

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

BREMEN PUBLIC SCHOOLS
MARSHALL COUNTY, INDIANA

July 1, 2010 to June 30, 2012



FILED
12/17/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Stephanie K. Pittman	07-01-10 to 06-30-13
Superintendent of Schools	Russ Mikel	07-01-10 to 06-30-14
President of the School Board	Jack Jordan	01-01-10 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF BREMEN PUBLIC SCHOOLS, MARSHALL COUNTY, INDIANA

We have audited the accompanying financial statement of the Bremen Public 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 period.

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 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 December 3, 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 Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Leases and Debt, 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

December 3, 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 BREMEN PUBLIC SCHOOLS, MARSHALL COUNTY, INDIANA

We have audited the financial statement of the Bremen Public Schools (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated December 3, 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

December 3, 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.

BREMEN PUBLIC 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

Fund	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	\$ 358,462	\$ 8,427,365	\$ 8,312,567	\$ 50,815	\$ 524,075	\$ 8,562,781	\$ 8,435,963	\$ -	\$ 650,893
Debt Service	227,682	1,288,591	1,267,567	16,525	265,231	1,237,234	1,243,167	-	259,298
Pension Debt Service	13,588	168,971	157,967	-	24,592	153,252	153,827	-	24,017
Capital Projects	950,675	1,257,348	1,648,981	89,321	648,363	1,337,242	1,465,973	-	519,632
School Transportation	543,927	426,450	436,107	(244,172)	290,098	549,680	455,767	20,437	404,448
School Bus Replacement	14,734	168,146	193,137	2,145	(8,112)	135,453	86,427	-	40,914
Rainy Day	120,133	-	-	200,000	320,133	-	-	-	320,133
Retirement/Severance Bond	(16,367)	32,148	15,781	-	-	-	-	-	-
Construction	-	6,744	-	-	6,744	-	1,856	-	4,888
School Lunch	179,217	522,966	468,319	-	233,864	519,967	488,002	-	265,829
Textbook Rental	130,096	151,261	175,844	-	105,513	174,111	290,817	-	(11,193)
Repair and Replacement	2,600	-	-	-	2,600	-	-	-	2,600
Self-Insurance	(97,030)	-	-	-	(97,030)	-	-	-	(97,030)
Levy Excess	-	20,437	-	-	20,437	20,877	-	(20,437)	20,877
Child Care Program	45,630	70,387	86,574	-	29,443	61,836	79,681	-	11,598
Educational License Plates	3,108	94	-	-	3,202	95	-	-	3,297
Alternative Education	239	-	-	-	239	-	-	-	239
SAFE School Haven	90	-	-	-	90	-	-	-	90
Early Intervention Grant - Little Paws Preschool	4,398	-	-	-	4,398	-	-	-	4,398
Gifted and Talented Donation	32	-	-	-	32	-	-	-	32
BPS Education Endowment	-	421	-	-	421	602	-	-	1,023
CVS Caremark Playground Project	2,729	-	-	-	2,729	-	2,729	-	-
Community Foundation Grant	56	-	-	-	56	-	-	-	56
Gifted and Talented 2009-2010	4,496	-	4,496	-	-	-	-	-	-
Gifted and Talented 2010-2011	-	30,940	24,521	-	6,419	200	6,619	-	-
Gifted and Talented 2011-2012	-	-	-	-	-	30,005	29,622	-	383
Drug-Free Communities	(427)	-	-	-	(427)	1,500	1,500	-	(427)
Medicaid Reimbursement	384	-	-	-	384	-	-	-	384
Non-English Speaking Programs 2009-2010	2,519	-	2,519	-	-	-	-	-	-
Non-English Speaking Programs 2010-2011	-	20,701	20,701	-	-	-	-	-	-
Non-English Speaking Programs 2011-2012	-	-	-	-	-	18,084	14,550	-	3,534
School Technology	-	3,960	3,630	-	330	3,600	3,630	-	300
High Ability Making A Difference	6,833	-	6,833	-	-	-	-	-	-
Science Telecommunications Grant	17	-	-	-	17	-	-	-	17

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

BREMEN PUBLIC 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)

