

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

ELWOOD COMMUNITY SCHOOL CORPORATION
MADISON COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
09/24/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-37
Schedule of Payables and Receivables	38
Schedule of Leases and Debt	39
Schedule of Capital Assets.....	41
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	44-46
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	48-49
Notes to Schedule of Expenditures of Federal Awards	50
Schedule of Findings and Questioned Costs	51-55
Auditee Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	58-59
Corrective Action Plan	60-64
Other Reports.....	65

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Joa Griffith	07-01-12 to 12-31-15
Superintendent of Schools	Glenn Nelson Thomas Austin (Interim) Dr. Tim Smith Thomas Austin (Interim) Dr. Christopher E. Daughtry	07-01-10 to 01-09-13 01-10-13 to 06-30-13 07-01-13 to 01-02-15 01-03-15 to 06-30-15 07-01-15 to 06-30-18
President of the School Board	Robert Savage Richard Herndon Stephanie Hoel Robert Savage	07-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Elwood Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 10, 2015, 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* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

August 10, 2015



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, 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, the financial statement of the Elwood Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated August 10, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

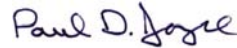
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 2014-001.

Elwood Community School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

August 10, 2015

(This page intentionally left blank.)

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

ELWOOD COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 3,168,493	\$ 10,955,755	\$ 12,012,133	\$ (28,855)	\$ 2,083,260	\$ 11,222,122	\$ 11,143,042	\$ 45,874	\$ 2,208,214
Debt Service	279,549	1,608,263	1,345,284	-	542,528	1,681,626	2,125,198	-	98,956
Retirement/Severance Bond Debt Service	(26,589)	217,425	219,691	28,855	-	237,537	192,217	(28,855)	16,465
Capital Projects	484,423	620,667	880,328	-	224,762	531,186	688,142	-	67,806
School Transportation	88,484	476,078	525,717	-	38,845	362,638	383,787	-	17,696
School Bus Replacement	99,583	129,318	154,446	-	74,455	94,687	165,416	-	3,726
Rainy Day	375,000	-	-	-	375,000	-	-	-	375,000
CSF Technology	-	-	26,616	-	(26,616)	31,920	5,304	-	-
School Lunch	426,342	969,760	1,018,163	-	377,939	993,070	967,729	-	403,280
Textbook Rental	247,133	125,437	24,911	-	347,659	108,481	36,959	-	419,181
Levy Excess	17,019	-	-	-	17,019	-	-	(17,019)	-
Child Care Program	47	4,434	3,779	-	702	-	702	-	-
Educational License Plates	4,957	112	-	-	5,069	94	336	-	4,827
Alternative Education	6,920	7,780	-	-	14,700	7,960	2,909	-	19,751
Early Intervention Grant	-	10,270	8,542	-	1,728	-	1,728	-	-
Donations, Gifts, and Trusts	29,067	3,600	719	-	31,948	58,702	26,566	-	64,084
Measured Progress High School	692	-	-	-	692	-	-	-	692
Dollar General Grant	-	4,256	4,256	-	-	-	-	-	-
Interlocal - Noblesville	-	-	-	-	-	6,969	9,584	-	(2,615)
Autism Advocates	333	-	333	-	-	-	-	-	-
Adult and Continuing Education FY 2009-2010	(768)	25,723	6,852	-	18,103	70,473	133,890	-	(45,314)
Adult and Continuing Education FY 2012-2013	-	60,549	63,581	-	(3,032)	3,714	682	-	-
Hamilton County Community Corrections	-	-	-	-	-	5,424	9,920	-	(4,496)
Adult Basic Education/Other	(9,177)	9,737	560	-	-	-	-	-	-
Job Source Grant	(44)	-	(44)	-	-	-	-	-	-
Adult/Continuing Ed/English	(6,557)	20,237	16,514	-	(2,834)	11,960	13,021	-	(3,895)
Recreational Activities	11,216	18,875	18,623	-	11,468	3,000	6,580	-	7,888
Scholarships and Awards	400	-	-	-	400	-	-	-	400
Miscellaneous Programs	-	932	932	-	-	657	1,075	-	(418)
Insurance Retirement Grant	33,596	-	21,511	-	12,085	-	12,085	-	-
CAPE	309	17,800	18,109	-	-	-	-	-	-
Middle School Incentive Grant	15,113	-	6,155	-	8,958	-	7,469	-	1,489
FY 12-13 High Ability	-	30,515	21,384	-	9,131	-	9,131	-	-
FY 13-14 High Ability	12,319	-	12,319	-	-	30,082	11,111	-	18,971

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

ELWOOD COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014
(Continued)

