

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

ARGOS COMMUNITY SCHOOLS  
MARSHALL COUNTY, INDIANA

July 1, 2009 to June 30, 2011



**FILED**

01/31/2012



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pamela Bishop	07-01-09 to 07-31-10
		06-01-11 to 07-31-11
	Jennifer Lee	06-01-12 to 07-31-12
		08-01-10 to 05-31-11
	08-01-11 to 05-31-12	
Superintendent of Schools	Dr. Jennifer Lucht	07-01-09 to 06-30-12
President of the School Board	John L. Haste	07-01-09 to 06-30-10
	Damon E. Harrell	07-01-10 to 06-30-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE ARGOS COMMUNITY SCHOOLS, MARSHALL COUNTY, INDIANA

We have audited the accompanying financial statement of the Argos Community Schools (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 15, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

This report is intended solely for the information and use of the School Corporation's management, the School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 15, 2011



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE ARGOS COMMUNITY SCHOOLS, MARSHALL COUNTY, INDIANA

We have audited the financial statement of the Argos Community Schools (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the School Corporation's management, the School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 15, 2011

## FINANCIAL STATEMENT

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.

ARGOS COMMUNITY SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 247,730	\$ 4,215,570	\$ 4,249,142	\$ (18,956)	\$ 195,202	\$ 4,233,874	\$ 4,371,464	\$ -	\$ 57,612
Debt Service	299,591	738,753	1,004,938	68,000	101,406	675,720	665,500	8,720	120,346
Retirement/Severance Bond Debt Service	(613)	61,828	46,134	-	15,081	53,661	50,223	-	18,519
Capital Projects	116,821	794,572	619,030	-	292,363	489,188	437,217	(23,934)	320,400
School Transportation	61,130	496,991	285,984	-	272,137	308,626	344,913	(17,218)	218,632
School Bus Replacement	20,235	118,458	74,529	-	64,164	25,392	20,982	(39,000)	29,574
Special Education Preschool	17,341	13,750	31,091	-	-	-	-	-	-
Rainy Day	120,000	-	-	(68,000)	52,000	-	53,800	99,000	97,200
Construction	8	-	-	-	8	-	-	-	8
Internet Access	-	-	-	-	-	2,466	2,466	-	-
School Lunch	67,013	255,579	243,563	-	79,029	278,853	258,329	-	99,553
Textbook Rental	(32,344)	52,641	53,610	-	(33,313)	56,659	59,541	-	(36,195)
Levy Excess	-	-	-	-	-	8,612	-	(8,612)	-
Educational License Plates	1,219	-	1,219	-	-	-	-	-	-
SAFE School Haven	-	373	-	-	373	350	5,093	-	(4,370)
Construction, Remodeling, and Equipping Buildings	-	-	-	-	-	9,500	9,500	-	-
Miscellaneous Programs	-	138	-	-	138	665	555	-	248
Gifted and Talented 07/08	29,312	-	22,606	-	6,706	-	-	-	6,706
Gifted and Talented 09/10	-	27,861	11,821	-	16,040	-	16,040	-	-
Gifted and Talented 10/11	-	-	-	-	-	27,442	22,786	-	4,656
Tech Prep Staff Development	37	-	37	-	-	-	-	-	-
Recreational Activities	7,610	-	7,610	-	-	-	-	-	-
Cultural Arts	218	-	218	-	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999	453	-	453	-	-	-	-	-	-
School Technology	9,109	4,473	11,292	-	2,290	7,152	4,478	-	4,964
Technology Grants [IC 20-40-15]	1,165	-	891	-	274	-	274	-	-