Fund	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
Excess PTRC Distributions	41,319	-	-	(41,319)	-	-	-	-	-
Title I 2009-2010	38,345	-	15,753	(22,592)	-	-	-	-	-
Title I 2010-2011	-	106,533	138,663	22,592	(9,538)	24,853	15,315	-	-
Title I 2011-2012	-	-	-	-	-	158,089	180,843	-	(22,754)
Federal Special Education 2011-2012	-	-	-	-	-	195,255	236,842	-	(41,587)
Federal Special Education 2009-2010	46,979	-	46,979	-	-	-	-	-	-
Federal Special Education 2010-2011	-	189,620	238,932	-	(49,312)	77,640	28,328	-	-
Assistive Technology Grant	-	-	-	-	-	65,260	65,260	-	-
Federal Special Education Preschool 2011-2012	-	-	-	-	-	5,839	6,062	-	(223)
Federal Special Education Preschool 2009-2010	1,625	-	1,625	-	-	-	-	-	-
Federal Special Education Preschool 2010-2011	-	4,762	6,016	-	(1,254)	1,757	503	-	-
Title IV 2008-2010	551	-	551	-	-	-	-	-	-
Title IV 2009-2011	-	4,005	5,422	-	(1,417)	1,417	-	-	-
Medicaid Reimbursement - Federal	2,191	-	-	-	2,191	-	-	-	2,191
Indiana Wellness Grant	130	-	-	-	130	-	-	-	130
Improving Teaching Quality, Title II, Part A 2008-2010	6,043	-	6,043	-	-	-	-	-	-
Improving Teaching Quality, Title II, Part A 2009-2011	-	27,044	31,627	-	(4,583)	14,749	10,166	-	-
Improving Teaching Quality, Title II, Part A 2010-2012	-	-	-	-	-	32,976	36,587	-	(3,611)
Improving Teaching Quality, Title II, Part A 2011-2013	-	-	-	-	-	2,000	2,000	-	-
Title III, Language Instruction 2009-2010	4,839	-	4,839	-	-	-	-	-	-
Title III, Language Instruction 2010-2011	-	28,853	30,641	-	(1,788)	11,747	9,959	-	-
Title III, Language Instruction 2011-2012	-	-	-	-	-	14,821	16,573	-	(1,752)
Title I - Grants to LEAs	14,476	10,792	23,036	-	2,232	-	2,232	-	-
Special Education - Part B	(5,225)	154,493	159,504	-	(10,236)	23,707	13,471	-	-
Special Education - Part B - Preschool	3,700	-	10,500	-	(6,800)	6,800	-	-	-
Education Jobs	-	154,548	165,216	-	(10,668)	89,515	85,763	-	(6,916)
Payroll	30,234	2,038,822	2,046,189	-	22,867	2,071,674	2,060,151	-	34,390
Totals	\$ 2,683,028	\$ 15,316,402	\$ 15,757,080	\$ 73,315	\$ 2,315,665	\$ 15,604,618	\$ 15,530,185	\$ -	\$ 2,390,098

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

BREMEN PUBLIC 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, riverboat distributions, 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.

BREMEN PUBLIC 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.

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 may 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.

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.

BREMEN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

H. Joint Ventures

The School Corporation is a participant in a joint venture to operate Northern Indiana Educational Services Center (NIESC), which was created to provide educational services to the member schools. The NIESC's continued existence depends on continued funding by the School Corporation. In 2010, the State of Indiana discontinued its funding of the NIESC. Complete financial statements for the NIESC can be obtained from the administrative office at 56535 Magnetic Drive, Mishawaka, IN 46545.

The School Corporation is a participant with five other school corporations in a joint venture to operate North Central Indiana Special Education Cooperative (NCI), which was created to implement jointly operated services for the education of students with disabilities. NCI's continued existence depends on continued funding by the School Corporation. Participating school corporations employ personnel and provide facilities for local special education programs housed within each school corporations' boundaries. Member school corporations are assessed their share of the program administrative costs. No other fees are assessed to member school corporations for the operation of NCI. Complete financial statements for NCI can be obtained from Warsaw Community Schools at 1 Administration Drive, Warsaw, IN 46581.

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

BREMEN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

BREMEN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

BREMEN PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

C. 457(b) Plan and Voluntary Employee Beneficiary Association Trust Fund

Plan Description

The Bremen Public Schools 457(b) Plan and Voluntary Employee Beneficiary Association (VEBA) Trust Fund are defined benefit pension plans that were created in 2002 and funded by general obligation pension bonds. There is no new funding to these plans. All employees of the School Corporation are eligible to participate in the 457(b) Plan as long as the individual is of age 55, has 15 years of continued service, and is retiring from the School Corporation. To be eligible and participate in the VEBA Trust Fund, the individual must meet the same requirements stated for the 457(b) Plan and must have been on the School Corporation's insurance 3 out of the last 5 years prior to retiring. TIAA-CREF Trust Company is the administrator of these plans. As of June 30, 2012, the balance of the 457(b) Plan and VEBA Trust Fund were \$1,202,612 and \$863,228, respectively.

Note 7. Cash and Investment Balance Deficits

The financial statement contains funds with deficits in cash. This is a result of the funds being set up for reimbursable grants or an underestimation of current requirements. These deficits will be repaid from future receipts.

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with Bremen Multi 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 fiscal years 2011 and 2012, totaled \$1,263,000 and \$1,243,167, respectively.

