

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

AUDIT REPORT

OF

ELWOOD COMMUNITY SCHOOL CORPORATION

MADISON COUNTY, INDIANA

July 1, 2008 to June 30, 2010



**FILED**  
03/09/2011



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager/Treasurer	Joa L. Griffith	07-01-08 to 06-30-11
Superintendent of Schools	Thomas W. Austin Glenn A. Nelson	07-01-08 to 04-11-10 04-12-10 to 06-30-11
President of the School Board	Robert Savage Richard Herndon Stephanie Hoel	07-01-08 to 06-30-09 07-01-09 to 06-30-10 07-01-10 to 06-30-11



**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 ELWOOD COMMUNITY SCHOOL  
CORPORATION, MADISON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Elwood Community School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2009 and 2010, 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 February 9, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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 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 School Corporation has not presented Management's Discussion and Analysis, Schedules of Funding Progress, Schedule 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 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 Long-Term Debt has 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 it.

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 9, 2011



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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 ELWOOD COMMUNITY SCHOOL  
CORPORATION, MADISON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Elwood Community School Corporation (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in item 2010-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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.

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)

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. However, we believe that the significant deficiency described above is not a material weakness.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

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

February 9, 2011

ELWOOD COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 10,547,712	\$ -	\$ 75,295	\$ (10,472,417)
Support services	6,493,324	404,275	627,651	(5,461,398)
Noninstructional services	1,203,524	-	-	(1,203,524)
Facilities acquisition and construction	2,366,976	-	-	(2,366,976)
Debt service	5,454,665	-	-	(5,454,665)
Nonprogrammed charges	229,728	-	-	(229,728)
<b>Total governmental activities</b>	<b><u>\$ 26,295,929</u></b>	<b><u>\$ 404,275</u></b>	<b><u>\$ 702,946</u></b>	<b><u>(25,188,708)</u></b>
General receipts:				
Property taxes				5,789,518
Other local sources				1,200,642
State aid				9,969,725
Bonds and loans				3,987,665
Grants and contributions not restricted to specific programs				3,418,544
Investment earnings				35,119
Other				33,189
<b>Total general receipts</b>				<b><u>24,434,402</u></b>
Change in net assets				(754,306)
Net assets - beginning				<u>3,611,190</u>
Net assets - ending				<b><u>\$ 2,856,884</u></b>
<u>Assets</u>				
Cash and investments				\$ 2,730,823
Restricted assets:				
Cash and investments				<u>126,061</u>
<b>Total assets</b>				<b><u>\$ 2,856,884</u></b>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 126,061
Unrestricted				<u>2,730,823</u>
<b>Total net assets</b>				<b><u>\$ 2,856,884</u></b>

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 9,632,206	\$ -	\$ 266,276	\$ (9,365,930)
Support services	6,373,108	391,239	671,542	(5,310,327)
Noninstructional services	1,158,300	-	-	(1,158,300)
Facilities acquisition and construction	2,426,116	-	-	(2,426,116)
Debt service	4,296,573	-	-	(4,296,573)
Nonprogrammed charges	418,824	-	-	(418,824)
<u>Total governmental activities</u>	<u>\$ 24,305,127</u>	<u>\$ 391,239</u>	<u>\$ 937,818</u>	<u>(22,976,070)</u>
General receipts:				
Property taxes				3,193,422
Other local sources				1,053,545
State aid				11,061,512
Bonds and loans				4,683,306
Grants and contributions not restricted to specific programs				3,857,155
Investment earnings				4,826
Other				8,825
<u>Total general receipts</u>				<u>23,862,591</u>
Change in net assets				886,521
Net assets - beginning				2,856,884
<u>Net assets - ending</u>				<u>\$ 3,743,405</u>
<u>Assets</u>				
Cash and investments				\$ 3,704,213
Restricted assets:				
Cash and investments				39,192
<u>Total assets</u>				<u>\$ 3,743,405</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 39,192
Unrestricted				3,704,213
<u>Total net assets</u>				<u>\$ 3,743,405</u>

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
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	Fiscal Stabilization	Debt Service	Other	Totals
<b>Receipts:</b>					
Local sources	\$ 2,275,439	\$ -	\$ 2,675,787	\$ 2,469,571	\$ 7,420,797
Intermediate sources	88	-	-	8,669	8,757
State sources	9,942,413	-	-	342,500	10,284,913
Federal sources	-	970,080	-	2,836,222	3,806,302
Loans	143,758	-	1,015,679	2,828,226	3,987,663
Other	-	-	-	33,190	33,190
<b>Total receipts</b>	<b>12,361,698</b>	<b>970,080</b>	<b>3,691,466</b>	<b>8,518,378</b>	<b>25,541,622</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	8,741,921	-	-	1,806,236	10,548,157
Support services	4,399,154	-	603	2,093,568	6,493,325
Noninstructional services	189,800	-	-	1,013,724	1,203,524
Facilities acquisition and construction	22,948	-	-	2,344,028	2,366,976
Debt services	687,148	-	3,410,346	1,357,170	5,454,664
Nonprogrammed charges	19,938	-	-	209,344	229,282
<b>Total disbursements</b>	<b>14,060,909</b>	<b>-</b>	<b>3,410,949</b>	<b>8,824,070</b>	<b>26,295,928</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(1,699,211)</b>	<b>970,080</b>	<b>280,517</b>	<b>(305,692)</b>	<b>(754,306)</b>
<b>Other financing sources (uses):</b>					
Transfers in	229,921	-	186,125	-	416,046
Transfers out	(186,125)	-	(186,125)	(43,796)	(416,046)
<b>Total other financing sources (uses)</b>	<b>43,796</b>	<b>-</b>	<b>-</b>	<b>(43,796)</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(1,655,415)</b>	<b>970,080</b>	<b>280,517</b>	<b>(349,488)</b>	<b>(754,306)</b>
<b>Cash and investments - beginning</b>	<b>2,153,521</b>	<b>-</b>	<b>(155,528)</b>	<b>1,613,197</b>	<b>3,611,190</b>
<b>Cash and investments - ending</b>	<b>\$ 498,106</b>	<b>\$ 970,080</b>	<b>\$ 124,989</b>	<b>\$ 1,263,709</b>	<b>\$ 2,856,884</b>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 498,106	\$ 970,080	\$ -	\$ 1,262,637	\$ 2,730,823
Restricted assets:					
Cash and investments	-	-	124,989	1,072	126,061
<b>Total cash and investment assets - ending</b>	<b>\$ 498,106</b>	<b>\$ 970,080</b>	<b>\$ 124,989</b>	<b>\$ 1,263,709</b>	<b>\$ 2,856,884</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ 124,989	\$ 1,072	\$ 126,061
Unrestricted	498,106	970,080	-	1,262,637	2,730,823
<b>Total cash and investment fund balance - ending</b>	<b>\$ 498,106</b>	<b>\$ 970,080</b>	<b>\$ 124,989</b>	<b>\$ 1,263,709</b>	<b>\$ 2,856,884</b>

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
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, 2010

	General	Fiscal Stabilization	Debt Service	Other	Totals
<b>Receipts:</b>					
Local sources	\$ 527,555	\$ -	\$ 1,576,078	\$ 2,531,673	\$ 4,635,306
Intermediate sources	-	-	-	7,725	7,725
State sources	11,211,281	-	347,697	214,707	11,773,685
Federal sources	-	352,891	-	3,731,179	4,084,070
Loans	522,845	-	990,007	3,170,454	4,683,306
Other	-	-	-	7,558	7,558
<b>Total receipts</b>	<b>12,261,681</b>	<b>352,891</b>	<b>2,913,782</b>	<b>9,663,296</b>	<b>25,191,650</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	6,867,517	1,062,865	-	1,701,824	9,632,206
Support services	3,931,911	240,603	-	2,199,743	6,372,257
Noninstructional services	121,778	19,503	-	1,017,018	1,158,299
Facilities acquisition and construction	12,606	-	-	2,413,510	2,426,116
Debt services	154,975	-	3,001,277	1,140,322	4,296,574
Nonprogrammed charges	258,183	-	-	161,494	419,677
<b>Total disbursements</b>	<b>11,346,970</b>	<b>1,322,971</b>	<b>3,001,277</b>	<b>8,633,911</b>	<b>24,305,129</b>
Excess (deficiency) of receipts over disbursements	914,711	(970,080)	(87,495)	1,029,385	886,521
<b>Other financing sources (uses):</b>					
Transfers in	1,159	-	-	1,402	2,561
Transfers out	-	-	(1,402)	(1,159)	(2,561)
<b>Total other financing sources (uses)</b>	<b>1,159</b>	<b>-</b>	<b>(1,402)</b>	<b>243</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	915,870	(970,080)	(88,897)	1,029,628	886,521
Cash and investments - beginning	498,106	970,080	124,989	1,263,709	2,856,884
Cash and investments - ending	<u>\$ 1,413,976</u>	<u>\$ -</u>	<u>\$ 36,092</u>	<u>\$ 2,293,337</u>	<u>\$ 3,743,405</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ 1,413,976	\$ -	\$ -	\$ 2,290,237	\$ 3,704,213
Restricted assets:					
Cash and investments	-	-	36,092	3,100	39,192
<b>Total cash and investment assets - ending</b>	<b><u>\$ 1,413,976</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 36,092</u></b>	<b><u>\$ 2,293,337</u></b>	<b><u>\$ 3,743,405</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Debt service	\$ -	\$ -	\$ 36,092	\$ 3,100	\$ 39,192
Unrestricted	1,413,976	-	-	2,290,237	3,704,213
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 1,413,976</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 36,092</u></b>	<b><u>\$ 2,293,337</u></b>	<b><u>\$ 3,743,405</u></b>

