

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, 2007 to June 30, 2009



FILED

01/27/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	3-4
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	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	7-8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-12
Proprietary Fund:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Fund	13-14
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	15-16
Notes to Financial Statements	17-27
Required Supplementary Information:	
Schedule of Funding Progress	28
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds	29-43
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds	44-45
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	46-51
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Fund	52-53
Schedule of Capital Assets	54
Schedule of Long-Term Debt	55
Audit Result and Comment:	
Overdrawn Cash Balances	56
Supplemental Audit of Federal Awards:	
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	58-59
Schedule of Expenditures of Federal Awards	60-61
Notes to Schedule of Expenditures of Federal Awards	62
Schedule of Findings and Questioned Costs	63
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	64
Exit Conference	65

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Douglas A. Hasler	07-01-07 to 06-30-10
Superintendent of Schools	Mark T. Mow	07-01-07 to 06-30-12
President of the School Board	Carolyn R. Morris Robert A. Minichillo Glenn L. Duncan	07-01-07 to 06-30-08 07-01-08 to 06-30-09 07-01-09 to 06-30-10



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, 2008 and 2009, 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 pre-scribed 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, 2008 and 2009, 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 December 7, 2009, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

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

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.

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

December 7, 2009



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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, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated December 7, 2009. 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.

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

December 7, 2009

ELKHART COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 72,667,692	\$ -	\$ 1,656,074	\$ (71,011,618)
Support services	47,664,443	2,254,513	5,404,486	(40,005,444)
Noninstructional services	6,568,915	-	-	(6,568,915)
Facilities acquisition and construction	6,529,080	-	-	(6,529,080)
Debt service	29,718,520	-	-	(29,718,520)
Nonprogrammed charges	<u>637,009</u>	<u>-</u>	<u>-</u>	<u>(637,009)</u>
Total governmental activities	<u>\$ 163,785,659</u>	<u>\$ 2,254,513</u>	<u>\$ 7,060,560</u>	<u>(154,470,586)</u>
General receipts:				
Property taxes				55,295,603
Other local sources				13,516,985
State aid				55,509,391
Bonds and loans				10,000,000
Grants and contributions not restricted to specific programs				11,624,810
Sale of property				535,154
Investment earnings				1,444,908
Other				<u>20,012</u>
Total general receipts				<u>147,946,863</u>
Change in net assets				(6,523,723)
Net assets - beginning				<u>12,950,119</u>
Net assets - ending				<u>\$ 6,426,396</u>
<u>Assets</u>				
Cash and investments				\$ (1,665,920)
Restricted assets:				
Cash and investments				<u>8,092,316</u>
Total assets				<u>\$ 6,426,396</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 3,064,947
Other purposes				5,027,369
Unrestricted				<u>(1,665,920)</u>
Total net assets				<u>\$ 6,426,396</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, 2009

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 71,835,019	\$ -	\$ 2,100,375	\$ (69,734,644)
Support services	48,068,303	2,194,854	5,906,160	(39,967,289)
Noninstructional services	7,243,395	-	-	(7,243,395)
Facilities acquisition and construction	4,926,577	-	-	(4,926,577)
Debt service	69,752,934	-	-	(69,752,934)
Nonprogrammed charges	<u>1,554,102</u>	<u>-</u>	<u>-</u>	<u>(1,554,102)</u>
Total governmental activities	<u>\$ 203,380,330</u>	<u>\$ 2,194,854</u>	<u>\$ 8,006,535</u>	<u>(193,178,941)</u>
General receipts:				
Property taxes				47,342,915
Other local sources				15,694,742
State aid				65,574,898
Bonds and loans				55,981,000
Grants and contributions not restricted to specific programs				20,936,342
Sale of property				17,943
Investment earnings				401,347
Other				<u>58,572</u>
Total general receipts				<u>206,007,759</u>
Change in net assets				12,828,818
Net assets - beginning				<u>6,426,396</u>
Net assets - ending				<u>\$ 19,255,214</u>
<u>Assets</u>				
Cash and investments				\$ 8,991,053
Restricted assets:				
Cash and investments				<u>10,264,161</u>
Total assets				<u>\$ 19,255,214</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 4,483,941
Other purposes				5,780,220
Unrestricted				<u>8,991,053</u>
Total net assets				<u>\$ 19,255,214</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, 2008

	General	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental	Professional Development Capacity 05-06	School Technology
Receipts:							
Local sources	\$ 25,302,773	\$ 90,703	\$ -	\$ 2,166,871	\$ 2,481,049	\$ -	\$ 265,291
Intermediate sources	265	-	-	-	-	-	-
State sources	58,112,954	656,051	-	34,547	885,776	147,901	-
Federal sources	7,036	-	-	3,221,522	-	-	-
Temporary loans	10,000,000	-	-	-	-	-	-
Interfund loans	10,395,000	800,000	-	-	-	-	-
Other	7,807	127	-	5,032	3,587	-	-
Total receipts	103,825,835	1,546,881	-	5,427,972	3,370,412	147,901	265,291
Disbursements:							
Current:							
Instruction	61,369,884	736,581	-	-	-	166,196	-
Support services	22,157,630	41	-	57,512	3,776,762	-	650,112
Noninstructional services	924,923	-	-	5,319,163	-	-	-
Facilities acquisition and construction	12,200	-	-	18,020	-	-	-
Debt services	14,500,000	-	-	-	-	-	-
Nonprogrammed charges	1,747,328	-	-	-	-	-	-
Interfund loans	10,395,000	800,000	-	-	-	-	-
Total disbursements	111,106,965	1,536,622	-	5,394,695	3,776,762	166,196	650,112
Excess (deficiency) of receipts over disbursements	(7,281,130)	10,259	-	33,277	(406,350)	(18,295)	(384,821)
Other financing sources (uses):							
Sale of capital assets	72,921	-	-	-	2,250	-	-
Premium on temporary loans	-	-	-	-	-	-	-
Transfers in	-	7,073	500,000	-	-	-	-
Transfers out	(533,326)	-	-	-	-	-	-
Total other financing sources (uses)	(460,405)	7,073	500,000	-	2,250	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,741,535)	17,332	500,000	33,277	(404,100)	(18,295)	(384,821)
Cash and investments - beginning	5,520,331	365,151	-	1,855,325	685,149	212,692	948,802
Cash and investments - ending	\$ (2,221,204)	\$ 382,483	\$ 500,000	\$ 1,888,602	\$ 281,049	\$ 194,397	\$ 563,981

Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets -

Cash and Investment Basis are different because:

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.

Net assets of governmental activities

Cash and Investment Assets - Ending

Cash and investments	\$ (2,221,204)	\$ 382,483	\$ 500,000	\$ 1,888,602	\$ 281,049	\$ 194,397	\$ 563,981
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (2,221,204)	\$ 382,483	\$ 500,000	\$ 1,888,602	\$ 281,049	\$ 194,397	\$ 563,981

Cash and Investment Fund Balance - Ending

Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(2,221,204)	382,483	500,000	1,888,602	281,049	194,397	563,981
Total cash and investment fund balance - ending	\$ (2,221,204)	\$ 382,483	\$ 500,000	\$ 1,888,602	\$ 281,049	\$ 194,397	\$ 563,981

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, 2008
(Continued)