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
Non-English Speaking Programs P.L. 273-1999	1,693	-	-	-	1,693	-	-	-	1,693
NESP Grant	-	4,431	-	-	4,431	-	4,431	-	-
School Technology	26,547	69,079	57,588	-	38,038	24,753	40,201	-	22,590
Technology Plan Buddy	2,362	-	-	-	2,362	-	2,362	-	-
Title I, FY 2010-11	52,034	-	-	(52,034)	-	-	-	-	-
Title I, FY 2012-13	-	252,975	364,406	-	(111,431)	271,939	160,508	-	-
Title I, FY 2013-14	(181,177)	440,566	311,395	52,034	28	388,016	445,755	-	(57,711)
Title I Migrant Refresh	-	-	-	-	-	143,272	143,272	-	-
Title I Migrant	(87,814)	87,814	-	-	-	-	-	-	-
Summer Migrant Program	(748)	108,503	107,755	-	-	-	11,735	-	(11,735)
Fall Migrant FY 2013-15	-	-	-	-	-	92,872	100,902	-	(8,030)
Fall Migrant FY 2011-13	-	74,293	122,642	-	(48,349)	186,898	138,549	-	-
IDEA	-	131,117	229,473	-	(98,356)	325,796	227,440	-	-
PL 94-142 FY 11-12	(228,380)	429,006	200,626	-	-	-	-	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	-	-	-	139,116	165,760	-	(26,644)
Federal Assistance Educational Preschool Handicapped	(33,357)	33,357	-	-	-	-	14,276	-	(14,276)
Preschool FY 12-13	-	20,520	21,768	-	(1,248)	9,874	8,626	-	-
Adult Basic Education FY 12-13	-	19,238	50,888	-	(31,650)	33,988	2,338	-	-
Adult Basic Education FY 13-14	(14,859)	15,731	872	-	-	2,080	55,606	-	(53,526)
Region 4 Title II Adult Education Fund 5540	(3,167)	3,299	132	-	-	-	-	-	-
Adult Basic Education FY 10-11	-	-	160,488	-	(160,488)	231,215	70,727	-	-
Region 4 Title II Adult Education Fund 5544	(4,139)	5,032	893	-	-	-	-	-	-
Adult Basic Education	6,988	-	-	-	6,988	-	-	-	6,988
ABE Professional Development	(109)	-	1,873	-	(1,982)	3,634	1,652	-	-
Perkins Grant FY 12-13	-	48,039	63,660	-	(15,621)	25,054	9,433	-	-
Perkins Grant FY 13-14	(4,673)	9,681	5,008	-	-	48,154	57,908	-	(9,754)
Improving Teaching Quality, No Child Left Behind, Title II, Part A, FY 12-14	-	-	-	-	-	55,445	63,035	-	(7,590)
ITQ, Enhanced Education Through Technology, Title II, Part D	(79,606)	79,606	-	-	-	-	-	-	-
Improving Teaching Quality, No Child Left Behind, Title II, Part A, FY 09-11	(9,638)	30,657	30,515	-	(9,496)	60,000	50,504	-	-
Title I - Grants to LEAs FY 11-12	(10,160)	10,160	-	-	-	-	-	-	-
Education Jobs Stimulus	-	7,366	7,366	-	-	-	-	-	-
Payroll Withholdings	65,489	2,613,987	2,637,151	-	42,325	2,710,048	2,715,764	-	36,609
Totals	\$ 4,755,146	\$ 19,811,980	\$ 20,785,913	\$ -	\$ 3,781,213	\$ 20,214,456	\$ 20,445,367	\$ -	\$ 3,550,302

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

ELWOOD COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

ELWOOD COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

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

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

ELWOOD COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

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

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

ELWOOD COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

ELWOOD COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2013 and 2014.

Note 8. Holding Corporations

The School Corporation has entered into a capital lease with the 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. Lease payments during the years 2013 and 2014 totaled \$0 and \$84,000, respectively.

ELWOOD COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Other Postemployment Benefits*

The School Corporation provides to eligible retirees the following benefits: Contributions of up to \$2,000 into a voluntary employee beneficiary association (VEBA) account for certified retirees under the age of 65. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

Note 10. *Combined Funds*

Funds related to Payroll Withholdings were reported as one fund in the current and prior financial statements.

Note 11. *Negative Receipts and Disbursements*

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of the correction of errors from the prior period. The errors made in the prior period were corrected by reversing the original entry. Since the original entry and the correction were made in separate periods, a negative receipt/disbursement was shown in the current period.

(This page intentionally left blank.)

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's Office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	CSF Technology
Cash and investments - beginning	\$ 3,168,493	\$ 279,549	\$ (26,589)	\$ 484,423	\$ 88,484	\$ 99,583	\$ 375,000	\$ -
Receipts:								
Local sources	307,619	1,608,263	217,425	620,667	473,578	129,318	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	10,647,641	-	-	-	2,500	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	495	-	-	-	-	-	-	-
Total receipts	10,955,755	1,608,263	217,425	620,667	476,078	129,318	-	-
Disbursements:								
Current:								
Instruction	7,399,122	-	-	-	-	-	-	-
Support services	3,846,251	-	-	534,880	525,717	134,858	-	-
Noninstructional services	109,267	-	-	-	-	-	-	-
Facilities acquisition and construction	58,732	-	-	345,448	-	-	-	26,616
Debt services	-	1,345,284	219,691	-	-	19,588	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	598,761	-	-	-	-	-	-	-
Total disbursements	12,012,133	1,345,284	219,691	880,328	525,717	154,446	-	26,616
Excess (deficiency) of receipts over disbursements	(1,056,378)	262,979	(2,266)	(259,661)	(49,639)	(25,128)	-	(26,616)
Other financing sources (uses):								
Transfers in	-	519,040	108,576	-	-	-	-	-
Transfers out	(28,855)	(519,040)	(79,721)	-	-	-	-	-
Total other financing sources (uses)	(28,855)	-	28,855	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,085,233)	262,979	26,589	(259,661)	(49,639)	(25,128)	-	(26,616)
Cash and investments - ending	\$ 2,083,260	\$ 542,528	\$ -	\$ 224,762	\$ 38,845	\$ 74,455	\$ 375,000	\$ (26,616)

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Educational License Plates	Alternative Education	Early Intervention Grant	Donations Gifts, and Trusts
Cash and investments - beginning	\$ 426,342	\$ 247,133	\$ 17,019	\$ 47	\$ 4,957	\$ 6,920	\$ -	\$ 29,067
Receipts:								
Local sources	271,011	44,936	-	4,434	-	-	-	3,600
Intermediate sources	-	-	-	-	112	-	-	-
State sources	5,662	80,501	-	-	-	7,780	10,270	-
Federal sources	693,087	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	969,760	125,437	-	4,434	112	7,780	10,270	3,600
Disbursements:								
Current:								
Instruction	-	-	-	3,779	-	-	-	413
Support services	39,753	24,911	-	-	-	-	8,542	-
Noninstructional services	977,461	-	-	-	-	-	-	-
Facilities acquisition and construction	949	-	-	-	-	-	-	306
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	1,018,163	24,911	-	3,779	-	-	8,542	719
Excess (deficiency) of receipts over disbursements	(48,403)	100,526	-	655	112	7,780	1,728	2,881
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(48,403)	100,526	-	655	112	7,780	1,728	2,881
Cash and investments - ending	\$ 377,939	\$ 347,659	\$ 17,019	\$ 702	\$ 5,069	\$ 14,700	\$ 1,728	\$ 31,948