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2009

	<u>Agency Funds</u>
Cash and investment fund balance - ending	<u>\$ 92,679</u>
Net assets:	
Cash and investments	<u>\$ 92,679</u>
Total net assets - cash and investment basis held in trust	<u>\$ 92,679</u>

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2010

	<u>Agency Funds</u>
Cash and investment fund balance - ending	<u>\$ 113,277</u>
Net assets:	
Cash and investments	<u>\$ 113,277</u>
Total net assets - cash and investment basis held in trust	<u>\$ 113,277</u>

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
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: Elwood Community School Corporation

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 in a joint venture to operate the East Central Educational Service Center (Service Center) which was created to increase the School Corporation's purchasing power when buying services, materials, supplies, and equipment. The Service Center's continued existence depends on continued funding by the School Corporation. The School Corporation is obligated by contract to remit \$7,597 annually to supplement the East Central Educational Service Center (Service Center). Complete financial statements for the East Central Educational Service Center (Service Center) can be obtained from East Central Educational Services Center, 1601 Indiana Avenue, Connersville, IN 47331.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

The School Corporation reports the following major governmental funds:

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

The fiscal stabilization fund is used to account for proceeds of a federal grant from the American Recovery and Reinvestment Act of 2009.

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.

Additionally, the School Corporation reports the following fund type:

Agency funds account for assets held by the School Corporation as an agent for employees, federal and state agencies, and other insurance companies and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental 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 people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any proprietary 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.

ELWOOD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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. 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 may become delinquent if not paid by May 10 and November 10, respectively.

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

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

Fund Financial Statements

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Receipts and Disbursements

Program Receipts

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

F. Internal and Interfund 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 in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is 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 except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

ELWOOD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, 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 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. At June 30, 2009 and 2010, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2009	2010
Special Education Preschool	\$ 3,064	\$ -
Adult and Continuing Education I	-	9,675
Adult and Continuing Education II	24,975	-
Adult Continuing Ed English	-	396
Safe Hiring Solutions	-	858
Jobsource Grant	7,500	-
Madison Co. Foundation High School	6,336	-
Exceptional Learners	19,721	-
Adult Basic Education FY 08-09	878	-
Perkins Grant FY 08-09	4,034	-
Perkins Grant FY 09-10	-	5,014
Special Ed Part B Stimulus	-	10,471
Remodeling and Equipment	-	28
Totals	<u>\$ 66,508</u>	<u>\$ 26,442</u>

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

ELWOOD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

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. IC 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 December 31, 2010, the School Corporation had deposit balances in the amount of \$4,148,641.

The 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.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2009 and 2010, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2009</u>	<u>2010</u>
General Fund	Debt Service Fund	\$ 186,125	\$ -
Debt Service Fund	General Fund	186,125	-
	Other Governmental Funds	-	1,402
Other Governmental Funds	General Fund	<u>43,796</u>	<u>1,159</u>
Totals		<u>\$ 416,046</u>	<u>\$ 2,561</u>

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

C. Reclassifications

For the year ended June 30, 2010, 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 2008</u>	<u>Fund Reclassification</u>	<u>Balance as Restated July 1 2008</u>
Governmental activities	\$ 3,609,222	\$ 1,968	\$ 3,611,190
Governmental funds	3,609,222	1,968	3,611,190
Private-purpose trust funds	1,968	(1,968)	-

ELWOOD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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; 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 risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The School Corporation has entered into a capital lease with Elwood Middle School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Final lease payments during the year 2009 and 2010, totaled \$864,232 and \$338,000, respectively.

C. Termination Benefits

In June 2005, an end of service/retirement option was made available to certified staff of the Elwood Community School Corporation who had attained the age of 55 and had completed 15 years of employment with the school district. The option offered was that the School Corporation would pay 100% of a single health insurance premium through and including September 2008. Eight certified staff accepted this option. Disbursements for this benefit are recognized on a pay-as-you-go basis. During the school year ended June 30, 2009, disbursements of \$6,468 were recognized as the cost of this benefit.

In April 2007, an end of service/retirement option was made available to certified staff of the Elwood Community School Corporation who had attained the age of 55 and had completed 15 years of employment with the school district. The option offered was that the School Corporation would pay 100% of a single health insurance premium through and including August 31, 2011, or at age 65. Eight certified staff accepted this option. Disbursements for this benefit are recognized on a pay-as-you-go basis. During the school year ended June 30, 2009 and 2010, disbursements of \$41,916 and \$33,250, respectively, were recognized as the cost of this benefit.

In March 2009, an end of service/retirement option was made available to certified staff of the Elwood Community School Corporation. Tier One was available for certified staff members who had attained the age of 62 as of Friday, August 7, 2009, and had completed 10 years of employment with the school district. The School Corporation agreed to pay 100% of a single health insurance premium for a maximum of 3 years or until the month that the certified employee reaches the age of 65, whichever comes first. Also, the certified employee eligible under the terms of Tier One would receive a one-time contribution of \$12,000 to their VEBA account. Four certified staff accepted this option. Tier Two was available for certified staff members who had

ELWOOD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

attained the age of 55 years of age by Friday, August 7, 2009, and had completed 10 years of employment with the school district. The option offered was that the School Corporation would pay 100% of a single health insurance premium for a maximum of 4 years or until the month that the certified employee reaches the age of 65, whichever comes first. Also, the certified employee eligible under the terms of Tier Two would receive a one-time contribution of \$8,000 to their VEBA account. Seven certified staff accepted this option. During the school year ended June 30, 2010, disbursements of \$142,475 were recognized as the cost of this benefit.

In March 2010, an end of service/retirement option was made available to certified staff of the Elwood Community School Corporation who had attained the age of 55 by June 1, 2010, and had completed 10 years of employment with the school district. The School Corporation agreed to pay a lump sum contribution of \$20,000 to an employee's VEBA account by October 1, 2010. Sixteen certified staff accepted this option. No payments were made related to this option during the audit period.

D. Subsequent Events

The School Corporation has entered into a loan agreement in the amount of \$6,200,000 for heating and cooling (HVAC) improvements at the high school. Presently, the School Corporation has drawn \$4,637,199 for this purpose.

The School Corporation has entered into a Common School Loan in the amount of \$171,492 to finance corporation-wide technology improvements.

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:

ELWOOD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$277,858.

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

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's contributions to the plan during the period were \$461,666.

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Preschool Tuition	Educational License Plate
Receipts:							
Local sources	\$ 506,508	\$ -	\$ 355,181	\$ 94,609	\$ -	\$ 8,416	\$ -
Intermediate sources	-	-	-	-	-	-	469
State sources	5,000	69,761	7,767	-	-	-	-
Federal sources	-	-	563,938	-	-	-	-
Temporary loans	276,343	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>787,851</b>	<b>69,761</b>	<b>926,886</b>	<b>94,609</b>	<b>-</b>	<b>8,416</b>	<b>469</b>
Disbursements:							
Current:							
Instruction	-	91,499	-	-	-	5,644	-
Support services	470,314	1,420	22,281	82,810	-	115	60
Noninstructional services	-	-	955,866	-	-	-	-
Facilities acquisition and construction	-	-	600	-	-	-	-
Debt services	268,954	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>739,268</b>	<b>92,919</b>	<b>978,747</b>	<b>82,810</b>	<b>-</b>	<b>5,759</b>	<b>60</b>
Excess (deficiency) of receipts over disbursements	48,583	(23,158)	(51,861)	11,799	-	2,657	409
Other financing sources (uses):							
Transfers out	-	-	-	-	(43,796)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,796)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	48,583	(23,158)	(51,861)	11,799	(43,796)	2,657	409
Cash and investments - beginning	65,117	20,094	281,865	156,236	43,796	2,100	4,061
Cash and investments - ending	\$ 113,700	\$ (3,064)	\$ 230,004	\$ 168,035	\$ -	\$ 4,757	\$ 4,470
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 113,700	\$ (3,064)	\$ 230,004	\$ 168,035	\$ -	\$ 4,757	\$ 4,470
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 113,700</b>	<b>\$ (3,064)</b>	<b>\$ 230,004</b>	<b>\$ 168,035</b>	<b>\$ -</b>	<b>\$ 4,757</b>	<b>\$ 4,470</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	113,700	(3,064)	230,004	168,035	-	4,757	4,470
<b>Total cash and investment fund balance - ending</b>	<b>\$ 113,700</b>	<b>\$ (3,064)</b>	<b>\$ 230,004</b>	<b>\$ 168,035</b>	<b>\$ -</b>	<b>\$ 4,757</b>	<b>\$ 4,470</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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)