	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:						
Local sources	\$ 14,698,441	\$ 3,199,776	\$ 10,307,673	\$ 1,360,789	\$ 12,630,316	\$ 72,503,682
Intermediate sources	-	-	-	-	2,963	3,228
State sources	-	-	-	-	567,793	60,405,022
Federal sources	-	-	-	-	10,561,180	13,789,738
Temporary loans	-	-	-	-	-	10,000,000
Interfund loans	4,400,000	1,940,000	4,675,000	655,000	1,925,000	24,790,000
Other	-	-	-	-	3,459	20,012
Total receipts	19,098,441	5,139,776	14,982,673	2,015,789	25,690,711	181,511,682
Disbursements:						
Current:						
Instruction	-	-	-	-	10,395,031	72,667,692
Support services	310,000	-	6,070,915	842,788	13,798,683	47,664,443
Noninstructional services	-	-	-	-	324,829	6,568,915
Facilities acquisition and construction	-	-	6,184,045	-	314,815	6,529,080
Debt services	14,224,740	993,780	-	-	-	29,718,520
Nonprogrammed charges	-	-	-	-	-	1,747,328
Interfund loans	4,400,000	1,940,000	4,675,000	655,000	1,925,000	24,790,000
Total disbursements	18,934,740	2,933,780	16,929,960	1,497,788	26,758,358	189,685,978
Excess (deficiency) of receipts over disbursements	163,701	2,205,996	(1,947,287)	518,001	(1,067,647)	(8,174,296)
Other financing sources (uses):						
Sale of capital assets	5	-	-	-	459,978	535,154
Premium on temporary loans	5,100	-	-	-	-	5,100
Transfers in	18,415	-	-	-	7,838	533,326
Transfers out	-	-	-	-	-	(533,326)
Total other financing sources (uses)	23,520	-	-	-	467,816	540,254
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	187,221	2,205,996	(1,947,287)	518,001	(599,831)	(7,634,042)
Cash and investments - beginning	2,540,388	(1,868,658)	(728,070)	(100,753)	(397,288)	9,033,069
Cash and investments - ending	\$ 2,727,609	\$ 337,338	\$ (2,675,357)	\$ 417,248	\$ (997,119)	1,399,027
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						5,027,369
Net assets of governmental activities						\$ 6,426,396
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ (2,675,357)	\$ 417,248	\$ (997,119)	\$ (1,665,920)
Restricted assets:						
Cash and investments	2,727,609	337,338	-	-	-	3,064,947
Total cash and investment assets - ending	\$ 2,727,609	\$ 337,338	\$ (2,675,357)	\$ 417,248	\$ (997,119)	\$ 1,399,027
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ 2,727,609	\$ 337,338	\$ -	\$ -	\$ -	\$ 3,064,947
Unrestricted	-	-	(2,675,357)	417,248	(997,119)	(1,665,920)
Total cash and investment fund balance - ending	\$ 2,727,609	\$ 337,338	\$ (2,675,357)	\$ 417,248	\$ (997,119)	\$ 1,399,027

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, 2009

	General	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental	Professional Development Capacity 05-06	School Technology
Receipts:							
Local sources	\$ 21,782,185	\$ 81,576	\$ 87,617	\$ 1,976,549	\$ 1,074,942	\$ -	\$ 395,404
Intermediate sources	530	-	-	-	-	-	-
State sources	67,045,397	674,735	-	32,191	895,048	-	225,067
Federal sources	-	-	-	4,818,577	-	-	-
Temporary loans	25,379,000	-	-	-	-	-	-
Interfund loans	2,550,000	250,000	460,000	-	-	-	-
Other	46,053	114	-	4,661	4,546	-	-
Total receipts	116,803,165	1,006,425	547,617	6,831,978	1,974,536	-	620,471
Disbursements:							
Current:							
Instruction	54,264,734	866,846	-	-	-	144,683	-
Support services	22,652,911	1,154	-	75,047	1,103,993	-	355,949
Noninstructional services	974,236	-	-	5,863,688	-	-	-
Facilities acquisition and construction	8,300	-	-	361,643	-	-	-
Debt services	28,535,000	-	-	-	-	-	-
Nonprogrammed charges	2,306,439	-	-	-	-	-	-
Interfund loans	2,550,000	250,000	460,000	-	-	-	-
Total disbursements	111,291,620	1,118,000	460,000	6,300,378	1,103,993	144,683	355,949
Excess (deficiency) of receipts over disbursements	5,511,545	(111,575)	87,617	531,600	870,543	(144,683)	264,522
Other financing sources (uses):							
Sale of capital assets	17,943	-	-	-	-	-	-
Premium on temporary loans	-	-	-	-	-	-	-
Transfers in	-	7,073	-	-	-	-	-
Transfers out	(14,911)	-	-	-	-	-	-
Total other financing sources (uses)	3,032	7,073	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,514,577	(104,502)	87,617	531,600	870,543	(144,683)	264,522
Cash and investments - beginning	(2,221,204)	382,483	500,000	1,888,602	281,049	194,397	563,981
Cash and investments - ending	\$ 3,293,373	\$ 277,981	\$ 587,617	\$ 2,420,202	\$ 1,151,592	\$ 49,714	\$ 828,503

Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets -

Cash and Investment Basis are different because:

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.

Net assets of governmental activities

Cash and Investment Assets - Ending

Cash and investments	\$ 3,293,373	\$ 277,981	\$ 587,617	\$ 2,420,202	\$ 1,151,592	\$ 49,714	\$ 828,503
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,293,373	\$ 277,981	\$ 587,617	\$ 2,420,202	\$ 1,151,592	\$ 49,714	\$ 828,503

Cash and Investment Fund Balance - Ending

Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,293,373	277,981	587,617	2,420,202	1,151,592	49,714	828,503
Total cash and investment fund balance - ending	\$ 3,293,373	\$ 277,981	\$ 587,617	\$ 2,420,202	\$ 1,151,592	\$ 49,714	\$ 828,503

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, 2009
(Continued)

	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:						
Local sources	\$ 13,281,557	\$ 2,659,194	\$ 10,943,413	\$ 1,232,889	\$ 11,979,118	\$ 65,494,444
Intermediate sources	-	-	-	-	3,375	3,905
State sources	-	-	-	-	1,430,752	70,303,190
Federal sources	-	-	67,906	-	19,328,104	24,214,587
Temporary loans	6,265,000	2,568,000	14,131,000	1,355,000	6,283,000	55,981,000
Interfund loans	1,050,000	915,000	5,175,000	500,000	1,480,000	12,380,000
Other	-	-	2,082	-	715	58,171
Total receipts	20,596,557	6,142,194	30,319,401	3,087,889	40,505,064	228,435,297
Disbursements:						
Current:						
Instruction	-	-	-	-	16,558,756	71,835,019
Support services	-	-	7,334,302	1,234,134	15,310,813	48,068,303
Noninstructional services	-	-	-	-	405,471	7,243,395
Facilities acquisition and construction	-	-	4,556,634	-	-	4,926,577
Debt services	17,925,619	5,697,315	11,745,000	1,355,000	4,495,000	69,752,934
Nonprogrammed charges	-	-	-	-	-	2,306,439
Interfund loans	1,050,000	915,000	5,175,000	500,000	1,480,000	12,380,000
Total disbursements	18,975,619	6,612,315	28,810,936	3,089,134	38,250,040	216,512,667
Excess (deficiency) of receipts over disbursements	1,620,938	(470,121)	1,508,465	(1,245)	2,255,024	11,922,630
Other financing sources (uses)						
Sale of capital assets	-	-	-	-	-	17,943
Premium on temporary loans	135,394	-	-	-	-	135,394
Transfers in	-	-	-	-	7,838	14,911
Transfers out	-	-	-	-	-	(14,911)
Total other financing sources (uses)	135,394	-	-	-	7,838	153,337
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,756,332	(470,121)	1,508,465	(1,245)	2,262,862	12,075,967
Cash and investments - beginning	2,727,609	337,338	(2,675,357)	417,248	(997,119)	1,399,027
Cash and investments - ending	\$ 4,483,941	\$ (132,783)	\$ (1,166,892)	\$ 416,003	\$ 1,265,743	13,474,994
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						5,780,220
Net assets of governmental activities						\$ 19,255,214
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ (132,783)	\$ (1,166,892)	\$ 416,003	\$ 1,265,743	\$ 8,991,053
Restricted assets:						
Cash and investments	4,483,941	-	-	-	-	4,483,941
Total cash and investment assets - ending	\$ 4,483,941	\$ (132,783)	\$ (1,166,892)	\$ 416,003	\$ 1,265,743	\$ 13,474,994
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ 4,483,941	\$ -	\$ -	\$ -	\$ -	\$ 4,483,941
Unrestricted	-	(132,783)	(1,166,892)	416,003	1,265,743	8,991,053
Total cash and investment fund balance - ending	\$ 4,483,941	\$ (132,783)	\$ (1,166,892)	\$ 416,003	\$ 1,265,743	\$ 13,474,994

