

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SOUTH BEND COMMUNITY SCHOOL CORPORATION
ST. JOSEPH COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
06/23/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robert M. Orlofsk	01-01-13 to 12-31-16
Superintendent of Schools	Carole L. Schmidt	07-01-13 to 06-30-16
President of the School Board	Michelle L. Engel Jay Caponigro	01-01-13 to 12-31-14 01-01-15 to 12-31-16



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SOUTH BEND COMMUNITY SCHOOL
CORPORATION, ST. JOSEPH COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the South Bend Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

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, 2013 to June 30, 2015.

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, 2013 to June 30, 2015, 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 April 12, 2016, 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

April 12, 2016



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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 SOUTH BEND COMMUNITY SCHOOL
CORPORATION, ST. JOSEPH 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 South Bend Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated April 12, 2016, 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 a material weakness.

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 item 2015-001 to be a material weakness.

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 2015-001.

South Bend 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

April 12, 2016

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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.

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SOUTH BEND COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS

For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-13	Receipts	Disbursements		06-30-14	Receipts	Disbursements		
General	\$ 2,143,149	\$ 136,304,869	\$ 130,817,845	\$ 89,224	\$ 7,719,397	\$ 132,510,757	\$ 131,870,889	\$ 263,668	\$ 8,622,933
Debt Service	(116,734)	1,026,854	519,166	(683,069)	(292,115)	976,660	202,173	(482,365)	7
Exempt Debt	9,375,660	19,256,208	19,289,693	-	9,342,175	19,308,141	19,369,238	-	9,281,078
Exempt Retirement/ Severance Bond Debt Service	1,612,358	3,145,272	3,154,119	-	1,603,511	3,134,673	3,149,661	-	1,588,523
Capital Projects	5,790,523	11,701,641	11,241,774	-	6,250,390	10,953,418	7,979,518	-	9,224,290
School Transportation	2,031,342	12,508,931	11,671,923	-	2,868,350	12,997,808	11,329,024	-	4,537,134
School Bus Replacement	992,312	2,308,951	1,966,816	-	1,334,447	2,057,710	2,053,931	-	1,338,226
Rainy Day	816,000	-	-	-	816,000	-	-	-	816,000
Retirement/ Severance Bond	8,955,562	79,120	862,387	-	8,172,295	85,711	928,017	-	7,329,989
Post-Retirement/ Severance Future Benefits	2,897,479	324,336	124,948	-	3,096,867	401,123	36,860	-	3,461,130
Construction	5,219,187	17,675	167,719	97,600	5,166,743	29,434	208,896	-	4,987,281
School Lunch	2,197,969	8,627,502	9,717,039	-	1,108,432	12,550,198	10,124,014	-	3,534,616
Textbook Rental	1,087,120	1,714,546	2,450,302	696,069	1,047,433	1,712,566	1,705,403	482,365	1,536,961
Self-Insurance	15,214,032	36,246,409	30,886,696	-	20,573,745	29,571,000	32,280,482	-	17,864,263
Levy Excess	-	-	-	-	-	5,074	-	-	5,074
Print Shop	62,829	14,089	1,780	-	75,138	22,005	698	-	96,445
Voyagers Program	9,058	17,000	9,059	-	16,999	2,000	18,999	-	-
Joint Services and Supply - Other	76	-	-	-	76	-	-	-	76
Summer Sch Credit Redemption	7,434	-	-	-	7,434	-	-	-	7,434
Transportation Grant	-	83,472	83,472	-	-	-	-	-	-
Summer Remediation	442,266	-	-	-	442,266	-	-	-	442,266
Governor Money	339,883	159,820	98,357	-	401,346	151,644	123,251	-	429,739
Northern Ind. Conference	281	1,067	1,043	-	305	827	63	-	1,069
Alumni Association	17,608	66,314	46,304	-	37,618	25,217	45,327	-	17,508
Public Education Foundation	793	3,362	3,014	-	1,141	5,052	4,814	-	1,379
Art Association	-	166,991	133,869	-	33,122	169,002	202,124	-	-
Child Care Program	18,307	25,607	37,424	-	6,490	21,446	25,944	-	1,992
Historical Society	-	166,991	133,869	-	33,122	169,002	202,124	-	-
Judgments	-	138,059	17,024	-	121,035	47,480	164,216	-	4,299
SAFE School Haven	2,235	-	-	-	2,235	-	-	-	2,235
Early Intervention Grant	30,468	-	11,584	-	18,884	-	2,771	-	16,113
Reading Recovery	227,347	108,538	145,531	-	190,354	122,288	141,232	-	171,410
Instruction Support	113,183	61,817	90,620	-	84,380	182,483	68,773	-	198,090
Adult and Continuing Education	32,773	109,229	89,553	-	52,449	34,597	30,555	-	56,491
Gift Fund- Extra-Curricular Activities	25,220	14,290	10,268	-	29,242	13,924	7,642	-	35,524
Cultural Arts	569	350	-	-	919	160	160	-	919
Welfare Activities	650	-	-	-	650	-	-	(414)	236
Scholarships and Awards	-	1,950	1,153	-	797	11,750	9,424	-	3,123
Construction, Remodeling, and Equipping Buildings	79,374	39,504	73,112	-	45,766	35,516	37,330	-	43,952
Gift Fund- Miscellaneous Programs	222,619	119,917	181,168	(13,000)	148,368	120,113	91,384	414	177,511
Judgement Bond	523	-	-	-	523	-	-	-	523

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Instructional Support	1,000	-	-	-	1,000	-	-	-	1,000
Fluid Power Challenge	23	-	23	-	-	-	-	-	-
Gifted & Talented	100,273	101,694	167,166	-	34,801	124,298	128,629	-	30,470
Tech Assistance	491	-	-	-	491	-	-	-	491
Teacher Quality Improvement Program	-	-	-	-	-	703	36,164	242,169	206,708
Drug Free Communities	(9,020)	33,961	24,860	-	81	9,994	16,438	-	(6,363)
Early Childhood Intervention (First Steps)	10,000	10,000	8,937	-	11,063	10,000	16,255	-	4,808
Medicaid Reimbursement	164,965	164,718	301,294	-	28,389	229,972	245,274	-	13,087
Public Law 221	268,826	-	26,657	-	242,169	-	-	(242,169)	-
Link Latchkey	320,396	391,437	336,030	-	375,803	367,439	289,893	-	453,349
Indiana Arts Commission	476	-	-	-	476	-	-	-	476
Non-English Speaking Programs P.L. 273-1999	41,381	210,273	195,319	-	56,335	207,588	215,844	-	48,079
School Technology	(543,134)	1,248,511	491,306	-	214,071	488,212	457,524	-	244,759
Technology Grants [IC 20-40-15]	2,535	-	-	-	2,535	-	-	-	2,535
Performance Based Awards	1,404	-	-	-	1,404	-	-	-	1,404
Indiana School Academic Improvement Program (ISAIP)	1,292	-	-	-	1,292	-	-	-	1,292
Technology Planning Grant	7,248	-	-	-	7,248	-	-	-	7,248
Indiana 2000 Planning	410	-	125	-	285	-	150	-	135
Technology Grant	3,208	-	-	-	3,208	450,000	273,203	-	180,005
Innov CTE Curriculum	-	-	-	-	-	7,863	11,046	-	(3,183)
School Tech Advancement	7,578	-	-	-	7,578	-	7,578	-	-
Principal Tech	648	-	-	-	648	-	-	-	648
Excellence In Performance	-	-	-	-	-	241,828	241,828	-	-
JROTC Reimbursement	-	6,502	6,102	-	400	5,204	4,948	-	656
Moody Foundation	5,235	-	2,740	-	2,495	-	103	-	2,392
Telecommunication Grant	2,532	-	-	-	2,532	-	-	-	2,532
Head Start Reimbursement	251	7,119	18,159	50,278	39,489	15,005	35,081	-	19,413
Title I	30,657	6,156,458	8,246,833	(139,676)	(2,199,394)	9,612,439	7,685,553	(151,957)	(424,465)
Title 1 Delinquent	5,984	-	-	-	5,984	-	-	-	5,984
Title 1 Part D	1,010	65,802	85,559	(1,628)	(20,375)	68,560	82,869	-	(34,684)
Title 1 Summer School	161,206	-	2,751	-	158,455	-	3,668	-	154,787
Title 1 1003g Grant Rise Up	(55,458)	255,067	199,535	-	74	-	-	-	74
Title 1 1003g Grant Dickinson	(2,107)	946,609	1,053,101	-	(108,599)	724,379	746,096	-	(130,316)
Title 1 School Improvement	-	-	-	-	-	28,779	29,938	-	(1,159)
Title I Migrant	(9,514)	258,466	303,039	-	(54,087)	702,790	742,785	-	(94,082)
Migrant Education	-	201,636	201,636	-	-	-	-	-	-
Bilingual Reimbursement	1,165	-	-	-	1,165	-	-	-	1,165
Title II-C	244,872	-	-	-	244,872	-	157,154	-	87,718
Respect Funds	1,527	-	-	-	1,527	-	1,527	-	-
Adult Ed. Fam Lit Child Care	49,932	55	30,785	(26,000)	(6,798)	26,106	4,119	-	15,189
Adult Ed Child Care	2,919	-	-	-	2,919	-	280	-	2,639