	Alternative Education Grant	Safe School Haven	Early Intervention	Safe Haven FY 08-09	Dollar General Grant	Adult and Continuing Education I	Adult and Continuing Education II
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ 12,000	\$ 4,528	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	6,756	4,770	32,400	-	-	23,201	23,411
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<u>6,756</u>	<u>4,770</u>	<u>32,400</u>	<u>12,000</u>	<u>4,528</u>	<u>23,201</u>	<u>23,411</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	150	-	482	4,528	228	48,386
Support services	12,090	2,170	32,400	3,793	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	1,725	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<u>12,090</u>	<u>2,320</u>	<u>32,400</u>	<u>6,000</u>	<u>4,528</u>	<u>228</u>	<u>48,386</u>
Excess (deficiency) of receipts over disbursements	<u>(5,334)</u>	<u>2,450</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>22,973</u>	<u>(24,975)</u>
<b>Other financing sources (uses):</b>							
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,334)</u>	<u>2,450</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>22,973</u>	<u>(24,975)</u>
Cash and investments - beginning	<u>5,452</u>	<u>(2,450)</u>	<u>-</u>	<u>13,303</u>	<u>-</u>	<u>(4,870)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,303</u>	<u>\$ -</u>	<u>\$ 18,103</u>	<u>\$ (24,975)</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ 118	\$ -	\$ -	\$ 19,303	\$ -	\$ 18,103	\$ (24,975)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,303</u>	<u>\$ -</u>	<u>\$ 18,103</u>	<u>\$ (24,975)</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>118</u>	<u>-</u>	<u>-</u>	<u>19,303</u>	<u>-</u>	<u>18,103</u>	<u>(24,975)</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,303</u>	<u>\$ -</u>	<u>\$ 18,103</u>	<u>\$ (24,975)</u>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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)

	Jobsource Grant	Adult Continuing Ed English	Wellness Grant	Scholarships Coca-Cola	Madison Co Foundation High School	Gifted and Talented	High Ability FY 09-10
<b>Receipts:</b>							
Local sources	\$ -	\$ 527	\$ 17,100	\$ 1,500	\$ -	\$ -	\$ -
Intermediate sources	8,200	-	-	-	-	-	-
State sources	-	-	-	-	-	33,591	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>8,200</b>	<b>527</b>	<b>17,100</b>	<b>1,500</b>	<b>-</b>	<b>33,591</b>	<b>-</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	15,700	-	-	-	-	24,277	6,551
Support services	-	-	9,388	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	1,500	-	-	-
<b>Total disbursements</b>	<b>15,700</b>	<b>-</b>	<b>9,388</b>	<b>1,500</b>	<b>-</b>	<b>24,277</b>	<b>6,551</b>
Excess (deficiency) of receipts over disbursements	(7,500)	527	7,712	-	-	9,314	(6,551)
<b>Other financing sources (uses):</b>							
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,500)	527	7,712	-	-	9,314	(6,551)
Cash and investments - beginning	-	(527)	-	400	(6,336)	-	6,551
Cash and investments - ending	<u>\$ (7,500)</u>	<u>\$ -</u>	<u>\$ 7,712</u>	<u>\$ 400</u>	<u>\$ (6,336)</u>	<u>\$ 9,314</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
Cash and investments	\$ (7,500)	\$ -	\$ 7,712	\$ 400	\$ (6,336)	\$ 9,314	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b><u>\$ (7,500)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,712</u></b>	<b><u>\$ 400</u></b>	<b><u>\$ (6,336)</u></b>	<b><u>\$ 9,314</u></b>	<b><u>\$ -</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(7,500)	-	7,712	400	(6,336)	9,314	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ (7,500)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 7,712</u></b>	<b><u>\$ 400</u></b>	<b><u>\$ (6,336)</u></b>	<b><u>\$ 9,314</u></b>	<b><u>\$ -</u></b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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)

	Non-English Speaking	School Technology	Non-English Speaking Program	IN Access Linux Grant	McKinney Vento Transportation	Student Workbooks & Supplies	Title I FY 08-09
<b>Receipts:</b>							
Local sources	\$ -	\$ 44,283	\$ -	\$ -	\$ -	\$ 2,477	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	12,403	-	-	2,500	5,000	55,947	-
Federal sources	-	-	-	-	-	-	631,492
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>12,403</b>	<b>44,283</b>	<b>-</b>	<b>2,500</b>	<b>5,000</b>	<b>58,424</b>	<b>631,492</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	-	-	364,479
Support services	17,580	7,234	-	-	5,585	59,135	87,052
Noninstructional services	-	-	-	-	-	-	39,204
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>17,580</b>	<b>7,234</b>	<b>-</b>	<b>-</b>	<b>5,585</b>	<b>59,135</b>	<b>490,735</b>
Excess (deficiency) of receipts over disbursements	(5,177)	37,049	-	2,500	(585)	(711)	140,757
<b>Other financing sources (uses):</b>							
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,177)	37,049	-	2,500	(585)	(711)	140,757
Cash and investments - beginning	7,060	8,538	295	-	4,844	1,174	-
Cash and investments - ending	\$ 1,883	\$ 45,587	\$ 295	\$ 2,500	\$ 4,259	\$ 463	\$ 140,757
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 1,883	\$ 45,587	\$ 295	\$ 2,500	\$ 4,259	\$ 463	\$ 140,757
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,883</b>	<b>\$ 45,587</b>	<b>\$ 295</b>	<b>\$ 2,500</b>	<b>\$ 4,259</b>	<b>\$ 463</b>	<b>\$ 140,757</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,883	45,587	295	2,500	4,259	463	140,757
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,883</b>	<b>\$ 45,587</b>	<b>\$ 295</b>	<b>\$ 2,500</b>	<b>\$ 4,259</b>	<b>\$ 463</b>	<b>\$ 140,757</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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 I FY 09-10	Title I School Improvement I	Title I School Improvement II	Title VI FY 06-08	Summer Migrant Program	Fall Migrant I	IDEA PL 101-476
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	70,000	3,000	104,322	-	452,980	63,992	484,559
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>70,000</b>	<b>3,000</b>	<b>104,322</b>	<b>-</b>	<b>452,980</b>	<b>63,992</b>	<b>484,559</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	175,598	278	-	-	401,449	46,606	336,035
Support services	59,389	-	81,179	2,833	51,531	17,386	46,415
Noninstructional services	18,654	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	127,473	-	-	-	-	-	-
<b>Total disbursements</b>	<b>381,114</b>	<b>278</b>	<b>81,179</b>	<b>2,833</b>	<b>452,980</b>	<b>63,992</b>	<b>382,450</b>
Excess (deficiency) of receipts over disbursements	(311,114)	2,722	23,143	(2,833)	-	-	102,109
<b>Other financing sources (uses):</b>							
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(311,114)	2,722	23,143	(2,833)	-	-	102,109
Cash and investments - beginning	311,114	(2,722)	-	2,833	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 23,143	\$ -	\$ -	\$ -	\$ 102,109
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ 23,143	\$ -	\$ -	\$ -	\$ 102,109
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,143</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 102,109</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	23,143	-	-	-	102,109
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,143</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 102,109</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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)

	PL 94-142 FY 09-10	Exceptional Learners	Preschool FY 07-08	Preschool Carryover	Adult Basic Education FY 08-09	Adult Basic Education FY 07-08	Safe and Drug Free FY 09-10
<b>Receipts:</b>							
Local sources	\$ -	\$ 673	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	165,000	-	38,588	40,730	6,678	10,786
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>165,673</b>	<b>-</b>	<b>38,588</b>	<b>40,730</b>	<b>6,678</b>	<b>10,786</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	102,302	6,172	-	14,925	40,366	6,317	6,311
Support services	4,896	122,356	-	-	1,242	-	1,499
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	49,834	25,262	5,275	-	-	-	-
<b>Total disbursements</b>	<b>157,032</b>	<b>153,790</b>	<b>5,275</b>	<b>14,925</b>	<b>41,608</b>	<b>6,317</b>	<b>7,810</b>
Excess (deficiency) of receipts over disbursements	(157,032)	11,883	(5,275)	23,663	(878)	361	2,976
<b>Other financing sources (uses):</b>							
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(157,032)	11,883	(5,275)	23,663	(878)	361	2,976
Cash and investments - beginning	157,032	(31,604)	5,275	-	-	(361)	-
Cash and investments - ending	\$ -	\$ (19,721)	\$ -	\$ 23,663	\$ (878)	\$ -	\$ 2,976
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ (19,721)	\$ -	\$ 23,663	\$ (878)	\$ -	\$ 2,976
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ (19,721)</b>	<b>\$ -</b>	<b>\$ 23,663</b>	<b>\$ (878)</b>	<b>\$ -</b>	<b>\$ 2,976</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(19,721)	-	23,663	(878)	-	2,976
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ (19,721)</b>	<b>\$ -</b>	<b>\$ 23,663</b>	<b>\$ (878)</b>	<b>\$ -</b>	<b>\$ 2,976</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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)

