

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

BAUGO COMMUNITY SCHOOLS
ELKHART COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
12/11/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Barbara B. Cloud	07-01-10 to 06-30-13
Director of Finance	Bruce Perry	07-01-10 to 06-30-13
Superintendent of Schools	James H. DuBois	07-01-10 to 06-30-17
President of the School Board	Brian Baughman Dwaine Crocker	07-01-10 to 06-30-11 07-01-11 to 12-31-12



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ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE BAUGO COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

We have audited the accompanying financial statement of the Baugo Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012. 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior audit.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

INDEPENDENT AUDITOR'S REPORT
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated October 31, 2012, 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.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

STATE BOARD OF ACCOUNTS

October 31, 2012



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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 BAUGO COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

We have audited the financial statement of the Baugo Community Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated October 31, 2012. 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

Management of the School Corporation is responsible for establishing and maintaining effective 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, 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

October 31, 2012

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.

BAUGO COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT - BALANCES
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012

	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
General	\$ 331,657	\$ 11,282,987	\$ 11,377,591	\$ 81,427	\$ 318,480	\$ 11,403,296	\$ 11,320,998	\$ 167,794	\$ 568,572
Debt Service	2,743,992	3,597,665	4,158,218	1,942	2,185,381	3,399,142	3,654,565	-	1,929,958
Retirement/Severance Bond Debt Service	65,518	128,607	181,119	-	13,006	229,472	193,758	-	48,720
Capital Projects	1,215,190	2,289,419	2,016,266	(13,477)	1,474,866	2,358,423	2,612,250	38	1,221,077
School Transportation	328,423	1,407,684	1,355,096	-	381,011	1,384,152	1,326,858	-	438,305
School Bus Replacement	207,652	282,061	347,070	-	142,643	106,874	190,336	-	59,181
Rainy Day	177,928	-	-	-	177,928	-	-	-	177,928
Retirement/Severance Bond	51,488	-	-	-	51,488	-	-	-	51,488
Construction	186,142	-	186,142	-	-	-	-	-	-
Construction 2011	-	-	-	-	-	101,000	655,620	1,157,647	603,027
School Lunch	174,514	774,813	739,503	-	209,824	819,211	807,014	-	222,021
Textbook Rental	110,951	143,883	152,220	-	102,614	188,316	275,442	-	15,488
Self-Insurance	-	902,690	470,141	-	432,549	1,506,831	974,037	-	965,343
Levy Excess	157,354	-	-	-	157,354	19,463	-	(157,354)	19,463
Educational License Plates	4,270	188	-	-	4,458	206	-	-	4,664
SAFE School Haven	1	-	-	(1)	-	-	-	-	-
SAFE School Haven 2009-10	-	12,000	12,000	-	-	-	-	-	-
Donation	10,000	-	-	500	10,500	-	-	-	10,500
Wellness/Fitness Grant	-	2,500	-	-	2,500	-	2,009	-	491
Recreational Activities	105	-	-	(105)	-	-	-	-	-
Scholarships and Awards	750	-	750	-	-	-	-	-	-
Business Scholarship	300	-	250	-	50	-	-	-	50
Hilyard Family	2,000	-	2,000	-	-	-	-	-	-
Evelyn Fawley Memorial	17	-	-	(17)	-	-	-	-	-
JHS Service Scholarship	72	-	-	(72)	-	-	-	-	-
Miscellaneous Programs	5	-	-	-	5	-	-	-	5
Donation-Harold Zeigler	500	-	-	(500)	-	-	-	-	-
St High Ability Grant 2009-10	15,915	-	15,915	-	-	-	-	-	-
High Ability Grant 2010-11	-	32,958	29,608	-	3,350	-	3,350	-	-
Instruction Support	19,000	-	-	(19,000)	-	-	-	-	-
Technical Asst Agreement	17,514	-	-	(17,514)	-	-	-	-	-
IN Positive Behavior Supp	-	8,025	7,537	-	488	7,855	8,115	-	228
IN PBIS Grant 2011-12	-	-	-	-	-	5,509	7,026	-	(1,517)
High Ability	-	-	-	-	-	32,203	5,510	-	26,693

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

BAUGO COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT - BALANCES
REGULATORY BASIS
For the Years Ended June 30, 2011 and 2012
(Continued)

