

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

AUDIT REPORT

OF

ELKHART COMMUNITY SCHOOLS

ELKHART COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

03/20/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Douglas A. Hasler	07-01-05 to 06-30-08
Superintendent Of Schools	Mark T. Mow	07-01-05 to 06-30-10
President of the School Board	Jeri E. Stahr Dorisanne H. Nielsen Carolyn R. Morris	07-01-05 to 06-30-06 07-01-06 to 06-30-07 07-01-07 to 06-30-08



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Elkhart Community Schools (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated January 23, 2008, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis, or Budgetary Comparison Schedules, that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 23, 2008



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Elkhart Community Schools (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
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 statements are 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.

We noted certain matters that we reported to management in a separate letter dated January 23, 2008.

This report is intended solely for the information and use of the School Corporation's management, School Board of Trustees, and 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

January 23, 2008

ELKHART COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 51,364,526	\$ -	\$ 4,058,083	\$ (47,306,443)
Support services	55,640,593	2,702,805	3,776,641	(49,161,147)
Community services	746,908	294,459	-	(452,449)
Nonprogrammed charges	14,123,750	-	-	(14,123,750)
Debt service	<u>31,186,257</u>	<u>-</u>	<u>-</u>	<u>(31,186,257)</u>
 Total governmental activities	 <u>\$ 153,062,034</u>	 <u>\$ 2,997,264</u>	 <u>\$ 7,834,724</u>	 <u>(142,230,046)</u>
 General receipts:				
Property taxes				48,773,946
Other local sources				14,693,832
State aid				52,745,817
Bonds and loans				16,228,903
Grants and contributions not restricted to specific programs				11,673,297
Sale of property, adjustments, and refunds				435,953
Investment earnings				<u>1,357,385</u>
 Total general receipts				 <u>145,909,133</u>
 Change in net assets				 3,679,087
 Net assets - beginning				 <u>30,142,887</u>
 Net assets - ending				 <u>\$ 33,821,974</u>
 <u>Assets</u>				
Cash and investments				\$ 23,424,131
Restricted assets:				
Cash and investments				<u>10,397,843</u>
 Total assets				 <u>\$ 33,821,974</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 7,068,252
Other purposes				3,329,591
Unrestricted				<u>23,424,131</u>
 Total net assets				 <u>\$ 33,821,974</u>

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

ELKHART COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 52,677,982	\$ -	\$ 3,772,492	\$ (48,905,490)
Support services	64,208,176	2,757,168	3,888,883	(57,562,125)
Community services	1,536,367	331,867	-	(1,204,500)
Nonprogrammed charges	14,626,660	-	-	(14,626,660)
Debt service	<u>26,941,525</u>	<u>-</u>	<u>-</u>	<u>(26,941,525)</u>
 Total governmental activities	 <u>\$ 159,990,710</u>	 <u>\$ 3,089,035</u>	 <u>\$ 7,661,375</u>	 <u>(149,240,300)</u>
 General receipts:				
Property taxes				30,156,154
Other local sources				14,892,530
State aid				54,547,610
Bonds and loans				14,518,415
Grants and contributions not restricted to specific programs				10,504,935
Sale of property, adjustments, and refunds				1,004,211
Investment earnings				<u>2,796,167</u>
 Total general receipts				 <u>128,420,022</u>
 Change in net assets				 (20,820,278)
 Net assets - beginning				 <u>33,821,974</u>
 Net assets - ending				 <u>\$ 13,001,696</u>
 <u>Assets</u>				
Cash and investments				\$ 8,412,916
Restricted assets:				
Cash and investments				<u>4,588,780</u>
 Total assets				 <u>\$ 13,001,696</u>
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 671,730
Other purposes				3,917,050
Unrestricted				<u>8,412,916</u>
 Total net assets				 <u>\$ 13,001,696</u>

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

ELKHART COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	School Lunch	School Technology	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:										
Local sources	\$ 26,143,704	\$ 6,420,361	\$ 2,353,157	\$ 372,445	\$ 14,200,794	\$ 9,743,551	\$ 996,005	\$ -	\$ 7,571,824	\$ 67,801,841
Intermediate sources	16,688	-	-	-	-	-	-	-	2,962	19,630
State sources	55,781,836	-	37,416	268,791	-	-	-	-	2,242,328	58,330,371
Federal sources	-	-	3,151,936	-	-	-	-	-	10,771,531	13,923,467
Bonds and loans	10,500,000	-	-	-	87,570	-	-	5,641,333	-	16,228,903
Sale of property, adjustments and refunds	145,956	63,169	36	113,754	-	284	-	-	112,715	435,914
Interfund loans	-	2,000,000	-	-	1,690,000	-	310,000	-	-	4,000,000
Total receipts	92,588,164	8,483,530	5,542,545	754,990	15,978,364	9,743,835	1,306,005	5,641,333	20,701,360	160,740,126
Disbursements:										
Current:										
Instruction	41,984,582	-	-	-	-	-	-	-	9,379,944	51,364,526
Support services	36,069,122	6,039,731	5,209,689	557,472	-	9,827,019	977,785	40,828	9,727,807	68,449,453
Community services	238,914	-	-	-	-	-	-	-	507,994	746,908
Nonprogrammed charges	2,139,260	-	-	-	-	-	-	-	-	2,139,260
Debt services	17,524,362	-	-	-	13,661,895	-	-	-	-	31,186,257
Interfund loans	-	2,000,000	-	-	1,690,000	-	310,000	-	-	4,000,000
Total disbursements	97,956,240	8,039,731	5,209,689	557,472	15,351,895	9,827,019	1,287,785	40,828	19,615,745	157,886,404
Excess (deficiency) of receipts over disbursements	(5,368,076)	443,799	332,856	197,518	626,469	(83,184)	18,220	5,600,505	1,085,615	2,853,722
Other financing sources (uses):										
Transfers in	81,482	7,838	-	-	-	-	-	-	727,336	816,656
Transfers out	(336,295)	(88,844)	-	-	(173,131)	(123,339)	(12,410)	-	(82,637)	(816,656)
Total other financing sources (uses)	(254,813)	(81,006)	-	-	(173,131)	(123,339)	(12,410)	-	644,699	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,622,889)	362,793	332,856	197,518	453,338	(206,523)	5,810	5,600,505	1,730,314	2,853,722
Cash and investments - beginning	11,501,797	522,632	833,996	584,310	6,614,914	4,540,015	626,914	370,000	2,044,083	27,638,661
Cash and investments - ending	\$ 5,878,908	\$ 885,425	\$ 1,166,852	\$ 781,828	\$ 7,068,252	\$ 4,333,492	\$ 632,724	\$ 5,970,505	\$ 3,774,397	30,492,383
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:										
The internal service fund is used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.										
										3,329,591
Net assets of governmental activities										\$ 33,821,974
Cash and Investment Assets - Ending										
Cash and investments	\$ 5,878,908	\$ 885,425	\$ 1,166,852	\$ 781,828	\$ -	\$ 4,333,492	\$ 632,724	\$ 5,970,505	\$ 3,774,397	\$ 23,424,131
Restricted assets:										
Cash and investments	-	-	-	-	7,068,252	-	-	-	-	7,068,252
Total cash and investment assets - ending	\$ 5,878,908	\$ 885,425	\$ 1,166,852	\$ 781,828	\$ 7,068,252	\$ 4,333,492	\$ 632,724	\$ 5,970,505	\$ 3,774,397	\$ 30,492,383
Cash and Investment Fund Balance - Ending										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 7,068,252	\$ -	\$ -	\$ -	\$ -	\$ 7,068,252
Unrestricted	5,878,908	885,425	1,166,852	781,828	-	4,333,492	632,724	5,970,505	3,774,397	23,424,131
Total cash and investment fund balance - ending	\$ 5,878,908	\$ 885,425	\$ 1,166,852	\$ 781,828	\$ 7,068,252	\$ 4,333,492	\$ 632,724	\$ 5,970,505	\$ 3,774,397	\$ 30,492,383