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
PROPRIETARY FUND
For the Year Ended June 30, 2008

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 14,345,712
Operating disbursements:	
Insurance claims and expense	<u>13,235,393</u>
Change in net assets	1,110,319
Cash and investment fund balance - beginning	<u>3,917,050</u>
Cash and investment fund balance - ending	<u>\$ 5,027,369</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 5,027,369</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 5,027,369</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
PROPRIETARY FUND
For the Year Ended June 30, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 16,417,565
Miscellaneous	<u>517</u>
Total operating receipts	<u>16,418,082</u>
Operating disbursements:	
Insurance claims and expense	15,665,231
Change in net assets	752,851
Cash and investment fund balance - beginning	<u>5,027,369</u>
Cash and investment fund balance - ending	<u>\$ 5,780,220</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 5,780,220</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 5,780,220</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, 2008

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Fund
Additions:			
Contributions:			
Other	\$ -	\$ 2,110,027	
Deductions:			
Benefits	905,864	-	
Administrative and general	-	2,047,190	
Total deductions	905,864	2,047,190	
Excess (deficiency) of total additions over total deductions	(905,864)	62,837	
Cash and investment fund balance - beginning	12,228,798	127,913	
Cash and investment fund balance - ending	\$ 11,322,934	\$ 190,750	\$ 2,384,603
Net assets:			
Cash and investments	\$ 11,322,934	\$ 190,750	
Total net assets - cash and investment basis held in trust	\$ 11,322,934	\$ 190,750	

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, 2009

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Fund</u>
Additions:			
Contributions:			
Other	\$ 32	\$ 1,797,674	
Deductions:			
Benefits	1,347,697	-	
Administrative and general	-	1,941,230	
Total deductions	<u>1,347,697</u>	<u>1,941,230</u>	
Deficiency of total additions over total deductions	(1,347,665)	(143,556)	
Cash and investment fund balance - beginning	<u>11,322,934</u>	<u>190,750</u>	
Cash and investment fund balance - ending	<u>\$ 9,975,269</u>	<u>\$ 47,194</u>	<u>\$ 1,267,603</u>
Net assets:			
Cash and investments	<u>\$ 9,975,269</u>	<u>\$ 47,194</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 9,975,269</u>	<u>\$ 47,194</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, Indiana 46601.

Elkhart Community Schools is a member with approximately 30 school corporations in a joint venture to operate the North Central Energy Cooperative (NEC), which was created to procure natural gas in an economical and efficient manner. The School Corporation is obligated by contract to remit its actual natural gas expenses directly to the seller of the natural gas, Centerpoint Energy Services. There are no separate financial statements. However, Elkhart Community Schools is the administrative agent for the NEC.

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.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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 special education preschool fund is used to account for special education programs for preschool age children as required under Indiana Code 20-40-4-5.

The rainy day fund is used to account for funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

The school lunch fund accounts for receipts and disbursements related to the food service program.

The textbook rental fund accounts for receipts and disbursements related to the rental of textbooks and workbooks furnished to students.

The professional development capacity 05-06 fund accounts for receipts and disbursements related to a professional development program.

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 retirement/severance bond debt service fund accounts for debt from funds borrowed for retirement/severance bonds issued.

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.

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.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

The private-purpose trust funds report trust arrangements 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.

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.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

3. 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.

4. 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.

5. 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.

Fund Financial Statements

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

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Receipts

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 government-wide 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.

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

ELKHART COMMUNITY SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2008	2009
General	\$ 2,221,204	\$ -
Retirement/Severance Bond Debt Service	-	132,783
Capital Projects	2,675,357	1,166,892
Transportation Operating	826,697	-
WVPE	198,620	310,238

For the General, Retirement/Severance Bond Debt Service, Capital Projects and Transportation Operating 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 other funds, deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits

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. The School Corporation does not have a deposit policy for custodial credit risk. At June 30, 2009, the bank balance held at Lake City Bank in the amount of \$30,995,063 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, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
General	Special Education Preschool	\$ 7,073	\$ 7,073
	Rainy Day	500,000	-
	Debt Service	18,415	-
	Other governmental funds	<u>7,838</u>	<u>7,838</u>
Totals		<u>\$ 533,326</u>	<u>\$ 14,911</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, 2007, 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.

<u>Opinion Unit</u>	<u>Balance as Reported June 30, 2007</u>	<u>Fund Reclassification</u>	<u>Balance as Restated July 1, 2007</u>
Governmental activities	\$ 9,084,646	\$ (51,577)	\$ 9,033,069
Governmental funds	13,001,696	(51,577)	12,950,119
Private-purpose trust funds	76,336	51,577	127,913

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 and dental benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

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.

ELKHART COMMUNITY SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

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 \$150,000 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 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 lessors have been determined to be related parties of the School Corporation. Lease payments during the year ended June 30, 2009, totaled \$13,494,586.

C. Temporary Loans

By Indiana Statute, school corporations are allowed to enter into short-term borrowing by means of Tax Anticipation Warrants. The loans must be repaid by December 31 each year. The following funds had temporary loans outstanding at June 30, 2009:

Fund	Loan Payable
General	\$ 6,844,000
Debt Service	4,665,000
Retirement/Severance Bond Debt Service	1,248,000
Capital Projects	2,386,000
Transportation Operating	1,788,000
Total	\$ 16,931,000

D. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Elkhart Community Schools provides and administers a defined benefit contribution plan for employees who retired prior to 2006. The plan provides a healthcare stipend, as authorized by Indiana Code 5-10-8, to eligible retirees and their spouses of \$5,000 per year for single coverage and \$10,000 per year per family.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements and for the year ended June 30, 2009, the School Corporation paid \$620,244 in healthcare stipends.

Funded Status and Funding Progress

As of June 30, 2009, the estimated accrued liability for benefits was \$2,741,557, and the value of assets, available in the pension trust fund, was \$7,604,845.

E. 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. 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.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 1,291,712
Interest on net pension obligation	(67,767)
Adjustment to annual required contribution	77,225
Annual pension cost	1,301,170
Contributions made	1,278,072
Increase in net pension obligation	23,098
Net pension obligation, beginning of year	(934,714)
Net pension obligation, end of year	\$ (911,616)

	PERF
Contribution rates:	
School Corporation	6.75%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 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	06-30-06	\$ 1,143,319	94%	\$ (966,642)
	06-30-07	1,234,562	95%	(934,714)
	06-30-08	1,301,170	98%	(911,616)

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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, 2009, 2008, and 2007, were \$2,549,457, \$2,442,451, and \$2,088,031, 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)
07-01-06	\$ 17,921,264	\$ 19,565,170	\$ (1,643,906)	92%	\$ 16,969,149	(10%)
07-01-07	19,681,442	21,202,034	(1,520,592)	93%	17,736,954	(9%)
07-01-08	21,496,807	23,490,605	(1,993,798)	92%	19,087,158	(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, 2008