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Adult Ed. Food Stamps	13,926	-	-	-	13,926	-	-	-	13,926
Adult Education Business and Indus	13,081	21,360	8,680	-	25,761	6,760	21,425	-	11,096
ABE Money	2,228	-	-	-	2,228	-	-	-	2,228
Adult Ed. Night School	(73,022)	-	-	73,022	-	-	-	-	-
Adult Education-#2	2,878	-	110	-	2,768	-	-	-	2,768
Adult Education-#6	64,927	44,100	52,663	-	56,364	34,364	51,132	-	39,596
Serve America	381	-	55	-	326	-	-	-	326
Special Ed. Tech Assistance	-	35,143	36,704	-	(1,561)	60,032	62,063	-	(3,592)
Pre-School Grant FY	(70,401)	250,109	386,167	-	(206,459)	373,491	274,710	-	(107,678)
Special Ed. IDEA	(537,557)	4,848,519	5,541,939	-	(1,230,977)	5,466,723	5,622,037	-	(1,386,291)
Special Ed. Improve	-	70,000	70,052	-	(52)	-	(52)	-	-
Adult Ed. Basic	(278,446)	679,715	518,167	-	(116,898)	860,105	893,852	-	(150,645)
Adult Work Force	35,845	63,643	80,069	26,000	45,419	61,440	19,468	-	87,391
Targeted Projects	11,792	12,144	16,397	-	7,539	15,520	14,744	-	8,315
English Works	21,971	-	-	-	21,971	-	-	-	21,971
Drug Free Schools	33,751	-	-	-	33,751	-	12,707	-	21,044
Team Nutrition	1,138	-	-	-	1,138	-	-	-	1,138
Title II- Dwight D. Eisenhower- Science and Math	(14,311)	307,372	311,791	(3,500)	(22,230)	139,142	125,136	(5,200)	(13,424)
Vocational Ed. Perkins Grant	(5,614)	490,897	522,775	(1,097)	(38,589)	498,055	468,471	-	(9,005)
Vocational and Technical Board Grants	1,911	-	-	-	1,911	-	-	-	1,911
Tech Resource	(4,797)	10,244	5,447	-	-	-	-	-	-
Child Care and Development Block Grant	161	-	161	-	-	-	-	-	-
21th Century Grant	(32,256)	191,924	232,502	-	(72,834)	135,251	127,475	-	(65,058)
Small Learnings Grant	7,149	-	5,632	-	1,517	-	-	-	1,517
Early Head Start- Startup	42,026	-	42,026	-	-	-	-	-	-
Head Start	(621,090)	5,454,485	4,937,429	(29,044)	(133,078)	6,437,392	6,322,460	-	(18,146)
CACFP Monies	77,666	462,442	469,762	(21,234)	49,112	515,796	491,936	-	72,972
Early Head Start-1	-	-	-	-	-	421,666	421,666	-	-
Early Head Start-2	(105,102)	1,041,329	947,741	-	(11,514)	827,522	838,594	-	(22,586)
School to Work Development Act	10,186	4,080	4,866	1,097	10,497	4,756	6,193	-	9,060
EHS CCP	-	-	-	-	-	54,842	60,805	-	(5,963)
Improving Teaching Quality No Child Left Title II, Part A	(9,748)	636,819	728,817	(13,000)	(114,746)	1,018,082	971,091	(48,374)	(116,129)
Title III - Language Instruction	(42,035)	302,586	313,450	-	(52,899)	408,895	386,658	-	(30,662)
Public Charter School ESEA Title X, Part C	-	-	-	-	-	-	5,044	-	(5,044)
Title I - Grants to LEAs	136	-	136	-	-	-	-	-	-
McKinney - Vento Education for Homeless	1,512	-	1,512	-	-	-	-	-	-
Head Start- Stimulus	243	-	243	-	-	-	-	-	-
Payroll	2,813,754	34,801,649	34,969,538	-	2,645,865	33,939,816	34,074,687	-	2,510,994
Totals	\$ 62,031,949	\$ 294,347,549	\$ 285,945,419	\$ 102,042	\$ 70,536,121	\$ 292,029,588	\$ 285,121,186	\$ 58,137	\$ 77,502,660

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

SOUTH BEND 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, co-operatives, 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.

SOUTH BEND 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.

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:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

SOUTH BEND 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.

SOUTH BEND 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.

SOUTH BEND 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. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements which appear as negative entries. This is a result of correction of errors from prior periods. 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.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. The deficit balance in the Debt Service fund was due to the timing of the debt payments and the related property tax collections. The deficit balances in the other funds was due to the funds being set up for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Holding Corporations*

The School Corporation has entered into capital leases with the South Bend Community School Corporation 2000 Building Corporation, the South Bend Community School Corporation 2002 Building Corporation, and the South Bend Community School Corporation Riley School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years ended June 30, 2014 and 2015, totaled \$18,256,500 and \$18,340,000, respectively.

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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.