	Drug Free	Moving Forward	Perkins Grant	Perkins Grant FY 08-09	Improving Teacher Quality I	Improving Teacher Quality II
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	59,993	-	-	-	-
Federal sources	2,262	-	18,307	55,587	10,000	15,000
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>2,262</b>	<b>59,993</b>	<b>18,307</b>	<b>55,587</b>	<b>10,000</b>	<b>15,000</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	1,061	-	-	3,031	19,492	-
Support services	355	59,993	3,569	56,590	-	6,383
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,416</b>	<b>59,993</b>	<b>3,569</b>	<b>59,621</b>	<b>19,492</b>	<b>6,383</b>
Excess (deficiency) of receipts over disbursements	846	-	14,738	(4,034)	(9,492)	8,617
<b>Other financing sources (uses):</b>						
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	846	-	14,738	(4,034)	(9,492)	8,617
Cash and investments - beginning	1,112	-	(14,738)	-	23,118	(8,617)
Cash and investments - ending	\$ 1,958	\$ -	\$ -	\$ (4,034)	\$ 13,626	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 1,958	\$ -	\$ -	\$ (4,034)	\$ 13,626	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 1,958</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,034)</b>	<b>\$ 13,626</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,958	-	-	(4,034)	13,626	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,958</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,034)</b>	<b>\$ 13,626</b>	<b>\$ -</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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	Retirement Severance Bond	Capital Projects	Transportation Bus Replacement	Construction	Totals
<b>Receipts:</b>						
Local sources	\$ -	\$ 190,492	\$ 1,005,572	\$ 207,405	\$ 18,300	\$ 2,469,571
Intermediate sources	-	-	-	-	-	8,669
State sources	-	-	-	-	-	342,500
Federal sources	99,001	-	-	-	-	2,836,222
Temporary loans	-	105,652	340,464	40,528	2,065,239	2,828,226
Other	-	-	33,190	-	-	33,190
<b>Total receipts</b>	<b>99,001</b>	<b>296,144</b>	<b>1,379,226</b>	<b>247,933</b>	<b>2,083,539</b>	<b>8,518,378</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	84,369	-	-	-	-	1,806,236
Support services	650	-	628,134	132,278	3,463	2,093,568
Noninstructional services	-	-	-	-	-	1,013,724
Facilities acquisition and construction	-	-	302,452	-	2,039,251	2,344,028
Debt services	-	295,072	690,048	103,096	-	1,357,170
Nonprogrammed charges	-	-	-	-	-	209,344
<b>Total disbursements</b>	<b>85,019</b>	<b>295,072</b>	<b>1,620,634</b>	<b>235,374</b>	<b>2,042,714</b>	<b>8,824,070</b>
Excess (deficiency) of receipts over disbursements	13,982	1,072	(241,408)	12,559	40,825	(305,692)
<b>Other financing sources (uses):</b>						
Transfers out	-	-	-	-	-	(43,796)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,796)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	13,982	1,072	(241,408)	12,559	40,825	(349,488)
Cash and investments - beginning	-	-	406,610	157,442	-	1,613,197
Cash and investments - ending	\$ 13,982	\$ 1,072	\$ 165,202	\$ 170,001	\$ 40,825	\$ 1,263,709
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 13,982	\$ -	\$ 165,202	\$ 170,001	\$ 40,825	\$ 1,262,637
Restricted assets:						
Cash and investments	-	1,072	-	-	-	1,072
<b>Total cash and investment assets - ending</b>	<b>\$ 13,982</b>	<b>\$ 1,072</b>	<b>\$ 165,202</b>	<b>\$ 170,001</b>	<b>\$ 40,825</b>	<b>\$ 1,263,709</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ 1,072	\$ -	\$ -	\$ -	\$ 1,072
Unrestricted	13,982	-	165,202	170,001	40,825	1,262,637
<b>Total cash and investment fund balance - ending</b>	<b>\$ 13,982</b>	<b>\$ 1,072</b>	<b>\$ 165,202</b>	<b>\$ 170,001</b>	<b>\$ 40,825</b>	<b>\$ 1,263,709</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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, 2010

	Transportation Operating	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Preschool Tuition	Educational License Plate
<b>Receipts:</b>							
Local sources	\$ 465,559	\$ -	\$ 344,894	\$ 63,685	\$ 17,019	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	225
State sources	-	31,625	7,121	-	-	-	-
Federal sources	-	-	610,538	-	-	-	-
Temporary loans	174,565	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>640,124</b>	<b>31,625</b>	<b>962,553</b>	<b>63,685</b>	<b>17,019</b>	<b>-</b>	<b>225</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	27,402	-	-	-	4,710	-
Support services	452,574	-	11,981	54,489	-	-	-
Noninstructional services	-	-	949,598	-	-	-	-
Facilities acquisition and construction	-	-	1,170	-	-	-	-
Debt services	251,442	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>704,016</b>	<b>27,402</b>	<b>962,749</b>	<b>54,489</b>	<b>-</b>	<b>4,710</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(63,892)</b>	<b>4,223</b>	<b>(196)</b>	<b>9,196</b>	<b>17,019</b>	<b>(4,710)</b>	<b>225</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	1,402	-	-	-
Transfers out	-	(1,159)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,159)</b>	<b>-</b>	<b>1,402</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(63,892)</b>	<b>3,064</b>	<b>(196)</b>	<b>10,598</b>	<b>17,019</b>	<b>(4,710)</b>	<b>225</b>
Cash and investments - beginning	113,700	(3,064)	230,004	168,035	-	4,757	4,470
<b>Cash and investments - ending</b>	<b>\$ 49,808</b>	<b>\$ -</b>	<b>\$ 229,808</b>	<b>\$ 178,633</b>	<b>\$ 17,019</b>	<b>\$ 47</b>	<b>\$ 4,695</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 49,808	\$ -	\$ 229,808	\$ 178,633	\$ 17,019	\$ 47	\$ 4,694
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 49,808</b>	<b>\$ -</b>	<b>\$ 229,808</b>	<b>\$ 178,633</b>	<b>\$ 17,019</b>	<b>\$ 47</b>	<b>\$ 4,694</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	49,808	-	229,808	178,633	17,019	47	4,694
<b>Total cash and investment fund balance - ending</b>	<b>\$ 49,808</b>	<b>\$ -</b>	<b>\$ 229,808</b>	<b>\$ 178,633</b>	<b>\$ 17,019</b>	<b>\$ 47</b>	<b>\$ 4,694</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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, 2010  
 (Continued)

	Alternative Education Grant	Safe Haven FY 08-09	Measured Progress High School	Dollar General Grant MS	Autism Advocates	Adult and Continuing Education I	Adult and Continuing Education II
<b>Receipts:</b>							
Local sources	\$ -	\$ 60	\$ 990	\$ 5,000	\$ 4,192	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	5,571	-	-	-	-	21,584	24,975
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>5,571</b>	<b>60</b>	<b>990</b>	<b>5,000</b>	<b>4,192</b>	<b>21,584</b>	<b>24,975</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	1,695	-	-	-	49,362	-
Support services	-	79	-	4,980	3,630	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	359	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>2,133</b>	<b>-</b>	<b>4,980</b>	<b>3,630</b>	<b>49,362</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>5,571</b>	<b>(2,073)</b>	<b>990</b>	<b>20</b>	<b>562</b>	<b>(27,778)</b>	<b>24,975</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>5,571</b>	<b>(2,073)</b>	<b>990</b>	<b>20</b>	<b>562</b>	<b>(27,778)</b>	<b>24,975</b>
Cash and investments - beginning	118	19,303	-	-	-	18,103	(24,975)
<b>Cash and investments - ending</b>	<b>5,689</b>	<b>17,230</b>	<b>990</b>	<b>20</b>	<b>562</b>	<b>(9,675)</b>	<b>-</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 5,689	\$ 17,230	\$ 990	\$ 20	\$ 562	\$ (9,675)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>5,689</b>	<b>17,230</b>	<b>990</b>	<b>20</b>	<b>562</b>	<b>(9,675)</b>	<b>-</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,689	17,230	990	20	562	(9,675)	-
<b>Total cash and investment fund balance - ending</b>	<b>5,689</b>	<b>17,230</b>	<b>990</b>	<b>20</b>	<b>562</b>	<b>(9,675)</b>	<b>-</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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, 2010  
 (Continued)

	ABE Region 4	Adult Basic Education	Jobsource Grant	Adult Continuing Ed English	Wellness Grant	Scholarships Coca-Cola	Safe Hiring Solutions
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 21,750	\$ -	\$ 1,406
Intermediate sources	-	-	7,500	-	-	-	-
State sources	12,650	12,710	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>12,650</b>	<b>12,710</b>	<b>7,500</b>	<b>-</b>	<b>21,750</b>	<b>-</b>	<b>1,406</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	12,650	12,710	-	396	-	-	-
Support services	-	-	-	-	10,870	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	2,264
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>12,650</b>	<b>12,710</b>	<b>-</b>	<b>396</b>	<b>10,870</b>	<b>-</b>	<b>2,264</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>-</b>	<b>7,500</b>	<b>(396)</b>	<b>10,880</b>	<b>-</b>	<b>(858)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>-</b>	<b>7,500</b>	<b>(396)</b>	<b>10,880</b>	<b>-</b>	<b>(858)</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>-</b>	<b>(7,500)</b>	<b>-</b>	<b>7,712</b>	<b>400</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (396)</b>	<b>\$ 18,592</b>	<b>\$ 400</b>	<b>\$ (858)</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ (396)	\$ 18,592	\$ 400	\$ (858)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (396)</b>	<b>\$ 18,592</b>	<b>\$ 400</b>	<b>\$ (858)</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	(396)	18,592	400	(858)
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (396)</b>	<b>\$ 18,592</b>	<b>\$ 400</b>	<b>\$ (858)</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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, 2010  
 (Continued)