Note 9. Termination Benefits

The School Corporation offers an Early Retirement/Severance Pay Plan (457(b) Plan), administered by TIAA-CREF, to any retiring teacher who has a minimum of 15 years of service with the School Corporation and has attained the minimum age of 55. The severance pay is calculated based on \$75 per year of service to the School Corporation and the \$30 per day for unused sick leave of 90 days or more. A portion of the cost of this benefit has been funded through the issuance of the General Obligation Pension Bonds of 2002.

An additional \$10,000 termination benefit was offered by the School Corporation to eligible teachers if elected prior to May 2010. Two employees accepted this benefit and the School Corporation paid the \$20,000 during the 2010-2011 school year from its General Fund.

Two other retirees continue to receive termination benefits in addition to the above under a plan established by the School Corporation prior to the 457(b) plan described above. These benefits are funded through the General Fund and were \$14,659 for the year ended June 30, 2011, and \$14,115 for the year ended June 30, 2012.

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

BREMEN PUBLIC 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	Pension Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 358,462	\$ 227,682	\$ 13,588	\$ 950,675	\$ 543,927	\$ 14,734	\$ 120,133	\$ (16,367)	\$ -
Receipts:									
Local sources	67,372	1,288,591	168,971	1,257,111	418,732	168,146	-	-	6,744
Intermediate sources	166	-	-	-	-	-	-	-	-
State sources	8,353,938	-	-	-	-	-	-	-	-
Federal sources	2,000	-	-	-	-	-	-	-	-
Other	3,889	-	-	237	7,718	-	-	32,148	-
Total receipts	<u>8,427,365</u>	<u>1,288,591</u>	<u>168,971</u>	<u>1,257,348</u>	<u>426,450</u>	<u>168,146</u>	<u>-</u>	<u>32,148</u>	<u>6,744</u>
Disbursements:									
Current:									
Instruction	5,806,891	-	-	-	-	-	-	140	-
Support services	2,233,870	-	-	604,783	436,107	151,380	-	15,641	-
Noninstructional services	271,806	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	626,238	-	-	-	-	-
Debt services	-	1,267,567	157,967	417,960	-	41,757	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>8,312,567</u>	<u>1,267,567</u>	<u>157,967</u>	<u>1,648,981</u>	<u>436,107</u>	<u>193,137</u>	<u>-</u>	<u>15,781</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>114,798</u>	<u>21,024</u>	<u>11,004</u>	<u>(391,633)</u>	<u>(9,657)</u>	<u>(24,991)</u>	<u>-</u>	<u>16,367</u>	<u>6,744</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	73,315	-	-	-	-	-
Transfers in	50,815	16,525	-	16,006	6,643	2,145	200,000	-	-
Transfers out	-	-	-	-	(250,815)	-	-	-	-
Total other financing sources (uses)	<u>50,815</u>	<u>16,525</u>	<u>-</u>	<u>89,321</u>	<u>(244,172)</u>	<u>2,145</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>165,613</u>	<u>37,549</u>	<u>11,004</u>	<u>(302,312)</u>	<u>(253,829)</u>	<u>(22,846)</u>	<u>200,000</u>	<u>16,367</u>	<u>6,744</u>
Cash and investments - ending	<u>\$ 524,075</u>	<u>\$ 265,231</u>	<u>\$ 24,592</u>	<u>\$ 648,363</u>	<u>\$ 290,098</u>	<u>\$ (8,112)</u>	<u>\$ 320,133</u>	<u>\$ -</u>	<u>\$ 6,744</u>

BREMEN PUBLIC 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	Repair and Replacement	Self- Insurance	Levy Excess	Child Care Program	Educational License Plates	Alternative Education	SAFE School Haven
Cash and investments - beginning	\$ 179,217	\$ 130,096	\$ 2,600	\$ (97,030)	\$ -	\$ 45,630	\$ 3,108	\$ 239	\$ 90
Receipts:									
Local sources	243,773	109,810	-	-	20,437	70,387	-	-	-
Intermediate sources	-	-	-	-	-	-	94	-	-
State sources	6,182	41,451	-	-	-	-	-	-	-
Federal sources	273,011	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>522,966</u>	<u>151,261</u>	<u>-</u>	<u>-</u>	<u>20,437</u>	<u>70,387</u>	<u>94</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	-	86,457	-	-	-
Support services	-	175,844	-	-	-	117	-	-	-
Noninstructional services	468,319	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>468,319</u>	<u>175,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,574</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>54,647</u>	<u>(24,583)</u>	<u>-</u>	<u>-</u>	<u>20,437</u>	<u>(16,187)</u>	<u>94</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):									
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>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>54,647</u>	<u>(24,583)</u>	<u>-</u>	<u>-</u>	<u>20,437</u>	<u>(16,187)</u>	<u>94</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 233,864</u>	<u>\$ 105,513</u>	<u>\$ 2,600</u>	<u>\$ (97,030)</u>	<u>\$ 20,437</u>	<u>\$ 29,443</u>	<u>\$ 3,202</u>	<u>\$ 239</u>	<u>\$ 90</u>