SOUTH BEND 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	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 2,143,149	\$ (116,734)	\$ 9,375,660	\$ 1,612,358	\$ 5,790,523	\$ 2,031,342	\$ 992,312	\$ 816,000	\$ 8,955,562	\$ 2,897,479	\$ 5,219,187
Receipts:											
Local sources	1,207,605	1,026,854	19,256,208	3,145,272	11,701,641	12,508,931	2,000,232	-	79,120	324,336	17,675
Intermediate sources	101	-	-	-	-	-	-	-	-	-	-
State sources	134,923,405	-	-	-	-	-	78,606	-	-	-	-
Federal sources	173,758	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	230,113	-	-	-	-
Total receipts	<u>136,304,869</u>	<u>1,026,854</u>	<u>19,256,208</u>	<u>3,145,272</u>	<u>11,701,641</u>	<u>12,508,931</u>	<u>2,308,951</u>	<u>-</u>	<u>79,120</u>	<u>324,336</u>	<u>17,675</u>
Disbursements:											
Current:											
Instruction	89,783,461	-	-	-	-	-	-	-	556,260	103,002	-
Support services	39,485,458	-	-	-	7,432,635	11,671,923	1,966,816	-	293,339	21,085	15,734
Noninstructional services	1,548,611	-	-	-	-	-	-	-	12,788	861	-
Facilities acquisition and construction	315	-	-	-	3,809,139	-	-	-	-	-	151,985
Debt services	-	519,166	19,289,693	3,154,119	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>130,817,845</u>	<u>519,166</u>	<u>19,289,693</u>	<u>3,154,119</u>	<u>11,241,774</u>	<u>11,671,923</u>	<u>1,966,816</u>	<u>-</u>	<u>862,387</u>	<u>124,948</u>	<u>167,719</u>
Excess (deficiency) of receipts over disbursements	<u>5,487,024</u>	<u>507,688</u>	<u>(33,485)</u>	<u>(8,847)</u>	<u>459,867</u>	<u>837,008</u>	<u>342,135</u>	<u>-</u>	<u>(783,267)</u>	<u>199,388</u>	<u>(150,044)</u>
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	97,600
Sale of capital assets	4,442	-	-	-	-	-	-	-	-	-	-
Transfers in	2,152,404	-	-	-	421,078	1,492,740	265,747	-	-	-	5,578,350
Transfers out	<u>(2,067,622)</u>	<u>(683,069)</u>	<u>-</u>	<u>-</u>	<u>(421,078)</u>	<u>(1,492,740)</u>	<u>(265,747)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,578,350)</u>
Total other financing sources (uses)	<u>89,224</u>	<u>(683,069)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,600</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>5,576,248</u>	<u>(175,381)</u>	<u>(33,485)</u>	<u>(8,847)</u>	<u>459,867</u>	<u>837,008</u>	<u>342,135</u>	<u>-</u>	<u>(783,267)</u>	<u>199,388</u>	<u>(52,444)</u>
Cash and investments - ending	<u>\$ 7,719,397</u>	<u>\$ (292,115)</u>	<u>\$ 9,342,175</u>	<u>\$ 1,603,511</u>	<u>\$ 6,250,390</u>	<u>\$ 2,868,350</u>	<u>\$ 1,334,447</u>	<u>\$ 816,000</u>	<u>\$ 8,172,295</u>	<u>\$ 3,096,867</u>	<u>\$ 5,166,743</u>

SOUTH BEND 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	Self-Insurance	Levy Excess	Print Shop	Voyagers Program	Joint Services and Supply - Other	Summer Sch Credit Redemption	Transportation Grant	Summer Remediation
Cash and investments - beginning	\$ 2,197,969	\$ 1,087,120	\$ 15,214,032	\$ -	\$ 62,829	\$ 9,058	\$ 76	\$ 7,434	\$ -	\$ 442,266
Receipts:										
Local sources	1,164,951	649,381	36,246,409	-	14,089	17,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	371,716	1,065,165	-	-	-	-	-	-	83,472	-
Federal sources	7,086,538	-	-	-	-	-	-	-	-	-
Other	4,297	-	-	-	-	-	-	-	-	-
Total receipts	8,627,502	1,714,546	36,246,409	-	14,089	17,000	-	-	83,472	-
Disbursements:										
Current:										
Instruction	-	162,005	1,151,651	-	-	8,271	-	-	-	-
Support services	8,627	2,288,297	341,411	-	1,780	788	-	-	83,472	-
Noninstructional services	9,108,412	-	4,412	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	2,262	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	600,000	-	29,386,960	-	-	-	-	-	-	-
Total disbursements	9,717,039	2,450,302	30,886,696	-	1,780	9,059	-	-	83,472	-
Excess (deficiency) of receipts over disbursements	(1,089,537)	(735,756)	5,359,713	-	12,309	7,941	-	-	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	3,075,110	2,224,067	-	-	-	-	-	-	-	-
Transfers out	(3,075,110)	(1,527,998)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	696,069	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,089,537)	(39,687)	5,359,713	-	12,309	7,941	-	-	-	-
Cash and investments - ending	\$ 1,108,432	\$ 1,047,433	\$ 20,573,745	\$ -	\$ 75,138	\$ 16,999	\$ 76	\$ 7,434	\$ -	\$ 442,266

SOUTH BEND 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)

	Governor Money	Northern Ind. Conference	Alumni Association	Public Education Foundation	Art Association	Child Care Program	Historical Society	Judgments	SAFE School Haven	Early Intervention Grant
Cash and investments - beginning	\$ 339,883	\$ 281	\$ 17,608	\$ 793	\$ -	\$ 18,307	\$ -	\$ -	\$ 2,235	\$ 30,468
Receipts:										
Local sources	-	1,067	66,314	1,370	166,991	25,607	166,991	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	159,820	-	-	1,992	-	-	-	138,059	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	159,820	1,067	66,314	3,362	166,991	25,607	166,991	138,059	-	-
Disbursements:										
Current:										
Instruction	98,357	-	-	-	-	37,424	-	-	-	-
Support services	-	1,043	1,202	3,014	-	-	-	-	-	11,584
Noninstructional services	-	-	45,102	-	133,869	-	133,869	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	17,024	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	98,357	1,043	46,304	3,014	133,869	37,424	133,869	17,024	-	11,584
Excess (deficiency) of receipts over disbursements	61,463	24	20,010	348	33,122	(11,817)	33,122	121,035	-	(11,584)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	61,463	24	20,010	348	33,122	(11,817)	33,122	121,035	-	(11,584)
Cash and investments - ending	\$ 401,346	\$ 305	\$ 37,618	\$ 1,141	\$ 33,122	\$ 6,490	\$ 33,122	\$ 121,035	\$ 2,235	\$ 18,884

SOUTH BEND 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)

	Reading Recovery	Instruction Support	Adult and Continuing Education	Gift Fund- Extra-Curricular Activities	Cultural Arts	Welfare Activities	Scholarships and Awards	Construction, Remodeling, and Equipping Buildings	Gift Fund- Miscellaneous Programs	Judgement Bond
Cash and investments - beginning	\$ 227,347	\$ 113,183	\$ 32,773	\$ 25,220	\$ 569	\$ 650	\$ -	\$ 79,374	\$ 222,619	\$ 523
Receipts:										
Local sources	106	61,817	109,229	13,300	350	-	1,950	39,504	119,917	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	108,432	-	-	990	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>108,538</u>	<u>61,817</u>	<u>109,229</u>	<u>14,290</u>	<u>350</u>	<u>-</u>	<u>1,950</u>	<u>39,504</u>	<u>119,917</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	120,991	57,997	12,282	9,568	-	-	-	45,752	134,928	-
Support services	24,540	25,760	77,271	700	-	-	1,153	-	33,887	-
Noninstructional services	-	-	-	-	-	-	-	-	1,670	-
Facilities acquisition and construction	-	6,863	-	-	-	-	-	27,360	10,683	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>145,531</u>	<u>90,620</u>	<u>89,553</u>	<u>10,268</u>	<u>-</u>	<u>-</u>	<u>1,153</u>	<u>73,112</u>	<u>181,168</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(36,993)</u>	<u>(28,803)</u>	<u>19,676</u>	<u>4,022</u>	<u>350</u>	<u>-</u>	<u>797</u>	<u>(33,608)</u>	<u>(61,251)</u>	<u>-</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(13,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,000)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(36,993)</u>	<u>(28,803)</u>	<u>19,676</u>	<u>4,022</u>	<u>350</u>	<u>-</u>	<u>797</u>	<u>(33,608)</u>	<u>(74,251)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 190,354</u>	<u>\$ 84,380</u>	<u>\$ 52,449</u>	<u>\$ 29,242</u>	<u>\$ 919</u>	<u>\$ 650</u>	<u>\$ 797</u>	<u>\$ 45,766</u>	<u>\$ 148,368</u>	<u>\$ 523</u>