	Insurance Retirement Grant	CAPE	Madison Co Foundation High School	Gifted and Talented	High Ability FY 09-10	Non-English Speaking	School Technology
<b>Receipts:</b>							
Local sources	\$ 64,500	\$ 275,723	\$ -	\$ -	\$ -	\$ -	\$ 39,414
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	32,752	10,884	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	5
<b>Total receipts</b>	<b>64,500</b>	<b>275,723</b>	<b>-</b>	<b>-</b>	<b>32,752</b>	<b>10,884</b>	<b>39,419</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	4,333	15,123	-	-
Support services	-	119,170	(6,336)	4,981	-	1,883	36,635
Noninstructional services	-	10,500	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>129,670</b>	<b>(6,336)</b>	<b>9,314</b>	<b>15,123</b>	<b>1,883</b>	<b>36,635</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>64,500</b>	<b>146,053</b>	<b>6,336</b>	<b>(9,314)</b>	<b>17,629</b>	<b>9,001</b>	<b>2,784</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>64,500</b>	<b>146,053</b>	<b>6,336</b>	<b>(9,314)</b>	<b>17,629</b>	<b>9,001</b>	<b>2,784</b>
Cash and investments - beginning	-	-	(6,336)	9,314	-	1,883	45,587
<b>Cash and investments - ending</b>	<b>\$ 64,500</b>	<b>\$ 146,053</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,629</b>	<b>\$ 10,884</b>	<b>\$ 48,371</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 64,500	\$ 146,053	\$ -	\$ -	\$ 17,629	\$ 10,884	\$ 48,371
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 64,500</b>	<b>\$ 146,053</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,629</b>	<b>\$ 10,884</b>	<b>\$ 48,371</b>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	64,500	146,053	-	-	17,629	10,884	48,371
<b>Total cash and investment fund balance - ending</b>	<b>\$ 64,500</b>	<b>\$ 146,053</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,629</b>	<b>\$ 10,884</b>	<b>\$ 48,371</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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, 2010  
 (Continued)

	Non-English Speaking Program	IN Access Linux Grant	McKinney Vento Transportation	Student Workbooks & Supplies	Title I FY 08-09	Title I FY 09-10
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ 2,927	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	952	-	-	53,883	-	-
Federal sources	-	-	-	-	114,000	679,211
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>952</b>	<b>-</b>	<b>-</b>	<b>56,810</b>	<b>114,000</b>	<b>679,211</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	147,730	341,912
Support services	-	-	702	56,810	25,957	55,859
Noninstructional services	-	-	-	-	14,228	41,945
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	66,842	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>702</b>	<b>56,810</b>	<b>254,757</b>	<b>439,716</b>
Excess (deficiency) of receipts over disbursements	952	-	(702)	-	(140,757)	239,495
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	952	-	(702)	-	(140,757)	239,495
Cash and investments - beginning	295	2,500	4,259	463	140,757	-
Cash and investments - ending	<u>\$ 1,247</u>	<u>\$ 2,500</u>	<u>\$ 3,557</u>	<u>\$ 463</u>	<u>\$ -</u>	<u>\$ 239,495</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 1,247	\$ 2,500	\$ 3,557	\$ 464	\$ -	\$ 239,495
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 1,247</u>	<u>\$ 2,500</u>	<u>\$ 3,557</u>	<u>\$ 464</u>	<u>\$ -</u>	<u>\$ 239,495</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,247	2,500	3,557	464	-	239,495
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,247</u>	<u>\$ 2,500</u>	<u>\$ 3,557</u>	<u>\$ 464</u>	<u>\$ -</u>	<u>\$ 239,495</u>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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, 2010  
 (Continued)

	Title I School Improvement II	Edgewood School Improvement	Oakland School Improvement	Title V Innovative Programs	Summer Migrant Title I	Summer Migrant Program
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ 1,227	\$ -	\$ 252	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	10,000	50,000	23,105	4,525	190,934	326,128
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>10,000</b>	<b>50,000</b>	<b>24,332</b>	<b>4,525</b>	<b>191,186</b>	<b>326,128</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	49,147	3,400	-	105,247	147
Support services	33,143	-	14,000	4,525	85,939	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	853	-	-	-	-
<b>Total disbursements</b>	<b>33,143</b>	<b>50,000</b>	<b>17,400</b>	<b>4,525</b>	<b>191,186</b>	<b>147</b>
Excess (deficiency) of receipts over disbursements	(23,143)	-	6,932	-	-	325,981
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,143)	-	6,932	-	-	325,981
Cash and investments - beginning	23,143	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,981</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ -	\$ 6,932	\$ -	\$ -	\$ 325,981
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,981</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	6,932	-	-	325,981
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,981</u>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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, 2010  
 (Continued)

	Fall Migrant II	IDEA PL 101-476	PL 94-142 FY 09-10	Exceptional Learners	Preschool FY 07-08	Preschool Carryover
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	86,503	-	470,018	34,989	42,901	-
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>86,503</b>	<b>-</b>	<b>470,018</b>	<b>34,989</b>	<b>42,901</b>	<b>-</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	80,903	78,788	262,049	-	42,901	11,975
Support services	5,114	2,516	51,332	15,268	-	-
Noninstructional services	247	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	20,805	-	-	-	11,688
<b>Total disbursements</b>	<b>86,264</b>	<b>102,109</b>	<b>313,381</b>	<b>15,268</b>	<b>42,901</b>	<b>23,663</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>239</b>	<b>(102,109)</b>	<b>156,637</b>	<b>19,721</b>	<b>-</b>	<b>(23,663)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>239</b>	<b>(102,109)</b>	<b>156,637</b>	<b>19,721</b>	<b>-</b>	<b>(23,663)</b>
<b>Cash and investments - beginning</b>	<b>-</b>	<b>102,109</b>	<b>-</b>	<b>(19,721)</b>	<b>-</b>	<b>23,663</b>
<b>Cash and investments - ending</b>	<b>\$ 239</b>	<b>\$ -</b>	<b>\$ 156,637</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 239	\$ -	\$ 156,637	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 239</b>	<b>\$ -</b>	<b>\$ 156,637</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	239	-	156,637	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 239</b>	<b>\$ -</b>	<b>\$ 156,637</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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, 2010  
 (Continued)

	Adult Basic Education FY 08-09	Adult Basic Education FY 07-08	Safe and Drug Free FY 09-10	Drug Free	Perkins Basic Grant FY 09-10	Perkins Grant FY 08-09
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	6,230	37,977	-	7,000	55,956	26,167
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>6,230</b>	<b>37,977</b>	<b>-</b>	<b>7,000</b>	<b>55,956</b>	<b>26,167</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	4,903	34,775	1,822	444	4,696	16,841
Support services	449	1,544	654	1,200	56,274	5,292
Noninstructional services	-	-	500	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
<b>Total disbursements</b>	<b>5,352</b>	<b>36,319</b>	<b>2,976</b>	<b>1,644</b>	<b>60,970</b>	<b>22,133</b>
Excess (deficiency) of receipts over disbursements	878	1,658	(2,976)	5,356	(5,014)	4,034
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	878	1,658	(2,976)	5,356	(5,014)	4,034
Cash and investments - beginning	(878)	-	2,976	1,958	-	(4,034)
Cash and investments - ending	\$ -	\$ 1,658	\$ -	\$ 7,314	\$ (5,014)	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 1,658	\$ -	\$ 7,314	\$ (5,014)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 1,658</b>	<b>\$ -</b>	<b>\$ 7,314</b>	<b>\$ (5,014)</b>	<b>\$ -</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,658	-	7,314	(5,014)	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 1,658</b>	<b>\$ -</b>	<b>\$ 7,314</b>	<b>\$ (5,014)</b>	<b>\$ -</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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, 2010  
 (Continued)

	Improving Teacher Quality I	Title II Part A Improving Teacher	Title I Stimulus	Special Ed Part B Stimulus	Special Ed Part B Preschool	Education Technology Stimulus
<b>Receipts:</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	110,164	85,000	264,536	321,395	11,910	161,992
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>110,164</b>	<b>85,000</b>	<b>264,536</b>	<b>321,395</b>	<b>11,910</b>	<b>161,992</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	93,247	20,321	141,346	127,861	-	-
Support services	2,834	8,661	20,958	204,005	10,000	93,796
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	61,306
<b>Total disbursements</b>	<b>96,081</b>	<b>28,982</b>	<b>162,304</b>	<b>331,866</b>	<b>10,000</b>	<b>155,102</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>14,083</b>	<b>56,018</b>	<b>102,232</b>	<b>(10,471)</b>	<b>1,910</b>	<b>6,890</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>14,083</b>	<b>56,018</b>	<b>102,232</b>	<b>(10,471)</b>	<b>1,910</b>	<b>6,890</b>
<b>Cash and investments - beginning</b>	<b>13,626</b>	<b>13,982</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and investments - ending</b>	<b>\$ 27,709</b>	<b>\$ 70,000</b>	<b>\$ 102,232</b>	<b>\$ (10,471)</b>	<b>\$ 1,910</b>	<b>\$ 6,890</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 27,709	\$ 70,000	\$ 102,232	\$ (10,471)	\$ 1,910	\$ 6,890
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 27,709</b>	<b>\$ 70,000</b>	<b>\$ 102,232</b>	<b>\$ (10,471)</b>	<b>\$ 1,910</b>	<b>\$ 6,890</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	27,709	70,000	102,232	(10,471)	1,910	6,890
<b>Total cash and investment fund balance - ending</b>	<b>\$ 27,709</b>	<b>\$ 70,000</b>	<b>\$ 102,232</b>	<b>\$ (10,471)</b>	<b>\$ 1,910</b>	<b>\$ 6,890</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 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, 2010  
 (Continued)