BREMEN PUBLIC 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)

	Early Intervention Grant - Little Paws Preschool	Gifted and Talented Donation	BPS Education Endowment	CVS Caremark Playground Project	Community Foundation Grant	Gifted and Talented 2009-2010	Gifted and Talented 2010-2011	Gifted and Talented 2011-2012	Drug-Free Communities
Cash and investments - beginning	\$ 4,398	\$ 32	\$ -	\$ 2,729	\$ 56	\$ 4,496	\$ -	\$ -	\$ (427)
Receipts:									
Local sources	-	-	421	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	30,940	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	421	-	-	-	30,940	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	4,496	24,521	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	4,496	24,521	-	-
Excess (deficiency) of receipts over disbursements	-	-	421	-	-	(4,496)	6,419	-	-
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	-	-	421	-	-	(4,496)	6,419	-	-
Cash and investments - ending	\$ 4,398	\$ 32	\$ 421	\$ 2,729	\$ 56	\$ -	\$ 6,419	\$ -	\$ (427)

BREMEN PUBLIC 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)

	Medicaid Reimbursement	Non-English Speaking Programs 2009-2010	Non-English Speaking Programs 2010-2011	Non-English Speaking Programs 2011-2012	School Technology	High Ability Making A Difference	Science Telcom Grant	Excess PTRC Distributions	Title I 2009-2010
Cash and investments - beginning	\$ 384	\$ 2,519	\$ -	\$ -	\$ -	\$ 6,833	\$ 17	\$ 41,319	\$ 38,345
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	20,701	-	3,960	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	20,701	-	3,960	-	-	-	-
Disbursements:									
Current:									
Instruction	-	2,519	20,701	-	-	6,399	-	-	15,349
Support services	-	-	-	-	3,630	434	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	404
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,519	20,701	-	3,630	6,833	-	-	15,753
Excess (deficiency) of receipts over disbursements	-	(2,519)	-	-	330	(6,833)	-	-	(15,753)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(41,319)	(22,592)
Total other financing sources (uses)	-	-	-	-	-	-	-	(41,319)	(22,592)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,519)	-	-	330	(6,833)	-	(41,319)	(38,345)
Cash and investments - ending	\$ 384	\$ -	\$ -	\$ -	\$ 330	\$ -	\$ 17	\$ -	\$ -

BREMEN PUBLIC 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 2010-2011	Title I 2011-2012	Federal Special Education 2011-2012	Federal Special Education 2009-2010	Federal Special Education 2010-2011	Assistive Technology Grant	Federal Special Education Preschool 2011-2012	Federal Special Education Preschool 2009-2010	Federal Special Education Preschool 2010-2011
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 46,979	\$ -	\$ -	\$ -	\$ 1,625	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	106,533	-	-	-	189,620	-	-	-	4,762
Other	-	-	-	-	-	-	-	-	-
Total receipts	106,533	-	-	-	189,620	-	-	-	4,762
Disbursements:									
Current:									
Instruction	99,317	-	-	-	-	-	-	1,625	6,016
Support services	39,346	-	-	46,979	238,932	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	138,663	-	-	46,979	238,932	-	-	1,625	6,016
Excess (deficiency) of receipts over disbursements	(32,130)	-	-	(46,979)	(49,312)	-	-	(1,625)	(1,254)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	22,592	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	22,592	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,538)	-	-	(46,979)	(49,312)	-	-	(1,625)	(1,254)
Cash and investments - ending	\$ (9,538)	\$ -	\$ -	\$ -	\$ (49,312)	\$ -	\$ -	\$ -	\$ (1,254)

BREMEN PUBLIC 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 IV 2008-2010	Title IV 2009-2011	Medicaid Reimbursement Federal	Indiana Wellness Grant	Improving Teaching Quality Title II, Part A 2008-2010	Improving Teaching Quality Title II, Part A 2009-2011	Improving Teaching Quality Title II, Part A 2010-2012	Improving Teaching Quality Title II, Part A 2011-2013	Title III Language Instruction 2009-2010
Cash and investments - beginning	\$ 551	\$ -	\$ 2,191	\$ 130	\$ 6,043	\$ -	\$ -	\$ -	\$ 4,839
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	4,005	-	-	-	27,044	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	4,005	-	-	-	27,044	-	-	-
Disbursements:									
Current:									
Instruction	-	4,922	-	-	4,425	24,097	-	-	4,839
Support services	551	500	-	-	1,618	7,530	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	551	5,422	-	-	6,043	31,627	-	-	4,839
Excess (deficiency) of receipts over disbursements	(551)	(1,417)	-	-	(6,043)	(4,583)	-	-	(4,839)
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	(551)	(1,417)	-	-	(6,043)	(4,583)	-	-	(4,839)
Cash and investments - ending	\$ -	\$ (1,417)	\$ 2,191	\$ 130	\$ -	\$ (4,583)	\$ -	\$ -	\$ -