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	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
Medicaid Reimbursement	5,960	4,759	-	-	10,719	5,664	-	-	16,383
Scholarships and Awards	3,474	-	-	(3,474)	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999	2,000	-	-	(2,000)	-	-	-	-	-
School Technology	-	4,800	2,800	-	2,000	5,160	5,560	-	1,600
Technology Plan Grant	24,890	-	24,890	-	-	-	-	-	-
Performance Based Awards	4,486	-	-	(4,486)	-	-	-	-	-
Netday Grant	500	-	-	(500)	-	-	-	-	-
Excess PTRC Distributions	-	25,782	-	-	25,782	-	-	(25,782)	-
Title I 2009-10	34,914	-	19,516	(15,398)	-	-	-	-	-
Title I 2010-11	-	121,059	153,882	15,398	(17,425)	48,847	24,461	(6,961)	-
Title I 2011-12	-	-	-	-	-	99,128	167,863	6,961	(61,774)
Title V Part A	2,829	-	-	(2,829)	-	-	-	-	-
Title V Part A S/Y 2005	(3,121)	-	-	3,121	-	-	-	-	-
P.L. 101-476 IDEA 2002	6,910	-	-	(6,910)	-	-	-	-	-
P.L. 101-476 IDEA	11,912	-	-	(11,912)	-	-	-	-	-
P.L. Grant SPED (Goshen)	(5,812)	-	-	5,812	-	-	-	-	-
SPED PL 108-446 Fed Funds	(6,564)	59,203	52,639	-	-	-	-	-	-
SPED PL 108-446 2010-11	-	320,841	322,080	-	(1,239)	18,174	16,935	-	-
SPED Part B 2011-12	-	-	-	-	-	266,083	306,954	-	(40,871)
Drug Free Schools	8,313	-	-	(8,313)	-	-	-	-	-
Carl Perkins Grant 2010-11	-	2,000	2,000	-	-	-	-	-	-
Carl Perkins Grant 2011-12	-	-	-	-	-	2,000	2,000	-	-
Medicaid Reimbursement - Federal	11,188	13,473	1,085	-	23,576	11,532	5,074	-	30,034
Improving Teaching Quality, No Child Left, Title II, Part A	227	-	-	(227)	-	-	-	-	-
Title II Part A 2008-09	(708)	9,228	8,520	-	-	-	-	-	-
Title II Part A 2010-11	-	-	-	-	-	49,191	51,830	-	(2,639)
Title II 2009-10	-	-	-	-	-	24,178	39,520	15,342	-
Title I - School Improvement	7,447	5,850	15,146	-	(1,849)	1,849	-	-	-
Special Education - Part B	2,458	-	124,960	-	(122,502)	122,502	-	-	-
School Lunch Equipment	-	11,021	11,021	-	-	-	-	-	-
Education Jobs	-	-	-	-	-	361,935	361,935	-	-
Clearing/Payroll	34,998	2,610,607	2,614,722	(1,115)	29,768	2,688,015	2,684,751	-	33,032
Totals	\$ 5,967,559	\$ 24,054,103	\$ 24,404,687	\$ 350	\$ 5,617,325	\$ 25,266,211	\$ 25,703,771	\$ 1,157,685	\$ 6,337,450

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

BAUGO 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.

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. Receipts are recorded when received and disbursements are recorded when paid.

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 may include, but are not limited to, 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 include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

BAUGO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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 may include, but are not limited to, 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, funds held temporarily for an authorized recipient and self-insurance payments.

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include, but are not limited to, the following:

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

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

BAUGO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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 or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

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

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.

BAUGO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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:

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.

BAUGO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teacher's Retirement Fund

Plan Description

The Indiana Teacher's 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.

Note 7. Cash Balance Deficits

The financial statement contains funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2011 and 2012.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with Baugo School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2011 and June 30, 2012 totaled \$2,968,500 and \$2,924,700, respectively.

BAUGO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Tax Anticipation Warrants

The School Corporation issues tax anticipation warrants for cash flow purposes in advance of property tax collections and/or state tuition support distributions, depositing the proceeds in the appropriate fund. Loans outstanding at June 30, 2011, for the Debt Service, Capital Projects, School Transportation, and School Bus Replacement Funds were \$253,396; \$548,178; \$318,024; and \$61,594, respectively. Loans outstanding at June 30, 2012, for the Capital Projects and School Transportation Funds were \$638,250 and \$319,838 respectively.