	Retirement Severance Bond	Capital Projects	Transportation Bus Replacement	Construction	Remodeling and Equipment	Totals
<b>Receipts:</b>						
Local sources	\$ 231,703	\$ 806,981	\$ 180,182	\$ 4,209	\$ -	\$ 2,531,673
Intermediate sources	-	-	-	-	-	7,725
State sources	-	-	-	-	-	214,707
Federal sources	-	-	-	-	-	3,731,179
Temporary loans	187,595	410,357	-	2,321,965	75,972	3,170,454
Other	-	-	7,553	-	-	7,558
<b>Total receipts</b>	<b>419,298</b>	<b>1,217,338</b>	<b>187,735</b>	<b>2,326,174</b>	<b>75,972</b>	<b>9,663,296</b>
<b>Disbursements:</b>						
<b>Current:</b>						
Instruction	-	-	-	2,988	-	1,701,824
Support services	-	538,484	132,981	510	76,000	2,199,743
Noninstructional services	-	-	-	-	-	1,017,018
Facilities acquisition and construction	-	294,140	-	2,115,577	-	2,413,510
Debt services	417,270	431,082	40,528	-	-	1,140,322
Nonprogrammed charges	-	-	-	-	-	161,494
<b>Total disbursements</b>	<b>417,270</b>	<b>1,263,706</b>	<b>173,509</b>	<b>2,119,075</b>	<b>76,000</b>	<b>8,633,911</b>
Excess (deficiency) of receipts over disbursements	2,028	(46,368)	14,226	207,099	(28)	1,029,385
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	1,402
Transfers out	-	-	-	-	-	(1,159)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,028	(46,368)	14,226	207,099	(28)	1,029,628
Cash and investments - beginning	1,072	165,202	170,001	40,825	-	1,263,709
<b>Cash and investments - ending</b>	<b>\$ 3,100</b>	<b>\$ 118,834</b>	<b>\$ 184,227</b>	<b>\$ 247,924</b>	<b>\$ (28)</b>	<b>\$ 2,293,337</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 118,834	\$ 184,227	\$ 247,924	\$ (28)	\$ 2,290,237
Restricted assets:						
Cash and investments	3,100	-	-	-	-	3,100
<b>Total cash and investment assets - ending</b>	<b>\$ 3,100</b>	<b>\$ 118,834</b>	<b>\$ 184,227</b>	<b>\$ 247,924</b>	<b>\$ (28)</b>	<b>\$ 2,293,337</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
Debt service	\$ 3,100	\$ -	\$ -	\$ -	\$ -	\$ 3,100
Unrestricted	-	118,834	184,227	247,924	(28)	2,290,237
<b>Total cash and investment fund balance - ending</b>	<b>\$ 3,100</b>	<b>\$ 118,834</b>	<b>\$ 184,227</b>	<b>\$ 247,924</b>	<b>\$ (28)</b>	<b>\$ 2,293,337</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2009

	Tax Withholdings	Voluntary ISTRF	PERF	Section 125	403B	Other Payroll Withholdings	Totals
Additions:							
Agency fund additions	\$ 2,511,379	\$ 10,465	\$ 59,295	\$ 226,205	\$ 161,530	\$ 517,830	\$ 3,486,704
Deductions:							
Agency fund deductions	2,503,785	10,275	57,805	230,568	161,530	517,393	3,481,356
Excess (deficiency) of total additions over total deductions	7,594	190	1,490	(4,363)	-	437	5,348
Cash and investment fund balance - beginning	34,065	2,156	12,689	33,481	-	4,940	87,331
Cash and investment fund balance - ending	<u>\$ 41,659</u>	<u>\$ 2,346</u>	<u>\$ 14,179</u>	<u>\$ 29,118</u>	<u>\$ -</u>	<u>\$ 5,377</u>	<u>\$ 92,679</u>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2010

	Tax Withholdings	Voluntary ISTRF	PERF	Section 125	403B	Other Payroll Withholdings	Totals
Additions:							
Agency fund additions	\$ 2,249,182	\$ 11,979	\$ 55,681	\$ 235,087	\$ 215,735	\$ 245,646	\$ 3,013,310
Deductions:							
Agency fund deductions	2,249,344	10,319	56,895	231,236	215,735	229,183	2,992,712
Excess (deficiency) of total additions over total deductions	(162)	1,660	(1,214)	3,851	-	16,463	20,598
Cash and investment fund balance - beginning	41,659	2,346	14,179	29,118	-	5,377	92,679
Cash and investment fund balance - ending	<u>\$ 41,497</u>	<u>\$ 4,006</u>	<u>\$ 12,965</u>	<u>\$ 32,969</u>	<u>\$ -</u>	<u>\$ 21,840</u>	<u>\$ 113,277</u>

ELWOOD COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2010

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
School buildings	\$ 830,910	\$ 376,500
Notes and loans payable	9,971,718	1,161,819
Bonds payable:		
General obligation bonds:		
Pension/severance	1,635,000	223,128
<b>Total governmental activities debt</b>	<b>\$ 12,437,628</b>	<b>\$ 1,761,447</b>

ELWOOD COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not properly performed from November 2009 through June 2010.

IC 5-13-6-1(e) states:

"All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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

CONTRACTUAL PAYROLL DISBURSEMENTS

Errors were identified with the payroll disbursements made to a teacher who was also a coach with the School Corporation. The teacher's contract for the 2009-2010 school year calls for payment of a base salary to be paid in equal installments over 26 pays plus \$5,078 to be paid in 2 installments of \$2,539 at specified dates for the completion of rendering services as high school boys and girls golf coach. The specified dates indicated for payment were September 21, 2009, and June 7, 2010.

The first installment, in the amount of \$2,539, was paid in advance of the completion date, on September 13, 2009. The second installment was paid erroneously in advance on 3 occasions. An advance payment of the second installment was made on March 28, 2010, in the amount of \$2,539. The second installment was paid again on April 11, 2010, in the amount of \$2,539. The second installment was paid for a third time on May 23, 2010, in the amount of \$2,539. Total overpayments of \$5,078 from March and April remained outstanding until October of 2010.

An adjustment was made on October 4, 2010, in the amount of \$5,078 to the payroll system and payroll history of the teacher/coach. A check dated October 4, 2010, was drawn on the joint personal checking account of the teacher and the payroll clerk in the amount of \$3,589.07, which is the net overpayment as calculated by the payroll system. Receipt 020478 was issued on October 31, 2010, in the amount of \$3,589.07. The difference between the \$5,078 gross total overpayments and the net amount reimbursed of \$3,589.07 totaled \$1,488.93 and represents payroll withholdings for taxes. Individual withholding adjustments were credited to their respective accounts; the School Corporation has

ELWOOD COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

reclaimed these amounts and matching federal payroll taxes from the proper authorities by subsequent under-remittance of withholdings. The Superintendent issued a written letter of reprimand on October 20, 2010, to the Payroll Clerk regarding the aforementioned.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, and resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

#### PAYROLL DISBURSEMENTS TO PAYROLL CLERK

During the audit of payroll, we identified some concerns with the implementation of internal controls over the payroll disbursements to the payroll clerk. We identified the process as follows:

The payroll clerk is responsible for all facets of the recording and payment of payroll including time data, contracts, and related documentation for employees of the corporation. The Business Manager/Treasurer is responsible for approving the payroll of the Payroll Clerk. A policy adopted by the School Board and dated April 6, 2006, states that "employees will not receive overtime pay unless the employee accumulates forty hours of actual time worked." The policy further states that "a non-exempt employee shall not work overtime without the expressed written approval of his/her supervisor" and "overtime requests must be submitted to the Business Manager or Director of Maintenance for written approval prior to the work being performed." A Classified Employee Overtime Request Form is to be completed with the required signatures approving the overtime being obtained.

Lunchtime for hourly employees of the School Corporation office is to be unpaid time. There is an informal policy whereby office employees were allowed to reduce their workday by one-half hour by shortening their lunchtime from one hour to one-half hour during the summer months. We noted 212 instances during the audit period where the Payroll Clerk remained clocked in during lunchtime. Additionally, there were numerous other days where she remained clocked in during a portion of the intended lunchtime. Being clocked in during lunchtime often resulted in the employee accumulating enough hours to qualify for overtime pay. The time sheets of the Payroll Clerk were maintained in the K-Time system. An audit of these time sheets revealed they were not approved by the Business Manager/Treasurer as required. Additionally, overtime was paid to the Payroll Clerk without obtaining prior approval from the Business Manager on the required form as required by the policy. The Superintendent instructed the Payroll Clerk in September of 2010, to limit overtime and instructed the Business Manager to approve the payroll of the Payroll Clerk.