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Measured Progress High School	Dollar General Grant	Interlocal - Noblesville	Autism Advocates	Adult and Continuing Education FY 2009-2010	Adult and Continuing Education FY 2012-2013	Hamilton County Community Corrections	Adult Basic Education/ Other
Cash and investments - beginning	\$ 692	\$ -	\$ -	\$ 333	\$ (768)	\$ -	\$ -	\$ (9,177)
Receipts:								
Local sources	-	4,256	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	25,723	60,549	-	9,737
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	4,256	-	-	25,723	60,549	-	9,737
Disbursements:								
Current:								
Instruction	-	4,256	-	-	5,478	58,156	-	560
Support services	-	-	-	333	1,374	5,425	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	4,256	-	333	6,852	63,581	-	560
Excess (deficiency) of receipts over disbursements	-	-	-	(333)	18,871	(3,032)	-	9,177
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(333)	18,871	(3,032)	-	9,177
Cash and investments - ending	\$ 692	\$ -	\$ -	\$ -	\$ 18,103	\$ (3,032)	\$ -	\$ -

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Job Source Grant	Adult/ Continuing Ed/ English	Recreational Activities	Scholarships and Awards	Miscellaneous Programs	Insurance Retirement Grant	CAPE	Middle School Incentive Grant
Cash and investments - beginning	\$ (44)	\$ (6,557)	\$ 11,216	\$ 400	\$ -	\$ 33,596	\$ 309	\$ 15,113
Receipts:								
Local sources	-	20,237	18,875	-	932	-	17,800	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	20,237	18,875	-	932	-	17,800	-
Disbursements:								
Current:								
Instruction	(44)	16,514	-	-	-	-	-	-
Support services	-	-	18,623	-	-	21,511	15,243	6,155
Noninstructional services	-	-	-	-	-	-	2,866	-
Facilities acquisition and construction	-	-	-	-	932	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	(44)	16,514	18,623	-	932	21,511	18,109	6,155
Excess (deficiency) of receipts over disbursements	44	3,723	252	-	-	(21,511)	(309)	(6,155)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	44	3,723	252	-	-	(21,511)	(309)	(6,155)
Cash and investments - ending	\$ -	\$ (2,834)	\$ 11,468	\$ 400	\$ -	\$ 12,085	\$ -	\$ 8,958

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	FY 12-13 High Ability	FY 13-14 High Ability	Non-English Speaking Programs P.L. 273-1999	NESP Grant	School Technology	Technology Plan Buddy	Title I, FY 2010-11
Cash and investments - beginning	\$ -	\$ 12,319	\$ 1,693	\$ -	\$ 26,547	\$ 2,362	\$ 52,034
Receipts:							
Local sources	-	-	-	-	65,458	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	30,515	-	-	4,431	3,621	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	30,515	-	-	4,431	69,079	-	-
Disbursements:							
Current:							
Instruction	21,384	12,319	-	-	-	-	-
Support services	-	-	-	-	57,588	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	21,384	12,319	-	-	57,588	-	-
Excess (deficiency) of receipts over disbursements	9,131	(12,319)	-	4,431	11,491	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(52,034)
Total other financing sources (uses)	-	-	-	-	-	-	(52,034)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,131	(12,319)	-	4,431	11,491	-	(52,034)
Cash and investments - ending	\$ 9,131	\$ -	\$ 1,693	\$ 4,431	\$ 38,038	\$ 2,362	\$ -

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Title I, FY 2012-13	Title I, FY 2013-14	Title I Migrant Refresh	Title I Migrant	Summer Migrant Program	Fall Migrant FY 2013-15	Fall Migrant FY 2011-13
Cash and investments - beginning	\$ -	\$ (181,177)	\$ -	\$ (87,814)	\$ (748)	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	252,975	440,566	-	87,814	108,503	-	74,293
Other	-	-	-	-	-	-	-
Total receipts	252,975	440,566	-	87,814	108,503	-	74,293
Disbursements:							
Current:							
Instruction	270,837	260,699	-	-	67,754	-	97,623
Support services	61,615	26,590	-	-	39,478	-	24,383
Noninstructional services	31,954	24,106	-	-	523	-	636
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	364,406	311,395	-	-	107,755	-	122,642
Excess (deficiency) of receipts over disbursements	(111,431)	129,171	-	87,814	748	-	(48,349)
Other financing sources (uses):							
Transfers in	-	52,034	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	52,034	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(111,431)	181,205	-	87,814	748	-	(48,349)
Cash and investments - ending	\$ (111,431)	\$ 28	\$ -	\$ -	\$ -	\$ -	\$ (48,349)

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	IDEA	PL 94-142 FY 11-12	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Federal Assistance Educational Preschool Handicapped	Preschool FY 12-13	Adult Basic Education FY 12-13	Adult Basic Education FY 13-14
Cash and investments - beginning	\$ -	\$ (228,380)	\$ -	\$ (33,357)	\$ -	\$ -	\$ (14,859)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	131,117	429,006	-	33,357	20,520	19,238	15,731
Other	-	-	-	-	-	-	-
Total receipts	131,117	429,006	-	33,357	20,520	19,238	15,731
Disbursements:							
Current:							
Instruction	199,417	172,035	-	-	11,267	47,476	764
Support services	30,056	28,591	-	-	10,501	3,412	108
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	229,473	200,626	-	-	21,768	50,888	872
Excess (deficiency) of receipts over disbursements	(98,356)	228,380	-	33,357	(1,248)	(31,650)	14,859
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(98,356)	228,380	-	33,357	(1,248)	(31,650)	14,859
Cash and investments - ending	\$ (98,356)	\$ -	\$ -	\$ -	\$ (1,248)	\$ (31,650)	\$ -