	Transportation Operating	Joint Schools Vocational	Educational License Plates	Alternate Education	WDS Tech Prep 06-07	Tech Prep Mini Grant	Economic Education Grant 07-08
Receipts:							
Local sources	\$ 6,847,811	\$ 4,824,189	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	2,963	-	-	-	-
State sources	-	-	-	61,647	29,501	-	5,600
Federal sources	-	-	-	-	-	-	-
Interfund loans	1,925,000	-	-	-	-	-	-
Other	2,901	558	-	-	-	-	-
Total receipts	8,775,712	4,824,747	2,963	61,647	29,501	-	5,600
Disbursements:							
Current:							
Instruction	-	3,367,830	-	81,943	16,538	313	4,521
Support services	7,760,998	1,516,526	12,900	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Interfund loans	1,925,000	-	-	-	-	-	-
Total disbursements	9,685,998	4,884,356	12,900	81,943	16,538	313	4,521
Excess (deficiency) of receipts over disbursements	(910,286)	(59,609)	(9,937)	(20,296)	12,963	(313)	1,079
Other financing sources (uses):							
Sale of capital assets	459,978	-	-	-	-	-	-
Transfers in	7,838	-	-	-	-	-	-
Total other financing sources (uses)	467,816	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(442,470)	(59,609)	(9,937)	(20,296)	12,963	(313)	1,079
Cash and investments - beginning	(384,227)	94,971	12,900	21,509	(12,963)	313	-
Cash and investments - ending	<u>\$ (826,697)</u>	<u>\$ 35,362</u>	<u>\$ 2,963</u>	<u>\$ 1,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,079</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ (826,697)</u>	<u>\$ 35,362</u>	<u>\$ 2,963</u>	<u>\$ 1,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,079</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ (826,697)</u>	<u>\$ 35,362</u>	<u>\$ 2,963</u>	<u>\$ 1,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,079</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, 2008
 (Continued)

	Computer Loan Advancement	G/T 06-07 PR 03407-058	High Ability 07-08	Ec Ed 06-07 Pr 6017 & 6029	Schools Taking Action	Soc Sv Tap Program	Title I 05-06
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,373	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	346,386	-	116,264	-	2,500	5,895	-
Federal sources	-	-	-	-	-	20,695	131,000
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	346,386	-	116,264	-	2,500	163,963	131,000
Disbursements:							
Current:							
Instruction	-	3,213	81,158	369	331	25,362	83,258
Support services	343,735	-	32,451	-	-	-	46,998
Noninstructional services	-	-	-	-	-	134,600	681
Facilities acquisition and construction	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	343,735	3,213	113,609	369	331	159,962	130,937
Excess (deficiency) of receipts over disbursements	2,651	(3,213)	2,655	(369)	2,169	4,001	63
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,651	(3,213)	2,655	(369)	2,169	4,001	63
Cash and investments - beginning	(346,386)	3,213	7,872	369	-	-	(63)
Cash and investments - ending	<u>\$ (343,735)</u>	<u>\$ -</u>	<u>\$ 10,527</u>	<u>\$ -</u>	<u>\$ 2,169</u>	<u>\$ 4,001</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ (343,735)</u>	<u>\$ -</u>	<u>\$ 10,527</u>	<u>\$ -</u>	<u>\$ 2,169</u>	<u>\$ 4,001</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ (343,735)</u>	<u>\$ -</u>	<u>\$ 10,527</u>	<u>\$ -</u>	<u>\$ 2,169</u>	<u>\$ 4,001</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, 2008
 (Continued)

	Title V Part A Pr 05-099	Title V Part B 06-07	Title V Part A 08-09	Title I Pr 07-2305	Title I 08-2305	Title II, Part B Math Science	PL 108-446 14208-15-PN01
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	12,960	2,800	1,200,000	3,047,645	155,353	2,800,000
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	12,960	2,800	1,200,000	3,047,645	155,353	2,800,000
Disbursements:							
Current:							
Instruction	5,817	6,640	2,765	254,710	1,233,561	148,469	2,731,071
Support services	1,122	-	-	1,023,464	1,667,913	-	43,277
Noninstructional services	-	-	-	3,731	185,231	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	6,939	6,640	2,765	1,281,905	3,086,705	148,469	2,774,348
Excess (deficiency) of receipts over disbursements	(6,939)	6,320	35	(81,905)	(39,060)	6,884	25,652
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,939)	6,320	35	(81,905)	(39,060)	6,884	25,652
Cash and investments - beginning	6,939	7,200	-	81,905	-	(6,771)	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 13,520</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ (39,060)</u>	<u>\$ 113</u>	<u>\$ 25,652</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ -</u>	<u>\$ 13,520</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ (39,060)</u>	<u>\$ 113</u>	<u>\$ 25,652</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ -</u>	<u>\$ 13,520</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ (39,060)</u>	<u>\$ 113</u>	<u>\$ 25,652</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, 2008
 (Continued)

	PL 108-446 14209-015-PN01	PL 108-446 Pr 45707	PL 108-446 Pr 45708	Adult Ed Family Lit 06-07	Adult Ed Family Lit 08-8007	Safe and Drug Free Schools 05-131	Safe and Drug Free Schools 06-131
Receipts:							
Local sources	\$ 1,256	\$ -	\$ -	\$ -	\$ -	\$ 37	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	132,010	12,118	125,083	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	1,256	-	132,010	12,118	125,083	37	-
Disbursements:							
Current:							
Instruction	331,825	13,996	130,217	1,924	130,311	1,518	862
Support services	73,656	198	-	876	5,937	9,869	25,117
Noninstructional services	-	-	-	250	336	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	405,481	14,194	130,217	3,050	136,584	11,387	25,979
Excess (deficiency) of receipts over disbursements	(404,225)	(14,194)	1,793	9,068	(11,501)	(11,350)	(25,979)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(404,225)	(14,194)	1,793	9,068	(11,501)	(11,350)	(25,979)
Cash and investments - beginning	444,410	14,194	-	(9,068)	-	11,350	-
Cash and investments - ending	\$ 40,185	\$ -	\$ 1,793	\$ -	\$ (11,501)	\$ -	\$ (25,979)
Cash and Investment Assets - Ending							
Cash and investments	\$ 40,185	\$ -	\$ 1,793	\$ -	\$ (11,501)	\$ -	\$ (25,979)
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 40,185	\$ -	\$ 1,793	\$ -	\$ (11,501)	\$ -	\$ (25,979)

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, 2008
 (Continued)

	Carl D Perkins 07-4700-2305	Carl D Perkins 08-4700-2305	Tech Prep WDS Central	Federal Medicaid	21st Century Community Learning Center	Title II High School Redesign 2008	Title II, Part A Improving Teacher Quality
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	163,657	416,871	-	43,949	269,381	5,509	76,000
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	163,657	416,871	-	43,949	269,381	5,509	76,354
Disbursements:							
Current:							
Instruction	3,959	27,073	3,880	21,043	263,432	3,201	-
Support services	57,884	500,636	-	41,897	17,715	-	64,851
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	61,843	527,709	3,880	62,940	281,147	3,201	64,851
Excess (deficiency) of receipts over disbursements	101,814	(110,838)	(3,880)	(18,991)	(11,766)	2,308	11,503
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	101,814	(110,838)	(3,880)	(18,991)	(11,766)	2,308	11,503
Cash and investments - beginning	(101,814)	-	-	152,182	33,339	-	-
Cash and investments - ending	\$ -	\$ (110,838)	\$ (3,880)	\$ 133,191	\$ 21,573	\$ 2,308	\$ 11,503
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ (110,838)	\$ (3,880)	\$ 133,191	\$ 21,573	\$ 2,308	\$ 11,503
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ (110,838)	\$ (3,880)	\$ 133,191	\$ 21,573	\$ 2,308	\$ 11,503

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, 2008
 (Continued)