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

BAUGO 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/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 331,657	\$ 2,743,992	\$ 65,518	\$ 1,215,190	\$ 328,423	\$ 207,652	\$ 177,928
Receipts:							
Local sources	159,733	3,344,349	128,607	1,736,104	910,186	220,486	-
Intermediate sources	8	-	-	-	-	-	-
State sources	11,093,407	-	-	-	-	-	-
Federal sources	-	-	-	290	-	-	-
Temporary loans	-	253,316	-	548,005	492,844	61,575	-
Other	29,839	-	-	5,020	4,654	-	-
Total receipts	<u>11,282,987</u>	<u>3,597,665</u>	<u>128,607</u>	<u>2,289,419</u>	<u>1,407,684</u>	<u>282,061</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	7,764,973	-	-	-	-	-	-
Support services	3,413,709	-	-	776,044	878,082	272,802	-
Noninstructional services	190,939	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	683,206	-	-	-
Debt services	7,970	4,158,218	181,119	557,016	477,014	74,268	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>11,377,591</u>	<u>4,158,218</u>	<u>181,119</u>	<u>2,016,266</u>	<u>1,355,096</u>	<u>347,070</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>11,388,466</u>			<u>2,082,697</u>			
	<u>(94,604)</u>	<u>(560,553)</u>	<u>(52,512)</u>	<u>273,153</u>	<u>52,588</u>	<u>(65,009)</u>	<u>-</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	350	-	-	-
Transfers in	92,302	1,942	-	52,604	-	-	-
Transfers out	(10,875)	-	-	(66,431)	-	-	-
Total other financing sources (uses)	<u>81,427</u>	<u>1,942</u>	<u>-</u>	<u>(13,477)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(13,177)</u>	<u>(558,611)</u>	<u>(52,512)</u>	<u>259,676</u>	<u>52,588</u>	<u>(65,009)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 318,480</u>	<u>\$ 2,185,381</u>	<u>\$ 13,006</u>	<u>\$ 1,474,866</u>	<u>\$ 381,011</u>	<u>\$ 142,643</u>	<u>\$ 177,928</u>

BAUGO 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)

	Retirement/ Severance Bond	Construction	Construction 2011	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 51,488	\$ 186,142	\$ -	\$ 174,514	\$ 110,951	\$ -
Receipts:						
Local sources	-	-	-	344,369	117,204	902,690
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	9,213	26,673	-
Federal sources	-	-	-	416,670	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	4,561	6	-
Total receipts	-	-	-	774,813	143,883	902,690
Disbursements:						
Current:						
Instruction	-	-	-	2,797	-	-
Support services	-	-	-	43,193	152,220	-
Noninstructional services	-	-	-	689,302	-	-
Facilities acquisition and construction	-	186,142	-	4,211	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	470,141
Total disbursements	-	186,142	-	739,503	152,220	470,141
Excess (deficiency) of receipts over disbursements	-	(186,142)	-	35,310	(8,337)	432,549
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(186,142)	-	35,310	(8,337)	432,549
Cash and investments - ending	\$ 51,488	\$ -	\$ -	\$ 209,824	\$ 102,614	\$ 432,549

BAUGO 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)

	Levy Excess	Educational License Plates	SAFE School Haven	SAFE School Haven 2009-10	Donation	Wellness Fitness/ Grant
Cash and investments - beginning	\$ 157,354	\$ 4,270	\$ 1	\$ -	\$ 10,000	\$ -
Receipts:						
Local sources	-	-	-	-	-	2,500
Intermediate sources	-	188	-	-	-	-
State sources	-	-	-	12,000	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	188	-	12,000	-	2,500
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	-	12,000	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	-	12,000	-	-
Excess (deficiency) of receipts over disbursements	-	188	-	-	-	2,500
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	500	-
Transfers out	-	-	(1)	-	-	-
Total other financing sources (uses)	-	-	(1)	-	500	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	188	(1)	-	500	2,500
Cash and investments - ending	\$ 157,354	\$ 4,458	\$ -	\$ -	\$ 10,500	\$ 2,500

BAUGO 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)

	Recreational Activities	Scholarships and Awards	Business Scholarship	Hilyard Family	Evelyn Fawley Memorial	JHS Service Scholarship
Cash and investments - beginning	\$ 105	\$ 750	\$ 300	\$ 2,000	\$ 17	\$ 72
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	750	250	2,000	-	-
Total disbursements	-	750	250	2,000	-	-
Excess (deficiency) of receipts over disbursements	-	(750)	(250)	(2,000)	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(105)	-	-	-	(17)	(72)
Total other financing sources (uses)	(105)	-	-	-	(17)	(72)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(105)	(750)	(250)	(2,000)	(17)	(72)
Cash and investments - ending	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -