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

ELKHART COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	School Lunch	School Technology	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:										
Local sources	\$ 18,644,232	\$ 4,361,406	\$ 2,279,944	\$ 408,798	\$ 9,815,681	\$ 7,219,989	\$ 770,376	\$ -	\$ 7,421,543	\$ 50,921,969
Intermediate sources	6,723	-	-	-	-	-	-	-	5,194	11,917
State sources	58,111,239	-	39,609	-	-	-	-	-	1,497,102	59,647,950
Federal sources	-	-	3,422,540	-	-	-	-	-	9,643,430	13,065,970
Bonds and loans	14,518,415	-	-	-	-	-	-	-	-	14,518,415
Sale of property, adjustments and refunds	139,177	686,888	6,846	40,257	-	30,452	-	814	79,786	984,220
Interfund loans	2,140,000	1,130,000	-	-	3,875,000	370,000	800,000	-	415,000	8,730,000
Total receipts	93,559,786	6,178,294	5,748,939	449,055	13,690,681	7,620,441	1,570,376	814	19,062,055	147,880,441
Disbursements:										
Current:										
Instruction	43,068,095	-	-	-	-	-	-	-	9,609,887	52,677,982
Support services	36,182,321	6,326,437	5,060,466	282,081	-	12,312,003	1,503,853	6,473,000	9,463,957	77,604,118
Community services	995,735	-	-	-	-	-	-	-	540,632	1,536,367
Nonprogrammed charges	1,798,186	-	-	-	-	-	-	-	-	1,798,186
Debt services	10,500,000	-	-	-	14,343,545	-	-	-	2,097,980	26,941,525
Interfund loans	2,140,000	1,130,000	-	-	3,875,000	370,000	800,000	-	415,000	8,730,000
Total disbursements	94,684,337	7,456,437	5,060,466	282,081	18,218,545	12,682,003	2,303,853	6,473,000	22,127,456	169,288,178
Excess (deficiency) of receipts over disbursements	(1,124,551)	(1,278,143)	688,473	166,974	(4,527,864)	(5,061,562)	(733,477)	(6,472,186)	(3,065,401)	(21,407,737)
Other financing sources (uses):										
Transfers in	782,127	8,491	-	-	-	-	-	-	7,662	798,280
Transfers out	(16,153)	-	-	-	-	-	-	-	(782,127)	(798,280)
Total other financing sources (uses)	765,974	8,491	-	-	-	-	-	-	(774,465)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(358,577)	(1,269,652)	688,473	166,974	(4,527,864)	(5,061,562)	(733,477)	(6,472,186)	(3,839,866)	(21,407,737)
Cash and investments - beginning	5,878,908	885,425	1,166,852	781,828	7,068,252	4,333,492	632,724	5,970,505	3,774,397	30,492,383
Cash and investments - ending	\$ 5,520,331	\$ (384,227)	\$ 1,855,325	\$ 948,802	\$ 2,540,388	\$ (728,070)	\$ (100,753)	\$ (501,681)	\$ (65,469)	9,084,646
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:										
The internal service fund is used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.										
										3,917,050
Net assets of governmental activities										\$ 13,001,696
Cash and Investment Assets - Ending										
Cash and investments	\$ 5,520,331	\$ (384,227)	\$ 1,855,325	\$ 948,802	\$ -	\$ (728,070)	\$ (100,753)	\$ (501,681)	\$ 1,803,189	\$ 8,412,916
Restricted assets:										
Cash and investments	-	-	-	-	2,540,388	-	-	-	(1,868,658)	671,730
Total cash and investment assets - ending	\$ 5,520,331	\$ (384,227)	\$ 1,855,325	\$ 948,802	\$ 2,540,388	\$ (728,070)	\$ (100,753)	\$ (501,681)	\$ (65,469)	\$ 9,084,646
Cash and Investment Fund Balance - Ending										
Restricted for:										
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 2,540,388	\$ -	\$ -	\$ -	\$ (1,868,658)	\$ 671,730
Unrestricted	5,520,331	(384,227)	1,855,325	948,802	-	(728,070)	(100,753)	(501,681)	1,803,189	8,412,916
Total cash and investment fund balance - ending	\$ 5,520,331	\$ (384,227)	\$ 1,855,325	\$ 948,802	\$ 2,540,388	\$ (728,070)	\$ (100,753)	\$ (501,681)	\$ (65,469)	\$ 9,084,646

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

ELKHART COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2006

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 12,808,860
Miscellaneous	<u>995</u>
Total operating receipts	<u>12,809,855</u>
Operating disbursements:	
Insurance claims and expense	<u>11,984,490</u>
Changes in cash and investments	825,365
Cash and investment fund balance - beginning	<u>2,504,226</u>
Cash and investment fund balance - ending	<u>\$ 3,329,591</u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 3,329,591</u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 3,329,591</u>

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

ELKHART COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2007

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 13,395,942
Miscellaneous	<u>19,991</u>
Total operating receipts	<u>13,415,933</u>
Operating disbursements:	
Insurance claims and expense	<u>12,828,474</u>
Change in net assets	587,459
Cash and investment fund balance - beginning	<u>3,329,591</u>
Cash and investment fund balance - ending	<u>\$ 3,917,050</u>
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 3,917,050</u>
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 3,917,050</u>

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

ELKHART COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Fund</u>
Additions:			
Contributions:			
Employer	\$ 34,172,478	\$ -	
Other	<u>-</u>	<u>19,165</u>	
Total additions	<u>34,172,478</u>	<u>19,165</u>	
Deductions:			
Administrative and general	<u>-</u>	<u>30,803</u>	
Excess (deficiency) of total additions over total deductions	34,172,478	(11,638)	
Cash and investment fund balance - beginning	<u>2,000,000</u>	<u>89,116</u>	
Cash and investment fund balance - ending	<u>\$ 36,172,478</u>	<u>\$ 77,478</u>	
Net assets:			
Cash and investments	<u>\$ 36,172,478</u>	<u>\$ 77,478</u>	<u>\$ 1,274,723</u>
Total net assets - cash and investment basis held in trust	<u>\$ 36,172,478</u>	<u>\$ 77,478</u>	<u>\$ 1,274,723</u>

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

ELKHART COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Fund</u>	<u>Agency Fund</u>
Additions:			
Contributions:			
Other	\$ 20,392	\$ 20,671	
Deductions:			
Benefits	23,964,072	-	
Administrative and general	<u>-</u>	<u>21,813</u>	
Total deductions	<u>23,964,072</u>	<u>21,813</u>	
Deficiency of total additions over total deductions	(23,943,680)	(1,142)	
Cash and investment fund balance - beginning	<u>36,172,478</u>	<u>77,478</u>	
Cash and investment fund balance - ending	<u>\$ 12,228,798</u>	<u>\$ 76,336</u>	
Net assets:			
Cash and investments	\$ 12,228,798	\$ 76,336	\$ 2,368,799
Total net assets - cash and investment basis held in trust	<u>\$ 12,228,798</u>	<u>\$ 76,336</u>	<u>\$ 2,368,799</u>

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

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

I. 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 School Corporation's financial reporting entity is composed of the following:

Primary Government: Elkhart Community Schools

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with 11 other school corporations of Elkhart and St. Joseph Counties in a joint venture to operate a Head Start Consortium (Consortium) which was created to develop, operate, participate and supervise a Head Start Program to serve the pre-school student populations of the participating corporations. The Consortium's continued existence depends on continued funding through a federal grant program. Participating school corporations are required to provide 'in-kind' services (transportation and classroom, gymnasium and playground space) to meet the grant requirements. No fees are assessed the School Corporation for the operation of this program. The School Corporation may be obligated for the debts of the Consortium should they not be covered by the grant. Complete financial statements for the Head Start Consortium can be obtained from South Bend Community School Corporation at 215 South St. Joseph Street, South Bend, IN 46601.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school lunch fund accounts for receipts and disbursements related to the breakfast and lunch programs.

The school technology fund accounts for disbursements related to the purchase of technology infrastructure. Funding is provided by a tax on telephone service.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

The construction fund accounts for disbursements for capital outlay from receipts derived from the sale of a general obligation bond issue.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for the financial resources related to the School Corporation's health and dental insurance provided to its employees and retirees.

The pension trust funds account for the activities of the postretirement/severance future benefits fund which is used to account for receipts and disbursements authorized by Indiana Code 20-42-4.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit individuals and private organizations.

The agency fund accounts for assets held by the School Corporation as an agent for amounts withheld from employees and serve as control of accounts for certain cash transaction during the time they are a liability to the School Corporation.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, 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 cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to other departments or agencies primarily within the government (internal service funds).

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 7 to 12 days per year based on months of service. Unused sick leave may be accumulated to a maximum of 90 days. Accumulated sick leave is paid to some classified employees upon retirement as part of a severance benefit.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 10 days to 25 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 2 to 3 days per year. Personal leave does not accumulate from year to year.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund loans – Short-term loans between funds which were repaid are reported as inter-fund loans.
2. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

ELKHART COMMUNITY SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2006 and 2007, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2005	2006
Transportation Operating	\$ -	\$ 384,227
Capital Projects	-	728,070
School Bus Replacement	-	100,753
Retirement/Severance Bond Debt Service	-	1,868,658
Construction	-	501,681
WVPE	112,577	122,567

For the transportation operating, capital projects, and school bus replacement funds, cash and investment deficits arose primarily from disbursements exceeding receipts due to the delays in billing property taxes by the county; these deficits are to be repaid from future property tax receipts. For the other funds, deficits will be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At June 30, 2007, the bank balance held at Lake City Bank in the amount of \$31,995,063 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-School Corporation's name. The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

Transfer From	Transfer To	2005	2006
General Fund	Transportation Operating Fund	\$ 7,838	\$ 8,491
General Fund	Other governmental funds	328,457	7,662
Transportation Operating Fund	Other governmental funds	88,844	-
Debt Service Fund	Other governmental funds	173,131	-
Capital Projects Fund	Other governmental funds	123,339	-
School Bus Replacement Fund	Other governmental funds	12,410	-
Other governmental funds	General Fund	81,482	782,127
Other governmental funds	Other governmental funds	1,155	-
Totals		<u>\$ 816,656</u>	<u>\$ 798,280</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

C. Restatements and Reclassifications

For the year ended June 30, 2005, certain changes have been made to the financial statements to more appropriately reflect financial activity of the School Corporation. The following schedule presents a summary of restated beginning balances by opinion unit.