	Local Wellness	Non-English Speaking 07-08	Title II, Part A Impr Teacher Quality 06-07	Title II, Part A 05-140 Impr Tch	Title II, Part A Proj 02-192	Title II, Part D Enhancing Education	Title II, Part D Enhancing Ed 05
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	130	387,004	482,418	130,391	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	130	387,004	482,418	130,391	-	-	-
Disbursements:							
Current:							
Instruction	-	357,833	451,128	15,331	-	-	-
Support services	-	-	116,792	34,474	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	357,833	567,920	49,805	-	-	-
Excess (deficiency) of receipts over disbursements	130	29,171	(85,502)	80,586	-	-	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	130	29,171	(85,502)	80,586	-	-	-
Cash and investments - beginning	-	-	(314)	(80,586)	(322)	(1,129)	(512)
Cash and investments - ending	<u>\$ 130</u>	<u>\$ 29,171</u>	<u>\$ (85,816)</u>	<u>\$ -</u>	<u>\$ (322)</u>	<u>\$ (1,129)</u>	<u>\$ (512)</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 130</u>	<u>\$ 29,171</u>	<u>\$ (85,816)</u>	<u>\$ -</u>	<u>\$ (322)</u>	<u>\$ (1,129)</u>	<u>\$ (512)</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 130</u>	<u>\$ 29,171</u>	<u>\$ (85,816)</u>	<u>\$ -</u>	<u>\$ (322)</u>	<u>\$ (1,129)</u>	<u>\$ (512)</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, 2008
 (Continued)

	Title III English Prof 06-07	Title III, Part A 07-08	Reading First 06-07	Reading First 07-08	Corp for Public Broadcasting Digital Radio	Construction	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ 2,800	\$ -	\$ -	\$ 816,496	\$ 12,630,316
Intermediate sources	-	-	-	-	-	-	2,963
State sources	-	-	-	-	-	-	567,793
Federal sources	-	457,600	79,899	373,707	35,000	-	10,561,180
Interfund loans	-	-	-	-	-	-	1,925,000
Other	-	-	-	-	-	-	3,459
Total receipts	-	457,600	82,699	373,707	35,000	816,496	25,690,711
Disbursements:							
Current:							
Instruction	95,854	371,025	47,553	75,197	-	-	10,395,031
Support services	18,792	-	76,382	304,223	-	-	13,798,683
Noninstructional services	-	-	-	-	-	-	324,829
Facilities acquisition and construction	-	-	-	-	-	314,815	314,815
Interfund loans	-	-	-	-	-	-	1,925,000
Total disbursements	114,646	371,025	123,935	379,420	-	314,815	26,758,358
Excess (deficiency) of receipts over disbursements	(114,646)	86,575	(41,236)	(5,713)	35,000	501,681	(1,067,647)
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	459,978
Transfers in	-	-	-	-	-	-	7,838
Total other financing sources (uses)	-	-	-	-	-	-	467,816
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(114,646)	86,575	(41,236)	(5,713)	35,000	501,681	(599,831)
Cash and investments - beginning	114,646	-	41,236	-	-	(501,681)	(397,288)
Cash and investments - ending	\$ -	\$ 86,575	\$ -	\$ (5,713)	\$ 35,000	\$ -	\$ (997,119)
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 86,575	\$ -	\$ (5,713)	\$ 35,000	\$ -	\$ (997,119)
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 86,575	\$ -	\$ (5,713)	\$ 35,000	\$ -	\$ (997,119)

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, 2009

	Transportation Operating	Joint Schools Vocational	Educational License Plate	Alternate Education	Professional Development Capacity	Economic Education 2008-09	Economic Education Grant 07-08
Receipts:							
Local sources	\$ 6,975,223	\$ 4,850,065	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	3,375	-	-	-	-
State sources	-	-	-	58,095	148,690	3,250	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	6,283,000	-	-	-	-	-	-
Interfund loans	1,480,000	-	-	-	-	-	-
Other	715	-	-	-	-	-	-
Total receipts	14,738,938	4,850,065	3,375	58,095	148,690	3,250	-
Disbursements:							
Current:							
Instruction	-	3,392,356	-	59,308	28,688	2,023	1,079
Support services	7,342,673	1,768,203	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	4,495,000	-	-	-	-	-	-
Interfund loans	1,480,000	-	-	-	-	-	-
Total disbursements	13,317,673	5,160,559	-	59,308	28,688	2,023	1,079
Excess (deficiency) of receipts over disbursements	1,421,265	(310,494)	3,375	(1,213)	120,002	1,227	(1,079)
Other financing sources:							
Transfers in	7,838	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,429,103	(310,494)	3,375	(1,213)	120,002	1,227	(1,079)
Cash and investments - beginning	(826,697)	35,362	2,963	1,213	-	-	1,079
Cash and investments - ending	\$ 602,406	\$ (275,132)	\$ 6,338	\$ -	\$ 120,002	\$ 1,227	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 602,406	\$ (275,132)	\$ 6,338	\$ -	\$ 120,002	\$ 1,227	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 602,406	\$ (275,132)	\$ 6,338	\$ -	\$ 120,002	\$ 1,227	\$ -

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, 2009
 (Continued)

	Computer Loan Advancement	Tech Prep 07-08	High Ability 07-08	High Ability 08-09	Safe Haven Grant	Non-English Speaking Grant	Schools Taking Action
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	625,080	9,045	33,861	86,485	66,135	394,702	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	625,080	9,045	33,861	86,485	66,135	394,702	-
Disbursements:							
Current:							
Instruction	-	9,045	5,327	86,223	-	287,713	1,726
Support services	281,345	-	20,386	-	66,135	-	443
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	281,345	9,045	25,713	86,223	66,135	287,713	2,169
Excess (deficiency) of receipts over disbursements	343,735	-	8,148	262	-	106,989	(2,169)
Other financing sources:							
Transfers in	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	343,735	-	8,148	262	-	106,989	(2,169)
Cash and investments - beginning	(343,735)	-	10,527	-	-	-	2,169
Cash and investments - ending	\$ -	\$ -	\$ 18,675	\$ 262	\$ -	\$ 106,989	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 18,675	\$ 262	\$ -	\$ 106,989	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ -	\$ 18,675	\$ 262	\$ -	\$ 106,989	\$ -

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, 2009
 (Continued)

	Soc Sv Tap Program	Title I School Improvement 09-2305	Title I School Improvement 07-08	Title V Part B 06-07	Title V Part A 08-09	Title I 08-2305	Title I 09-2305
Receipts:							
Local sources	\$ 130,402	\$ -	\$ -	\$ 1,269	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	5,409	-	-	-	-	-	-
Federal sources	24,220	286,426	168,478	5,883	19,700	1,100,000	3,929,519
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	160,031	286,426	168,478	7,152	19,700	1,100,000	3,929,519
Disbursements:							
Current:							
Instruction	5,131	3,560	133,113	18,948	15,555	257,170	1,247,008
Support services	-	181,882	35,365	1,724	-	776,025	1,923,912
Noninstructional services	158,901	-	-	-	-	27,745	218,825
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	164,032	185,442	168,478	20,672	15,555	1,060,940	3,389,745
Excess (deficiency) of receipts over disbursements	(4,001)	100,984	-	(13,520)	4,145	39,060	539,774
Other financing sources:							
Transfers in	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,001)	100,984	-	(13,520)	4,145	39,060	539,774
Cash and investments - beginning	4,001	-	-	13,520	35	(39,060)	-
Cash and investments - ending	\$ -	\$ 100,984	\$ -	\$ -	\$ 4,180	\$ -	\$ 539,774
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 100,984	\$ -	\$ -	\$ 4,180	\$ -	\$ 539,774
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	\$ -	\$ 100,984	\$ -	\$ -	\$ 4,180	\$ -	\$ 539,774

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, 2009
 (Continued)