SOUTH BEND 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)

	Instructional Support	Fluid Power Challenge	Gifted & Talented	Tech Assistance	Teacher Quality Improvement Program	Drug Free Communities	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Public Law 221	Link Latchkey
Cash and investments - beginning	\$ 1,000	\$ 23	\$ 100,273	\$ 491	\$ -	\$ (9,020)	\$ 10,000	\$ 164,965	\$ 268,826	\$ 320,396
Receipts:										
Local sources	-	-	(210)	-	-	-	-	6,975	-	391,437
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	101,904	-	-	33,961	10,000	-	-	-
Federal sources	-	-	-	-	-	-	-	157,743	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	101,694	-	-	33,961	10,000	164,718	-	391,437
Disbursements:										
Current:										
Instruction	-	23	-	-	-	24,860	8,937	117,227	26,657	-
Support services	-	-	167,166	-	-	-	-	184,067	-	3,690
Noninstructional services	-	-	-	-	-	-	-	-	-	332,340
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	23	167,166	-	-	24,860	8,937	301,294	26,657	336,030
Excess (deficiency) of receipts over disbursements	-	(23)	(65,472)	-	-	9,101	1,063	(136,576)	(26,657)	55,407
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	314,964
Transfers out	-	-	-	-	-	-	-	-	-	(314,964)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(23)	(65,472)	-	-	9,101	1,063	(136,576)	(26,657)	55,407
Cash and investments - ending	\$ 1,000	\$ -	\$ 34,801	\$ 491	\$ -	\$ 81	\$ 11,063	\$ 28,389	\$ 242,169	\$ 375,803

SOUTH BEND 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)

	Indiana Arts Commission	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Performance Based Awards	Indiana School Academic Improvement Program (ISAIP)	Technology Planning Grant	Indiana 2000 Planning	Technology Grant	Innov CTE Curriculum
Cash and investments - beginning	\$ 476	\$ 41,381	\$ (543,134)	\$ 2,535	\$ 1,404	\$ 1,292	\$ 7,248	\$ 410	\$ 3,208	\$ -
Receipts:										
Local sources	-	-	1,244,708	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	210,273	3,803	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	210,273	1,248,511	-	-	-	-	-	-	-
Disbursements:										
Current:										
Instruction	-	183,637	-	-	-	-	-	-	-	-
Support services	-	11,635	491,306	-	-	-	-	125	-	-
Noninstructional services	-	47	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	195,319	491,306	-	-	-	-	125	-	-
Excess (deficiency) of receipts over disbursements	-	14,954	757,205	-	-	-	-	(125)	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	14,954	757,205	-	-	-	-	(125)	-	-
Cash and investments - ending	\$ 476	\$ 56,335	\$ 214,071	\$ 2,535	\$ 1,404	\$ 1,292	\$ 7,248	\$ 285	\$ 3,208	\$ -

SOUTH BEND 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 Tech Advancement	Principal Tech	Excellence In Performance	JROTC Reimbursement	Moody Foundation	Telecommunication Grant	Head Start Reimbursement	Title I	Title I Delinquent	Title I Part D
Cash and investments - beginning	\$ 7,578	\$ 648	\$ -	\$ -	\$ 5,235	\$ 2,532	\$ 251	\$ 30,657	\$ 5,984	\$ 1,010
Receipts:										
Local sources	-	-	-	6,502	-	-	-	815	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	7,119	-	-	-
Federal sources	-	-	-	-	-	-	-	6,155,643	-	65,802
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	6,502	-	-	7,119	6,156,458	-	65,802
Disbursements:										
Current:										
Instruction	-	-	-	-	2,740	-	10,431	3,519,310	-	85,559
Support services	-	-	-	6,102	-	-	7,728	3,463,676	-	-
Noninstructional services	-	-	-	-	-	-	-	1,263,847	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	6,102	2,740	-	18,159	8,246,833	-	85,559
Excess (deficiency) of receipts over disbursements	-	-	-	400	(2,740)	-	(11,040)	(2,090,375)	-	(19,757)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	81,679	-	-	-
Transfers out	-	-	-	-	-	-	(31,401)	(139,676)	-	(1,628)
Total other financing sources (uses)	-	-	-	-	-	-	50,278	(139,676)	-	(1,628)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	400	(2,740)	-	39,238	(2,230,051)	-	(21,385)
Cash and investments - ending	\$ 7,578	\$ 648	\$ -	\$ 400	\$ 2,495	\$ 2,532	\$ 39,489	\$ (2,199,394)	\$ 5,984	\$ (20,375)

SOUTH BEND 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 Summer School	Title I 1003g Grant Rise Up	Title I 1003g Grant Dickinson	Title I School Improvement	Title I Migrant	Migrant Education	Bilingual Reimbursement	Title II-C	Respect Funds	Adult Ed. Fam Lit Child Care
Cash and investments - beginning	\$ 161,206	\$ (55,458)	\$ (2,107)	\$ -	\$ (9,514)	\$ -	\$ 1,165	\$ 244,872	\$ 1,527	\$ 49,932
Receipts:										
Local sources	-	-	-	-	280	-	-	-	-	55
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	255,067	946,609	-	258,186	201,636	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	255,067	946,609	-	258,466	201,636	-	-	-	55
Disbursements:										
Current:										
Instruction	1,132	185,606	791,695	-	243,343	197,707	-	-	-	1,330
Support services	1,619	13,929	261,406	-	59,482	3,929	-	-	-	-
Noninstructional services	-	-	-	-	214	-	-	-	-	29,455
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,751	199,535	1,053,101	-	303,039	201,636	-	-	-	30,785
Excess (deficiency) of receipts over disbursements	(2,751)	55,532	(106,492)	-	(44,573)	-	-	-	-	(30,730)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(26,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(26,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,751)	55,532	(106,492)	-	(44,573)	-	-	-	-	(56,730)
Cash and investments - ending	\$ 158,455	\$ 74	\$ (108,599)	\$ -	\$ (54,087)	\$ -	\$ 1,165	\$ 244,872	\$ 1,527	\$ (6,798)

SOUTH BEND 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)

	Adult Ed. Child Care	Adult Ed. Food Stamps	Adult Education Business and Indus	ABE Money	Adult Ed. Night School	Adult Education-#2	Adult Education-#6	Serve America	Special Ed. Tech Assistance	Pre-School Grant FY
Cash and investments - beginning	\$ 2,919	\$ 13,926	\$ 13,081	\$ 2,228	\$ (73,022)	\$ 2,878	\$ 64,927	\$ 381	\$ -	\$ (70,401)
Receipts:										
Local sources	-	-	21,360	-	-	-	44,100	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	35,143	250,109
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	21,360	-	-	-	44,100	-	35,143	250,109
Disbursements:										
Current:										
Instruction	-	-	8,680	-	-	110	-	55	-	234,719
Support services	-	-	-	-	-	-	52,663	-	36,704	151,448
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	8,680	-	-	110	52,663	55	36,704	386,167
Excess (deficiency) of receipts over disbursements	-	-	12,680	-	-	(110)	(8,563)	(55)	(1,561)	(136,058)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	73,022	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	73,022	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	12,680	-	73,022	(110)	(8,563)	(55)	(1,561)	(136,058)
Cash and investments - ending	\$ 2,919	\$ 13,926	\$ 25,761	\$ 2,228	\$ -	\$ 2,768	\$ 56,364	\$ 326	\$ (1,561)	\$ (206,459)