BAUGO 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)

	Miscellaneous Programs	Donation- Harold Zeigler	St High Ability Grant 2009-10	High Ability Grant 2010-11	Instruction Support	Technical Asst Agreement
Cash and investments - beginning	\$ 5	\$ 500	\$ 15,915	\$ -	\$ 19,000	\$ 17,514
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	32,958	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	32,958	-	-
Disbursements:						
Current:						
Instruction	-	-	15,915	29,608	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	15,915	29,608	-	-
Excess (deficiency) of receipts over disbursements	-	-	(15,915)	3,350	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	(500)	-	-	(19,000)	(17,514)
Total other financing sources (uses)	-	(500)	-	-	(19,000)	(17,514)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(500)	(15,915)	3,350	(19,000)	(17,514)
Cash and investments - ending	\$ 5	\$ -	\$ -	\$ 3,350	\$ -	\$ -

BAUGO 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)

	IN Positive Behavior Supp	IN PBIS Grant 2011-12	High Ability	Medicaid Reimbursement	Scholarships and Awards	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 5,960	\$ 3,474	\$ 2,000
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	8,025	-	-	4,759	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>8,025</u>	<u>-</u>	<u>-</u>	<u>4,759</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	7,537	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>7,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>488</u>	<u>-</u>	<u>-</u>	<u>4,759</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(3,474)	(2,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,474)</u>	<u>(2,000)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>488</u>	<u>-</u>	<u>-</u>	<u>4,759</u>	<u>(3,474)</u>	<u>(2,000)</u>
Cash and investments - ending	<u>\$ 488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,719</u>	<u>\$ -</u>	<u>\$ -</u>

BAUGO 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 Technology	Technology Plan Grant	Performance Based Awards	Netday Grant	Excess PTRC Distributions	Title I 2009-10
Cash and investments - beginning	\$ -	\$ 24,890	\$ 4,486	\$ 500	\$ -	\$ 34,914
Receipts:						
Local sources	-	-	-	-	25,782	-
Intermediate sources	-	-	-	-	-	-
State sources	4,800	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>4,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,782</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	24,890	-	-	-	11,662
Support services	2,800	-	-	-	-	2,678
Noninstructional services	-	-	-	-	-	5,176
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>2,800</u>	<u>24,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,516</u>
Excess (deficiency) of receipts over disbursements	<u>2,000</u>	<u>(24,890)</u>	<u>-</u>	<u>-</u>	<u>25,782</u>	<u>(19,516)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(4,486)	(500)	-	(15,398)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,486)</u>	<u>(500)</u>	<u>-</u>	<u>(15,398)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,000</u>	<u>(24,890)</u>	<u>(4,486)</u>	<u>(500)</u>	<u>25,782</u>	<u>(34,914)</u>
Cash and investments - ending	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,782</u>	<u>\$ -</u>

BAUGO 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 2010-11	Title I 2011-12	Title V Part A	Title V Part A S/Y 2005	P.L. 101-476 IDEA 2002	P.L. 101-476 IDEA
Cash and investments - beginning	\$ -	\$ -	\$ 2,829	\$ (3,121)	\$ 6,910	\$ 11,912
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	121,059	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>121,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	127,392	-	-	-	-	-
Support services	25,995	-	-	-	-	-
Noninstructional services	495	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>153,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(32,823)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	15,398	-	-	3,121	-	-
Transfers out	-	-	(2,829)	-	(6,910)	(11,912)
Total other financing sources (uses)	<u>15,398</u>	<u>-</u>	<u>(2,829)</u>	<u>3,121</u>	<u>(6,910)</u>	<u>(11,912)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(17,425)</u>	<u>-</u>	<u>(2,829)</u>	<u>3,121</u>	<u>(6,910)</u>	<u>(11,912)</u>
Cash and investments - ending	<u>\$ (17,425)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BAUGO 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)