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Region 4 Title II Adult Education Fund 5540	Adult Basic Education FY 10-11	Region 4 Title II Adult Education Fund 5544	Adult Basic Education	ABE Professional Development	Perkins Grant FY 12-13	Perkins Grant FY 13-14
Cash and investments - beginning	\$ (3,167)	\$ -	\$ (4,139)	\$ 6,988	\$ (109)	\$ -	\$ (4,673)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	3,299	-	5,032	-	-	48,039	9,681
Other	-	-	-	-	-	-	-
Total receipts	3,299	-	5,032	-	-	48,039	9,681
Disbursements:							
Current:							
Instruction	132	6,519	893	-	(34)	4,474	1,549
Support services	-	153,969	-	-	1,907	59,186	3,459
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	132	160,488	893	-	1,873	63,660	5,008
Excess (deficiency) of receipts over disbursements	3,167	(160,488)	4,139	-	(1,873)	(15,621)	4,673
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,167	(160,488)	4,139	-	(1,873)	(15,621)	4,673
Cash and investments - ending	\$ -	\$ (160,488)	\$ -	\$ 6,988	\$ (1,982)	\$ (15,621)	\$ -

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Improving Teaching Quality, No Child Left Behind, Title II, Part A, FY 12-14	ITQ, Enhanced Education Through Technology, Title II, Part D	Improving Teaching Quality, No Child Left Behind, Title II, Part A, FY 09-11	Title I - Grants to LEAs FY 11-12	Education Jobs Stimulus	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (79,606)	\$ (9,638)	\$ (10,160)	\$ -	\$ 65,489	\$ 4,755,146
Receipts:							
Local sources	-	-	-	-	-	-	3,808,409
Intermediate sources	-	-	-	-	-	-	112
State sources	-	-	-	-	-	-	10,888,930
Federal sources	-	79,606	30,657	10,160	7,366	-	2,500,047
Other	-	-	-	-	-	2,613,987	2,614,482
Total receipts	-	79,606	30,657	10,160	7,366	2,613,987	19,811,980
Disbursements:							
Current:							
Instruction	-	-	-	6,866	7,366	-	8,677,574
Support services	-	-	30,515	(6,866)	-	-	5,708,068
Noninstructional services	-	-	-	-	-	-	1,146,813
Facilities acquisition and construction	-	-	-	-	-	-	432,983
Debt services	-	-	-	-	-	-	1,584,563
Nonprogrammed charges	-	-	-	-	-	2,637,151	2,637,151
Interfund loans	-	-	-	-	-	-	598,761
Total disbursements	-	-	30,515	-	7,366	2,637,151	20,785,913
Excess (deficiency) of receipts over disbursements	-	79,606	142	10,160	-	(23,164)	(973,933)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	679,650
Transfers out	-	-	-	-	-	-	(679,650)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	79,606	142	10,160	-	(23,164)	(973,933)
Cash and investments - ending	\$ -	\$ -	\$ (9,496)	\$ -	\$ -	\$ 42,325	\$ 3,781,213

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	CSF Technology
Cash and investments - beginning	\$ 2,083,260	\$ 542,528	\$ -	\$ 224,762	\$ 38,845	\$ 74,455	\$ 375,000	\$ (26,616)
Receipts:								
Local sources	230,685	1,681,626	237,537	531,186	356,895	94,687	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	10,991,437	-	-	-	-	-	-	31,920
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	5,743	-	-	-
Total receipts	11,222,122	1,681,626	237,537	531,186	362,638	94,687	-	31,920
Disbursements:								
Current:								
Instruction	6,807,998	-	-	-	-	-	-	-
Support services	4,226,393	-	-	533,549	383,787	144,298	-	-
Noninstructional services	99,777	-	-	-	-	-	-	-
Facilities acquisition and construction	8,874	-	-	154,593	-	-	-	5,304
Debt services	-	2,125,198	192,217	-	-	21,118	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	11,143,042	2,125,198	192,217	688,142	383,787	165,416	-	5,304
Excess (deficiency) of receipts over disbursements	79,080	(443,572)	45,320	(156,956)	(21,149)	(70,729)	-	26,616
Other financing sources (uses):								
Transfers in	68,084	-	-	-	-	22,210	-	-
Transfers out	(22,210)	-	(28,855)	-	-	(22,210)	-	-
Total other financing sources (uses)	45,874	-	(28,855)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	124,954	(443,572)	16,465	(156,956)	(21,149)	(70,729)	-	26,616
Cash and investments - ending	\$ 2,208,214	\$ 98,956	\$ 16,465	\$ 67,806	\$ 17,696	\$ 3,726	\$ 375,000	\$ -

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	School Lunch	Textbook Rental	Levy Excess	Child Care Program	Educational License Plates	Alternative Education	Early Intervention Grant	Donations Gifts, and Trusts
Cash and investments - beginning	\$ 377,939	\$ 347,659	\$ 17,019	\$ 702	\$ 5,069	\$ 14,700	\$ 1,728	\$ 31,948
Receipts:								
Local sources	266,262	26,492	-	-	-	-	-	58,702
Intermediate sources	-	-	-	-	94	-	-	-
State sources	4,586	81,989	-	-	-	7,960	-	-
Federal sources	722,222	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	993,070	108,481	-	-	94	7,960	-	58,702
Disbursements:								
Current:								
Instruction	-	285	-	702	-	2,909	-	21,497
Support services	25,715	36,674	-	-	336	-	1,728	1,952
Noninstructional services	941,602	-	-	-	-	-	-	-
Facilities acquisition and construction	412	-	-	-	-	-	-	3,117
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	967,729	36,959	-	702	336	2,909	1,728	26,566
Excess (deficiency) of receipts over disbursements	25,341	71,522	-	(702)	(242)	5,051	(1,728)	32,136
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(17,019)	-	-	-	-	-
Total other financing sources (uses)	-	-	(17,019)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,341	71,522	(17,019)	(702)	(242)	5,051	(1,728)	32,136
Cash and investments - ending	\$ 403,280	\$ 419,181	\$ -	\$ -	\$ 4,827	\$ 19,751	\$ -	\$ 64,084