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

ARGOS COMMUNITY SCHOOLS  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2010 and 2011  
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Performance Based Awards	458	-	458	-	-	-	-	-	-
Grad Rate Incentive	-	-	-	-	-	20,000	-	-	20,000
Access Indiana	5	-	5	-	-	-	-	-	-
Excess PTRC Distributions	-	-	-	18,956	18,956	-	-	(18,956)	-
Title I 07/08 Grant	24,010	-	10,114	(13,896)	-	-	-	-	-
Title I 09/10 Grant	-	84,551	85,350	13,896	13,097	-	3,503	(9,594)	-
Title I 2010/2011	-	-	-	-	-	78,121	85,471	9,594	2,244
Chapter IV	1,607	-	1,607	-	-	-	-	-	-
PL 107-110 Title V Part A	2,598	-	-	-	2,598	-	-	-	2,598
Career Incentive	1,683	2,883	4,566	-	-	2,884	2,884	-	-
Drug Free Schools	3,351	2,200	923	-	4,628	(2,200)	497	-	1,931
Title IVA 08/09-09/10	-	-	-	-	-	2,094	2,094	-	-
Marshall County Drug Free	530	-	955	-	(425)	4,584	2,682	-	1,477
Community Foundation Grant	-	1,478	1,478	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	31,780	-	28,964	-	2,816	-	2,816	-	-
Improving Teacher Quality 09/2010	-	35,638	22,230	-	13,408	-	13,408	-	-
Improving Teacher Quality 10/11	-	-	-	-	-	35,104	35,104	-	-
ITQ, Enhanced Education Through Technology, Title II, Part D	137	-	137	-	-	-	-	-	-
Technology Literacy Challenge, Title III	8,740	-	6,892	-	1,848	-	200	-	1,648
Fiscal Stabilization - Education	-	134,669	134,669	-	-	-	-	-	-
Title I - Grants to LEAs	8,920	44,601	53,521	-	-	-	-	-	-
Education Jobs	-	-	-	-	-	132,593	132,593	-	-
Totals	<u>\$ 1,049,854</u>	<u>\$ 7,087,007</u>	<u>\$ 7,016,037</u>	<u>\$ -</u>	<u>\$ 1,120,824</u>	<u>\$ 6,451,340</u>	<u>\$ 6,604,413</u>	<u>\$ -</u>	<u>\$ 967,751</u>

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

ARGOS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

The accompanying financial statement presents the financial information for the School Corporation (primary government).

*B. Basis of Accounting*

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

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

ARGOS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*E. Disbursements*

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

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

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

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

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

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

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

Interfund loans which include money 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.

ARGOS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Other financing sources and uses*

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

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

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

ARGOS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

ARGOS COMMUNITY SCHOOLS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

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

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

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

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010

	General	Debt Service	Retirement/ Serverance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Construction	Internet Access
Cash and investments - beginning	\$ 247,730	\$ 299,591	\$ (613)	\$ 116,821	\$ 61,130	\$ 20,235	\$ 17,341	\$ 120,000	\$ 8	\$ -
Receipts:										
Local sources	178,816	738,753	61,828	794,224	496,446	118,458	-	-	-	-
Intermediate sources	35	-	-	-	-	-	-	-	-	-
State sources	4,019,074	-	-	-	-	-	13,750	-	-	-
Federal sources	110	-	-	-	-	-	-	-	-	-
Temporary loans	6,438	-	-	-	-	-	-	-	-	-
Other	11,097	-	-	348	545	-	-	-	-	-
Total receipts	4,215,570	738,753	61,828	794,572	496,991	118,458	13,750	-	-	-
Disbursements:										
Current:										
Instruction	2,616,821	-	-	-	-	-	-	-	-	-
Support services	985,034	-	-	282,212	285,984	74,529	-	-	-	-
Noninstructional services	111,428	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	177,050	-	-	-	-	-	-
Debt services	139,014	1,004,938	46,134	159,768	-	-	-	-	-	-
Nonprogrammed charges	396,845	-	-	-	-	-	31,091	-	-	-
Total disbursements	4,249,142	1,004,938	46,134	619,030	285,984	74,529	31,091	-	-	-
Excess (deficiency) of receipts over disbursements	(33,572)	(266,185)	15,694	175,542	211,007	43,929	(17,341)	-	-	-
Other financing sources (uses):										
Transfers in	-	68,000	-	-	-	-	-	-	-	-
Transfers out	(18,956)	-	-	-	-	-	-	(68,000)	-	-
Total other financing sources (uses)	(18,956)	68,000	-	-	-	-	-	(68,000)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(52,528)	(198,185)	15,694	175,542	211,007	43,929	(17,341)	(68,000)	-	-
Cash and investments - ending	\$ 195,202	\$ 101,406	\$ 15,081	\$ 292,363	\$ 272,137	\$ 64,164	\$ -	\$ 52,000	\$ 8	\$ -