	P.L. Grant SPED(Goshen)	SPED PL 108-446 Fed Funds	SPED PL 108-446 2010-11	SPED Part B 2011-12	Drug Free Schools	Carl Perkins Grant 2010-11
Cash and investments - beginning	\$ (5,812)	\$ (6,564)	\$ -	\$ -	\$ 8,313	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	59,203	320,841	-	-	2,000
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>59,203</u>	<u>320,841</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Disbursements:						
Current:						
Instruction	-	52,639	322,080	-	-	2,000
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>52,639</u>	<u>322,080</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>6,564</u>	<u>(1,239)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	5,812	-	-	-	-	-
Transfers out	-	-	-	-	(8,313)	-
Total other financing sources (uses)	<u>5,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,313)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>5,812</u>	<u>6,564</u>	<u>(1,239)</u>	<u>-</u>	<u>(8,313)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,239)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BAUGO 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)

	Carl Perkins Grant 2011-12	Medicaid Reimbursement Federal	Improving Teaching Quality No Child Left Title II, Part A	Title II Part A 2008-09	Title II Part A 2010-11	Title II 2009-10
Cash and investments - beginning	\$ -	\$ 11,188	\$ 227	\$ (708)	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	13,473	-	9,228	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	13,473	-	9,228	-	-
Disbursements:						
Current:						
Instruction	-	-	-	8,520	-	-
Support services	-	1,085	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	1,085	-	8,520	-	-
Excess (deficiency) of receipts over disbursements	-	12,388	-	708	-	-
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(227)	-	-	-
Total other financing sources (uses)	-	-	(227)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	12,388	(227)	708	-	-
Cash and investments - ending	\$ -	\$ 23,576	\$ -	\$ -	\$ -	\$ -

BAUGO 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 School Improvement	Special Education Part B	School Lunch Equipment	Education Jobs	Clearing/ Payroll	Totals
Cash and investments - beginning	\$ 7,447	\$ 2,458	\$ -	\$ -	\$ 34,998	\$ 5,967,559
Receipts:						
Local sources	-	-	-	-	-	7,892,010
Intermediate sources	-	-	-	-	-	196
State sources	-	-	-	-	-	11,191,835
Federal sources	5,850	-	11,021	-	-	959,635
Temporary loans	-	-	-	-	-	1,355,740
Other	-	-	-	-	2,610,607	2,654,687
Total receipts	<u>5,850</u>	<u>-</u>	<u>11,021</u>	<u>-</u>	<u>2,610,607</u>	<u>24,054,103</u>
Disbursements:						
Current:						
Instruction	15,146	124,960	-	-	-	8,502,582
Support services	-	-	-	-	-	5,588,145
Noninstructional services	-	-	-	-	-	885,912
Facilities acquisition and construction	-	-	11,021	-	-	884,580
Debt services	-	-	-	-	-	5,455,605
Nonprogrammed charges	-	-	-	-	2,614,722	3,087,863
Total disbursements	<u>15,146</u>	<u>124,960</u>	<u>11,021</u>	<u>-</u>	<u>2,614,722</u>	<u>24,404,687</u>
Excess (deficiency) of receipts over disbursements	<u>(9,296)</u>	<u>(124,960)</u>	<u>-</u>	<u>-</u>	<u>(4,115)</u>	<u>(350,584)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	350
Transfers in	-	-	-	-	-	171,679
Transfers out	-	-	-	-	(1,115)	(171,679)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,115)</u>	<u>350</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(9,296)</u>	<u>(124,960)</u>	<u>-</u>	<u>-</u>	<u>(5,230)</u>	<u>(350,234)</u>
Cash and investments - ending	<u>\$ (1,849)</u>	<u>\$ (122,502)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,768</u>	<u>\$ 5,617,325</u>