ELWOOD COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

We also selected and examined the payroll histories of other employees and noted where overtime pay was allowed without documentation of the Classified Employee Overtime Request Form approving the overtime. School Corporation Officials confirms the policy has not always been followed as required on a School Corporation wide basis.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, and resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

#### PAYROLL INFORMATION PROCESSING INTERNAL CONTROLS

The computerized payroll system did not distinguish between hours worked and hours paid for various types of leave such as holidays, vacation, sick, and personal time which occasionally resulted in employees accumulating hours in excess of forty making them eligible for overtime pay. Manual adjustments were not made to time sheets for affected hourly employees. We noted in the instances examined, these hourly employees were paid overtime. A policy adopted by the School Board and dated April 6, 2006 states "employees will not receive overtime pay unless the employee accumulates forty hours of actual time worked."

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

#### OVERDRAWN CASH BALANCES

The cash balance of the Special Education Preschool, Adult and Continuing Education II, Jobsource Grant, Madison Co. Foundation High School, Exceptional Learners, Adult Basic Education FY 08-09, and Perkins Grant FY 08-09 Funds were overdrawn at June 30, 2009.

ELWOOD COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

The cash balance of the Adult and Continuing Education I, Adult Continuing Ed English, Safe Hiring Solutions, Perkins Grant FY 09-10, Special Ed Part B Stimulus, and Remodeling and Equipment Funds were overdrawn at June 30, 2010.

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)

FORM 100R NOT FILED

Evidence was not presented for audit indicating that Form 100R was filed with the State Board of Accounts as required.

IC 5-11-13-1 states:

"Every state, county, city, town, township, or school official, elective or appointive, who is the head of or in charge of any office, department, board, or commission of the state or of any county, city, town, or township, and every state, county, city, town, or township employee or agent who is the head of, or in charge of, or the executive officer of any department, bureau, board, or commission of the state, county, city, town, or township, and every executive officer by whatever title designated, who is in charge of any state educational institution or of any other state, county, or city institution, shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents in their respective offices, departments, boards, commissions, and institutions, and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year."

BANK ACCOUNT RECONCILIATIONS (Applies to Oakland Elementary School)

Depository reconciliations of the fund balances to the bank account balances were not presented for audit for Oakland Elementary School for the period of July 1, 2008 through June 30, 2010. Additionally, bank reconcilements were not included in the Form SA-5 report as required.

IC 5-13-6-1(e) states:

"All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

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

FUND SOURCES AND USES (Applies to Edgewood Elementary School)

At the end of the 2009-2010 school year, Oakland Elementary School was closed and its remaining extra-curricular account funds were apportioned between the middle school and Edgewood Elementary School on a pro-rata basis, based on which school former Oakland students were assigned to attend in the coming fall. Edgewood Elementary was apportioned \$10,405.25, receipted to the records on June 15, 2010. At that time, School Officials established the Oakland Fund to which entire amount received was posted. Subsequently, School Officials used the funds received from Oakland to purchase landscaping items, paint and painting supplies, and other decor items, totaling \$3,467.95. Additionally, appreciation gift certificates in the amount of \$150 and a meal at Applebee's totaling \$62.58 were purchased from the Fund. School Officials stated gift certificates and the meal were related to an exchange visit by a school principal from China. The gift certificates were given as appreciation gifts to interpreters and the Applebee's disbursement related to a meal for the visiting principal. During the period of June 15, 2010 through January 5, 2011, disbursements totaling \$3,680.53 have been made from the Oakland Fund. The monies transferred from Oakland to Edgewood were not tracked to funds with a same or similar purpose to ensure amounts received from various parties would be used for the purpose intended.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE ELWOOD COMMUNITY SCHOOL  
CORPORATION, MADISON COUNTY, INDIANA

Compliance

We have audited the compliance of the Elwood Community School Corporation (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, 2009 and 2010. 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, 2009 and 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2010-2 and 2010-3.

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

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)

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below.

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. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies or material weaknesses.

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

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

February 9, 2011

ELWOOD COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2009 and 2010

Federal Grantor Agency / Pass-Through Entity Cluster Title / Program Title / Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through Federal Awards Expended 06-30-09	Pass-Through Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 08-09	\$ 155,829	\$ -
		FY 09-10	-	187,049
National School Lunch Program	10.555	FY 08-09	444,388	-
		FY 09-10	-	492,667
Summer Food Service Program for Children	10.559	FY 08-09	31,568	-
		FY 09-10	-	38,715
Total for federal grantor agency			<u>631,785</u>	<u>718,431</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I Cluster				
Title I Grants to Local Educational Agencies	84.010	08-5280	253,641	-
		09-5280	490,735	187,916
		10-5280	-	439,716
Total for program			<u>744,376</u>	<u>627,632</u>
ARRA - Title I Grants to Local Educational Agencies	84.389	10-5280	-	162,304
Total for program			<u>-</u>	<u>162,304</u>
Total for Title I Cluster			<u>744,376</u>	<u>789,936</u>
Pass-Through Anderson Community Schools				
Special Education Cluster				
Special Education - Grants to States	84.027	14208-026-DY01	128,528	15,267
		14209-002-PY02	382,450	81,303
		14210-002-PN01	107,198	313,381
Total for program			<u>618,176</u>	<u>409,951</u>
Special Education - Preschool Grants	84.173	45709-002-PY02	-	42,901
Preschool 07-08		14207-045-DY01	14,925	11,975
Preschool/Carry Over			-	-
Total for program			<u>14,925</u>	<u>54,876</u>
ARRA - Special Education - Grants to States	84.391		-	331,866
Total for program			<u>-</u>	<u>331,866</u>
ARRA - Special Education - Preschool Grants	84.392		-	10,000
Total for program			<u>-</u>	<u>10,000</u>
Total for Special Education Cluster			<u>633,101</u>	<u>806,693</u>
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF)				
Education State Grants	84.394		-	1,322,971
Total for cluster			<u>-</u>	<u>1,322,971</u>

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2009 and 2010

Federal Grantor Agency / Pass-Through Entity Cluster Title / Program Title / Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through Federal Awards Expended 06-30-09	Pass-Through Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Adult Education - State Grant Program	84.002	2008-8008 2011-1105	6,317 <u>41,608</u>	36,319 <u>5,352</u>
Total for program			<u>47,925</u>	<u>41,671</u>
Migrant Education - State Grant Program	84.011	FY07-08/SM-5 FY08-09/RM-7 FY09-10/SM-6 FY07-08/RM-7	452,979 63,992 - -	147 - 191,187 <u>86,264</u>
Total for program			<u>516,971</u>	<u>277,598</u>
Vocational Education - Basic Grants to States	84.048	08-4700-25-5280 09-4700-25-5280 10-4700-25-5280	3,570 59,621 -	- 22,132 <u>60,970</u>
Total for program			<u>63,191</u>	<u>83,102</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	07-5280 08-5280	7,810 <u>1,416</u>	2,976 <u>1,644</u>
Total for program			<u>9,226</u>	<u>4,620</u>
Tech-Prep Education Moving Forward Grant	84.243	CPS 6-60	<u>59,993</u>	-
Total for program			<u>59,993</u>	-
State Grants for Innovative Programs	84.298	06-5280 08-5280	2,833 -	- <u>4,525</u>
Total for program			<u>2,833</u>	<u>4,525</u>
Improving Teacher Quality State Grants	84.367	07-5280 08-5280 09-5280	6,383 19,492 <u>85,019</u>	- 96,081 <u>28,982</u>
Total for program			<u>110,894</u>	<u>125,063</u>
School Improvement Grants	84.377	08-5280 09-5280	81,457 -	33,143 <u>66,547</u>
Total for program			<u>81,457</u>	<u>99,690</u>
ARRA - Education Technology State Grants	84.386	09-5280	-	<u>155,102</u>
Total for program			-	<u>155,102</u>
Total for federal grantor agency			<u>2,269,967</u>	<u>3,710,971</u>
Total federal award expended			<u>\$ 2,901,752</u>	<u>\$ 4,429,402</u>

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

ELWOOD COMMUNITY SCHOOL CORPORATION  
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 Elwood Community School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with 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. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2009 and 2010:

Program Title	Federal CFDA Number	2009	2010
Special Education – Grants to States	84.027	\$ 25,262	\$ -
ARRA – Education Technology State Grants	84.386	-	61,306

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2009 and 2010. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2009	2010
School Breakfast Program	10.553	\$ 44,325	\$ 43,645
National School Lunch Program	10.555	15,552	16,009

ELWOOD COMMUNITY SCHOOL CORPORATION  
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?	yes

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? yes

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster  
Title I Cluster  
Special Education Cluster  
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

FINDING 2010-1, INTERNAL CONTROLS OVER TRANSACTIONS AND REPORTING FINANCIAL

We noted a deficiency in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiency constitutes a significant deficiency:

The depository reconciliation process of the cash fund balances to the bank account balances was not functioning properly resulting in an incorrect reconciliation at June 30, 2010, as presented for audit. Reconciliations were incomplete or inaccurate as presented for audit for the months of November 2009 through June 2010. The School Corporation used the assistance of a consulting firm to bring the bank reconciliation up to date resulting in a final reconciliation at June 30, 2010, with a cash long of \$117.