Opinion Unit	Balance as Reported June 30, 2005	Fund Reclassification	Balance as Restated July 1, 2005
Governmental funds	\$ 27,562,689	\$ 75,972	\$ 27,638,661
Governmental activities	30,066,915	75,972	30,142,887
Private-Purpose Trust Fund	165,088	(75,972)	89,116

IV. Other Information

A. Risk Management

The School Corporation is 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 (excluding postemployment benefits); and natural disasters.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical and Dental Benefits to Employees, Retiree and Dependents

The School Corporation has chosen to establish a risk financing fund for risks associated with medical and dental benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$1,000,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are charged to funds based upon the number of employees paid from each fund and the type of coverage each employee carries and are reported as quasi-external interfund transactions.

B. Holding Corporations

The School Corporation has entered into capital leases with Feeser School Building Corporation, Cleveland Elementary School Building Corporation, Elkhart Community Schools Building Corporation, Elkhart Community Building Corporation, and Elkhart Community School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations 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 year ended June 30, 2007, totaled \$12,194,646.

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health and dental benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 15 years of service. Currently, 106 retirees meet these eligibility requirements. The School Corporation provides various amounts of benefits based on the level of insurance required and the employee group. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements estimated at \$709,381 were recognized for post-employment benefits.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 the defined benefit plan.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 1,132,479
Interest on net pension obligation	(77,664)
Adjustment to annual required contribution	88,504
Annual pension cost	1,143,319
Contributions made	1,074,388
Increase in net pension obligation	68,931
Net pension obligation, beginning of year	(1,071,231)
Net pension obligation, end of year	\$ (1,002,300)

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	6%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 865,068	125%	\$ (966,642)
	06-30-05	986,503	111%	(1,071,231)
	06-30-06	1,143,319	94%	(1,002,300)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF 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 member's contributions, set by state statute at 3% 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.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

TRF 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:

Teachers' Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$2,088,031, \$1,842,256, and \$1,868,335, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

ELKHART COMMUNITY SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 16,606,953	\$ 18,032,836	\$ (1,425,883)	92%	\$ 16,979,400	(8%)
07-01-05	17,475,949	19,910,353	(2,434,404)	88%	17,602,889	(14%)
07-01-06	17,921,264	19,565,170	(1,643,906)	92%	16,969,149	(10%)

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Special Education Preschool	Textbook Rental	Levy Excess	Joint School Vocational	Educational License Plates	Alternate Education	Early Intervention
Receipts:							
Local sources	\$ 90,408	\$ 1,126,454	\$ -	\$ 4,770,725	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	2,962	-	-
State sources	554,694	518,603	-	-	-	74,846	3,000
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	561	9,872	-	29,803	-	-	-
Total receipts	645,663	1,654,929	-	4,800,528	2,962	74,846	3,000
Disbursements:							
Current:							
Instruction	491,876	2,294	-	2,481,585	-	78,182	25,403
Support services	99,908	2,214,064	-	2,151,813	-	1,970	3,261
Community services	-	-	-	-	-	-	-
Total disbursements	591,784	2,216,358	-	4,633,398	-	80,152	28,664
Excess (deficiency) of receipts over disbursements	53,879	(561,429)	-	167,130	2,962	(5,306)	(25,664)
Other financing sources (uses):							
Transfers in	7,073	-	720,263	-	-	-	-
Transfers out	(1,155)	-	(81,482)	-	-	-	-
Total other financing sources (uses)	5,918	-	638,781	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	59,797	(561,429)	638,781	167,130	2,962	(5,306)	(25,664)
Cash and investments - beginning	250,967	1,052,657	57,063	21,114	4,744	-	28,664
Cash and investments - ending	\$ 310,764	\$ 491,228	\$ 695,844	\$ 188,244	\$ 7,706	\$ (5,306)	\$ 3,000
Cash and Investment Assets - Ending							
Cash and investments	\$ 310,764	\$ 491,228	\$ 695,844	\$ 188,244	\$ 7,706	\$ (5,306)	\$ 3,000
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 310,764	\$ 491,228	\$ 695,844	\$ 188,244	\$ 7,706	\$ (5,306)	\$ 3,000

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	COACH	Community Adult Education	YMCA	Early/ After School Child Care	Classroom Nutrition Minigrant	Worksite Adult Ed 04-05	Worksite Adult Ed 06-07
Receipts:							
Local sources	\$ 3,500	\$ 3,000	\$ 3,847	\$ 294,459	\$ -	\$ 1,190	\$ 1,154
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	11,440	-	-	-	-	-	-
Total receipts	14,940	3,000	3,847	294,459	-	1,190	1,154
Disbursements:							
Current:							
Instruction	2,291	2,787	-	5	-	4,366	-
Support services	-	213	3,847	16,857	516	451	-
Community services	-	-	-	211,632	-	-	-
Total disbursements	2,291	3,000	3,847	228,494	516	4,817	-
Excess (deficiency) of receipts over disbursements	12,649	-	-	65,965	(516)	(3,627)	1,154
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	12,649	-	-	65,965	(516)	(3,627)	1,154
Cash and investments - beginning	1,813	-	-	2,236	516	4,196	-
Cash and investments - ending	<u>\$ 14,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,201</u>	<u>\$ -</u>	<u>\$ 569</u>	<u>\$ 1,154</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 14,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,201</u>	<u>\$ -</u>	<u>\$ 569</u>	<u>\$ 1,154</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 14,462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,201</u>	<u>\$ -</u>	<u>\$ 569</u>	<u>\$ 1,154</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Roving Learning Lab 05	21st Century Training Partnership	Elkhart County Drug Free 2005	Elkhart County Drug Free 2006	Elkhart County Commissioners Grant 05	Elkhart County Commissioners Grant 05-06	Elkhart County Commissioners Mem 05-06
Receipts:							
Local sources	\$ -	\$ -	\$ 4,500	\$ 4,750	\$ -	\$ 6,000	\$ 4,000
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	-	-	4,500	4,750	-	6,000	4,000
Disbursements:							
Current:							
Instruction	5,238	-	-	-	7,487	5,267	4,000
Support services	198	766	9,000	9,500	539	650	-
Community services	-	-	-	-	-	-	-
Total disbursements	5,436	766	9,000	9,500	8,026	5,917	4,000
Excess (deficiency) of receipts over disbursements	(5,436)	(766)	(4,500)	(4,750)	(8,026)	83	-
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	(5,436)	(766)	(4,500)	(4,750)	(8,026)	83	-
Cash and investments - beginning	6,053	766	4,500	-	8,151	-	-
Cash and investments - ending	\$ 617	\$ -	\$ -	\$ (4,750)	\$ 125	\$ 83	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 617	\$ -	\$ -	\$ (4,750)	\$ 125	\$ 83	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 617	\$ -	\$ -	\$ (4,750)	\$ 125	\$ 83	\$ -

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Elkhart County Commissioners Grant 06	Indiana Math Initiative	WVPE	Earth Science Field Trip	US History Field Trip	Marine Biology Field Trip	Indiana Next
Receipts:							
Local sources	\$ 8,000	\$ -	\$ 1,054,262	\$ 29,637	\$ 31,069	\$ 14,685	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	2,814	1,736	687	-
Total receipts	8,000	-	1,054,262	32,451	32,805	15,372	-
Disbursements:							
Current:							
Instruction	-	-	972,983	38,920	26,471	10,459	-
Support services	-	12,777	121,274	1,015	846	494	77
Community services	-	-	-	-	-	-	-
Total disbursements	-	12,777	1,094,257	39,935	27,317	10,953	77
Excess (deficiency) of receipts over disbursements	8,000	(12,777)	(39,995)	(7,484)	5,488	4,419	(77)
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	8,000	(12,777)	(39,995)	(7,484)	5,488	4,419	(77)
Cash and investments - beginning	-	12,777	(72,582)	27,739	7,259	1,780	77
Cash and investments - ending	\$ 8,000	\$ -	\$ (112,577)	\$ 20,255	\$ 12,747	\$ 6,199	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 8,000	\$ -	\$ (112,577)	\$ 20,255	\$ 12,747	\$ 6,199	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 8,000	\$ -	\$ (112,577)	\$ 20,255	\$ 12,747	\$ 6,199	\$ -