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	Construction Remodeling and Equipping Buildings	Miscellaneous Programs	Gifted and Talented 07/08	Gifted and Talented 09/10	Gifted and Talented 10/11
Cash and investments - beginning	\$ 67,013	\$ (32,344)	\$ -	\$ 1,219	\$ -	\$ -	\$ -	\$ 29,312	\$ -	\$ -
Receipts:										
Local sources	108,377	34,018	-	-	-	-	138	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	91,721	18,623	-	-	373	-	-	-	27,861	-
Federal sources	55,481	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>255,579</u>	<u>52,641</u>	<u>-</u>	<u>-</u>	<u>373</u>	<u>-</u>	<u>138</u>	<u>-</u>	<u>27,861</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	-	-	-	-	-	-	-	22,606	11,821	-
Support services	-	53,610	-	1,219	-	-	-	-	-	-
Noninstructional services	243,563	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>243,563</u>	<u>53,610</u>	<u>-</u>	<u>1,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,606</u>	<u>11,821</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>12,016</u>	<u>(969)</u>	<u>-</u>	<u>(1,219)</u>	<u>373</u>	<u>-</u>	<u>138</u>	<u>(22,606)</u>	<u>16,040</u>	<u>-</u>
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>12,016</u>	<u>(969)</u>	<u>-</u>	<u>(1,219)</u>	<u>373</u>	<u>-</u>	<u>138</u>	<u>(22,606)</u>	<u>16,040</u>	<u>-</u>
Cash and investments - ending	<u>\$ 79,029</u>	<u>\$ (33,313)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373</u>	<u>\$ -</u>	<u>\$ 138</u>	<u>\$ 6,706</u>	<u>\$ 16,040</u>	<u>\$ -</u>

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Tech Prep Staff Development	Recreational Activities	Cultural Arts	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Performance Based Awards	Grad Rate Incentive	Access Indiana	Excess PTRC Distributions
Cash and investments - beginning	\$ 37	\$ 7,610	\$ 218	\$ 453	\$ 9,109	\$ 1,165	\$ 458	\$ -	\$ 5	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	(1)	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	4,474	-	-	-	-	-
Total receipts	-	-	-	-	4,473	-	-	-	-	-
Disbursements:										
Current:										
Instruction	37	7,610	218	453	10,816	-	-	-	-	-
Support services	-	-	-	-	476	891	458	-	5	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	37	7,610	218	453	11,292	891	458	-	5	-
Excess (deficiency) of receipts over disbursements	(37)	(7,610)	(218)	(453)	(6,819)	(891)	(458)	-	(5)	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	18,956
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	18,956
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(37)	(7,610)	(218)	(453)	(6,819)	(891)	(458)	-	(5)	18,956
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 2,290	\$ 274	\$ -	\$ -	\$ -	\$ 18,956

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Title I 07/08 Grant	Title I 09/10 Grant	Title I 2010/2011	Chapter IV	PL 107-110 Title V Part A	Career Incentive	Drug Free Schools	Title IVA 08/09-09/10	Marshall County Drug Free	Community Foundation Grant
Cash and investments - beginning	\$ 24,010	\$ -	\$ -	\$ 1,607	\$ 2,598	\$ 1,683	\$ 3,351	\$ -	\$ 530	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	84,551	-	-	-	2,883	2,200	-	-	1,478
Temporary loans	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	84,551	-	-	-	2,883	2,200	-	-	1,478
Disbursements:										
Current:										
Instruction	10,064	84,105	-	1,607	-	-	923	-	955	1,478
Support services	50	300	-	-	-	4,566	-	-	-	-
Noninstructional services	-	945	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	10,114	85,350	-	1,607	-	4,566	923	-	955	1,478
Excess (deficiency) of receipts over disbursements	(10,114)	(799)	-	(1,607)	-	(1,683)	1,277	-	(955)	-
Other financing sources (uses):										
Transfers in	-	13,896	-	-	-	-	-	-	-	-
Transfers out	(13,896)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(13,896)	13,896	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,010)	13,097	-	(1,607)	-	(1,683)	1,277	-	(955)	-
Cash and investments - ending	\$ -	\$ 13,097	\$ -	\$ -	\$ 2,598	\$ -	\$ 4,628	\$ -	\$ (425)	\$ -