SOUTH BEND 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)

	Special Ed. IDEA	Special Ed. Improve	Adult Ed. Basic	Adult Work Force	Targeted Projects	English Works	Drug Free Schools	Team Nutrition	Title II- Dwight D. Eisenhower- Science and Math	Vocational Ed. Perkins Grant
Cash and investments - beginning	\$ (537,557)	\$ -	\$ (278,446)	\$ 35,845	\$ 11,792	\$ 21,971	\$ 33,751	\$ 1,138	\$ (14,311)	\$ (5,614)
Receipts:										
Local sources	-	-	-	63,643	12,144	-	-	-	-	611
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	4,848,519	70,000	679,715	-	-	-	-	-	307,372	490,286
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	4,848,519	70,000	679,715	63,643	12,144	-	-	-	307,372	490,897
Disbursements:										
Current:										
Instruction	4,518,955	-	415,324	80,069	1,661	-	-	-	-	507,775
Support services	1,022,984	70,052	99,679	-	14,736	-	-	-	303,648	-
Noninstructional services	-	-	(1,143)	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	4,307	-	-	-	-	-	8,143	15,000
Total disbursements	5,541,939	70,052	518,167	80,069	16,397	-	-	-	311,791	522,775
Excess (deficiency) of receipts over disbursements	(693,420)	(52)	161,548	(16,426)	(4,253)	-	-	-	(4,419)	(31,878)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	26,000	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(3,500)	(1,097)
Total other financing sources (uses)	-	-	-	26,000	-	-	-	-	(3,500)	(1,097)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(693,420)	(52)	161,548	9,574	(4,253)	-	-	-	(7,919)	(32,975)
Cash and investments - ending	\$ (1,230,977)	\$ (52)	\$ (116,898)	\$ 45,419	\$ 7,539	\$ 21,971	\$ 33,751	\$ 1,138	\$ (22,230)	\$ (38,589)

SOUTH BEND 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)

	Vocational and Technical Board Grants	Tech Resource	Child Care and Development Block Grant	21th Century Grant	Small Learnings Grant	Early Head Start- Startup	Head Start	CACFP Monies	Early Head Start-1	Early Head Start-2
Cash and investments - beginning	\$ 1,911	\$ (4,797)	\$ 161	\$ (32,256)	\$ 7,149	\$ 42,026	\$ (621,090)	\$ 77,666	\$ -	\$ (105,102)
Receipts:										
Local sources	-	-	-	-	-	-	7	462,442	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	10,244	-	191,924	-	-	5,454,478	-	-	1,041,329
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	10,244	-	191,924	-	-	5,454,485	462,442	-	1,041,329
Disbursements:										
Current:										
Instruction	-	5,447	-	111,175	5,632	-	3,411,367	34,902	-	753,509
Support services	-	-	-	117,432	-	42,026	1,526,062	434,860	-	194,232
Noninstructional services	-	-	161	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	3,895	-	-	-	-	-	-
Total disbursements	-	5,447	161	232,502	5,632	42,026	4,937,429	469,762	-	947,741
Excess (deficiency) of receipts over disbursements	-	4,797	(161)	(40,578)	(5,632)	(42,026)	517,056	(7,320)	-	93,588
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(29,044)	(21,234)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(29,044)	(21,234)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,797	(161)	(40,578)	(5,632)	(42,026)	488,012	(28,554)	-	93,588
Cash and investments - ending	\$ 1,911	\$ -	\$ -	\$ (72,834)	\$ 1,517	\$ -	\$ (133,078)	\$ 49,112	\$ -	\$ (11,514)

SOUTH BEND 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 to Work Development Act	EHS CCP	Improving Teaching Quality No Child Left Title II, Part A	Title III - Language Instruction	Public Charter School ESEA Title X, Part C	Title I - Grants to LEA's	McKinney - Vento Education for Homeless	Head Start- Stimulus	Payroll	Totals
Cash and investments - beginning	\$ 10,186	\$ -	\$ (9,748)	\$ (42,035)	\$ -	\$ 136	\$ 1,512	\$ 243	\$ 2,813,754	\$ 62,031,949
Receipts:										
Local sources	4,080	-	2,854	-	-	-	-	-	-	92,396,020
Intermediate sources	-	-	-	-	-	-	-	-	-	101
State sources	-	-	-	-	-	-	-	-	-	137,298,717
Federal sources	-	-	633,965	302,586	-	-	-	-	-	29,616,652
Other	-	-	-	-	-	-	-	-	34,801,649	35,036,059
Total receipts	4,080	-	636,819	302,586	-	-	-	-	34,801,649	294,347,549
Disbursements:										
Current:										
Instruction	4,866	-	77,310	305,712	-	136	-	243	-	108,159,790
Support services	-	-	651,507	7,738	-	-	-	-	-	73,193,150
Noninstructional services	-	-	-	-	-	-	1,512	-	-	12,616,027
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	4,025,631
Debt services	-	-	-	-	-	-	-	-	-	22,962,978
Nonprogrammed charges	-	-	-	-	-	-	-	-	34,969,538	64,987,843
Total disbursements	4,866	-	728,817	313,450	-	136	1,512	243	34,969,538	285,945,419
Excess (deficiency) of receipts over disbursements	(786)	-	(91,998)	(10,864)	-	(136)	(1,512)	(243)	(167,889)	8,402,130
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	97,600
Sale of capital assets	-	-	-	-	-	-	-	-	-	4,442
Transfers in	1,097	-	-	-	-	-	-	-	-	15,706,258
Transfers out	-	-	(13,000)	-	-	-	-	-	-	(15,706,258)
Total other financing sources (uses)	1,097	-	(13,000)	-	-	-	-	-	-	102,042
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	311	-	(104,998)	(10,864)	-	(136)	(1,512)	(243)	(167,889)	8,504,172
Cash and investments - ending	\$ 10,497	\$ -	\$ (114,746)	\$ (52,899)	\$ -	\$ -	\$ -	\$ -	\$ 2,645,865	\$ 70,536,121