BREMEN PUBLIC 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 III Language Instruction 2010-2011	Title III Language Instruction 2011-2012	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 14,476	\$ (5,225)	\$ 3,700	\$ -	\$ 30,234	\$ 2,683,028
Receipts:								
Local sources	-	-	-	-	-	-	-	3,820,495
Intermediate sources	-	-	-	-	-	-	-	260
State sources	-	-	-	-	-	-	-	8,457,172
Federal sources	28,853	-	10,792	154,493	-	154,548	-	955,661
Other	-	-	-	-	-	-	2,038,822	2,082,814
Total receipts	<u>28,853</u>	<u>-</u>	<u>10,792</u>	<u>154,493</u>	<u>-</u>	<u>154,548</u>	<u>2,038,822</u>	<u>15,316,402</u>
Disbursements:								
Current:								
Instruction	30,641	-	14,981	133,277	10,500	115,337	-	6,417,450
Support services	-	-	8,055	26,227	-	38,707	-	4,030,251
Noninstructional services	-	-	-	-	-	11,172	-	751,701
Facilities acquisition and construction	-	-	-	-	-	-	-	626,238
Debt services	-	-	-	-	-	-	-	1,885,251
Nonprogrammed charges	-	-	-	-	-	-	2,046,189	2,046,189
Total disbursements	<u>30,641</u>	<u>-</u>	<u>23,036</u>	<u>159,504</u>	<u>10,500</u>	<u>165,216</u>	<u>2,046,189</u>	<u>15,757,080</u>
Excess (deficiency) of receipts over disbursements	<u>(1,788)</u>	<u>-</u>	<u>(12,244)</u>	<u>(5,011)</u>	<u>(10,500)</u>	<u>(10,668)</u>	<u>(7,367)</u>	<u>(440,678)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	73,315
Transfers in	-	-	-	-	-	-	-	314,726
Transfers out	-	-	-	-	-	-	-	(314,726)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,315</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,788)</u>	<u>-</u>	<u>(12,244)</u>	<u>(5,011)</u>	<u>(10,500)</u>	<u>(10,668)</u>	<u>(7,367)</u>	<u>(367,363)</u>
Cash and investments - ending	<u>\$ (1,788)</u>	<u>\$ -</u>	<u>\$ 2,232</u>	<u>\$ (10,236)</u>	<u>\$ (6,800)</u>	<u>\$ (10,668)</u>	<u>\$ 22,867</u>	<u>\$ 2,315,665</u>

BREMEN PUBLIC 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	Pension Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Construction
Cash and investments - beginning	\$ 524,075	\$ 265,231	\$ 24,592	\$ 648,363	\$ 290,098	\$ (8,112)	\$ 320,133	\$ -	\$ 6,744
Receipts:									
Local sources	68,153	1,237,234	153,252	1,337,242	542,419	135,453	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	8,490,952	-	-	-	-	-	-	-	-
Federal sources	2,000	-	-	-	-	-	-	-	-
Other	1,676	-	-	-	7,261	-	-	-	-
Total receipts	<u>8,562,781</u>	<u>1,237,234</u>	<u>153,252</u>	<u>1,337,242</u>	<u>549,680</u>	<u>135,453</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	5,850,743	-	-	-	-	-	-	-	-
Support services	2,315,249	-	-	569,647	455,767	86,427	-	-	1,856
Noninstructional services	254,971	-	-	-	-	-	-	-	-
Facilities acquisition and construction	15,000	-	-	896,326	-	-	-	-	-
Debt services	-	1,243,167	153,827	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>8,435,963</u>	<u>1,243,167</u>	<u>153,827</u>	<u>1,465,973</u>	<u>455,767</u>	<u>86,427</u>	<u>-</u>	<u>-</u>	<u>1,856</u>
Excess (deficiency) of receipts over disbursements	<u>126,818</u>	<u>(5,933)</u>	<u>(575)</u>	<u>(128,731)</u>	<u>93,913</u>	<u>49,026</u>	<u>-</u>	<u>-</u>	<u>(1,856)</u>
Other financing sources (uses):									
Transfers in	-	-	-	-	20,437	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>126,818</u>	<u>(5,933)</u>	<u>(575)</u>	<u>(128,731)</u>	<u>114,350</u>	<u>49,026</u>	<u>-</u>	<u>-</u>	<u>(1,856)</u>
Cash and investments - ending	<u>\$ 650,893</u>	<u>\$ 259,298</u>	<u>\$ 24,017</u>	<u>\$ 519,632</u>	<u>\$ 404,448</u>	<u>\$ 40,914</u>	<u>\$ 320,133</u>	<u>\$ -</u>	<u>\$ 4,888</u>