	Title II, Part B Math.Science	PL 108-446 14208-015-PN01	PL 108-446 PT B, IDEA 14207-053	PL 108-446 PT B, IDEA 14208-049	PL 108-446 14209-015-PN01	PL 108-446 PR 458-015-PN01	PL 108-446 PR 45708-015-PN01
Receipts:							
Local sources	\$ 15,109	\$ -	\$ -	\$ -	\$ 76	\$ -	\$ 1,154
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	9,000	252,089	50,000	105,000	3,072,047	129,901	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	24,109	252,089	50,000	105,000	3,072,123	129,901	1,154
Disbursements:							
Current:							
Instruction	24,222	252,967	4,128	-	2,713,666	72,690	2,947
Support services	-	13,463	45,872	22,274	269,093	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	24,222	266,430	50,000	22,274	2,982,759	72,690	2,947
Excess (deficiency) of receipts over disbursements	(113)	(14,341)	-	82,726	89,364	57,211	(1,793)
Other financing sources:							
Transfers in	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(113)	(14,341)	-	82,726	89,364	57,211	(1,793)
Cash and investments - beginning	113	25,652	-	-	40,185	-	1,793
Cash and investments - ending	\$ -	\$ 11,311	\$ -	\$ 82,726	\$ 129,549	\$ 57,211	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 11,311	\$ -	\$ 82,726	\$ 129,549	\$ 57,211	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 11,311	\$ -	\$ 82,726	\$ 129,549	\$ 57,211	\$ -

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, 2009
 (Continued)

	Adult Ed Family Lit 08-8007	Adult Ed Family Lit 09-8007	Safe and Drug Free Schools 06-131	Safe and Drug Free Pr. 07-131	Carl D Perkins 08-4700-2305	Carl D Perkins 09-4700-2305	Carl Perkins Robotics Pr 8-121
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	27,027	161,965	69,375	68,950	121,320	531,669	6,000
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	27,027	161,965	69,375	68,950	121,320	531,821	6,000
Disbursements:							
Current:							
Instruction	6,247	152,513	-	-	-	-	6,000
Support services	9,279	8,176	43,396	55,493	10,482	622,936	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	15,526	160,689	43,396	55,493	10,482	622,936	6,000
Excess (deficiency) of receipts over disbursements	11,501	1,276	25,979	13,457	110,838	(91,115)	-
Other financing sources:							
Transfers in	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,501	1,276	25,979	13,457	110,838	(91,115)	-
Cash and investments - beginning	(11,501)	-	(25,979)	-	(110,838)	-	-
Cash and investments - ending	\$ -	\$ 1,276	\$ -	\$ 13,457	\$ -	\$ (91,115)	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 1,276	\$ -	\$ 13,457	\$ -	\$ (91,115)	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 1,276	\$ -	\$ 13,457	\$ -	\$ (91,115)	\$ -

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, 2009
 (Continued)

	Tech Prep WDS-Central	WDS Pr. Lead the Way 08-09	Federal Medicaid	21st Century Community Learning Center	Reading First Title I, Part B 09	Title I Impr Teacher Quality 09	Title II High School Redesign 2008
Receipts:							
Local sources	\$ -	\$ -	\$ 3,705	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	-	58,578	298,557	340,800	132,680	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	-	62,283	298,557	340,800	132,680	-
Disbursements:							
Current:							
Instruction	21,120	12,668	-	325,503	50,693	-	1,410
Support services	-	15,136	26,945	-	278,539	344,305	898
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	21,120	27,804	26,945	325,503	329,232	344,305	2,308
Excess (deficiency) of receipts over disbursements	(21,120)	(27,804)	35,338	(26,946)	11,568	(211,625)	(2,308)
Other financing sources:							
Transfers in	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(21,120)	(27,804)	35,338	(26,946)	11,568	(211,625)	(2,308)
Cash and investments - beginning	(3,880)	-	133,191	21,573	-	-	2,308
Cash and investments - ending	<u>\$ (25,000)</u>	<u>\$ (27,804)</u>	<u>\$ 168,529</u>	<u>\$ (5,373)</u>	<u>\$ 11,568</u>	<u>\$ (211,625)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ (25,000)</u>	<u>\$ (27,804)</u>	<u>\$ 168,529</u>	<u>\$ (5,373)</u>	<u>\$ 11,568</u>	<u>\$ (211,625)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ (25,000)</u>	<u>\$ (27,804)</u>	<u>\$ 168,529</u>	<u>\$ (5,373)</u>	<u>\$ 11,568</u>	<u>\$ (211,625)</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, 2009
 (Continued)

	Title II, Part A Improving Teacher Quality	Local Wellness	Non-English Speaking 07-08	Title II, Part A Impr Teacher Quality 06-07	Title II, Part A Proj 02-192	Title II, Part D Enhancing Education	Title II, Part D Enhancing Ed 05
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 322	\$ 1,129	\$ 512
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	559,230	-	-	149,302	-	-	-
Temporary loans	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	<u>559,230</u>	<u>-</u>	<u>-</u>	<u>149,302</u>	<u>322</u>	<u>1,129</u>	<u>512</u>
Disbursements:							
Current:							
Instruction	48,584	130	24,513	42,693	-	-	-
Support services	553,146	-	4,658	20,793	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>601,730</u>	<u>130</u>	<u>29,171</u>	<u>63,486</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(42,500)</u>	<u>(130)</u>	<u>(29,171)</u>	<u>85,816</u>	<u>322</u>	<u>1,129</u>	<u>512</u>
Other financing sources:							
Transfers in	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(42,500)</u>	<u>(130)</u>	<u>(29,171)</u>	<u>85,816</u>	<u>322</u>	<u>1,129</u>	<u>512</u>
Cash and investments - beginning	<u>11,503</u>	<u>130</u>	<u>29,171</u>	<u>(85,816)</u>	<u>(322)</u>	<u>(1,129)</u>	<u>(512)</u>
Cash and investments - ending	<u>\$ (30,997)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	<u>\$ (30,997)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	<u>\$ (30,997)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2009
 (Continued)

	English Lang Acquisition and Enhancement	Title III, Part A 07-08	Reading First 07-08	U.S. Department of Commerce- National Telecommunications	Corp for Public Broadcasting Digital Radio	Federal Stimulus Fiscal Stability	Totals
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,979,118
Intermediate sources	-	-	-	-	-	-	3,375
State sources	-	-	-	-	-	-	1,430,752
Federal sources	363,000	-	236,296	-	35,000	7,016,092	19,328,104
Temporary loans	-	-	-	-	-	-	6,283,000
Interfund loans	-	-	-	-	-	-	1,480,000
Other	-	-	-	-	-	-	715
Total receipts	363,000	-	236,296	-	35,000	7,016,092	40,505,064
Disbursements:							
Current:							
Instruction	300,639	22,799	117,978	106,036	70,000	6,624,637	16,558,756
Support services	-	63,776	112,605	-	-	391,455	15,310,813
Noninstructional services	-	-	-	-	-	-	405,471
Debt services	-	-	-	-	-	-	4,495,000
Interfund loans	-	-	-	-	-	-	1,480,000
Total disbursements	300,639	86,575	230,583	106,036	70,000	7,016,092	38,250,040
Excess (deficiency) of receipts over disbursements	62,361	(86,575)	5,713	(106,036)	(35,000)	-	2,255,024
Other financing sources:							
Transfers in	-	-	-	-	-	-	7,838
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	62,361	(86,575)	5,713	(106,036)	(35,000)	-	2,262,862
Cash and investments - beginning	-	86,575	(5,713)	-	35,000	-	(997,119)
Cash and investments - ending	\$ 62,361	\$ -	\$ -	\$ (106,036)	\$ -	\$ -	\$ 1,265,743
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 62,361	\$ -	\$ -	\$ (106,036)	\$ -	\$ -	\$ 1,265,743
<u>Cash and Investment Fund Balance - Ending</u>							
Unrestricted	\$ 62,361	\$ -	\$ -	\$ (106,036)	\$ -	\$ -	\$ 1,265,743