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ 318,480	\$ 2,185,381	\$ 13,006	\$ 1,474,866	\$ 381,011	\$ 142,643	\$ 177,928
Receipts:							
Local sources	155,202	3,399,142	229,472	1,588,785	954,251	106,874	-
Intermediate sources	16	-	-	-	-	-	-
State sources	11,236,944	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	764,786	428,612	-	-
Other	11,134	-	-	4,852	1,289	-	-
Total receipts	<u>11,403,296</u>	<u>3,399,142</u>	<u>229,472</u>	<u>2,358,423</u>	<u>1,384,152</u>	<u>106,874</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	7,784,194	-	-	-	-	-	-
Support services	3,353,777	-	-	1,055,833	900,060	128,742	-
Noninstructional services	183,027	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	881,703	-	-	-
Debt services	-	3,654,565	193,758	674,714	426,798	61,594	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>11,320,998</u>	<u>3,654,565</u>	<u>193,758</u>	<u>2,612,250</u>	<u>1,326,858</u>	<u>190,336</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>82,298</u>	<u>(255,423)</u>	<u>35,714</u>	<u>(253,827)</u>	<u>57,294</u>	<u>(83,462)</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	38	-	-	-
Transfers in	183,136	-	-	-	-	-	-
Transfers out	(15,342)	-	-	-	-	-	-
Total other financing sources (uses)	<u>167,794</u>	<u>-</u>	<u>-</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>250,092</u>	<u>(255,423)</u>	<u>35,714</u>	<u>(253,789)</u>	<u>57,294</u>	<u>(83,462)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 568,572</u>	<u>\$ 1,929,958</u>	<u>\$ 48,720</u>	<u>\$ 1,221,077</u>	<u>\$ 438,305</u>	<u>\$ 59,181</u>	<u>\$ 177,928</u>

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Retirement/ Severance Bond	Construction	Construction 2011	School Lunch	Textbook Rental	Self- Insurance
Cash and investments - beginning	\$ 51,488	\$ -	\$ -	\$ 209,824	\$ 102,614	\$ 432,549
Receipts:						
Local sources	-	-	-	371,662	123,614	1,506,831
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	9,972	64,702	-
Federal sources	-	-	100,000	432,371	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	1,000	5,206	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>101,000</u>	<u>819,211</u>	<u>188,316</u>	<u>1,506,831</u>
Disbursements:						
Current:						
Instruction	-	-	-	3,371	-	-
Support services	-	-	194	14,817	275,442	-
Noninstructional services	-	-	-	786,326	-	-
Facilities acquisition and construction	-	-	650,850	2,500	-	-
Debt services	-	-	4,576	-	-	-
Nonprogrammed charges	-	-	-	-	-	974,037
Total disbursements	<u>-</u>	<u>-</u>	<u>655,620</u>	<u>807,014</u>	<u>275,442</u>	<u>974,037</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(554,620)</u>	<u>12,197</u>	<u>(87,126)</u>	<u>532,794</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	1,157,647	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,157,647</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>603,027</u>	<u>12,197</u>	<u>(87,126)</u>	<u>532,794</u>
Cash and investments - ending	<u>\$ 51,488</u>	<u>\$ -</u>	<u>\$ 603,027</u>	<u>\$ 222,021</u>	<u>\$ 15,488</u>	<u>\$ 965,343</u>

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Levy Excess	Educational License Plates	SAFE School Haven	SAFE School Haven 2009-10	Donation	Wellness Fitness/ Grant
Cash and investments - beginning	\$ 157,354	\$ 4,458	\$ -	\$ -	\$ 10,500	\$ 2,500
Receipts:						
Local sources	19,463	-	-	-	-	-
Intermediate sources	-	206	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>19,463</u>	<u>206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	2,009
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,009</u>
Excess (deficiency) of receipts over disbursements	<u>19,463</u>	<u>206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,009)</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	<u>(157,354)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(157,354)</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>(137,891)</u>	<u>206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,009)</u>
Cash and investments - ending	<u>\$ 19,463</u>	<u>\$ 4,664</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,500</u>	<u>\$ 491</u>

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Recreational Activities	Scholarships and Awards	Business Scholarship	Hilyard Family	Evelyn Fawley Memorial	JHS Service Scholarship
Cash and investments - beginning	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
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	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ -

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Miscellaneous Programs	Donation- Harold Zeigler	St High Ability Grant 2009-10	High Ability Grant 2010-11	Instruction Support	Technical Asst Agreement
Cash and investments - beginning	\$ 5	\$ -	\$ -	\$ 3,350	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-
Disbursements:						
Current:						
Instruction	-	-	-	3,350	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	-	-	-	3,350	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	(3,350)	-	-
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	-	-	-	(3,350)	-	-
Cash and investments - ending	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	IN Positive Behavior Supp	IN PBIS Grant 2011-12	High Ability	Medicaid Reimbursement	Scholarships and Awards	Non-English Speaking Programs P.L. 273-1999
Cash and investments - beginning	\$ 488	\$ -	\$ -	\$ 10,719	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	7,855	5,509	32,203	5,664	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>7,855</u>	<u>5,509</u>	<u>32,203</u>	<u>5,664</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	5,510	-	-	-
Support services	8,115	7,026	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>8,115</u>	<u>7,026</u>	<u>5,510</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(260)</u>	<u>(1,517)</u>	<u>26,693</u>	<u>5,664</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(260)</u>	<u>(1,517)</u>	<u>26,693</u>	<u>5,664</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 228</u>	<u>\$ (1,517)</u>	<u>\$ 26,693</u>	<u>\$ 16,383</u>	<u>\$ -</u>	<u>\$ -</u>