BREMEN PUBLIC 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 Lunch	Textbook Rental	Repair and Replacement	Self- Insurance	Levy Excess	Child Care Program	Educational License Plates	Alternative Education	SAFE School Haven
Cash and investments - beginning	\$ 233,864	\$ 105,513	\$ 2,600	\$ (97,030)	\$ 20,437	\$ 29,443	\$ 3,202	\$ 239	\$ 90
Receipts:									
Local sources	251,433	129,784	-	-	20,877	61,836	20	-	-
Intermediate sources	-	-	-	-	-	-	75	-	-
State sources	13,145	44,327	-	-	-	-	-	-	-
Federal sources	255,389	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	519,967	174,111	-	-	20,877	61,836	95	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	79,678	-	-	-
Support services	1,036	290,817	-	-	-	3	-	-	-
Noninstructional services	486,966	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	488,002	290,817	-	-	-	79,681	-	-	-
Excess (deficiency) of receipts over disbursements	31,965	(116,706)	-	-	20,877	(17,845)	95	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(20,437)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(20,437)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	31,965	(116,706)	-	-	440	(17,845)	95	-	-
Cash and investments - ending	\$ 265,829	\$ (11,193)	\$ 2,600	\$ (97,030)	\$ 20,877	\$ 11,598	\$ 3,297	\$ 239	\$ 90

BREMEN PUBLIC 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)

	Early Intervention Grant - Little Paws Preschool	Gifted and Talented Donation	BPS Education Endowment	CVS Caremark Playground Project	Community Foundation Grant	Gifted and Talented 2009-2010	Gifted and Talented 2010-2011	Gifted and Talented 2011-2012	Drug-Free Communities
Cash and investments - beginning	\$ 4,398	\$ 32	\$ 421	\$ 2,729	\$ 56	\$ -	\$ 6,419	\$ -	\$ (427)
Receipts:									
Local sources	-	-	602	-	-	-	200	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	30,005	1,500
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	602	-	-	-	200	30,005	1,500
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	6,619	29,622	-
Support services	-	-	-	-	-	-	-	-	1,500
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,729	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	2,729	-	-	6,619	29,622	1,500
Excess (deficiency) of receipts over disbursements	-	-	602	(2,729)	-	-	(6,419)	383	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	602	(2,729)	-	-	(6,419)	383	-
Cash and investments - ending	\$ 4,398	\$ 32	\$ 1,023	\$ -	\$ 56	\$ -	\$ -	\$ 383	\$ (427)

BREMEN PUBLIC 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)

	Medicaid Reimbursement	Non-English Speaking Programs 2009-2010	Non-English Speaking Programs 2010-2011	Non-English Speaking Programs 2011-2012	School Technology	High Ability Making A Difference	Science Telcom Grant	Excess PTRC Distributions	Title I 2009-2010
Cash and investments - beginning	\$ 384	\$ -	\$ -	\$ -	\$ 330	\$ -	\$ 17	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	18,084	3,600	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	18,084	3,600	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	14,550	-	-	-	-	-
Support services	-	-	-	-	3,630	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	14,550	3,630	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	3,534	(30)	-	-	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	3,534	(30)	-	-	-	-
Cash and investments - ending	\$ 384	\$ -	\$ -	\$ 3,534	\$ 300	\$ -	\$ 17	\$ -	\$ -

BREMEN PUBLIC 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 2010-2011	Title I 2011-2012	Federal Special Education 2011-2012	Federal Special Education 2009-2010	Federal Special Education 2010-2011	Assistive Technology Grant	Federal Special Education Preschool 2011-2012	Federal Special Education Preschool 2009-2010	Federal Special Education Preschool 2010-2011
Cash and investments - beginning	\$ (9,538)	\$ -	\$ -	\$ -	\$ (49,312)	\$ -	\$ -	\$ -	\$ (1,254)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	24,853	158,089	195,255	-	77,640	65,260	5,839	-	1,757
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>24,853</u>	<u>158,089</u>	<u>195,255</u>	<u>-</u>	<u>77,640</u>	<u>65,260</u>	<u>5,839</u>	<u>-</u>	<u>1,757</u>
Disbursements:									
Current:									
Instruction	15,138	152,698	-	-	-	65,260	6,062	-	503
Support services	177	28,145	236,842	-	28,328	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>15,315</u>	<u>180,843</u>	<u>236,842</u>	<u>-</u>	<u>28,328</u>	<u>65,260</u>	<u>6,062</u>	<u>-</u>	<u>503</u>
Excess (deficiency) of receipts over disbursements	<u>9,538</u>	<u>(22,754)</u>	<u>(41,587)</u>	<u>-</u>	<u>49,312</u>	<u>-</u>	<u>(223)</u>	<u>-</u>	<u>1,254</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>9,538</u>	<u>(22,754)</u>	<u>(41,587)</u>	<u>-</u>	<u>49,312</u>	<u>-</u>	<u>(223)</u>	<u>-</u>	<u>1,254</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (22,754)</u>	<u>\$ (41,587)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (223)</u>	<u>\$ -</u>	<u>\$ -</u>