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Measured Progress High School	Dollar General Grant	Interlocal - Noblesville	Autism Advocates	Adult and Continuing Education FY 2009-2010	Adult and Continuing Education FY 2012-2013	Hamilton County Community Corrections	Adult Basic Education/ Other
Cash and investments - beginning	\$ 692	\$ -	\$ -	\$ -	\$ 18,103	\$ (3,032)	\$ -	\$ -
Receipts:								
Local sources	-	-	6,969	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	70,473	3,714	5,424	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	6,969	-	70,473	3,714	5,424	-
Disbursements:								
Current:								
Instruction	-	-	8,512	-	115,265	682	7,365	-
Support services	-	-	1,072	-	18,625	-	2,555	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	9,584	-	133,890	682	9,920	-
Excess (deficiency) of receipts over disbursements	-	-	(2,615)	-	(63,417)	3,032	(4,496)	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(2,615)	-	(63,417)	3,032	(4,496)	-
Cash and investments - ending	\$ 692	\$ -	\$ (2,615)	\$ -	\$ (45,314)	\$ -	\$ (4,496)	\$ -

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Job Source Grant	Adult/ Continuing Ed/ English	Recreational Activities	Scholarships and Awards	Miscellaneous Programs	Insurance Retirement Grant	CAPE	Middle School Incentive Grant
Cash and investments - beginning	\$ -	\$ (2,834)	\$ 11,468	\$ 400	\$ -	\$ 12,085	\$ -	\$ 8,958
Receipts:								
Local sources	-	11,960	3,000	-	657	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	11,960	3,000	-	657	-	-	-
Disbursements:								
Current:								
Instruction	-	13,021	-	-	-	-	-	-
Support services	-	-	6,580	-	-	12,085	-	7,469
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	1,075	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	13,021	6,580	-	1,075	12,085	-	7,469
Excess (deficiency) of receipts over disbursements	-	(1,061)	(3,580)	-	(418)	(12,085)	-	(7,469)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,061)	(3,580)	-	(418)	(12,085)	-	(7,469)
Cash and investments - ending	\$ -	\$ (3,895)	\$ 7,888	\$ 400	\$ (418)	\$ -	\$ -	\$ 1,489

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	FY 12-13 High Ability	FY 13-14 High Ability	Non-English Speaking Programs P.L. 273-1999	NESP Grant	School Technology	Technology Plan Buddy	Title I, FY 2010-11
Cash and investments - beginning	\$ 9,131	\$ -	\$ 1,693	\$ 4,431	\$ 38,038	\$ 2,362	\$ -
Receipts:							
Local sources	-	-	-	-	21,657	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	30,082	-	-	3,096	-	-
Federal sources	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	30,082	-	-	24,753	-	-
Disbursements:							
Current:							
Instruction	8,531	11,111	-	-	-	-	-
Support services	600	-	-	4,431	40,201	2,362	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	9,131	11,111	-	4,431	40,201	2,362	-
Excess (deficiency) of receipts over disbursements	(9,131)	18,971	-	(4,431)	(15,448)	(2,362)	-
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,131)	18,971	-	(4,431)	(15,448)	(2,362)	-
Cash and investments - ending	\$ -	\$ 18,971	\$ 1,693	\$ -	\$ 22,590	\$ -	\$ -

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Title I, FY 2012-13	Title I, FY 2013-14	Title I Migrant Refresh	Title I Migrant	Summer Migrant Program	Fall Migrant FY 2013-15	Fall Migrant FY 2011-13
Cash and investments - beginning	\$ (111,431)	\$ 28	\$ -	\$ -	\$ -	\$ -	\$ (48,349)
Receipts:							
Local sources	-	-	-	-	-	3,600	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	271,939	388,016	143,272	-	-	89,272	186,898
Other	-	-	-	-	-	-	-
Total receipts	271,939	388,016	143,272	-	-	92,872	186,898
Disbursements:							
Current:							
Instruction	103,724	291,828	6,862	-	8,709	95,451	83,652
Support services	41,904	109,813	136,410	-	3,026	5,079	54,604
Noninstructional services	14,880	44,114	-	-	-	372	293
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	160,508	445,755	143,272	-	11,735	100,902	138,549
Excess (deficiency) of receipts over disbursements	111,431	(57,739)	-	-	(11,735)	(8,030)	48,349
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	111,431	(57,739)	-	-	(11,735)	(8,030)	48,349
Cash and investments - ending	\$ -	\$ (57,711)	\$ -	\$ -	\$ (11,735)	\$ (8,030)	\$ -

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	IDEA	PL 94-142 FY 11-12	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Federal Assistance Educational Preschool Handicapped	Preschool FY 12-13	Adult Basic Education FY 12-13	Adult Basic Education FY 13-14
Cash and investments - beginning	\$ (98,356)	\$ -	\$ -	\$ -	\$ (1,248)	\$ (31,650)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	325,796	-	139,116	-	9,874	33,988	2,080
Other	-	-	-	-	-	-	-
Total receipts	325,796	-	139,116	-	9,874	33,988	2,080
Disbursements:							
Current:							
Instruction	190,908	-	137,189	14,276	8,626	690	44,447
Support services	36,532	-	28,571	-	-	1,648	11,159
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	227,440	-	165,760	14,276	8,626	2,338	55,606
Excess (deficiency) of receipts over disbursements	98,356	-	(26,644)	(14,276)	1,248	31,650	(53,526)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	98,356	-	(26,644)	(14,276)	1,248	31,650	(53,526)
Cash and investments - ending	\$ -	\$ -	\$ (26,644)	\$ (14,276)	\$ -	\$ -	\$ (53,526)

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Region 4 Title II Adult Education Fund 5540	Adult Basic Education FY 10-11	Region 4 Title II Adult Education Fund 5544	Adult Basic Education	ABE Professional Development	Perkins Grant FY 12-13	Perkins Grant FY 13-14
Cash and investments - beginning	\$ -	\$ (160,488)	\$ -	\$ 6,988	\$ (1,982)	\$ (15,621)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	231,215	-	-	3,634	25,054	48,154
Other	-	-	-	-	-	-	-
Total receipts	-	231,215	-	-	3,634	25,054	48,154
Disbursements:							
Current:							
Instruction	-	10,936	-	-	-	105	15,911
Support services	-	59,791	-	-	1,652	9,328	41,997
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	70,727	-	-	1,652	9,433	57,908
Excess (deficiency) of receipts over disbursements	-	160,488	-	-	1,982	15,621	(9,754)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	160,488	-	-	1,982	15,621	(9,754)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 6,988	\$ -	\$ -	\$ (9,754)