SOUTH BEND 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, 2015

	General	Debt Service	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post-Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 7,719,397	\$ (292,115)	\$ 9,342,175	\$ 1,603,511	\$ 6,250,390	\$ 2,868,350	\$ 1,334,447	\$ 816,000	\$ 8,172,295	\$ 3,096,867	\$ 5,166,743
Receipts:											
Local sources	545,025	976,660	19,308,141	3,134,673	10,953,418	12,997,808	2,057,710	-	85,711	401,123	19,287
Intermediate sources	74	-	-	-	-	-	-	-	-	-	-
State sources	131,793,750	-	-	-	-	-	-	-	-	-	-
Federal sources	171,869	-	-	-	-	-	-	-	-	-	-
Other	39	-	-	-	-	-	-	-	-	-	10,147
Total receipts	132,510,757	976,660	19,308,141	3,134,673	10,953,418	12,997,808	2,057,710	-	85,711	401,123	29,434
Disbursements:											
Current:											
Instruction	86,485,544	-	-	-	-	-	-	-	612,182	19,911	-
Support services	43,776,521	-	-	-	4,927,385	11,329,024	2,053,931	-	295,403	16,161	-
Noninstructional services	1,608,509	-	-	-	-	-	-	-	20,432	788	-
Facilities acquisition and construction	315	-	-	-	3,052,133	-	-	-	-	-	208,896
Debt services	-	202,173	19,369,238	3,149,661	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	131,870,889	202,173	19,369,238	3,149,661	7,979,518	11,329,024	2,053,931	-	928,017	36,860	208,896
Excess (deficiency) of receipts over disbursements	639,868	774,487	(61,097)	(14,988)	2,973,900	1,668,784	3,779	-	(842,306)	364,263	(179,462)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	58,137	-	-	-	-	-	-	-	-	-	-
Transfers in	13,397,550	-	-	-	2,667,389	12,768	405,477	-	-	-	345,178
Transfers out	(13,192,019)	(482,365)	-	-	(2,667,389)	(12,768)	(405,477)	-	-	-	(345,178)
Total other financing sources (uses)	263,668	(482,365)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	903,536	292,122	(61,097)	(14,988)	2,973,900	1,668,784	3,779	-	(842,306)	364,263	(179,462)
Cash and investments - ending	\$ 8,622,933	\$ 7	\$ 9,281,078	\$ 1,588,523	\$ 9,224,290	\$ 4,537,134	\$ 1,338,226	\$ 816,000	\$ 7,329,989	\$ 3,461,130	\$ 4,987,281

SOUTH BEND 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, 2015
 (Continued)

	School Lunch	Textbook Rental	Self-Insurance	Levy Excess	Print Shop	Voyagers Program	Joint Services and Supply - Other	Summer Sch Credit Redemption	Transportation Grant	Summer Remediation
Cash and investments - beginning	\$ 1,108,432	\$ 1,047,433	\$ 20,573,745	\$ -	\$ 75,138	\$ 16,999	\$ 76	\$ 7,434	\$ -	\$ 442,266
Receipts:										
Local sources	919,231	627,297	29,571,000	5,074	22,005	2,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	362,831	1,085,269	-	-	-	-	-	-	-	-
Federal sources	11,263,925	-	-	-	-	-	-	-	-	-
Other	4,211	-	-	-	-	-	-	-	-	-
Total receipts	12,550,198	1,712,566	29,571,000	5,074	22,005	2,000	-	-	-	-
Disbursements:										
Current:										
Instruction	-	160,110	1,246,030	-	-	18,953	-	-	-	-
Support services	2,685	1,545,293	375,081	-	698	46	-	-	-	-
Noninstructional services	10,121,329	-	4,205	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	2,342	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	30,652,824	-	-	-	-	-	-	-
Total disbursements	10,124,014	1,705,403	32,280,482	-	698	18,999	-	-	-	-
Excess (deficiency) of receipts over disbursements	2,426,184	7,163	(2,709,482)	5,074	21,307	(16,999)	-	-	-	-
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	482,365	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	482,365	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,426,184	489,528	(2,709,482)	5,074	21,307	(16,999)	-	-	-	-
Cash and investments - ending	\$ 3,534,616	\$ 1,536,961	\$ 17,864,263	\$ 5,074	\$ 96,445	\$ -	\$ 76	\$ 7,434	\$ -	\$ 442,266

SOUTH BEND 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, 2015
 (Continued)

	Governor Money	Northern Ind. Conference	Alumni Association	Public Education Foundation	Art Association	Child Care Program	Historical Society	Judgments	SAFE School Haven	Early Intervention Grant
Cash and investments - beginning	\$ 401,346	\$ 305	\$ 37,618	\$ 1,141	\$ 33,122	\$ 6,490	\$ 33,122	\$ 121,035	\$ 2,235	\$ 18,884
Receipts:										
Local sources	-	827	25,217	5,052	169,002	21,446	169,002	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	151,644	-	-	-	-	-	-	47,480	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>151,644</u>	<u>827</u>	<u>25,217</u>	<u>5,052</u>	<u>169,002</u>	<u>21,446</u>	<u>169,002</u>	<u>47,480</u>	<u>-</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	123,251	-	-	-	-	25,944	-	-	-	-
Support services	-	63	1,915	4,814	-	-	-	-	-	2,771
Noninstructional services	-	-	43,412	-	202,124	-	202,124	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	164,216	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>123,251</u>	<u>63</u>	<u>45,327</u>	<u>4,814</u>	<u>202,124</u>	<u>25,944</u>	<u>202,124</u>	<u>164,216</u>	<u>-</u>	<u>2,771</u>
Excess (deficiency) of receipts over disbursements	<u>28,393</u>	<u>764</u>	<u>(20,110)</u>	<u>238</u>	<u>(33,122)</u>	<u>(4,498)</u>	<u>(33,122)</u>	<u>(116,736)</u>	<u>-</u>	<u>(2,771)</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	84,159	-	-	-	-	-	-	-	-	-
Transfers out	<u>(84,159)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>28,393</u>	<u>764</u>	<u>(20,110)</u>	<u>238</u>	<u>(33,122)</u>	<u>(4,498)</u>	<u>(33,122)</u>	<u>(116,736)</u>	<u>-</u>	<u>(2,771)</u>
Cash and investments - ending	<u>\$ 429,739</u>	<u>\$ 1,069</u>	<u>\$ 17,508</u>	<u>\$ 1,379</u>	<u>\$ -</u>	<u>\$ 1,992</u>	<u>\$ -</u>	<u>\$ 4,299</u>	<u>\$ 2,235</u>	<u>\$ 16,113</u>

SOUTH BEND 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, 2015
 (Continued)

	Reading Recovery	Instruction Support	Adult and Continuing Education	Gift Fund- Extra-Curricular Activities	Cultural Arts	Welfare Activities	Scholarships and Awards	Construction, Remodeling, and Equipping Buildings	Gift Fund- Miscellaneous Programs	Judgement Bond
Cash and investments - beginning	\$ 190,354	\$ 84,380	\$ 52,449	\$ 29,242	\$ 919	\$ 650	\$ 797	\$ 45,766	\$ 148,368	\$ 523
Receipts:										
Local sources	-	182,483	34,597	13,424	160	-	11,750	35,516	120,113	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	122,288	-	-	500	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>122,288</u>	<u>182,483</u>	<u>34,597</u>	<u>13,924</u>	<u>160</u>	<u>-</u>	<u>11,750</u>	<u>35,516</u>	<u>120,113</u>	<u>-</u>
Disbursements:										
Current:										
Instruction	138,662	55,985	13,794	7,018	160	-	-	35,390	21,854	-
Support services	2,570	2,265	16,761	624	-	-	9,424	-	34,864	-
Noninstructional services	-	10,095	-	-	-	-	-	-	686	-
Facilities acquisition and construction	-	428	-	-	-	-	-	1,940	33,980	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>141,232</u>	<u>68,773</u>	<u>30,555</u>	<u>7,642</u>	<u>160</u>	<u>-</u>	<u>9,424</u>	<u>37,330</u>	<u>91,384</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(18,944)</u>	<u>113,710</u>	<u>4,042</u>	<u>6,282</u>	<u>-</u>	<u>-</u>	<u>2,326</u>	<u>(1,814)</u>	<u>28,729</u>	<u>-</u>
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	414	-
Transfers out	-	-	-	-	-	(414)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(414)</u>	<u>-</u>	<u>-</u>	<u>414</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(18,944)</u>	<u>113,710</u>	<u>4,042</u>	<u>6,282</u>	<u>-</u>	<u>(414)</u>	<u>2,326</u>	<u>(1,814)</u>	<u>29,143</u>	<u>-</u>
Cash and investments - ending	<u>\$ 171,410</u>	<u>\$ 198,090</u>	<u>\$ 56,491</u>	<u>\$ 35,524</u>	<u>\$ 919</u>	<u>\$ 236</u>	<u>\$ 3,123</u>	<u>\$ 43,952</u>	<u>\$ 177,511</u>	<u>\$ 523</u>