BREMEN PUBLIC 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 IV 2008-2010	Title IV 2009-2011	Medicaid Reimbursement Federal	Indiana Wellness Grant	Improving Teaching Quality Title II, Part A 2008-2010	Improving Teaching Quality Title II, Part A 2009-2011	Improving Teaching Quality Title II, Part A 2010-2012	Improving Teaching Quality Title II, Part A 2011-2013	Title III Language Instruction 2009-2010
Cash and investments - beginning	\$ -	\$ (1,417)	\$ 2,191	\$ 130	\$ -	\$ (4,583)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	1,417	-	-	-	14,749	32,976	2,000	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	1,417	-	-	-	14,749	32,976	2,000	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	4,447	21,002	-	-
Support services	-	-	-	-	-	5,719	15,585	2,000	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	10,166	36,587	2,000	-
Excess (deficiency) of receipts over disbursements	-	1,417	-	-	-	4,583	(3,611)	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,417	-	-	-	4,583	(3,611)	-	-
Cash and investments - ending	\$ -	\$ -	\$ 2,191	\$ 130	\$ -	\$ -	\$ (3,611)	\$ -	\$ -

BREMEN PUBLIC 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 III Language Instruction 2010-2011	Title III Language Instruction 2011-2012	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ (1,788)	\$ -	\$ 2,232	\$ (10,236)	\$ (6,800)	\$ (10,668)	\$ 22,867	\$ 2,315,665
Receipts:								
Local sources	-	-	-	-	-	-	-	3,938,505
Intermediate sources	-	-	-	-	-	-	-	75
State sources	-	-	-	-	-	-	-	8,601,613
Federal sources	11,747	14,821	-	23,707	6,800	86,842	-	981,141
Other	-	-	-	-	-	2,673	2,071,674	2,083,284
Total receipts	<u>11,747</u>	<u>14,821</u>	<u>-</u>	<u>23,707</u>	<u>6,800</u>	<u>89,515</u>	<u>2,071,674</u>	<u>15,604,618</u>
Disbursements:								
Current:								
Instruction	9,959	15,999	2,232	8,211	-	65,480	-	6,348,203
Support services	-	574	-	5,260	-	20,283	-	4,068,845
Noninstructional services	-	-	-	-	-	-	-	741,937
Facilities acquisition and construction	-	-	-	-	-	-	-	914,055
Debt services	-	-	-	-	-	-	-	1,396,994
Nonprogrammed charges	-	-	-	-	-	-	2,060,151	2,060,151
Total disbursements	<u>9,959</u>	<u>16,573</u>	<u>2,232</u>	<u>13,471</u>	<u>-</u>	<u>85,763</u>	<u>2,060,151</u>	<u>15,530,185</u>
Excess (deficiency) of receipts over disbursements	<u>1,788</u>	<u>(1,752)</u>	<u>(2,232)</u>	<u>10,236</u>	<u>6,800</u>	<u>3,752</u>	<u>11,523</u>	<u>74,433</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	20,437
Transfers out	-	-	-	-	-	-	-	(20,437)
Total other financing sources (uses)	<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>1,788</u>	<u>(1,752)</u>	<u>(2,232)</u>	<u>10,236</u>	<u>6,800</u>	<u>3,752</u>	<u>11,523</u>	<u>74,433</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (1,752)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,916)</u>	<u>\$ 34,390</u>	<u>\$ 2,390,098</u>

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BREMEN PUBLIC SCHOOLS
 SCHEDULE OF LEASES AND DEBT
 JUNE 30, 2012

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Bremen Multi-School Building Corp.	Construction	\$ 1,263,000	06-30-08	06-30-23
Indiana Bond Bank	Pension debt	<u>156,000</u>	07-05-03	01-05-23
Total of annual lease payments		<u>\$ 1,419,000</u>		

BREMEN PUBLIC SCHOOLS
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The fund balance of the inactive, Self-Insurance Fund has been overdrawn by \$97,030 since the 2007-2008 fiscal year. The fund balance of the School Bus Replacement Fund and the Drug-Free Communities Fund were overdrawn \$8,112 and \$427, respectively, at June 30, 2011. The fund balance of the Textbook Rental Fund and the Drug-Free Communities Fund were overdrawn \$11,193 and \$427, respectively, at June 30, 2012.