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	WDS Tech Prep 05-06	Professional Development Capacity 05-06	Professional Development Capacity 02-05	Tech Prep Mini Grant	Computer Loan Advancement	Gifted and Talented 05-06	State Medicaid
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	152,117	-	26,779	783,507	35,241	27,605
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	8,842
Total receipts	-	152,117	-	26,780	783,507	35,241	36,447
Disbursements:							
Current:							
Instruction	12,798	25,184	124,987	5,800	-	25,853	-
Support services	373	356	3,921	-	384,732	953	41,045
Community services	-	-	-	-	-	-	-
Total disbursements	13,171	25,540	128,908	5,800	384,732	26,806	41,045
Excess (deficiency) of receipts over disbursements	(13,171)	126,577	(128,908)	20,980	398,775	8,435	(4,598)
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	(13,171)	126,577	(128,908)	20,980	398,775	8,435	(4,598)
Cash and investments - beginning	-	-	193,045	(20,980)	(399,538)	-	7,387
Cash and investments - ending	\$ (13,171)	\$ 126,577	\$ 64,137	\$ -	\$ (763)	\$ 8,435	\$ 2,789
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ (13,171)</u>	<u>\$ 126,577</u>	<u>\$ 64,137</u>	<u>\$ -</u>	<u>\$ (763)</u>	<u>\$ 8,435</u>	<u>\$ 2,789</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ (13,171)</u>	<u>\$ 126,577</u>	<u>\$ 64,137</u>	<u>\$ -</u>	<u>\$ (763)</u>	<u>\$ 8,435</u>	<u>\$ 2,789</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Gifted and Talented 04-05	Economic Ed 05-06	Economic Ed 04-05	School Improvement WDS	Non-English Speaking 04-06	Project Peace Implementation	Social Services Tap Program
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,183
Intermediate sources	-	-	-	-	-	-	-
State sources	-	2,500	-	3,000	51,199	-	9,237
Federal sources	-	-	-	-	-	-	14,590
Sale of property, adjustments and refunds	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>3,000</u>	<u>51,199</u>	<u>-</u>	<u>144,010</u>
Disbursements:							
Current:							
Instruction	10,394	1,342	123	90	45,023	500	3,378
Support services	479	40	823	-	5,356	-	36,313
Community services	-	-	-	-	-	-	104,319
Total disbursements	<u>10,873</u>	<u>1,382</u>	<u>946</u>	<u>90</u>	<u>50,379</u>	<u>500</u>	<u>144,010</u>
Excess (deficiency) of receipts over disbursements	<u>(10,873)</u>	<u>1,118</u>	<u>(946)</u>	<u>2,910</u>	<u>820</u>	<u>(500)</u>	<u>-</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(10,873)</u>	<u>1,118</u>	<u>(946)</u>	<u>2,910</u>	<u>820</u>	<u>(500)</u>	<u>-</u>
Cash and investments - beginning	<u>10,873</u>	<u>-</u>	<u>946</u>	<u>(2,910)</u>	<u>-</u>	<u>500</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 820</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ -</u>	<u>\$ 1,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 820</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ -</u>	<u>\$ 1,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 820</u>	<u>\$ -</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title I 05-06	Even Start 04-05	Title V, Part A 03-112	Title V, Part A 04-010	Title I 04-05	Title I 05-06	Title II, Part B 05-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	264,511	-	-	40,466	422,000	3,122,129	264,446
Sale of property, adjustments and refunds	-	-	1,149	-	-	-	8,642
Total receipts	264,511	-	1,149	40,466	422,000	3,122,129	273,088
Disbursements:							
Current:							
Instruction	63,666	16,523	70,813	44,232	65,694	755,452	211,266
Support services	205,831	13,271	-	548	442,568	649,755	24,379
Community services	-	-	-	-	2,870	186,799	-
Total disbursements	269,497	29,794	70,813	44,780	511,132	1,592,006	235,645
Excess (deficiency) of receipts over disbursements	(4,986)	(29,794)	(69,664)	(4,314)	(89,132)	1,530,123	37,443
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	(4,986)	(29,794)	(69,664)	(4,314)	(89,132)	1,530,123	37,443
Cash and investments - beginning	157,948	29,794	69,664	-	89,132	-	(40,453)
Cash and investments - ending	\$ 152,962	\$ -	\$ -	\$ (4,314)	\$ -	\$ 1,530,123	\$ (3,010)
Cash and Investment Assets - Ending							
Cash and investments	\$ 152,962	\$ -	\$ -	\$ (4,314)	\$ -	\$ 1,530,123	\$ (3,010)
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 152,962	\$ -	\$ -	\$ (4,314)	\$ -	\$ 1,530,123	\$ (3,010)

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	PL 105-17 03-04	PL 108-446 Part B	Sec 619 Preschool 05-06	PL 105-17 Part B 04-05	Adult Basic Ed 04-05	BD Comprehensive 04-05
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	3,432,778	82,000	22,821	-	76,000
Sale of property, adjustments and refunds	-	31,415	-	239	-	-
Total receipts	<u>-</u>	<u>3,464,193</u>	<u>82,000</u>	<u>23,060</u>	<u>-</u>	<u>76,000</u>
Disbursements:						
Current:						
Instruction	9,503	2,129,648	75,498	25,992	4,007	6,530
Support services	3,580	1,138,578	19,196	13,401	407	60,349
Community services	-	-	-	-	-	-
Total disbursements	<u>13,083</u>	<u>3,268,226</u>	<u>94,694</u>	<u>39,393</u>	<u>4,414</u>	<u>66,879</u>
Excess (deficiency) of receipts over disbursements	<u>(13,083)</u>	<u>195,967</u>	<u>(12,694)</u>	<u>(16,333)</u>	<u>(4,414)</u>	<u>9,121</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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(13,083)</u>	<u>195,967</u>	<u>(12,694)</u>	<u>(16,333)</u>	<u>(4,414)</u>	<u>9,121</u>
Cash and investments - beginning	<u>12,983</u>	<u>(186,371)</u>	<u>-</u>	<u>16,333</u>	<u>4,414</u>	<u>(9,121)</u>
Cash and investments - ending	<u>\$ (100)</u>	<u>\$ 9,596</u>	<u>\$ (12,694)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ (100)</u>	<u>\$ 9,596</u>	<u>\$ (12,694)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ (100)</u>	<u>\$ 9,596</u>	<u>\$ (12,694)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title II 05-06	Safe and Drug Free Schools 05-06	Safe and Drug Free Schools 03-05	English Literacy	Carl Perkins 04-05	Carl Perkins 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	191,821	81,538	-	-	162,571	492,725
Sale of property, adjustments and refunds	-	-	270	-	5,245	-
Total receipts	191,821	81,538	270	-	167,816	492,725
Disbursements:						
Current:						
Instruction	148,274	-	-	504	-	-
Support services	16,298	66,108	-	784	145	660,481
Community services	2,374	-	-	-	-	-
Total disbursements	166,946	66,108	-	1,288	145	660,481
Excess (deficiency) of receipts over disbursements	24,875	15,430	270	(1,288)	167,671	(167,756)
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	24,875	15,430	270	(1,288)	167,671	(167,756)
Cash and investments - beginning	-	(3,057)	(270)	1,288	(167,671)	-
Cash and investments - ending	<u>\$ 24,875</u>	<u>\$ 12,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (167,756)</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	<u>\$ 24,875</u>	<u>\$ 12,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (167,756)</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Unrestricted	<u>\$ 24,875</u>	<u>\$ 12,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (167,756)</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Tech Prep/WDS 04-05	Federal Medicaid	21st Century Common Learning Center	21st Century 03-04	Title II, Part A 05-07	Title II, Part A 04-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	38,824	41,081	223,589	494	70,300	452,700
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	38,824	41,081	223,589	494	70,300	452,700
Disbursements:						
Current:						
Instruction	-	-	238,228	2	-	248,035
Support services	21,010	20,357	24,876	3	11,259	331,421
Community services	-	-	-	-	-	-
Total disbursements	21,010	20,357	263,104	5	11,259	579,456
Excess (deficiency) of receipts over disbursements	17,814	20,724	(39,515)	489	59,041	(126,756)
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	17,814	20,724	(39,515)	489	59,041	(126,756)
Cash and investments - beginning	(17,814)	175,057	36,516	(489)	-	-
Cash and investments - ending	\$ -	\$ 195,781	\$ (2,999)	\$ -	\$ 59,041	\$ (126,756)
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 195,781	\$ (2,999)	\$ -	\$ 59,041	\$ (126,756)
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ 195,781	\$ (2,999)	\$ -	\$ 59,041	\$ (126,756)

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title II, Part A 03-04	Title II, Part A 02-04	Title II, Part D Enhancing Ed 02-03	Title II, Part D Enhancing Ed 03-04	Title II, Part D Enhancing Ed 04-06	Title III 04-05 English Proficiency
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	32,230	-	-	-	67,181	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	32,230	-	-	-	67,181	-
Disbursements:						
Current:						
Instruction	-	-	-	26,468	11,431	-
Support services	316,927	-	-	8,146	9,536	3,448
Community services	-	-	-	-	-	-
Total disbursements	316,927	-	-	34,614	20,967	3,448
Excess (deficiency) of receipts over disbursements	(284,697)	-	-	(34,614)	46,214	(3,448)
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	(284,697)	-	-	(34,614)	46,214	(3,448)
Cash and investments - beginning	284,697	(322)	(1,129)	34,614	-	3,448
Cash and investments - ending	\$ -	\$ (322)	\$ (1,129)	\$ -	\$ 46,214	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ (322)	\$ (1,129)	\$ -	\$ 46,214	\$ -
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ (322)	\$ (1,129)	\$ -	\$ 46,214	\$ -