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For the Year Ended June 30, 2008

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
Deductions:			
Benefits	\$ (905,864)	\$ -	\$ (905,864)
Cash and investment fund balance - beginning	<u>9,878,798</u>	<u>2,350,000</u>	<u>12,228,798</u>
Cash and investment fund balance - ending	<u>\$ 8,972,934</u>	<u>\$ 2,350,000</u>	<u>\$ 11,322,934</u>
Net assets:			
Cash and investments	<u>\$ 8,972,934</u>	<u>\$ 2,350,000</u>	<u>\$ 11,322,934</u>
Total net assets - cash and investment basis held in trust	<u>\$ 8,972,934</u>	<u>\$ 2,350,000</u>	<u>\$ 11,322,934</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, 2009

	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefit	Totals
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Other	\$ 32	\$ -	\$ 32
Deductions:			
Benefits	<u>1,347,697</u>	<u> -</u>	<u>1,347,697</u>
Deficiency of total additions over total deductions	(1,347,665)	-	(1,347,665)
Cash and investment fund balance - beginning	<u>8,972,934</u>	<u>2,350,000</u>	<u>11,322,934</u>
Cash and investment fund balance - ending	<u>\$ 7,625,269</u>	<u>\$ 2,350,000</u>	<u>\$ 9,975,269</u>
Net assets:			
Cash and investments	<u>\$ 7,625,269</u>	<u>\$ 2,350,000</u>	<u>\$ 9,975,269</u>
Total net assets - cash and investment basis held in trust	<u>\$ 7,625,269</u>	<u>\$ 2,350,000</u>	<u>\$ 9,975,269</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	COACH	ECS-21st Century Supp Ed Sv	Gifts and Donations	Early/After School Child Care	Innovative Educator Cleveland	Genesis Drum 2 Change Grant	ABE Bristol Headstart
Additions:							
Contributions:							
Other	\$ 10,725	\$ 348,697	\$ 148,317	\$ 353,676	\$ 500	\$ -	\$ -
Deductions:							
Administrative and general	2,143	215,631	145,847	350,246	500	394	2,384
Excess (deficiency) of total additions over total deductions	8,582	133,066	2,470	3,430	-	(394)	(2,384)
Cash and investment fund balance - beginning	19,640	(17,435)	76,336	138,621	-	-	-
Cash and investments - June 30	<u>\$ 28,222</u>	<u>\$ 115,631</u>	<u>\$ 78,806</u>	<u>\$ 142,051</u>	<u>\$ -</u>	<u>\$ (394)</u>	<u>\$ (2,384)</u>
Net assets:							
Cash and investments	<u>\$ 28,222</u>	<u>\$ 115,631</u>	<u>\$ 78,806</u>	<u>\$ 142,051</u>	<u>\$ -</u>	<u>\$ (394)</u>	<u>\$ (2,384)</u>
Total net assets - cash and investment basis held in trust	<u>\$ 28,222</u>	<u>\$ 115,631</u>	<u>\$ 78,806</u>	<u>\$ 142,051</u>	<u>\$ -</u>	<u>\$ (394)</u>	<u>\$ (2,384)</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Elk CY Commissioners Grant 07-08	Indiana Math Initiative	WVPE	Earth Science Field Trip	U.S. History Field Trip	Marine Biology Field Trip	Totals
Additions:							
Contributions:							
Other	\$ -	\$ 17,296	\$ 1,153,892	\$ 25,755	\$ 33,977	\$ 17,192	\$ 2,110,027
Deductions:							
Administrative and general	6,518	19,713	1,229,945	27,383	32,103	14,383	2,047,190
Excess (deficiency) of total additions over total deductions	(6,518)	(2,417)	(76,053)	(1,628)	1,874	2,809	62,837
Cash and investment fund balance - beginning	6,500	8,804	(122,567)	13,447	3,560	1,007	127,913
Cash and investments - June 30	<u>\$ (18)</u>	<u>\$ 6,387</u>	<u>\$ (198,620)</u>	<u>\$ 11,819</u>	<u>\$ 5,434</u>	<u>\$ 3,816</u>	<u>\$ 190,750</u>
Net assets:							
Cash and investments	<u>\$ (18)</u>	<u>\$ 6,387</u>	<u>\$ (198,620)</u>	<u>\$ 11,819</u>	<u>\$ 5,434</u>	<u>\$ 3,816</u>	<u>\$ 190,750</u>
Total net assets - cash and investment basis held in trust	<u>\$ (18)</u>	<u>\$ 6,387</u>	<u>\$ (198,620)</u>	<u>\$ 11,819</u>	<u>\$ 5,434</u>	<u>\$ 3,816</u>	<u>\$ 190,750</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	COACH	ECS-21st Century Supp Ed Sv	Gifts and Donations	Early/After School Child Care	Learning Generation Initiat 08-09	Genesis Drum 2 Change Grant
Additions:						
Contributions:						
Other	\$ 8,130	\$ 292,705	\$ 34,849	\$ 272,843	\$ 2,500	\$ 3,000
Deductions:						
Administrative and general	10,353	220,185	33,240	325,591	2,500	2,606
Excess (deficiency) of total additions over total deductions	(2,223)	72,520	1,609	(52,748)	-	394
Cash and investment fund balance - beginning	28,222	115,631	78,806	142,051	-	(394)
Cash and investments - June 30	<u>\$ 25,999</u>	<u>\$ 188,151</u>	<u>\$ 80,415</u>	<u>\$ 89,303</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:						
Cash and investments	<u>\$ 25,999</u>	<u>\$ 188,151</u>	<u>\$ 80,415</u>	<u>\$ 89,303</u>	<u>\$ -</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 25,999</u>	<u>\$ 188,151</u>	<u>\$ 80,415</u>	<u>\$ 89,303</u>	<u>\$ -</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Elk CY Safe and Drug Free Sch 08	ABE Bristol Headstart	Elk Cy Community Correct 08-09	Elk County Community Grant 08-09	Elk CY Commissioners Grant 07-08	Indiana Youth 08-09
Additions:						
Contributions:						
Other	\$ 5,415	\$ 10,500	\$ -	\$ 5,000	\$ 18	\$ 401
Deductions:						
Administrative and general	8,415	4,918	40,863	5,000	-	401
Excess (deficiency) of total additions over total deductions	(3,000)	5,582	(40,863)	-	18	-
Cash and investment fund balance - beginning	-	(2,384)	-	-	(18)	-
Cash and investments - June 30	<u>\$ (3,000)</u>	<u>\$ 3,198</u>	<u>\$ (40,863)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net assets:						
Cash and investments	\$ (3,000)	\$ 3,198	\$ (40,863)	\$ -	\$ -	\$ -
Total net assets - cash and investment basis held in trust	<u>\$ (3,000)</u>	<u>\$ 3,198</u>	<u>\$ (40,863)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	TCU Teacher Grant 2008-09	Cares Grant 08-09	IN Youth Institute Prov Dev 08	Headstart Supply	Indiana Math Initiative
Additions:					
Contributions:					
Other	\$ 824	\$ 1,000	\$ 558	\$ 4,800	\$ 22,000
Deductions:					
Administrative and general	715	700	558	860	28,387
Excess (deficiency) of total additions over total deductions	109	300	-	3,940	(6,387)
Cash and investment fund balance - beginning	-	-	-	-	6,387
Cash and investments - June 30	<u>\$ 109</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 3,940</u>	<u>\$ -</u>
Net assets:					
Cash and investments	<u>\$ 109</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 3,940</u>	<u>\$ -</u>
Total net assets - cash and investment basis held in trust	<u>\$ 109</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ 3,940</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	WVPE	Earth Science Field Trip	U.S. History Field Trip	Marine Biology Field Trip	Totals
Additions:					
Contributions:					
Other	\$ 1,108,083	\$ 18,271	\$ 1,041	\$ 5,736	\$ 1,797,674
Deductions:					
Administrative and general	1,219,701	20,210	6,475	9,552	1,941,230
Excess (deficiency) of total additions over total deductions	(111,618)	(1,939)	(5,434)	(3,816)	(143,556)
Cash and investment fund balance - beginning	(198,620)	11,819	5,434	3,816	190,750
Cash and investments - June 30	<u>\$ (310,238)</u>	<u>\$ 9,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,194</u>
Net assets:					
Cash and investments	<u>\$ (310,238)</u>	<u>\$ 9,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,194</u>
Total net assets - cash and investment basis held in trust	<u>\$ (310,238)</u>	<u>\$ 9,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,194</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS AND
 CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2008