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Improving Teaching Quality No Child Left Title II, Part A	Improving Teacher Quality 09/2010	Improving Teacher Quality 10/11	ITQ Enhanced Education Through Technology Title II, Part D	Technology Literacy Challenge Title III	Fiscal Stabilization Education	Title I Grants to LEAs	Education Jobs	Totals
Cash and investments - beginning	\$ 31,780	\$ -	\$ -	\$ 137	\$ 8,740	\$ -	\$ 8,920	\$ -	\$ 1,049,854
Receipts:									
Local sources	-	-	-	-	-	-	-	-	2,531,058
Intermediate sources	-	-	-	-	-	-	-	-	35
State sources	-	-	-	-	-	-	-	-	4,171,401
Federal sources	-	35,638	-	-	-	134,669	44,601	-	361,611
Temporary loans	-	-	-	-	-	-	-	-	6,438
Other	-	-	-	-	-	-	-	-	16,464
Total receipts	-	35,638	-	-	-	134,669	44,601	-	7,087,007
Disbursements:									
Current:									
Instruction	28,964	22,230	-	137	6,892	87,320	-	-	2,915,057
Support services	-	-	-	-	-	5,349	53,521	-	1,748,204
Noninstructional services	-	-	-	-	-	-	-	-	355,936
Facilities acquisition and construction	-	-	-	-	-	-	-	-	177,050
Debt services	-	-	-	-	-	-	-	-	1,349,854
Nonprogrammed charges	-	-	-	-	-	42,000	-	-	469,936
Total disbursements	28,964	22,230	-	137	6,892	134,669	53,521	-	7,016,037
Excess (deficiency) of receipts over disbursements	(28,964)	13,408	-	(137)	(6,892)	-	(8,920)	-	70,970
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	100,852
Transfers out	-	-	-	-	-	-	-	-	(100,852)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,964)	13,408	-	(137)	(6,892)	-	(8,920)	-	70,970
Cash and investments - ending	\$ 2,816	\$ 13,408	\$ -	\$ -	\$ 1,848	\$ -	\$ -	\$ -	\$ 1,120,824

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Servance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	Construction	Internet Access
Cash and investments - beginning	\$ 195,202	\$ 101,406	\$ 15,081	\$ 292,363	\$ 272,137	\$ 64,164	\$ -	\$ 52,000	\$ 8	\$ -
Receipts:										
Local sources	53,640	673,732	53,661	489,188	308,373	25,392	-	-	-	-
Intermediate sources	35	-	-	-	-	-	-	-	-	-
State sources	4,166,767	1,988	-	-	-	-	-	-	-	2,466
Federal sources	1,137	-	-	-	-	-	-	-	-	-
Other	12,295	-	-	-	253	-	-	-	-	-
Total receipts	<u>4,233,874</u>	<u>675,720</u>	<u>53,661</u>	<u>489,188</u>	<u>308,626</u>	<u>25,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,466</u>
Disbursements:										
Current:										
Instruction	2,722,276	-	-	-	-	-	-	53,800	-	2,466
Support services	1,034,230	-	-	248,443	344,913	20,982	-	-	-	-
Noninstructional services	110,555	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	188,774	-	-	-	-	-	-
Debt services	-	665,500	50,223	-	-	-	-	-	-	-
Nonprogrammed charges	504,403	-	-	-	-	-	-	-	-	-
Total disbursements	<u>4,371,464</u>	<u>665,500</u>	<u>50,223</u>	<u>437,217</u>	<u>344,913</u>	<u>20,982</u>	<u>-</u>	<u>53,800</u>	<u>-</u>	<u>2,466</u>
Excess (deficiency) of receipts over disbursements	<u>(137,590)</u>	<u>10,220</u>	<u>3,438</u>	<u>51,971</u>	<u>(36,287)</u>	<u>4,410</u>	<u>-</u>	<u>(53,800)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):										
Transfers in	-	8,720	-	6,066	12,782	-	-	99,000	-	-
Transfers out	-	-	-	(30,000)	(30,000)	(39,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>8,720</u>	<u>-</u>	<u>(23,934)</u>	<u>(17,218)</u>	<u>(39,000)</u>	<u>-</u>	<u>99,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(137,590)</u>	<u>18,940</u>	<u>3,438</u>	<u>28,037</u>	<u>(53,505)</u>	<u>(34,590)</u>	<u>-</u>	<u>45,200</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 57,612</u>	<u>\$ 120,346</u>	<u>\$ 18,519</u>	<u>\$ 320,400</u>	<u>\$ 218,632</u>	<u>\$ 29,574</u>	<u>\$ -</u>	<u>\$ 97,200</u>	<u>\$ 8</u>	<u>\$ -</u>