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	School Technology	Technology Plan Grant	Performance Based Awards	Netday Grant	Excess PTRC Distributions	Title I 2009-10
Cash and investments - beginning	\$ 2,000	\$ -	\$ -	\$ -	\$ 25,782	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	5,160	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>5,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	5,560	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>5,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(400)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(25,782)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,782)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(400)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,782)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I 2010-11	Title I 2011-12	Title V Part A	Title V Part A S/Y 2005	P.L. 101-476 IDEA 2002	P.L. 101-476 IDEA
Cash and investments - beginning	\$ (17,425)	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	48,847	99,128	-	-	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>48,847</u>	<u>99,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	12,911	143,346	-	-	-	-
Support services	11,045	24,517	-	-	-	-
Noninstructional services	505	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>24,461</u>	<u>167,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>24,386</u>	<u>(68,735)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	6,961	-	-	-	-
Transfers out	<u>(6,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,961)</u>	<u>6,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>17,425</u>	<u>(61,774)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (61,774)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	P.L. Grant SPED(Goshen)	SPED PL 108-446 Fed Funds	SPED PL 108-446 2010-11	SPED Part B 2011-12	Drug Free Schools	Carl Perkins Grant 2010-11
Cash and investments - beginning	\$ -	\$ -	\$ (1,239)	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	18,174	266,083	-	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>18,174</u>	<u>266,083</u>	<u>-</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	-	-	16,935	306,954	-	-
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>16,935</u>	<u>306,954</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>1,239</u>	<u>(40,871)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>-</u>	<u>1,239</u>	<u>(40,871)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,871)</u>	<u>\$ -</u>	<u>\$ -</u>

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Carl Perkins Grant 2011-12	Medicaid Reimbursement Federal	Improving Teaching Quality No Child Left Title II, Part A	Title II Part A 2008-09	Title II Part A 2010-11	Title II 2009-10
Cash and investments - beginning	\$ -	\$ 23,576	\$ -	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	2,000	11,532	-	-	49,191	24,178
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>2,000</u>	<u>11,532</u>	<u>-</u>	<u>-</u>	<u>49,191</u>	<u>24,178</u>
Disbursements:						
Current:						
Instruction	2,000	20	-	-	-	39,520
Support services	-	946	-	-	51,830	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	4,108	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>2,000</u>	<u>5,074</u>	<u>-</u>	<u>-</u>	<u>51,830</u>	<u>39,520</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>6,458</u>	<u>-</u>	<u>-</u>	<u>(2,639)</u>	<u>(15,342)</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	15,342
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,342</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>6,458</u>	<u>-</u>	<u>-</u>	<u>(2,639)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 30,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,639)</u>	<u>\$ -</u>

BAUGO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I School Improvement	Special Education Part B	School Lunch Equipment	Education Jobs	Clearing/ Payroll	Totals
Cash and investments - beginning	\$ (1,849)	\$ (122,502)	\$ -	\$ -	\$ 29,768	\$ 5,617,325
Receipts:						
Local sources	-	-	-	-	-	8,455,296
Intermediate sources	-	-	-	-	-	222
State sources	-	-	-	-	-	11,368,009
Federal sources	1,849	122,502	-	361,935	-	1,537,790
Temporary loans	-	-	-	-	-	1,193,398
Other	-	-	-	-	2,688,015	2,711,496
Total receipts	<u>1,849</u>	<u>122,502</u>	<u>-</u>	<u>361,935</u>	<u>2,688,015</u>	<u>25,266,211</u>
Disbursements:						
Current:						
Instruction	-	-	-	360,602	-	8,678,713
Support services	-	-	-	1,333	-	5,839,237
Noninstructional services	-	-	-	-	-	969,858
Facilities acquisition and construction	-	-	-	-	-	1,541,170
Debt services	-	-	-	-	-	5,016,005
Nonprogrammed charges	-	-	-	-	2,684,751	3,658,788
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,935</u>	<u>2,684,751</u>	<u>25,703,771</u>
Excess (deficiency) of receipts over disbursements	<u>1,849</u>	<u>122,502</u>	<u>-</u>	<u>-</u>	<u>3,264</u>	<u>(437,560)</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	1,157,647
Sale of capital assets	-	-	-	-	-	38
Transfers in	-	-	-	-	-	205,439
Transfers out	-	-	-	-	-	(205,439)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,157,685</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,849</u>	<u>122,502</u>	<u>-</u>	<u>-</u>	<u>3,264</u>	<u>720,125</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,032</u>	<u>\$ 6,337,450</u>