ELWOOD COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Improving Teaching Quality, No Child Left Behind, Title II, Part A, FY 12-14	ITQ, Enhanced Education Through Technology, Title II, Part D	Improving Teaching Quality, No Child Left Behind, Title II, Part A, FY 09-11	Title I - Grants to LEAs FY 11-12	Education Jobs Stimulus	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (9,496)	\$ -	\$ -	\$ 42,325	\$ 3,781,213
Receipts:							
Local sources	-	-	-	-	-	-	3,531,915
Intermediate sources	-	-	-	-	-	-	94
State sources	-	-	-	-	-	-	11,230,681
Federal sources	55,445	-	60,000	-	-	-	2,735,975
Other	-	-	-	-	-	2,710,048	2,715,791
Total receipts	55,445	-	60,000	-	-	2,710,048	20,214,456
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	8,011,192
Support services	63,035	-	50,504	-	-	-	6,105,465
Noninstructional services	-	-	-	-	-	-	1,101,038
Facilities acquisition and construction	-	-	-	-	-	-	173,375
Debt services	-	-	-	-	-	-	2,338,533
Nonprogrammed charges	-	-	-	-	-	2,715,764	2,715,764
Interfund loans	-	-	-	-	-	-	-
Total disbursements	63,035	-	50,504	-	-	2,715,764	20,445,367
Excess (deficiency) of receipts over disbursements	(7,590)	-	9,496	-	-	(5,716)	(230,911)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	90,294
Transfers out	-	-	-	-	-	-	(90,294)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,590)	-	9,496	-	-	(5,716)	(230,911)
Cash and investments - ending	\$ (7,590)	\$ -	\$ -	\$ -	\$ -	\$ 36,609	\$ 3,550,302

ELWOOD COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF PAYABLES AND RECEIVABLES
 June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 50,754</u>	<u>\$ 140,101</u>

ELWOOD COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Elwood Middle School Building Corp	Middle School Roof & Technology	\$ 182,500	6/30/2014	6/30/2021
Sovereign Bank	Purchase 2 new buses	<u>19,588</u>	7/1/2011	7/1/2015
Total governmental activities		<u>202,088</u>		
Total of annual lease payments		<u>\$ 202,088</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Pension Bonds	\$ 1,040,000	\$ 224,085
Common School Fund Loan	Technology	28,728	6,655
Common School Fund Loan	Technology	68,597	34,899
Common School Fund Loan	Oakland Elementary Renovation	3,562,500	495,188
Common School Fund Loan	Edgewood Elementary Renovation	3,456,420	480,442
Common School Fund Loan	Elwood High School HVAC	<u>4,393,512</u>	<u>344,740</u>
Total governmental activities		<u>12,549,757</u>	<u>1,586,009</u>
Totals		<u>\$ 12,549,757</u>	<u>\$ 1,586,009</u>

(This page intentionally left blank.)

ELWOOD COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2014

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 10
Infrastructure	407,702
Buildings	32,975,725
Improvements other than buildings	452,288
Machinery, equipment, and vehicles	<u>2,990,342</u>
Total governmental activities	<u>36,826,067</u>
Total capital assets	<u><u>\$ 36,826,067</u></u>

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the Elwood Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Basis for Qualified Opinion on Title I, Part A Cluster

As described in item 2014-003 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs that are applicable to its Title I, Part A Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Qualified Opinion on Title I, Part A Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Title I, Part A Cluster* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Title I, Part A Cluster for the period of July 1, 2012 to June 30, 2014.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in item 2014-004 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Cash Management that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Child Nutrition Cluster for the period of July 1, 2012 to June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2012 to June 30, 2014.

Other Matters

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.


Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-003 and 2014-004 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

August 10, 2015

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

ELWOOD COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS EXPENDED
For the Years Ended June 30, 2013 and 2014

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
U.S. DEPARTMENT OF AGRICULTURE					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	5280	\$ 202,086	\$ 202,607
National School Lunch Program	Indiana Department of Education	10.555	5280	528,157	557,802
Summer Food Service Program for Children	Indiana Department of Education	10.559	5280	20,581	19,316
Total for cluster				750,824	779,725
Total for federal grantor agency				750,824	779,725
U.S. DEPARTMENT OF EDUCATION					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	12-5280	440,566	-
			13-5280	252,975	271,939
			14-5280	-	388,016
Total for program				693,541	659,955
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	Indiana Department of Education	84.389	5280	10,160	-
Total for cluster				703,701	659,955
Special Education Cluster					
Special Education - Grants to States	Indiana Department of Education	84.027	14212-095-PN01	429,006	-
			14213-095-PN01	131,117	325,796
			14214-095-PN01	-	130,941
			FY 2014 TAG	-	8,175
Total for program				560,123	464,912
Special Education - Preschool Grants	Indiana Department of Education	84.173	14713-095-PN01	33,357	-
			45714-095-PN01	20,520	9,874
Total for program				53,877	9,874
Total for cluster				614,000	474,786

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 EXPENDED
For the Years Ended June 30, 2013 and 2014
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-13	Total Federal Awards Expended 06-30-14
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>					
Adult Education - Basic Grants to States	Indiana Department of Education	84.002			
			C1-4-AE-3-60	15,731	2,080
			C1-3-AE-2-60	19,238	33,988
			C1-3-AEIN-2-60	-	231,215
			FY 11-12	3,299	-
			C1-3-AEPD-2-60	5,032	-
			FY 13-14	-	3,634
Total for program				<u>43,300</u>	<u>270,917</u>
Migrant Education - State Grant Program	Indiana Department of Education	84.011			
			FY 2009-10	108,503	-
			FY 2010-11	87,814	-
			38211-004-PN01	-	143,272
			38212-005-PN01	74,293	186,898
			38213-006-PN01	-	89,272
Total for program				<u>270,610</u>	<u>419,442</u>
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048			
			11-4700-5280	9,681	-
			12-4700-5280	48,039	25,054
			13-4700-5280	-	48,154
Total for program				<u>57,720</u>	<u>73,208</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
			FY 11-12	79,606	-
			FY 12-13	30,657	60,000
			FY 13-14	-	55,445
Total for program				<u>110,263</u>	<u>115,445</u>
Education Jobs Fund	Indiana Department of Education	84.410			
			FY 11-12	7,366	-
Total for federal grantor agency				<u>1,806,960</u>	<u>2,013,753</u>
Total federal awards expended				<u>\$ 2,557,784</u>	<u>\$ 2,793,478</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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 57,737	\$ 57,503