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	SAFE School Haven	Construction Remodeling and Equipping Buildings	Miscellaneous Programs	Gifted and Talented 07/08	Gifted and Talented 09/10	Gifted and Talented 10/11
Cash and investments - beginning	\$ 79,029	\$ (33,313)	\$ -	\$ -	\$ 373	\$ -	\$ 138	\$ 6,706	\$ 16,040	\$ -
Receipts:										
Local sources	103,498	34,705	8,612	-	-	9,500	665	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	157,525	21,954	-	-	350	-	-	-	-	27,442
Federal sources	17,830	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	278,853	56,659	8,612	-	350	9,500	665	-	-	27,442
Disbursements:										
Current:										
Instruction	-	-	-	-	-	9,500	-	-	16,040	22,786
Support services	-	59,541	-	-	5,093	-	555	-	-	-
Noninstructional services	258,329	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	258,329	59,541	-	-	5,093	9,500	555	-	16,040	22,786
Excess (deficiency) of receipts over disbursements	20,524	(2,882)	8,612	-	(4,743)	-	110	-	(16,040)	4,656
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(8,612)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(8,612)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	20,524	(2,882)	-	-	(4,743)	-	110	-	(16,040)	4,656
Cash and investments - ending	\$ 99,553	\$ (36,195)	\$ -	\$ -	\$ (4,370)	\$ -	\$ 248	\$ 6,706	\$ -	\$ 4,656

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Tech Prep Staff Development	Recreational Activities	Cultural Arts	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Performance Based Awards	Grad Rate Incentive	Access Indiana	Excess PTRC Distributions
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 2,290	\$ 274	\$ -	\$ -	\$ -	\$ 18,956
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	2,993	-	-	20,000	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	4,159	-	-	-	-	-
Total receipts	-	-	-	-	7,152	-	-	20,000	-	-
Disbursements:										
Current:										
Instruction	-	-	-	-	4,478	-	-	-	-	-
Support services	-	-	-	-	-	274	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	4,478	274	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	2,674	(274)	-	20,000	-	-
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(18,956)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(18,956)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	2,674	(274)	-	20,000	-	(18,956)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 4,964	\$ -	\$ -	\$ 20,000	\$ -	\$ -

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Title I 07/08 Grant	Title I 09/10 Grant	Title I 2010/2011	Chapter IV	PL 107-110 Title V Part A	Career Incentive	Drug Free Schools	Title IVA 08/09-09/10	Marshall County Drug Free	Community Foundation Grant
Cash and investments - beginning	\$ -	\$ 13,097	\$ -	\$ -	\$ 2,598	\$ -	\$ 4,628	\$ -	\$ (425)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	4,584	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	78,121	-	-	2,884	(2,200)	2,094	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	78,121	-	-	2,884	(2,200)	2,094	4,584	-
Disbursements:										
Current:										
Instruction	-	3,503	85,295	-	-	-	497	2,094	2,682	-
Support services	-	-	-	-	-	2,884	-	-	-	-
Noninstructional services	-	-	176	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	3,503	85,471	-	-	2,884	497	2,094	2,682	-
Excess (deficiency) of receipts over disbursements	-	(3,503)	(7,350)	-	-	-	(2,697)	-	1,902	-
Other financing sources (uses):										
Transfers in	-	-	9,594	-	-	-	-	-	-	-
Transfers out	-	(9,594)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(9,594)	9,594	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(13,097)	2,244	-	-	-	(2,697)	-	1,902	-
Cash and investments - ending	\$ -	\$ -	\$ 2,244	\$ -	\$ 2,598	\$ -	\$ 1,931	\$ -	\$ 1,477	\$ -

ARGOS COMMUNITY SCHOOLS  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Improving Teaching Quality No Child Left Title II, Part A	Improving Teacher Quality 09/2010	Improving Teacher Quality 10/11	ITQ Enhanced Education Through Technology Title II, Part D	Technology Literacy Challenge Title III	Fiscal Stabilization Education	Title I Grants to LEAs	Education Jobs	Totals
Cash and investments - beginning	\$ 2,816	\$ 13,408	\$ -	\$ -	\$ 1,848	\$ -	\$ -	\$ -	\$ 1,120,824
Receipts:									
Local sources	-	-	-	-	-	-	-	-	1,765,550
Intermediate sources	-	-	-	-	-	-	-	-	35
State sources	-	-	-	-	-	-	-	-	4,401,485
Federal sources	-	-	35,104	-	-	-	-	132,593	267,563
Other	-	-	-	-	-	-	-	-	16,707
Total receipts	-	-	35,104	-	-	-	-	132,593	6,451,340
Disbursements:									
Current:									
Instruction	2,816	13,408	35,104	-	200	-	-	106,063	3,083,008
Support services	-	-	-	-	-	-	-	26,530	1,743,445
Noninstructional services	-	-	-	-	-	-	-	-	369,060
Facilities acquisition and construction	-	-	-	-	-	-	-	-	188,774
Debt services	-	-	-	-	-	-	-	-	715,723
Nonprogrammed charges	-	-	-	-	-	-	-	-	504,403
Total disbursements	2,816	13,408	35,104	-	200	-	-	132,593	6,604,413
Excess (deficiency) of receipts over disbursements	(2,816)	(13,408)	-	-	(200)	-	-	-	(153,073)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	136,162
Transfers out	-	-	-	-	-	-	-	-	(136,162)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,816)	(13,408)	-	-	(200)	-	-	-	(153,073)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 1,648	\$ -	\$ -	\$ -	\$ 967,751