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title III 05-06 English Proficiency	Reading First Title I, Part B 04-05	Reading First Title I, Part B 05-06	Reading First Intensive Suppl Summer	Technical Assistance 03-04	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,571,824
Intermediate sources	-	-	-	-	-	2,962
State sources	-	-	-	-	-	2,242,328
Federal sources	493,296	158,505	522,935	-	-	10,771,531
Sale of property, adjustments and refunds	-	-	-	-	-	112,715
Total receipts	493,296	158,505	522,935	-	-	20,701,360
Disbursements:						
Current:						
Instruction	392,724	139,162	77,342	194,994	8,870	9,379,944
Support services	86,712	150,105	293,448	10,396	57	9,727,807
Community services	-	-	-	-	-	507,994
Total disbursements	479,436	289,267	370,790	205,390	8,927	19,615,745
Excess (deficiency) of receipts over disbursements	13,860	(130,762)	152,145	(205,390)	(8,927)	1,085,615
Other financing sources (uses):						
Transfers in	-	-	-	-	-	727,336
Transfers out	-	-	-	-	-	(82,637)
Total other financing sources (uses)	-	-	-	-	-	644,699
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,860	(130,762)	152,145	(205,390)	(8,927)	1,730,314
Cash and investments - beginning	-	127,682	-	208,470	8,927	2,044,083
Cash and investments - ending	\$ 13,860	\$ (3,080)	\$ 152,145	\$ 3,080	\$ -	\$ 3,774,397
Cash and Investment Assets - Ending						
Cash and investments	\$ 13,860	\$ (3,080)	\$ 152,145	\$ 3,080	\$ -	\$ 3,774,397
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ 13,860	\$ (3,080)	\$ 152,145	\$ 3,080	\$ -	\$ 3,774,397

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Education Preschool	Textbook Rental	Levy Excess	Joint School Vocational	Educational License Plates	Alternate Education	Early Intervention
Receipts:							
Local sources	\$ 55,131	\$ 817,692	\$ -	\$ 4,517,848	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	5,194	-	-
State sources	738,834	403,502	-	-	-	61,525	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	15,164	-	91	-	-	-
Interfund loans	415,000	-	-	-	-	-	-
Total receipts	1,208,965	1,236,358	-	4,517,939	5,194	61,525	-
Disbursements:							
Current:							
Instruction	551,614	-	-	2,464,313	-	32,880	3,000
Support services	109,343	1,042,437	-	2,146,899	-	1,830	-
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	415,000	-	-	-	-	-	-
Total disbursements	1,075,957	1,042,437	-	4,611,212	-	34,710	3,000
Excess (deficiency) of receipts over disbursements	133,008	193,921	-	(93,273)	5,194	26,815	(3,000)
Other financing sources (uses):							
Transfers in	7,662	-	-	-	-	-	-
Transfers out	(86,283)	-	(695,844)	-	-	-	-
Total other financing sources (uses)	(78,621)	-	(695,844)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	54,387	193,921	(695,844)	(93,273)	5,194	26,815	(3,000)
Cash and investments - beginning	310,764	491,228	695,844	188,244	7,706	(5,306)	3,000
Cash and investments - ending	\$ 365,151	\$ 685,149	\$ -	\$ 94,971	\$ 12,900	\$ 21,509	\$ -
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 365,151	\$ 685,149	\$ -	\$ 94,971	\$ 12,900	\$ 21,509	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 365,151	\$ 685,149	\$ -	\$ 94,971	\$ 12,900	\$ 21,509	\$ -
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	365,151	685,149	-	94,971	12,900	21,509	-
Total cash and investment fund balance - ending	\$ 365,151	\$ 685,149	\$ -	\$ 94,971	\$ 12,900	\$ 21,509	\$ -

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	COACH	21st Century Supplemental Education	YMCA	Early/After School Childcare	Worksite Adult Ed 04-05	Worksite Adult Ed 06-07	Roving Learning Lab 05
Receipts:							
Local sources	\$ 10,705	\$ 136,103	\$ 5,123	\$ 331,867	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	2,600	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	13,305	136,103	5,123	331,867	-	-	-
Disbursements:							
Current:							
Instruction	8,127	148,451	-	-	547	1,002	617
Support services	-	5,087	5,123	20,889	22	152	-
Community services	-	-	-	240,558	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	8,127	153,538	5,123	261,447	569	1,154	617
Excess (deficiency) of receipts over disbursements	5,178	(17,435)	-	70,420	(569)	(1,154)	(617)
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	5,178	(17,435)	-	70,420	(569)	(1,154)	(617)
Cash and investments - beginning	14,462	-	-	68,201	569	1,154	617
Cash and investments - ending	\$ 19,640	\$ (17,435)	\$ -	\$ 138,621	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 19,640	\$ (17,435)	\$ -	\$ 138,621	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 19,640	\$ (17,435)	\$ -	\$ 138,621	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	19,640	(17,435)	-	138,621	-	-	-
Total cash and investment fund balance - ending	\$ 19,640	\$ (17,435)	\$ -	\$ 138,621	\$ -	\$ -	\$ -

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Elkhart County Drug Free 2006	Elkhart County Commissioners Grant 07-08	Elkhart County Commissioners Grant 05	Elkhart County Commissioners Grant 05-06	Elkhart County Commissioners Grant 06	Indiana Math Initiative	WVPE
Receipts:							
Local sources	\$ 4,750	\$ 6,500	\$ -	\$ -	\$ -	\$ 10,450	\$ 1,106,453
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	-	896
Interfund loans	-	-	-	-	-	-	-
Total receipts	4,750	6,500	-	-	-	10,450	1,107,349
Disbursements:							
Current:							
Instruction	-	-	116	-	7,098	-	992,790
Support services	-	-	9	83	902	1,646	124,549
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	-	125	83	8,000	1,646	1,117,339
Excess (deficiency) of receipts over disbursements	4,750	6,500	(125)	(83)	(8,000)	8,804	(9,990)
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	4,750	6,500	(125)	(83)	(8,000)	8,804	(9,990)
Cash and investments - beginning	(4,750)	-	125	83	8,000	-	(112,577)
Cash and investments - ending	\$ -	\$ 6,500	\$ -	\$ -	\$ -	\$ 8,804	\$ (122,567)
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 6,500	\$ -	\$ -	\$ -	\$ 8,804	\$ (122,567)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 6,500	\$ -	\$ -	\$ -	\$ 8,804	\$ (122,567)
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	6,500	-	-	-	8,804	(122,567)
Total cash and investment fund balance - ending	\$ -	\$ 6,500	\$ -	\$ -	\$ -	\$ 8,804	\$ (122,567)