ELWOOD COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified for Special Education Cluster and Migrant Education - State Grant Program; Qualified for Child Nutrition Cluster and Title I, Part A Cluster
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Title I, Part A Cluster
	Special Education Cluster
84.011	Migrant Education - State Grant Program

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

Auditee qualified as low-risk auditee?	no
--	----

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

Section II - Financial Statement Findings

FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation Treasurer prepared and submitted the SEFA through the Gateway system. However, there was no additional oversight, review, or approval process of the SEFA information to ensure the accuracy of the information. The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted that total expenditures for FY 2014 were understated by \$73,219. These errors were due to incorrect amounts being reported for the Child Nutrition Cluster programs and a transfer of Adult Education - Basic Grants to States funds being included as new federal funds on the SEFA. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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.

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)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

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

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

FINDING 2014-002 - INTERNAL CONTROL OVER RECEIPTING

We noted deficiencies in the internal control system of the School Corporation related to receipt transactions. One of the controls over the collection of monies is to issue a receipt at the time the funds are received to ensure that all monies collected are accounted for prior to depositing them. The School Corporation does not issue receipts at the time of collection of monies, but receipts the monies at the time the deposit is made. There is no other control in place to ensure that monies collected are accounted for prior to be deposited.

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)

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)

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-003 - ALLOWABLE COSTS

Federal Agency: U.S. Department of Education

Federal Program: Title I Grants to Local Educational Agencies and

ARRA - Title I Grants to Local Educational Agencies, Recovery Act

CFDA Number: 84.010 and 84.389

Federal Award Number and Year (or Other Identifying Number): 12-5280, 13-5250, 14-5280, and 5280

Pass-Through Entity: Indiana Department of Education

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

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Allowable Costs compliance requirements that have a direct and material effect on the programs. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. The School Corporation failed to maintain the necessary documentation relating to time and effort logs. Time and effort logs should be maintained for employees that don't work exclusively with the Title I program to help ensure that payments for their services were properly allocated between federal and non-federal funds. In addition, of the employees that were tested that were paid exclusively from Title I funds, 16 did not have the semi-annual certifications as required.

OMB Circular A-87, Attachment B, paragraph 8.h. states in part:

- "(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
 - (a) More than one federal award,
 - (b) A Federal award and a non-federal award,
 - (c) An indirect cost activity and a direct cost activity,
 - (d) Two or more indirect activities which are allocated using different allocation bases, or
 - (e) An unallowable activity and a direct or indirect cost activity. . . ."

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls has enabled noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that School Corporation management establish controls, including segregation of duties, related to the grant agreement and the Allowable Costs compliance requirements. We also recommended that the School Corporation comply with the Allowable Costs requirements by preparing the semiannual certifications for all applicable employees and schools.

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

FINDING 2014-004 - CASH MANAGEMENT

Federal Agency: U.S. Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program,
and Summer Food Service Program for Children
CFDA Number: 10.553, 10.555, and 10.559
Federal Award Number and Year (or Other Identifying Number): FY 12-13 and FY 13-14
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Cash Management compliance requirements that have a direct and material effect on the programs. There were no procedures established to ensure that the School Lunch fund cash balances were maintained in compliance with the Cash Management requirements. The failure to establish an effective internal control system allowed noncompliance with the requirements.

The School Corporation Food Service Department maintains a cash balance in excess of federal regulations. The average 3 month expenditures of the School Corporation for the school lunch program for FY 2013 and FY 2014 were \$254,541 and \$241,932, respectively. The month-end cash balances for the 24-month audit period ranged from \$329,813 to \$468,522. This compliance requirement was not monitored by the School Lunch Director or by any other employee of the School Corporation.

7 CFR section 210.14(a) states in part: "School food authorities shall maintain a nonprofit school food service. . . ."

7 CFR section 210.14(b) states: "*Net cash resources*. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

7 CFR section 210.2 defines net cash resources as:

"*Net cash resources* means all monies, as determined in accordance with the State agency's established accounting system, that are available to or have accrued to a school food authority's nonprofit school food service at any given time, less cash payable. Such monies may include, but are not limited to, cash on hand, cash receivable, earnings on investments, cash on deposit and the value of stocks, bonds or other negotiable securities."

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The cash balance maintained by the School Corporation resulted in noncompliance with program requirements that they must operate a nonprofit school food service and limit net cash resources. Failure to comply with these requirements could cause the School Corporation to be ineligible to receive future federal funding.

We recommended that management of the School Corporation implement procedures that would limit net cash resources to 3 months' average expenditures and to establish internal controls to ensure that its school food service program is operated as a nonprofit service.

(This page intentionally left blank.)

AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

Elwood Community School Corporation

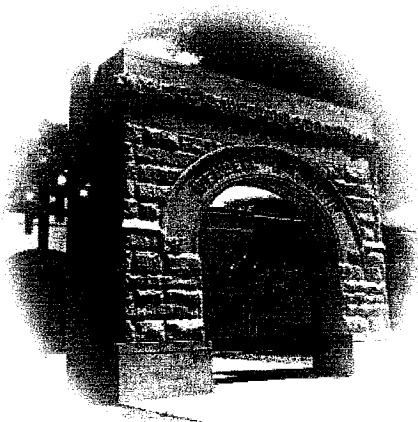
1306 N. Anderson Street

Elwood, IN 46036

Ph: 765-552-9861

Fax: 765-552-8088

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



The Hope of Our Country

Interim Superintendent:

Mr. Thomas Austin

Director of Special Services:

Mrs. Kelly Wilder

Business Mgr/Treasurer:

Mrs. Joa Griffith

June 26, 2015

State Board of Accounts

302 W. Washington Street, Room E418

Indianapolis, IN 46204-2765

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

This document contains the status of Audit Findings for the audit period of July 1, 2010 to June 20, 2012.