SOUTH BEND 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, 2015
 (Continued)

	Instructional Support	Fluid Power Challenge	Gifted & Talented	Tech Assistance	Teacher Quality Improvement Program	Drug Free Communities	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Public Law 221	Link Latchkey
Cash and investments - beginning	\$ 1,000	\$ -	\$ 34,801	\$ 491	\$ -	\$ 81	\$ 11,063	\$ 28,389	\$ 242,169	\$ 375,803
Receipts:										
Local sources	-	-	-	-	703	-	-	2,699	-	367,439
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	124,298	-	-	9,994	10,000	-	-	-
Federal sources	-	-	-	-	-	-	-	227,273	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	124,298	-	703	9,994	10,000	229,972	-	367,439
Disbursements:										
Current:										
Instruction	-	-	-	-	36,164	16,438	16,255	105,075	-	-
Support services	-	-	128,629	-	-	-	-	140,199	-	1,999
Noninstructional services	-	-	-	-	-	-	-	-	-	287,894
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	128,629	-	36,164	16,438	16,255	245,274	-	289,893
Excess (deficiency) of receipts over disbursements	-	-	(4,331)	-	(35,461)	(6,444)	(6,255)	(15,302)	-	77,546
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	242,169	-	-	-	-	370,985
Transfers out	-	-	-	-	-	-	-	-	(242,169)	(370,985)
Total other financing sources (uses)	-	-	-	-	242,169	-	-	-	(242,169)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(4,331)	-	206,708	(6,444)	(6,255)	(15,302)	(242,169)	77,546
Cash and investments - ending	\$ 1,000	\$ -	\$ 30,470	\$ 491	\$ 206,708	\$ (6,363)	\$ 4,808	\$ 13,087	\$ -	\$ 453,349

SOUTH BEND 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, 2015
 (Continued)

	Indiana Arts Commission	Non-English Speaking Programs P.L. 273-1999	School Technology	Technology Grants [IC 20-40-15]	Performance Based Awards	Indiana School Academic Improvement Program (ISAIP)	Technology Planning Grant	Indiana 2000 Planning	Technology Grant	Innov CTE Curriculum
Cash and investments - beginning	\$ 476	\$ 56,335	\$ 214,071	\$ 2,535	\$ 1,404	\$ 1,292	\$ 7,248	\$ 285	\$ 3,208	\$ -
Receipts:										
Local sources	-	-	485,804	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	207,588	2,408	-	-	-	-	450,000	-	-
Federal sources	-	-	-	-	-	-	-	-	7,863	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	207,588	488,212	-	-	-	-	450,000	7,863	-
Disbursements:										
Current:										
Instruction	-	203,793	-	-	-	-	-	-	-	11,046
Support services	-	10,749	457,524	-	-	-	-	150	273,203	-
Noninstructional services	-	1,302	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	215,844	457,524	-	-	-	-	150	273,203	11,046
Excess (deficiency) of receipts over disbursements	-	(8,256)	30,688	-	-	-	-	(150)	176,797	(3,183)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(8,256)	30,688	-	-	-	-	(150)	176,797	(3,183)
Cash and investments - ending	\$ 476	\$ 48,079	\$ 244,759	\$ 2,535	\$ 1,404	\$ 1,292	\$ 7,248	\$ 135	\$ 180,005	\$ (3,183)

SOUTH BEND 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, 2015
 (Continued)

	School Tech Advancement	Principal Tech	Excellence In Performance	JROTC Reimbursement	Moody Foundation	Telecommunication Grant	Head Start Reimbursement	Title I	Title I Delinquent	Title I Part D
Cash and investments - beginning	\$ 7,578	\$ 648	\$ -	\$ 400	\$ 2,495	\$ 2,532	\$ 39,489	\$ (2,199,394)	\$ 5,984	\$ (20,375)
Receipts:										
Local sources	-	-	-	5,204	-	-	6,940	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	241,828	-	-	-	8,065	-	-	-
Federal sources	-	-	-	-	-	-	-	9,612,439	-	68,560
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	241,828	5,204	-	-	15,005	9,612,439	-	68,560
Disbursements:										
Current:										
Instruction	-	-	241,828	-	103	-	21,002	4,192,406	-	81,456
Support services	7,578	-	-	4,948	-	-	14,079	2,570,905	-	-
Noninstructional services	-	-	-	-	-	-	-	922,242	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,413
Total disbursements	7,578	-	241,828	4,948	103	-	35,081	7,685,553	-	82,869
Excess (deficiency) of receipts over disbursements	(7,578)	-	-	256	(103)	-	(20,076)	1,926,886	-	(14,309)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	18,341	-	-	-
Transfers out	-	-	-	-	-	-	(18,341)	(151,957)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(151,957)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,578)	-	-	256	(103)	-	(20,076)	1,774,929	-	(14,309)
Cash and investments - ending	\$ -	\$ 648	\$ -	\$ 656	\$ 2,392	\$ 2,532	\$ 19,413	\$ (424,465)	\$ 5,984	\$ (34,684)

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2015
(Continued)

	Title I Summer School	Title I 1003g Grant Rise Up	Title I 1003g Grant Dickinson	Title I School Improvement	Title I Migrant	Migrant Education	Bilingual Reimbursement	Title II-C	Respect Funds	Adult Ed. Fam Lit Child Care
Cash and investments - beginning	\$ 158,455	\$ 74	\$ (108,599)	\$ -	\$ (54,087)	\$ -	\$ 1,165	\$ 244,872	\$ 1,527	\$ (6,798)
Receipts:										
Local sources	-	-	433	-	252	-	-	-	-	26,106
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	723,946	28,779	702,538	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	724,379	28,779	702,790	-	-	-	-	26,106
Disbursements:										
Current:										
Instruction	3,668	-	732,133	-	535,466	-	-	157,154	-	368
Support services	-	-	13,963	29,938	207,319	-	-	-	1,527	758
Noninstructional services	-	-	-	-	-	-	-	-	-	2,993
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,668	-	746,096	29,938	742,785	-	-	157,154	1,527	4,119
Excess (deficiency) of receipts over disbursements	(3,668)	-	(21,717)	(1,159)	(39,995)	-	-	(157,154)	(1,527)	21,987
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,668)	-	(21,717)	(1,159)	(39,995)	-	-	(157,154)	(1,527)	21,987
Cash and investments - ending	\$ 154,787	\$ 74	\$ (130,316)	\$ (1,159)	\$ (94,082)	\$ -	\$ 1,165	\$ 87,718	\$ -	\$ 15,189

COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended June 30, 2015
(Continued)