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Earth Science Field Trip	US History Field Trip	Marine Biology Field Trip	WDS Tech Prep 05-06	Professional Development Capacity 05-06	WDS Tech Prep 06-07	Professional Development Capacity 02-05
Receipts:							
Local sources	\$ 22,835	\$ 23,240	\$ 13,845	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	39,949	149,164	-	-
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	5,148	1,553	92	1,164	-	-	35
Interfund loans	-	-	-	-	-	-	-
Total receipts	27,983	24,793	13,937	41,113	149,164	-	35
Disbursements:							
Current:							
Instruction	34,354	33,258	18,799	27,306	59,694	12,288	61,310
Support services	437	722	330	636	3,355	675	2,549
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	34,791	33,980	19,129	27,942	63,049	12,963	63,859
Excess (deficiency) of receipts over disbursements	(6,808)	(9,187)	(5,192)	13,171	86,115	(12,963)	(63,824)
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	(6,808)	(9,187)	(5,192)	13,171	86,115	(12,963)	(63,824)
Cash and investments - beginning	20,255	12,747	6,199	(13,171)	126,577	-	64,137
Cash and investments - ending	<u>\$ 13,447</u>	<u>\$ 3,560</u>	<u>\$ 1,007</u>	<u>\$ -</u>	<u>\$ 212,692</u>	<u>\$ (12,963)</u>	<u>\$ 313</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 13,447	\$ 3,560	\$ 1,007	\$ -	\$ 212,692	\$ (12,963)	\$ 313
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 13,447</u>	<u>\$ 3,560</u>	<u>\$ 1,007</u>	<u>\$ -</u>	<u>\$ 212,692</u>	<u>\$ (12,963)</u>	<u>\$ 313</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	13,447	3,560	1,007	-	212,692	(12,963)	313
Total cash and investment fund balance - ending	<u>\$ 13,447</u>	<u>\$ 3,560</u>	<u>\$ 1,007</u>	<u>\$ -</u>	<u>\$ 212,692</u>	<u>\$ (12,963)</u>	<u>\$ 313</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Computer Loan Advancement	Gifted and Talented 05-06	Gifted and Talented 06-07	State Medicaid	Economic Ed 05-06	Economic Ed 06-07	Non-English Speaking 06-07
Receipts:							
Local sources	\$ 1,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	35,241	9,360	-	3,500	50,815
Federal sources	-	-	-	-	-	-	-
Sale of property, adjustments and refunds	763	-	10	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total receipts	2,087	-	35,251	9,360	-	3,500	50,815
Disbursements:							
Current:							
Instruction	-	7,745	30,784	-	220	3,081	45,135
Support services	347,710	690	1,254	4,277	898	50	5,680
Community services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	347,710	8,435	32,038	4,277	1,118	3,131	50,815
Excess (deficiency) of receipts over disbursements	(345,623)	(8,435)	3,213	5,083	(1,118)	369	-
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	(345,623)	(8,435)	3,213	5,083	(1,118)	369	-
Cash and investments - beginning	(763)	8,435	-	2,789	1,118	-	-
Cash and investments - ending	<u>\$ (346,386)</u>	<u>\$ -</u>	<u>\$ 3,213</u>	<u>\$ 7,872</u>	<u>\$ -</u>	<u>\$ 369</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ (346,386)	\$ -	\$ 3,213	\$ 7,872	\$ -	\$ 369	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (346,386)</u>	<u>\$ -</u>	<u>\$ 3,213</u>	<u>\$ 7,872</u>	<u>\$ -</u>	<u>\$ 369</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(346,386)	-	3,213	7,872	-	369	-
Total cash and investment fund balance - ending	<u>\$ (346,386)</u>	<u>\$ -</u>	<u>\$ 3,213</u>	<u>\$ 7,872</u>	<u>\$ -</u>	<u>\$ 369</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Non-English Speaking 04-06	Social Services Tap Program	Title I 05-06	Title V, Part A 04-010	Title V, Part A 05-099	Title V, Part A 06-07
Receipts:						
Local sources	\$ -	\$ 128,355	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	5,212	-	-	-	-
Federal sources	-	20,670	72,993	36,946	52,352	7,200
Sale of property, adjustments and refunds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	-	154,237	72,993	36,946	52,352	7,200
Disbursements:						
Current:						
Instruction	-	4,024	6,776	32,245	45,017	-
Support services	820	39,855	219,242	387	396	-
Community services	-	110,358	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	820	154,237	226,018	32,632	45,413	-
Excess (deficiency) of receipts over disbursements	(820)	-	(153,025)	4,314	6,939	7,200
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	(820)	-	(153,025)	4,314	6,939	7,200
Cash and investments - beginning	820	-	152,962	(4,314)	-	-
Cash and investments - ending	\$ -	\$ -	\$ (63)	\$ -	\$ 6,939	\$ 7,200
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ (63)	\$ -	\$ 6,939	\$ 7,200
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ (63)	\$ -	\$ 6,939	\$ 7,200
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	(63)	-	6,939	7,200
Total cash and investment fund balance - ending	\$ -	\$ -	\$ (63)	\$ -	\$ 6,939	\$ 7,200

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title I 05-06	Title I 06-07	Title II, Part B 05-07	PL 105-17 03-04	PL 108-446 Part B	PL 108-446 06-07
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	2,375,818	137,460	-	3,591,346	127,867
Sale of property, adjustments and refunds	-	9,000	835	100	22,524	-
Interfund loans	-	-	-	-	-	-
Total receipts	-	2,384,818	138,295	100	3,613,870	127,867
Disbursements:						
Current:						
Instruction	88,309	1,103,622	113,791	-	2,220,145	86,904
Support services	1,409,449	1,047,497	28,265	-	958,911	26,769
Community services	32,365	151,794	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	1,530,123	2,302,913	142,056	-	3,179,056	113,673
Excess (deficiency) of receipts over disbursements	(1,530,123)	81,905	(3,761)	100	434,814	14,194
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	(1,530,123)	81,905	(3,761)	100	434,814	14,194
Cash and investments - beginning	1,530,123	-	(3,010)	(100)	9,596	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 81,905</u>	<u>\$ (6,771)</u>	<u>\$ -</u>	<u>\$ 444,410</u>	<u>\$ 14,194</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 81,905	\$ (6,771)	\$ -	\$ 444,410	\$ 14,194
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 81,905</u>	<u>\$ (6,771)</u>	<u>\$ -</u>	<u>\$ 444,410</u>	<u>\$ 14,194</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	81,905	(6,771)	-	444,410	14,194
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 81,905</u>	<u>\$ (6,771)</u>	<u>\$ -</u>	<u>\$ 444,410</u>	<u>\$ 14,194</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Sec 619 Preschool 05-06	Title II 05-06	Adult Ed Family Lit 06-07	Safe and Drug Free Schools 05-06	Safe and Drug Free Schools 05-07	Carl Perkins 05-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	39,997	-	143,015	-	84,850	163,335
Sale of property, adjustments and refunds	-	-	-	-	-	4,421
Interfund loans	-	-	-	-	-	-
Total receipts	39,997	-	143,015	-	84,850	167,756
Disbursements:						
Current:						
Instruction	20,616	10,192	130,341	-	-	-
Support services	6,687	14,580	16,288	12,373	73,500	-
Community services	-	103	5,454	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	27,303	24,875	152,083	12,373	73,500	-
Excess (deficiency) of receipts over disbursements	12,694	(24,875)	(9,068)	(12,373)	11,350	167,756
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	12,694	(24,875)	(9,068)	(12,373)	11,350	167,756
Cash and investments - beginning	(12,694)	24,875	-	12,373	-	(167,756)
Cash and investments - ending	\$ -	\$ -	\$ (9,068)	\$ -	\$ 11,350	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ (9,068)	\$ -	\$ 11,350	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ (9,068)	\$ -	\$ 11,350	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	(9,068)	-	11,350	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ (9,068)	\$ -	\$ 11,350	\$ -

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Carl Perkins 06-07	Federal Medicaid	21st Century Common Learning Center	Title II, Part A Imp Tch 06-07	Title II, Part A 05-07	Title II, Part A 04-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	447,843	13,872	246,685	99,000	479,700	225,032
Sale of property, adjustments and refunds	-	-	49	-	-	13,800
Interfund loans	-	-	-	-	-	-
Total receipts	447,843	13,872	246,734	99,000	479,700	238,832
Disbursements:						
Current:						
Instruction	-	-	192,512	13,665	326,235	-
Support services	549,657	57,471	17,884	85,649	293,092	112,076
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	549,657	57,471	210,396	99,314	619,327	112,076
Excess (deficiency) of receipts over disbursements	(101,814)	(43,599)	36,338	(314)	(139,627)	126,756
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	(101,814)	(43,599)	36,338	(314)	(139,627)	126,756
Cash and investments - beginning	-	195,781	(2,999)	-	59,041	(126,756)
Cash and investments - ending	\$ (101,814)	\$ 152,182	\$ 33,339	\$ (314)	\$ (80,586)	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (101,814)	\$ 152,182	\$ 33,339	\$ (314)	\$ (80,586)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (101,814)	\$ 152,182	\$ 33,339	\$ (314)	\$ (80,586)	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(101,814)	152,182	33,339	(314)	(80,586)	-
Total cash and investment fund balance - ending	\$ (101,814)	\$ 152,182	\$ 33,339	\$ (314)	\$ (80,586)	\$ -