ARGOS COMMUNITY SCHOOLS  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2011

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>
Capital assets, not being depreciated:	
Land/Buildings	\$ 11,961,695
Improvements other than buildings	133,353
Machinery and equipment	<u>1,239,534</u>
Total capital assets not being depreciated	<u>\$ 13,334,582</u>

ARGOS COMMUNITY SCHOOLS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
Argos Community Schools Building Corporation 2006	\$ 1,145,000	\$ 178,394	Debt Service
Argos Community Schools Building Corporation 2008	3,100,000	485,400	Debt Service
Argos Community Schools Building Corporation 2011 *	1,500,000	42,977	Debt Service
Bonds payable:			
General obligation bonds:			
2004 Pension Bond	<u>400,000</u>	<u>52,973</u>	Retirement/Severance Bond Debt Service
Total debt	<u>\$ 6,145,000</u>	<u>\$ 759,744</u>	

\*Lease entered into in August 2011

ARGOS COMMUNITY SCHOOLS  
AUDIT RESULT AND COMMENT

***OVERDRAWN FUND BALANCES***

The fund balance of the Textbook Rental Fund was overdrawn at June 30, 2010, and June 30, 2011, by \$33,313 and \$36,195, respectively. A similar comment was in the prior Report B35788.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE ARGOS COMMUNITY SCHOOLS, MARSHALL COUNTY, INDIANA

Compliance

We have audited the compliance of the Argos Community Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, the School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 15, 2011

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

ARGOS COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 12,655	\$ 16,758
National School Lunch Program	10.555		<u>144,862</u>	<u>157,794</u>
Total for cluster			<u>157,517</u>	<u>174,552</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579		-	15,990
Total for federal grantor agency			<u>157,517</u>	<u>190,542</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	09-5470	24,010	-
		10-5470	85,352	13,097
		11-5470	-	<u>85,470</u>
Total for program			<u>109,362</u>	<u>98,567</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		<u>53,521</u>	-
Total for cluster			<u>162,883</u>	<u>98,567</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		<u>134,669</u>	-
Pass-Through Culver Community School Corporation				
Career and Technical Education - Basic Grants to States	84.048	FY2010	4,566	-
		FY2011	-	<u>2,884</u>
Total for program			<u>4,566</u>	<u>2,884</u>
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY 08/09	923	497
		FY 09/10	-	<u>2,094</u>
Total for program			<u>923</u>	<u>2,591</u>
Tech-Prep Education	84.243		<u>7,610</u>	-
Education Technology State Grants Cluster				
Education Technology State Grants	84.318		<u>6,892</u>	200
English Language Acquisition Grants	84.365		<u>137</u>	-
Improving Teacher Quality State Grants	84.367	SY 08/09	28,963	2,816
		SY 09/10	22,229	13,408
		SY 10/11	-	<u>35,104</u>
Total for program			<u>51,192</u>	<u>51,328</u>
ARRA - Education Jobs Fund	84.410		-	<u>132,592</u>
Total for federal grantor agency			<u>368,872</u>	<u>288,162</u>
Total federal awards expended			<u>\$ 526,389</u>	<u>\$ 478,704</u>

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

ARGOS COMMUNITY SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

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

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

**Note 2. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
National School Lunch Program	10.555	\$ 15,629	\$ 18,786

ARGOS COMMUNITY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.410	Child Nutrition Cluster State Fiscal Stabilization Fund Cluster ARRA - Education Jobs Fund

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

No matters are reportable.

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

No matters are reportable.

ARGOS COMMUNITY SCHOOLS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

ARGOS COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on December 15, 2011, with Jennifer Lee, Treasurer; Dr. Jennifer Lucht, Superintendent of Schools; and Damon E. Harrell, President of the School Board. The officials concurred with our audit finding.