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)

CAPITAL ASSET RECORDS

Information presented for audit did not indicate a complete inventory or record of capital assets. The School Corporation had lists of equipment from several departments. However, the equipment included on those lists did not appear to be all encompassing. Most of the equipment listed did not include actual or estimated historical cost.

The School Corporation did have records that include buildings owned by the School Corporation. The records did not include an actual or estimated historical cost. A similar comment was in prior Audit Report No. B38319, B34162, and B29486.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ACADEMIC HONORS DIPLOMAS - INCORRECT REPORTING TO THE STATE

The information presented for audit indicated honors diplomas figures on Form No. 30A, Report of Average Daily Membership (ADM) for State Support, were incorrect for the school year ending June 30, 2011. A difference of two honors diplomas between the count reported on the ADM and the figures presented for audit was verified. The School Corporation submitted a count of 20 honors diplomas on the ADM form. The figures presented for audit indicated 22 honors diplomas. The difference was attributed to two technology students, which were considered not applicable for the count.

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

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

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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 BREMEN PUBLIC SCHOOLS, MARSHALL COUNTY, INDIANA

Compliance

We have audited Bremen Public 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

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)

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.

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

December 3, 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.

BREMEN PUBLIC 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 06-30-11	Total Federal Awards Expended 06-30-12
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 38,439	\$ 38,401
National School Lunch Program	10.555		266,993	254,499
Summer Food Service Program for Children	10.559		-	6,740
			<u>305,432</u>	<u>299,640</u>
Total for federal grantor agency				
<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	10-5480	15,752	-
		11-5480	138,663	15,316
		12-5480	-	180,844
			<u>154,415</u>	<u>196,160</u>
Total for program				
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	ARRA 10-5480	23,036	2,232
			<u>177,451</u>	<u>198,392</u>
Total for cluster				
Pass-Through Warsaw Community Schools				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	14210-045-PN01	46,979	-
		14211-045-PN01	238,934	28,326
		14212-045-PN01	-	236,844
Assistive Technology Grant			-	65,260
			<u>285,913</u>	<u>330,430</u>
Total for program				
Special Education - Preschool Grants	84.173	45710-045-PN01	1,625	-
		45711-045-PN01	6,016	503
		45712-045-PN01	-	6,062
			<u>7,641</u>	<u>6,565</u>
Total for program				
Pass-Through Indiana Department of Education				
ARRA - Special Education - Grants to States, Recovery Act				
	84.391	33310-045-SN01	159,505	13,471
ARRA - Special Education - Preschool Grants, Recovery Act				
	84.392	44410-045-SN01	10,500	-
			<u>463,559</u>	<u>350,466</u>
Total for cluster				
Pass-Through Elkhart Community Schools				
Career and Technical Education - Basic Grants to States				
	84.048	FY 11	2,000	-
		FY 12	-	2,000
			<u>2,000</u>	<u>2,000</u>
Total for program				
Pass-Through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants				
	84.186	FY 10	551	-
		FY 11	5,422	-
			<u>5,973</u>	<u>-</u>
Total for program				
English Language Acquisition State Grants				
	84.365	FY 10	4,839	-
		FY 11	30,641	9,959
		FY 12	-	16,574
			<u>35,480</u>	<u>26,533</u>
Total for program				
Improving Teacher Quality State Grants				
	84.367	08-5480	6,043	-
		09-5480	31,626	10,166
		10-5480	-	36,586
		11-5480	-	2,000
			<u>37,669</u>	<u>48,752</u>
Total for program				
Education Jobs Fund	84.410		165,213	85,763
			<u>887,345</u>	<u>711,906</u>
Total for federal grantor agency				
Total federal awards expended			<u>\$ 1,192,777</u>	<u>\$ 1,011,546</u>

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

BREMEN PUBLIC 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 Bremen Public 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. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2011 and 2012:

Program Title	Federal CFDA Number	2011	2012
English Language Acquisition State Grants	84.365	\$ 8,260	\$ 5,460

Note 3. 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	\$ 4,080	\$ 4,918
National School Lunch Program	10.555	28,341	32,593

BREMEN PUBLIC 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:

Name of Federal Program or Cluster

Title I, Part A Cluster
Special Education Cluster (IDEA)

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

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

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

BREMEN PUBLIC SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on December 3, 2012, with Stephanie K. Pittman, Treasurer; Russ Mikel, Superintendent of Schools; Jack Jordan, President of the School Board; and Charles Klockow, School Board member.