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title II, Part A 02-04	Title II, Part D Enhancing Ed 02-03	Title II, Part D Enhancing Ed 03-04	Title II, Part D Enhancing Ed 04-06	Title III 05-06 English Proficiency	Title III 06-07 English Proficiency
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	691,185
Sale of property, adjustments and refunds	-	-	-	1,473	-	-
Interfund loans	-	-	-	-	-	-
Total receipts	-	-	-	1,473	-	691,185
Disbursements:						
Current:						
Instruction	-	-	-	32,131	4,135	477,564
Support services	-	-	512	15,556	9,725	98,975
Community services	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	-	512	47,687	13,860	576,539
Excess (deficiency) of receipts over disbursements	-	-	(512)	(46,214)	(13,860)	114,646
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	-	-	(512)	(46,214)	(13,860)	114,646
Cash and investments - beginning	(322)	(1,129)	-	46,214	13,860	-
Cash and investments - ending	<u>\$ (322)</u>	<u>\$ (1,129)</u>	<u>\$ (512)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,646</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (322)	\$ (1,129)	\$ (512)	\$ -	\$ -	\$ 114,646
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (322)</u>	<u>\$ (1,129)</u>	<u>\$ (512)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,646</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(322)	(1,129)	(512)	-	-	114,646
Total cash and investment fund balance - ending	<u>\$ (322)</u>	<u>\$ (1,129)</u>	<u>\$ (512)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,646</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Reading First Title I, Part B 04-05	Reading First Title I, Part B 05-06	Reading First Title I, Part B 06-07	Reading First Intensive Suppl Summer	Retirement/ Severance Bond Debt Service	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 229,322	\$ 7,421,543
Intermediate sources	-	-	-	-	-	5,194
State sources	-	-	-	-	-	1,497,102
Federal sources	3,080	92,591	490,593	-	-	9,643,430
Sale of property, adjustments and refunds	-	68	-	-	-	79,786
Interfund loans	-	-	-	-	-	415,000
Total receipts	3,080	92,659	490,593	-	229,322	19,062,055
Disbursements:						
Current:						
Instruction	-	75,728	78,326	3,080	-	9,609,887
Support services	-	169,076	371,031	-	-	9,463,957
Community services	-	-	-	-	-	540,632
Debt services	-	-	-	-	2,097,980	2,097,980
Interfund loans	-	-	-	-	-	415,000
Total disbursements	-	244,804	449,357	3,080	2,097,980	22,127,456
Excess (deficiency) of receipts over disbursements	3,080	(152,145)	41,236	(3,080)	(1,868,658)	(3,065,401)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	7,662
Transfers out	-	-	-	-	-	(782,127)
Total other financing sources (uses)	-	-	-	-	-	(774,465)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,080	(152,145)	41,236	(3,080)	(1,868,658)	(3,839,866)
Cash and investments - beginning	(3,080)	152,145	-	3,080	-	3,774,397
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,236</u>	<u>\$ -</u>	<u>\$ (1,868,658)</u>	<u>\$ (65,469)</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 41,236	\$ -	\$ -	\$ 1,803,189
Restricted assets:						
Cash and investments	-	-	-	-	(1,868,658)	(1,868,658)
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,236</u>	<u>\$ -</u>	<u>\$ (1,868,658)</u>	<u>\$ (65,469)</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	(1,868,658)	(1,868,658)
Unrestricted	-	-	41,236	-	-	1,803,189
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,236</u>	<u>\$ -</u>	<u>\$ (1,868,658)</u>	<u>\$ (65,469)</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2006

	Retirement/ Severance Bond	Postretirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Employer	\$ 33,822,478	\$ 350,000	\$ 34,172,478
Cash and investment fund balance - beginning	-	2,000,000	2,000,000
Cash and investment fund balance - ending	\$ 33,822,478	\$ 2,350,000	\$ 36,172,478
Net assets:			
Cash and investments	\$ 33,822,478	\$ 2,350,000	\$ 36,172,478
Total net assets - cash and investment basis held in trust	\$ 33,822,478	\$ 2,350,000	\$ 36,172,478

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2007

	Retirement/ Severance Bond	Postretirement/ Severance Future Benefit	Totals
Additions:			
Contributions:			
Other	\$ 20,392	\$ -	\$ 20,392
Deductions:			
Benefits	23,964,072	-	23,964,072
Deficiency of total additions over total deductions	(23,943,680)	-	(23,943,680)
Cash and investment fund balance - beginning	33,822,478	2,350,000	36,172,478
Cash and investment fund balance - ending	\$ 9,878,798	\$ 2,350,000	\$ 12,228,798
Net assets:			
Cash and investments	\$ 9,878,798	\$ 2,350,000	\$ 12,228,798
Total net assets - cash and investment basis held in trust	\$ 9,878,798	\$ 2,350,000	\$ 12,228,798

ELKHART COMMUNITY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended June 30, 2007

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 2,153,426
Buildings	151,953,725
Improvements other than buildings	7,279,521
Machinery and equipment	<u>10,517,814</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 171,904,486</u>

ELKHART COMMUNITY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2007

The school corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal Due Within One Year
Governmental Activities:		
Capital leases:		
Feeser Elementary School	\$ 1,050,000	\$ 1,050,000
Cleveland Elementary School	7,420,000	1,850,000
Bristol Elementary	11,925,000	430,000
High School Additions	30,835,000	2,450,000
Elkhart Area Career Center	10,340,000	565,000
Beck Elementary School	13,415,000	690,000
Hawthorne Elementary School	10,155,000	445,000
Roosevelt Elementary School	17,025,000	600,000
Riverview Elementary School	5,300,000	-
Pinewood Elementary School	8,050,000	-
Total Capital Leases	115,515,000	8,080,000
Notes and loans payable	1,040,137	326,067
Bonds payable:		
General obligation bonds:		
2000 Bonds	1,065,000	285,000
2002 Bonds	1,910,000	345,000
2005 Bonds	5,615,000	20,000
2006 Pension Bonds	34,000,000	465,000
Total Bonds Payable	42,590,000	1,115,000
Total governmental activities debt	\$ 159,145,137	\$ 9,521,067

Debt service requirements to maturity:		Capital Leases		Loans Payable		General Obligation Bonds	
Year ended June 30	Principal	Interest	Principal	Interest	Principal	Interest	
2007-2012	\$ 43,795,000	\$ 20,949,787	\$ 1,040,137	\$ 24,236	\$ 9,475,000	\$ 10,795,629	
2012-2017	42,050,000	11,674,000	-	-	11,105,000	7,992,951	
2017-2022	22,245,000	4,414,000	-	-	9,920,000	5,303,837	
2022-2027	7,425,000	759,000	-	-	12,090,000	1,890,600	
Totals	\$ 115,515,000	\$ 37,796,787	\$ 1,040,137	\$ 24,236	\$ 42,590,000	\$ 25,983,017	

ELKHART COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

BANK RECONCILIATIONS

A comparison of the school lunch records to the bank account during the audit period indicated the bank account has more than the ledger by amounts ranging from \$395,663 to \$402,128. The difference was \$396,661 at October 31, 2007. A bookkeeping adjustment was made in July 2005, to the School Lunch Fund for \$395,079. No supporting documentation was available to explain the adjustment. The computer balance had not been in agreement with the hand kept cash balance prior to July 1, 2005, and an adjustment was made to bring the computer balances into agreement with the cash balances which reconciled to the bank. The adjustments were made again in July 2005, but the adjustments were not needed then. The bank balance and book balance have not been in agreement since July 2005, and no further adjustment had been made to the records. Most of the difference at October 2007, is from the adjustment made in July 2005, and the remainder is due to minor adjustments not made to the records over the last two years. An adjustment was made to the balance in the report for the School Lunch Fund for the 2005-2006 school year to reflect the correct balance.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CREDIT CARDS

Elkhart Community Schools is using a credit card in some instances to purchase items without an approved credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

ELKHART COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OVERDRAWN CASH BALANCES

Cash balances of the Construction Fund and the WVPE Fund were overdrawn in June 30, 2007.

The cash 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)

OVERDRAWN CASH BALANCES (Applies to Memorial High School)

The Choir, Interest Income, Student Activities, and Class of 2007 Funds were overdrawn as of June 30, 2007.

The 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 Extra-Curricular Accounts, Chapter 7)

BANK ACCOUNT RECONCILIATIONS (Applies to Memorial High School)

Depository reconciliations of the fund balances to the bank account balances were not always presented for audit during the prior Extra-Curricular Treasurer's term of employment. The current Extra-Curricular Treasurer began employment at the end of March 2007, and has presented bank account reconciliations for January 2007 through July 2007. Due to the amount of time needed to bring the reconciliations up to date, the current Extra-Curricular Treasurer has not reconciled the bank for August 2007 through November 2007.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

BANK ACCOUNT RECONCILIATIONS (Applies to Beardsley Elementary School)

Depository reconciliations of the fund balances to the bank account balances for June 2006 through June 2007 were not presented for audit.

ELKHART COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

CONDITION OF RECORDS (Applies to Beardsley Elementary School)

The following deficiencies related to recordkeeping were noted:

1. There were a considerable number of posting errors. These errors included checks and receipts not recorded in the proper amounts, and nonsufficient funds checks incorrectly posted. Receipts posted to the funds ledger did not show the receipt numbers in the receipt number column. Receipt 828 and 909 were posted to the ledger with the deposit date instead of the receipt date.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

2. Receipt 828, originally written for \$4,984 with cash of \$1,600 and checks of \$3,384, was adjusted by the bank to \$4,141, with cash of \$1,600 and checks of \$2,541. Receipt 883 did not indicate if checks and/or cash were received. The dollar amount listed as cash on receipt 895 did not include coins received of \$65.96. We could not determine if the receipts' classification agreed with the deposit slips.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

3. Receipts were not always issued or recorded at the time the money was received.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DEPOSITS (Applies to the LIFE Program)

We found numerous deficiencies during our examination of receipts. Receipt 78590 dated September 20, 2005, for \$28.38 was not deposited into the bank account, nor recorded in the ledger. Receipts 78594, 78603, and 78610 did not indicate the amount of cash and/or checks received. We could not determine if the monies were deposited in the same form in which they were received. Receipt 78632 indicated \$715.02 in cash and \$10 in checks collected. The deposit slip shows \$685 in cash and \$40.02 in checks.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Compliance

We have audited the compliance of the Elkhart Community Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

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

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

A control deficiency in a School Corporation's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