ELWOOD COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statements and then determining how those identified risks should be managed.

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-2, CASH MANAGEMENT

Federal Agency: U.S. Department of Education  
Federal Program (CFDA Title): Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Pass-Through Entity: Indiana Department of Education  
Award Number and Year: 09-5280 (FY 09) and 10-5280 (FY 10)

Amounts received by the School Corporation for the Title I Grant were drawn down in advance. School Corporation Officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for 12 of the 24 months during the audit period. The cash balance of the grant at June 30, 2010, as reported on the fourth quarter report submitted to the Indiana Department of Education, was \$239,495, which was approximately 31.6% of the total grant awarded during the audit period for fiscal year 2010. The estimated cash needs in the few months subsequent to the audit period did not substantiate the need for the amount of cash drawn. Cash drawdown requests were not revised to ensure there would not be excess cash on hand.

EDGAR 80.20 (b)(7) states:

"Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

ELWOOD COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency.

We recommended that School Corporation Officials develop and implement procedures and controls to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant requirements.

FINDING 2010-3, CASH MANAGEMENT

Federal Agency: U.S. Department of Education Federal Program (CFDA Title):  
Special Education - Grants to States

CFDA Number: 84.027

Pass-Through Entity: Anderson Community Schools Award Number and Year:  
14209-002-PY02 (FY 09) & 14210-002-PN01 (FY 10)

Amounts received by the School Corporation for the Special Education Grant were drawn down in advance. School Corporation Officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. The cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for 15 of the 24 months during the audit period. The cash balance of the grant at June 30, 2010, as reported on the fourth quarter report submitted to the Indiana Department of Education, was \$156,637, which was approximately 33% of the total grant awarded during the audit period for fiscal year 2010. The estimated cash needs in the few months subsequent to the audit period did not substantiate the need for the amount of cash drawn. Cash drawdown requests were not revised to ensure there would not be excess cash on hand.

EDGAR 80.20 (b)(7) states:

"Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency.

We recommended that School Corporation Officials develop and implement procedures and controls to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant requirements.

ELWOOD COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reportable.

# Elwood Community School Corporation

1306 N. Anderson Street

Elwood, IN 46036

Ph: 765-552-9861

Fax: 765-552-8088

<http://www.elwood.k12.in.us>

*Superintendent:*

**Mr. Glen Nelson**

*Assistant Superintendent*

**Mr. Thomas W. Austin**

*Director of Special Services:*

**Mrs. Jan Kaye**

*Business Mgr/Treasurer:*

**Mrs. Joa Griffith**

*Technology Coordinator:*

**Mr. Don Garner**



The Hope of Our Country

February 4, 2011

Section II Finding: 2010-1

FEDERAL FINDING, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Corrective Action Plan

**Address how you will resolve the issues with the bank reconciliation process**

Corrective Action Statement for ISBA Auditor

The corrective action plan detailed below and to be initiated in response to documented issues with the balancing of district bank statements has its origin in the following facts.

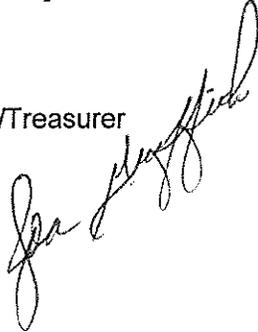
First, the responsibility for balancing bank statements was assigned to the former Deputy Treasurer/Accounts Payable Secretary. That individual ended her employment with the Elwood Community School Corporation on April 9, 2010.

Second, when the district's Business Manager/Treasurer was contacted by the auditor regarding the beginning date for the district's audit by the Indiana State Board of Accounts she pulled the bank statements in preparation for the arrival of the auditor. Unfortunately, the Business Manager/Treasurer discovered upon pulling the bank statements that the balancing to the Fund Report had not been done since December 2008.

Therefore, the action plan that was initiated included the employment of the consulting firm, Administrative Assistance, by the Board of School Trustees to secure appropriate personnel to assist in bringing the balancing process up to date. That process is in place and is ongoing.

Upon bringing this process to a current level of proper Fund Report balancing, the district's Business Manager/Treasurer will monitor the balancing process each month to ensure that the statements are balanced each and every month. The district has recently employed a new Accounts Payable Secretary to collaborate with the Business Manager/Treasurer on this process. It is believed that this approach will eliminate any reoccurrence of this problem.

Signed  
Joa L. Griffith  
Business Manger/Treasurer  
February 4, 2011

A handwritten signature in cursive script, appearing to read "Joa L. Griffith", written in black ink over the typed name.

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The Hope of Our Country

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**Mr. Glen Nelson**

*Assistant Superintendent*

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*Director of Special Services:*

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*Business Mgr/Treasurer:*

**Mrs. Joa Griffith**

*Technology Coordinator:*

**Mr. Don Garner**

**February 4, 2011**

## **FINDING NO. 2010-2. INTERNAL CONTROL / CASH MANAGEMENT**

**Federal Agency: U.S. Department of Education**

**Federal Program: Title I grants to Local Educational Agencies**

**CFDA Number: 84.010**

**Federal Award Number: 09-5280 (FY 09) and 10-5280 (FY 10)**

**Auditee: Elwood Community School Corporation**

**Name Title of Contact Person: Joa L. Griffith, Business Manager/Treasurer**

With the change to the reimbursement process initiated by the IDOE, this will not longer be an area of concern as reimbursement for monthly expenses will be requested and the balances remaining at the end of each month will be less than the threshold.

Throughout the annual budget cycle, the treasurer has made adjustments on the monthly distributions to better align with actual expenses and to hence reduce the amount of funds remaining at the end of the month.

Carry-over amounts permitted by Title I are at a 15% level while it appears that the permissible amount through the audit is 10%. Consequently the amount of the actual carry-over from one grant period to another will oftentimes exceed 10%.

Joa L. Griffith

Business Manager/Corporation Treasurer

Elwood Community School Corporation

February 4, 2011

# Elwood Community School Corporation

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*Business Mgr/Treasurer:*  
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*Technology Coordinator:*  
**Mr. Don Garner**



The Hope of Our Country

**February 4, 2011**

## **FINDING NO. 2010-3. INTERNAL CONTROL / CASH MANAGEMENT**

**Federal Agency: U.S. Department of Education**  
**Federal Program: Special Education Grants to States**  
**CFDA Number: 84.027**  
**Federal Award Number: 14209-002-PY02 (FY 09) & 14210-002-PN01 (FY 10)**

**Auditee: Elwood Community School Corporation**  
**Name Title of Contact Person: Joa L. Griffith, Business Manager/Treasurer**

### **Corrective Action:**

**With the change to the reimbursement process initiated by the IDOE, this will not longer be an area of concern as reimbursement for monthly expenses will be requested and the balances remaining at the end of each month will be less than the threshold.**

**Previous years our LEA would send one fourth of the grant each quarter sometimes creating an excess cash balance. Excess cash has been returned to the IDOE creating redistribution problems in their appropriation expenditures.**

**Special Education Federal Projects do not have a cap on the amount of funds permitted for Carry-Over and, as such, the amount in a specific year may exceed 10%**

**Joa L. Griffith**  
**Business Manager/Treasurer**  
**February 4, 2011**

ELWOOD COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 9, 2011, with Glenn A. Nelson, Superintendent; Joa L. Griffith, Business Manager/Treasurer; Janice Kay, Director of Special Services; Trisha Hobbs, Payroll Clerk; and Robert Savage, School Board member. The official response has been made a part of this report and may be found on page 64.



*The Hope of Our Country*

# Elwood Community School Corporation

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Mr. Glen A. Nelson  
Superintendent

Mrs. Jan Kaye  
Director of Special Services

Mrs. Joa Griffith  
Business Manager/Treasurer

Mr. Don Garner  
Technology Coordinator

## Elwood Community School Corporation Response To Audit

February 16, 2011

It is not my intent to dispute the "Audit Results and Comments" presented during the exit interview process on February 9, 2011. The findings stated during this process brought to light clear and present deficiencies in our internal control and oversight processes. For this I am very appreciative in moving forward as a new superintendent.

What I feel compelled to state is the four (4) results/comments that addressed issues of concern that developed as a result of failed internal control measures are being addressed. Several of these issues 'snowballed' seemingly out of control, partially due to personnel changes, due to failed oversight measures. This indicates that the mechanism is in place to address these notes results/comments. With the proper attention to detail and management of the processes and a diligent effort to maintain timely recordkeeping these concerns can and will be addressed.

The additional "Audit Results and Comments" represent issues that will also be addressed in a similar manner by the application of proper oversight and adherence to validly adopted Board Policies already in place. I feel confident a repeat of these issues will not be observed in subsequent audits.

Glen A. Nelson  
Superintendent

CC: File  
Members of the Board