FINDING 2012-0003

B42025

Report Period: July 1, 2010 to June 30, 2012

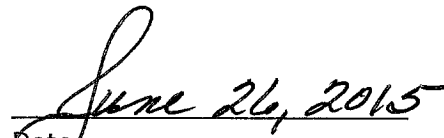
Pass-Through Entity or Federal Grantor Agency: U.S. Department of Education

Contact Person Responsible for Corrective Action: Joa Griffith

Contact Phone Number: (765) 552-9861

Status of Audit Finding: CAPE, Fund number 2930, which involved the five (5) school corporations in Madison County, was closed in it's entirety on December 21, 2012.


Mrs. Joa Griffith
Business Manager


Date

FINDING 2012-0004

B42025


Report Period: July 1, 2010 to June 30, 2012

Pass-Through Entity or Federal Grantor Agency: U.S. Department of Education

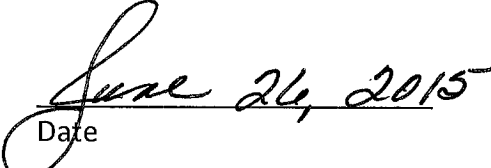
Contact Person Responsible for Corrective Action: Joa Griffith

Contact Phone Number: (765) 552-9861

Status of Audit Finding: Cash requests are completed on a reimbursement basis for Federal Grants.



Mrs. Joa Griffith
Business Manager



Date

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:

Dr. Chris Daughtry

Business Mgr/Treasurer:

Mrs. Joa Griffith



The Hope of Our Country

August 10, 2015

Corrective Action Plan

FINDING 2014-001

Preparation of the Schedule of Expenditure of Federal Awards (SEFA)

The SEFA report is the responsibility of the Corporation Treasurer. Limited staff does not permit for a 100% review for each documented entry. The SEFA is a very detailed and time consuming report.

Prior years, this report was completed during Audit and by the Audit Examiner with excessive time to complete. 2014 is the first year the SEFA report has been the responsibility to complete by the Corporation Treasurer of this District.

As explained during audit, one error being cited was due to receiving a physical check, instead of a credit, on a return purchase, which caused a double receipt of funds for the Federal Grant mentioned.

Having one year of experience in completing the SEFA report, future reports will be completed with more detailed documentation should an error correction appear as an error in the receipting in process.

Mrs. Joa Griffith
Business Manager/Corporation Treasurer

Dr. Chris Daughtry
Superintendent

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:

Dr. Chris Daughtry

Business Mgr/Treasurer:

Mrs. Joa Griffith



The Hope of Our Country

10

August 3, 2015

Corrective Action Plan

FINDING 2014-002

Internal Control Over Receipting

During the 2010-2012 Audit the suggested solution, from the Field Examiner, was to create a tracking sheet to be completed at the time funds were collected. A tracking sheet was developed immediately and put into place for documenting funds received. The tracking sheet documents the person receiving the funds, the date the funds are received; the amount received and if the funds are cash or check. The funds are then kept in the corporation safe until taken to the banking institution for deposit.

The Corporation Treasurer matches each entry on the tracking sheet at the time of deposit to verify all funds received are accounted for.

A numbered receipt book is on hand to write a receipt to the individual should they request a receipt. Once the funds are deposited the receipt is recorded into the Districts financial software and a duplicate receipt is printed and mailed to the individual.

Maintaining an efficient work flow with limited computers that are licensed with our financial software, printing receipts on demand is not very feasible or productive. As this remains an Audit concern the District will secure a stand alone computer solely dedicated to receipting in receipts and therefore, will not disrupt the current job function being performed by the employee receiving the funds.


Mrs. Joa Griffith
Business Manager/Corporation Treasurer


Dr. Chris Daughtry
Superintendent

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:

Dr. Chris Daughtry

Business Mgr/Treasurer:

Mrs. Joa Griffith



The Hope of Our Country

¹⁰
August 7, 2015

Corrective Action Plan


FINDING 2014-003 Allowable Costs
Federal Agency: United States Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010

Federal Finding 2014-003 indicates that the School Corporation failed to maintain the necessary documentation relating to time and effort. It is important to note that this area has been reviewed in all previous audits as well as during an on-site review conducted by the Indiana Department of Education. At no time were issues raised with the current method of maintaining time and effort logs for personnel paid from split funding sources as identified in the approved application.

The scope of the present interpretation is much broader than that provided in the past. It is our contention that had the program administrator(s) been aware of the need to broaden the scope of those staff members impacted by the need to maintain time and effort logs, compliance would have been met. The records to document this are readily available.

Corrective action will be instituted by preparing a monthly fund distribution report for each impacted employee. These will identify funding sources for all activities provided by the employee and, as such, can be compared to those described in the approved federal grant.

Those reports will then be signed by the employee and the supervising administrator and the superintendent. Semiannual certifications will continue to be maintained for applicable employees and schools.



Mrs. Joa Griffith
Business Manager/Corporation Treasurer



Dr. Chris Daughtry
Superintendent

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:

Dr. Chris Daughtry

Business Mgr/Treasurer:

Mrs. Joa Griffith



The Hope of Our Country

¹⁰
August 8, 2015

Corrective Action Plan

FINDING 2014-004

Federal Agency: United States Department of Agriculture
Federal Program: School Breakfast Program & National School Lunch Program
CFDA Number: 10.553 and 10.555
FY 2012-2013 and FY 2013-2014

Federal Finding 2014-004 states there were no procedures established to ensure that the School Lunch Fund cash balances were maintained in compliance with the Cash Management requirements.

During the school years of 2013 and 2014 the Food Service Department at Elwood Community School Corporation was building the cash reserve in order to purchase new equipment for 3 (three) schools in the District. New ovens, an ice machine and air curtain has since been purchased for all 3 (three) building and new tables for the intermediate school cafeteria have been ordered. The total expenditures for the upgraded cafeteria equipment was approximately \$130,000.00 leaving a cash reserve on June 30, 2015 of \$240,477.85 which falls within the guidelines.

Mrs. Joa Griffith
Business Manager/Corporation Treasurer

Dr. Chris Daughtry
Superintendent

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.