The School Corporation's response to the findings identified in our audit are described in the accompanying Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, and 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

January 23, 2008

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

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 06-30-06	Total Federal Awards Expended 06-30-07
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 597,751	\$ 638,747
National School Lunch Program	10.555		2,713,963	2,915,942
Summer Food Service Program for Children	10.559		49,552	52,716
Total for Cluster			3,361,266	3,607,405
Child and Adult Care Food Program	10.558		4,231	5,961
Total for Federal Grantor Agency			3,365,497	3,613,366
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	14204-015-PN01	13,083	-
		14205-015-PN01, Part B	676,365	68,896
		14205-015-DY01, Sliver Grant	11,685	26,722
		14205-015-SN01, Part B	39,105	-
		14206-015-PN01	2,541,080	475,318
		14207-015-PN01	-	2,608,120
Total for Program			3,281,318	3,179,056
Special Education - Preschool Grants	84.173	45705-015-PY02	39,393	-
		45706-015-PN01	94,694	27,303
		45707-015-PN01	-	113,673
Total for Program			134,087	140,976
Total for Cluster			3,415,405	3,320,032
Adult Education - State Grant Program	84.002	2005-8401	1,287	-
		2005-8007	4,413	-
		2006-8007	166,946	11,371
		2007-8007	-	152,083
Total for Program			172,646	163,454
Title I Grants to Local Educational Agencies	84.010	05-2305	511,132	-
		06-2305	1,592,007	1,530,123
		07-2305	-	2,302,912
		05-2305 Improvement	207,948	-
		06-2305 Improvement	61,549	200,762
		07-2305 Improvement	-	25,256
Total for Program			2,372,636	4,059,053
Vocational Education - Basic Grants to States	84.048	05-4700-08-2305	145	-
		06-4700-08-2305	660,296	-
		07-4700-08-2305	-	549,657
Total for Program			660,441	549,657
Safe and Drug Free Schools and Communities - State Grants	84.186	04-135	66,108	12,373
		05-135	-	73,500
Total for Program			66,108	85,873
Even Start - State Educational Agencies	84.213	S213C040015	29,794	-

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

ELKHART COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended June 30, 2006 and 2007
 (Continued)

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 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243		21,010	-
Pass-Through Indiana Department of Education Twenty-First Century Community Learning Centers	84.287	FY 04 FY 05 & FY 06	6 263,104	- 210,396
Total for Program			263,110	210,396
State Grants for Innovative Programs	84.298	03-112 04-010 05-099	70,814 44,780 -	- 32,632 45,413
Total for Program			115,594	78,045
Education Technology State Grants	84.318	S318X030014 S318X040014	34,614 20,967	512 47,687
Total for Program			55,581	48,199
Comprehensive School Reform Demonstration	84.332	20-2305 Bldg 1765, FY05	46,514	-
Reading First State Grants	84.357	S357A030015 FY 05-06 FY 06-07 Intensive summer program	289,266 370,790 - 205,390	- 244,804 449,357 3,080
Total for Program			865,446	697,241
English Language Acquisition Grants	84.365	FY 2005 FY 05-06 FY 06-07	3,448 479,436 -	- 13,860 576,539
Total for Program			482,884	590,399
Mathematics and Science Partnerships	84.366	FY 06-07	235,645	142,057
Improving Teacher Quality State Grants	84.367	03-109 04-030 05-140 06-2305	316,927 579,456 11,259 -	- 112,076 619,327 99,314
Total for Program			907,642	830,717
Total for federal grantor agency			9,710,456	10,775,123
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana Department of Child Services Social Services Block Grant	93.667		14,590	20,670
Total federal awards expended			<u>\$ 13,090,543</u>	<u>\$ 14,409,159</u>

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

ELKHART COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Elkhart Community Schools (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the 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.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2006</u>	<u>2007</u>
Child Nutrition Cluster	10.555	<u>\$ 132,143</u>	<u>\$ 199,093</u>

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Child Nutrition Cluster
84.365	Title I Grants to Local Educational Agencies
84.367	English Language Acquisition Grants
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$815,054

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

Elkhart Community Schools

J.C. RICE EDUCATIONAL SERVICES CENTER
2720 CALIFORNIA ROAD
ELKHART, INDIANA 46514
(574) 262-5500
FAX (574) 262-5733

December 26, 2007

Finding Number 2005-1, Cash Management Title I Grants to Local Educational Agencies

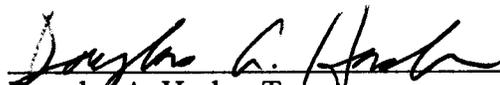
Original SBA Audit Report Number	B26708
Fiscal Year	2003-05
Auditee Contact Person	Dr. Thomas Neat
Title of Contact Person	Assistant Superintendent of Instruction
Phone Number	(574) 262-5515

Status of Finding: Under the procedure now in place, Business Office personnel are responsible for initiating drawdown requests for this grant program, and for monitoring cash balances over the course of the grant year. While I believe that this procedure has improved upon the timing of distributions into this fund, ECS must continue to refine this procedure even further.

Finding Number 2005-02, Cash Management Improving Teacher Quality State Grants

Original SBA Audit Report Number	B26708
Fiscal Year	2003-05
Auditee Contact Person	Dr. Thomas Neat
Title of Contact Person	Assistant Superintendent of Instruction
Phone Number	(574) 262-5515

Status of Finding: Under the procedure now in place, Business Office personnel are responsible for initiating drawdown requests for this grant program, and for monitoring cash balances over the course of the grant year. While I believe that this procedure has improved upon the timing of distributions into this fund, ECS must continue to refine this procedure even further.



Douglas A. Hasler, Treasurer

ELKHART COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on January 23, 2008, with Mark T. Mow, Superintendent of Schools; Carolyn R. Morris, President of the School Board; and Douglas A. Hasler, Treasurer. The official response has been made a part of this report and may be found on pages 66 and 67.

Elkhart Community Schools

J.C. RICE EDUCATIONAL SERVICES CENTER
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ELKHART, INDIANA 46514

February 12, 2008

(574) 262-5500
FAX (574) 262-5733

State Board of Accounts
302 W. Washington Street
Room E418
Indianapolis, IN 46204-2738

RE: Official Response – Elkhart Community Schools Audit

BANK RECONCILIATIONS

The audit report noted a discrepancy of approximately \$400,000 between the bank records and the ledger maintained by the Food Service Department. By all indications this discrepancy results from an erroneous one-time bookkeeping adjustment made in July 2005. An adjustment of \$396,612.70 was made in December 2007 to reconcile the ledger with bank records. Since that date, the ledger and bank records have reconciled on a regular basis and are currently in agreement.

CREDIT CARDS

The audit report includes an audit exception for the use of a credit card by the school corporation in the absence of an approved credit card policy. There was no finding to suggest that the school corporation credit card had been used to make unauthorized purchases. The audit report outlined eight criteria that should be incorporated into an approved credit card policy. Elkhart Schools will review these criteria, and will prepare a proposed Board policy that addresses such criteria for Board action.

OVERDRAWN CASH BALANCES

The audit report indicates that cash balances were overdrawn on the Construction Fund and the WVPE Fund as of June 30, 2007. The imbalance in the Construction Fund resulted from charging a construction-related expense to the Construction Fund rather than to the Capital Projects Fund. This error has been rectified through a corrective adjustment. The WVPE Fund imbalance results from current receipts falling short of the costs of operations for WVPE-FM. Steps are being taken to both increase receipts, and reduce expenditures to eliminate the imbalance.

OVERDRAWN CASH BALANCES AND BANK ACCOUNT RECONCILIATIONS
(MEMORIAL HIGH SCHOOL)

The audit report indicates that the Choir, Interest Income, Student Activities, and Class of 2007 Funds were overdrawn as of June 30, 2007. In addition, regular bank account reconciliations were not available for the August 2007 through December 2007 period. The current Extra-Curricular Treasurer (whose employment began in March 2007) is aware that funds cannot be overdrawn, and that monthly account reconciliations must be done. These requirements are now being observed.

BANK ACCOUNT RECONCILIATIONS AND CONDITION OF RECORDS
(BEARDSLEY ELEMENTARY SCHOOL)

The audit report indicates that regular bank account reconciliations were not completed for the June 2006 through June 2007 period. In addition, there were posting errors, and receipts were not always issued or recorded at the time money was received. These deficiencies have been addressed with the building administrator and the Extra-Curricular Treasurer at Beardsley School. Oversight will be maintained to assure that such problems do not occur in the future.

DEPOSITS (LIFE PROGRAM)

The audit report indicated problems with receipts for the LIFE Program. Such problems included \$28.38 which was not deposited into the bank account, certain receipts which did not specify the amount of cash and/or checks received, and discrepancies between receipts and deposit slips. Such problems have been brought to the attention of the building administrator and the Extra-Curricular Treasurer. Oversight will be maintained to assure that such problems do not occur in the future.

Sincerely,



Douglas A. Hasler
Exec. Director of Support Services

DAH:ks

SBA Official Response 2008