BAUGO COMMUNITY SCHOOLS
 SCHEDULE OF LEASES AND DEBT
 JUNE 30, 2012

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
2004 Pension Bond	Pay Unfunded Retirement & Severance	\$ 1,175,000	\$ 187,918
2005 Capital Lease	School Building Projects & Debt Refinancing	26,800,000	2,923,500
2011 General Obligation Bond	Capital Improvements to infrastructure, equip.	1,160,000	585,175
2012 Tax Anticipation Warrants	Short-term borrowings based on property taxes	<u>958,088</u>	<u>967,182</u>
Totals		<u>\$ 30,093,088</u>	<u>\$ 4,663,775</u>

BAUGO COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
JUNE 30, 2012

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	\$ 282,449
Buildings	43,253,551
Improvements other than buildings	1,404,471
Machinery, equipment and vehicles	<u>2,932,162</u>
 Total capital assets	 <u>\$ 47,872,633</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE BAUGO COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

Compliance

We have audited Baugo Community Schools' (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. 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 could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

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 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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
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, 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

October 31, 2012

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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.

BAUGO COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2011 and 2012

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 6-30-11	Total Federal Awards Expended 6-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	2260	\$ 85,256	\$ 85,182
National School Lunch Program	10.555	2260	<u>408,350</u>	<u>411,960</u>
Total for cluster			<u>493,606</u>	<u>497,142</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579		<u>11,021</u>	<u>-</u>
Total for federal grantor agency			<u>504,627</u>	<u>497,142</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			
FY 09-10			19,517	-
FY 10-11			121,059	48,847
FY 11-12			<u>-</u>	<u>99,128</u>
Total for program			<u>140,576</u>	<u>147,975</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		<u>5,850</u>	<u>1,850</u>
Total for cluster			<u>146,426</u>	<u>149,825</u>
Pass-Through Goshen Community Schools				
Special Education Cluster				
Special Education - Grants to States	84.027			
FY 09-10			59,203	-
FY 10-11			320,841	18,174
FY 11-12			<u>-</u>	<u>266,083</u>
Total for program			<u>380,044</u>	<u>284,257</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391	10-2260	<u>-</u>	<u>122,502</u>
Total for cluster			<u>380,044</u>	<u>406,759</u>
Pass-Through Elkhart Community Schools				
Career and Technical Education - Basic Grants to States	84.048		<u>2,000</u>	<u>2,000</u>
Pass-Through Indiana Department of Education				
Special Education - State Personnel Development	84.323		<u>8,025</u>	<u>13,364</u>
Improving Teacher Quality State Grants	84.367			
FY 09-10			9,228	-
FY 10-11			-	24,178
FY 11-12			<u>-</u>	<u>49,191</u>
Total for program			<u>9,228</u>	<u>73,369</u>
Education Jobs Fund	84.410		<u>-</u>	<u>361,935</u>
Total for federal grantor agency			<u>545,723</u>	<u>1,007,252</u>
Total federal awards expended			<u>\$ 1,050,350</u>	<u>\$ 1,504,394</u>

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

BAUGO 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 Baugo 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, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2011	2012
School Breakfast Program	10.553	\$ 13,341	\$ 11,098
National School Lunch Program	10.555	63,595	53,673

BAUGO COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs: Material weaknesses identified?	no
Significant deficiencies 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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.410	Child Nutrition Cluster Special Education Cluster Education Jobs Fund

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

BAUGO COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on October 31, 2012, with Barbara B. Cloud, Treasurer; James H. DuBois, Superintendent of Schools; Dwaine Crocker, President of the School Board; and Bruce Perry, Director of Finance. Our audit disclosed no material items that warrant comment at this time.

A second exit conference was held with Barbara B. Cloud, Treasurer, and Bruce Perry, Director of Finance, on November 27, 2012, to discuss modifications to the Independent Auditor's Report.