve Community Schools, Inc. ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2022 and for the period July 1, 2020 to June 30, 2022 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 21, 2023.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be material weaknesses.

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(Continued)

## Report on Compliance and Other Matters

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

## School Corporation's Responses to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned cost. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## Purpose of this Report

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

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 21, 2023

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

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

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

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

We have audited Barr-Reeve Community Schools, Inc. (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School Corporation's major federal programs for the period of July 1, 2020 to June 30, 2022. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2020 to June 30, 2022.

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

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

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

***Responsibilities of Management for Compliance***

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

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(Continued)

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

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

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

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

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

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

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

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

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(Continued)

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 21, 2023

BARR-REEVE COMMUNITY SCHOOLS, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 July 1, 2020 to June 30, 2022

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

***Financial Statement***

Type of auditor’s report issued	Adverse as to GAAP, Unmodified as to regulatory basis		
Internal control over financial reporting			
Material weakness(es) identified?	<u>  X  </u>	Yes	_____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u>  X  </u> None Reported
Noncompliance material to financial statement noted?	_____	Yes	<u>  X  </u> No

***Federal Awards***

Internal control over major programs			
Material weakness(es) identified?	_____	Yes	<u>  X  </u> No
Significant deficiencies identified not considered to be material weaknesses?	<u>  X  </u>	Yes	_____ None Reported
Type of auditor’s report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u>  X  </u>	Yes	_____ No

Identification of major programs

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

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

Auditee qualified as low-risk auditee?	_____	Yes	<u>  X  </u>	No
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(Continued)

BARR-REEVE COMMUNITY SCHOOLS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2020 to June 30, 2022

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**Section II – Financial Statement Findings**

**FINDING 2022-001**

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

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

**Cause:** Management had not established a system of internal control that would have ensured proper reporting of the AFR. Additionally, 2021 was the first year the School Corporation was required to report clearing funds on the AFR and the first year that School Corporations had to upload their financial statements to the Indiana Gateway instead of from the semiannual reports to the IDOE.

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

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(Continued)

BARR-REEVE COMMUNITY SCHOOLS INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2020 to June 30, 2022

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

**FINDING 2022-001** (Continued)

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

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

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

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

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

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

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(Continued)

BARR-REEVE COMMUNITY SCHOOLS INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2020 to June 30, 2022

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

**FINDING 2022-002**

**Information on the federal program:**

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

**Criteria:** 2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 Financial reporting . . . ."

34 CFR 76.722 states:

"A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

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

**Cause:** There were not sufficient internal controls in place to ensure the Annual Data Report was submitted by the Indiana Department of Education's deadline.

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

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

**Context:** There was no documented review by someone other than the preparer of the Annual Data Report to ensure the information submitted was complete and accurate.

**Identification as a repeat finding:** No.

**Recommendation:** We recommend someone other than the preparer of the report perform a documented review prior to submission to validate the accuracy and completeness of the data submitted.

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

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

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

## CORRECTIVE ACTION PLAN

FINDING 2022-001

Contact Person Responsible for Corrective Action: Tamara Swartzentruber, Treasurer

Contact Phone Number: 812-486-3220

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

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

Anticipated Completion Date: July 2023

Tamara J. Swartzentruber  
(Signature)

Corporation Treasurer  
(Title)

3-21-2023  
(Date)

Travis Madison, Superintendent  
Andrea Huff, Stem/Career Director  
Tamara Swartzentruber, Treasurer  
Jessica Mattingly, Secretary

P.O Box 97  
Montgomery, IN 47558  
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Board Members  
Lana Helms  
Alex Knepp  
Jody Schultheis

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

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**"Together We Are Better"**

## CORRECTIVE ACTION PLAN

FINDING 2022-002

Contact Person Responsible for Corrective Action: Tamara Swartzentruber, Treasurer

Contact Phone Number: 812-486-3220

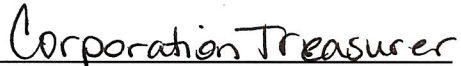
Views of Responsible Official: We concur with the finding.

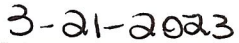
Description of Corrective Action Plan:

The Treasurer has worked with management and will implement better controls when preparing the Annual Data Report on the COVID-19 Education Stabilization Fund. We will work to get the report reviewed and submitted on the correct due date.

Anticipated Completion Date: April 2023

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

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

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

Travis Madison, Superintendent  
Andrea Huff, Stem/Career Director  
Tamara Swartzentruber, Treasurer  
Jessica Mattingly, Secretary

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