	<u>Payroll</u>
Additions:	
Agency fund additions	<u>\$ 69,767,823</u>
Deductions:	
Agency fund deductions	<u>69,752,019</u>
Excess of total additions over total deductions	15,804
Cash and investment fund balance - beginning	<u>2,368,799</u>
Cash and investment fund balance - ending	<u><u>\$ 2,384,603</u></u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS AND
 CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUND
 For the Year Ended June 30, 2009

	<u>Payroll</u>
Additions:	
Agency fund additions	<u>\$ 72,894,501</u>
Deductions:	
Agency fund deductions	<u>74,011,501</u>
Deficiency of total additions over total deductions	(1,117,000)
Cash and investment fund balance - beginning	<u>2,384,603</u>
Cash and investment fund balance - ending	<u><u>\$ 1,267,603</u></u>

ELKHART COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2009

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	118,400,505
Improvements other than buildings	4,485,342
Machinery and equipment	<u>17,789,484</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 142,828,757</u>

ELKHART COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

The School Corporation has entered into the following long-term debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Cleveland Elementary School	\$ 2,845,000	\$ 2,944,510
Bristol Elementary	10,685,000	1,566,000
High School Additions	25,990,000	3,579,000
Elkhart Area Career Center	9,180,000	458,000
Beck Elementary School	12,005,000	1,276,000
Hawthorne Elementary School	9,245,000	903,500
Roosevelt Elementary School	15,790,000	1,326,000
Riverview Elementary School	5,005,000	434,000
Pinewood Elementary School	<u>7,890,000</u>	<u>662,000</u>
 Total capital leases	 <u>98,635,000</u>	 <u>13,149,010</u>
 Notes and loans payable	 <u>1,345,368</u>	 <u>395,723</u>
 Bonds payable:		
General obligation bonds:		
2000 Bonds	325,000	337,250
2002 Bonds	1,010,000	431,413
2005 Bonds	5,565,000	424,825
2006 Pension Bonds	<u>32,560,000</u>	<u>2,931,466</u>
 Total bonds payable	 <u>39,460,000</u>	 <u>4,124,954</u>
 Total governmental activities debt	 <u>\$ 139,440,368</u>	 <u>\$ 17,669,687</u>

ELKHART COMMUNITY SCHOOLS
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balance of the WVPE Fund was overdrawn throughout the audit period. A similar comment appeared in the prior report.

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)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE 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, 2008 and 2009. 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, 2008 and 2009.

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.

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

December 7, 2009

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 690,240	\$ 878,520
National School Lunch Program	10.555		3,076,343	3,467,423
Summer Food Service Program for Children	10.559		73,055	78,052
Total for cluster			<u>3,839,638</u>	<u>4,423,995</u>
Child and Adult Care Food Program	10.558		5,554	6,064
Total for Federal Grantor Agency			<u>3,845,192</u>	<u>4,430,059</u>
U.S. DEPARTMENT OF COMMERCE				
Direct Grant				
Public Telecommunications Facilities Planning and Construction	11.55		-	106,036
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	14208-015-PN01	2,774,348	266,430
		14209-015-PN01	405,482	2,982,759
		14208-049	-	22,274
		14207-053	-	50,000
Total for program			<u>3,179,830</u>	<u>3,321,463</u>
Special Education - Preschool Grants	84.173	45707-015-PN01	14,194	-
		45708-015-PN01	130,217	2,947
		45709-015-PN01	-	72,690
Total for program			<u>144,411</u>	<u>75,637</u>
Total for Cluster			<u>3,324,241</u>	<u>3,397,100</u>
Adult Education - Basic Grants to States	84.002	2007-8401	3,050	-
		2008-8007	136,584	15,526
		2009-8007	-	160,688
Total for program			<u>139,634</u>	<u>176,214</u>
Title I Grants to Local Educational Agencies	84.01	07-2305	1,281,905	-
		08-2305	3,086,705	1,060,940
		09-2305	-	3,389,744
		08-2305 Improvement	130,937	168,478
		09-2305 Improvement	-	185,442
Total for program			<u>4,499,547</u>	<u>4,804,604</u>
Career and Technical Education - Basic Grants to States	84.048	07-4700-08-2305	61,844	-
		08-4700-08-2305	527,709	10,482
		09-4700-08-2305	-	622,936
Pass-Through Indiana Department of Workforce Development		SPL-BIO-7-121	3,880	21,120
		Robotics 8-121	-	6,000
Total for program			<u>593,433</u>	<u>660,538</u>
Pass-Through Indiana Department of Education				
Safe and Drug Free Schools and Communities - State Grants	84.186	05-131	11,387	-
		06-131	25,979	43,396
		07-131	-	55,493
Total for program			<u>37,366</u>	<u>98,889</u>

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, 2008 and 2009
(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 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Workforce Development Tech - Prep Education	84.243	PLTW-8-121 TP-8-121	-	14,993
			-	12,812
Total for program			-	27,805
Pass-Through Indiana Department of Education Twenty-First Century Community Learning Centers	84.287		281,147	325,503
State Grants for Innovative Programs	84.298	05-099 06-07 08-09	6,939 6,640 2,765	- 20,672 15,555
Total for program			16,344	36,227
Reading First State Grants	84.357	06-07 07-08 08-09	123,935 379,420 -	- 230,583 329,232
Total for program			503,355	559,815
English Language Acquisition Grants	84.365	06-07 07-08 07-08, Part A 08-09	114,646 357,833 371,025 -	- 29,171 86,575 300,639
Total for program			843,504	416,385
Mathematics and Science Partnerships	84.366	FY 06-07	148,468	24,222
Improving Teacher Quality State Grants	84.367	05-140 06-07 HS Redesign 07-08 08-09	49,805 567,920 3,201 64,851 -	- 63,486 2,308 601,729 344,305
Total for program			685,777	1,011,828
State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		-	7,016,092
Total for federal grantor agency			11,072,816	18,555,222
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		7,036	67,906
Total federal awards expended			\$ 14,925,044	\$ 23,159,223

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, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>2008</u>	<u>2009</u>
Child Nutrition Cluster	10.555	<u>\$ 188,539</u>	<u>\$ 280,698</u>

III. Subsequent Events

The School Corporation has received approval for the following grants funded through the American Recovery and Investment ACT (ARRA):

Title I Grants to LEA's	\$ 2,703,060
State Child Nutrition Programs	87,900
Special Education Grants to States	3,405,769
Special Education Preschool Grants	126,216
State Fiscal Stabilization Funds	949,558

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
Significant deficiencies 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
Significant deficiencies 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
	Child Nutrition Cluster
	Special Education Cluster
84.048	Career and Technical Education – Basic Grants to States
84.394	ARRA - State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act

Dollar threshold used to distinguish between Type A and Type B programs: \$1,128,451

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
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

ELKHART COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2009, with Mark T. Mow, Superintendent of Schools; Glenn L. Duncan, President of the School Board; and Douglas A. Hasler, Treasurer.