	Adult Ed. Child Care	Adult Ed. Food Stamps	Adult Education Business and Indus	ABE Money	Adult Ed. Night School	Adult Education-#2	Adult Education-#6	Serve America	Special Ed. Tech Assistance	Pre-School Grant FY
Cash and investments - beginning	\$ 2,919	\$ 13,926	\$ 25,761	\$ 2,228	\$ -	\$ 2,768	\$ 56,364	\$ 326	\$ (1,561)	\$ (206,459)
Receipts:										
Local sources	-	-	6,760	-	-	-	34,364	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	60,032	373,491
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	6,760	-	-	-	34,364	-	60,032	373,491
Disbursements:										
Current:										
Instruction	-	-	21,425	-	-	-	837	-	7,480	146,147
Support services	-	-	-	-	-	-	50,295	-	54,583	128,563
Noninstructional services	280	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	280	-	21,425	-	-	-	51,132	-	62,063	274,710
Excess (deficiency) of receipts over disbursements	(280)	-	(14,665)	-	-	-	(16,768)	-	(2,031)	98,781
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(280)	-	(14,665)	-	-	-	(16,768)	-	(2,031)	98,781
Cash and investments - ending	\$ 2,639	\$ 13,926	\$ 11,096	\$ 2,228	\$ -	\$ 2,768	\$ 39,596	\$ 326	\$ (3,592)	\$ (107,678)

SOUTH BEND 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, 2015
 (Continued)

	Special Ed. IDEA	Special Ed. Improve	Adult Ed. Basic	Adult Work Force	Targeted Projects	English Works	Drug Free Schools	Team Nutrition	Title II- Dwight D. Eisenhower- Science and Math	Vocational Ed. Perkins Grant
Cash and investments - beginning	\$ (1,230,977)	\$ (52)	\$ (116,898)	\$ 45,419	\$ 7,539	\$ 21,971	\$ 33,751	\$ 1,138	\$ (22,230)	\$ (38,589)
Receipts:										
Local sources	-	-	-	61,440	15,520	-	-	-	-	708
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	5,466,723	-	860,105	-	-	-	-	-	139,142	497,347
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	5,466,723	-	860,105	61,440	15,520	-	-	-	139,142	498,055
Disbursements:										
Current:										
Instruction	4,581,101	-	763,081	13,172	1,385	-	-	-	-	453,471
Support services	1,039,816	(52)	89,140	6,296	13,359	-	-	-	125,136	-
Noninstructional services	-	-	41,631	-	-	-	12,707	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	1,120	-	-	-	-	-	-	-	-	15,000
Total disbursements	5,622,037	(52)	893,852	19,468	14,744	-	12,707	-	125,136	468,471
Excess (deficiency) of receipts over disbursements	(155,314)	52	(33,747)	41,972	776	-	(12,707)	-	14,006	29,584
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(5,200)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(5,200)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(155,314)	52	(33,747)	41,972	776	-	(12,707)	-	8,806	29,584
Cash and investments - ending	\$ (1,386,291)	\$ -	\$ (150,645)	\$ 87,391	\$ 8,315	\$ 21,971	\$ 21,044	\$ 1,138	\$ (13,424)	\$ (9,005)

SOUTH BEND 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, 2015
 (Continued)

	Vocational and Technical Board Grants	Tech Resource	Child Care and Development Block Grant	21th Century Grant	Small Learnings Grant	Early Head Start- Startup	Head Start	CACFP Monies	Early Head Start-1	Early Head Start-2
Cash and investments - beginning	\$ 1,911	\$ -	\$ -	\$ (72,834)	\$ 1,517	\$ -	\$ (133,078)	\$ 49,112	\$ -	\$ (11,514)
Receipts:										
Local sources	-	-	-	-	-	-	-	515,796	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	135,251	-	-	6,437,392	-	421,666	827,522
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	135,251	-	-	6,437,392	515,796	421,666	827,522
Disbursements:										
Current:										
Instruction	-	-	-	68,978	-	-	3,772,510	47,839	256,607	537,166
Support services	-	-	-	58,497	-	-	2,549,950	444,097	165,059	301,428
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	127,475	-	-	6,322,460	491,936	421,666	838,594
Excess (deficiency) of receipts over disbursements	-	-	-	7,776	-	-	114,932	23,860	-	(11,072)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	7,776	-	-	114,932	23,860	-	(11,072)
Cash and investments - ending	\$ 1,911	\$ -	\$ -	\$ (65,058)	\$ 1,517	\$ -	\$ (18,146)	\$ 72,972	\$ -	\$ (22,586)

SOUTH BEND 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, 2015
 (Continued)

	School to Development Act	EHS CCP	Improving Teaching Quality No Child Left Title II, Part A	Title III - Language Instruction	Public Charter School ESEA Title X, Part C	Title I - Grants to LEA's	McKinney - Vento Education for Homeless	Head Start- Stimulus	Payroll	Totals
Cash and investments - beginning	\$ 10,497	\$ -	\$ (114,746)	\$ (52,899)	\$ -	\$ -	\$ -	\$ -	\$ 2,645,865	\$ 70,536,121
Receipts:										
Local sources	4,756	-	180	-	-	-	-	-	-	83,949,856
Intermediate sources	-	-	-	-	-	-	-	-	-	74
State sources	-	-	-	-	-	-	-	-	-	134,617,943
Federal sources	-	54,842	1,017,902	408,895	-	-	-	-	-	39,507,502
Other	-	-	-	-	-	-	-	-	33,939,816	33,954,213
Total receipts	4,756	54,842	1,018,082	408,895	-	-	-	-	33,939,816	292,029,588
Disbursements:										
Current:										
Instruction	6,193	29,137	256,122	346,101	5,044	-	-	-	-	106,632,939
Support services	-	31,668	714,969	40,557	-	-	-	-	-	74,075,128
Noninstructional services	-	-	-	-	-	-	-	-	-	13,482,753
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	3,464,250
Debt services	-	-	-	-	-	-	-	-	-	22,721,072
Nonprogrammed charges	-	-	-	-	-	-	-	-	34,074,687	64,745,044
Total disbursements	6,193	60,805	971,091	386,658	5,044	-	-	-	34,074,687	285,121,186
Excess (deficiency) of receipts over disbursements	(1,437)	(5,963)	46,991	22,237	(5,044)	-	-	-	(134,871)	6,908,402
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	58,137
Transfers in	-	-	-	-	-	-	-	-	-	18,026,795
Transfers out	-	-	(48,374)	-	-	-	-	-	-	(18,026,795)
Total other financing sources (uses)	-	-	(48,374)	-	-	-	-	-	-	58,137
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,437)	(5,963)	(1,383)	22,237	(5,044)	-	-	-	(134,871)	6,966,539
Cash and investments - ending	\$ 9,060	\$ (5,963)	\$ (116,129)	\$ (30,662)	\$ (5,044)	\$ -	\$ -	\$ -	\$ 2,510,994	\$ 77,502,660

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SOUTH BEND COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,165,826</u>	<u>\$ 936,785</u>

SOUTH BEND COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
South Bend Community School Corporation 2000 Building Corporation	Adams/Harrison construction	\$ 5,440,000	6/30/2008	6/30/2024
South Bend Community School Corporation 2000 Building Corporation	Edison/Wilson construction	1,401,000	12/30/2010	12/30/2015
South Bend Community School Corporation 2002 Building Corporation	Marquette/Monroe construction	880,000	6/30/2009	12/30/2028
South Bend Community School Corporation 2002 Building Corporation	Marquette/Monroe construction	2,070,000	6/30/2009	12/30/2028
South Bend Community School Corporation 2002 Building Corporation	Greene/Brown Plan Z reorganization	4,974,500	12/30/2007	6/30/2023
South Bend Community School Corporation Riley School Building Corporation	Riley High School construction	<u>3,586,000</u>	6/25/2009	6/25/2019
Total of annual lease payments		<u>\$ 18,351,500</u>		

Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Type			
Governmental activities:			
General obligation bonds	Lincoln Primary School construction	\$ 8,375,000	\$ 1,020,438
General obligation bonds	Pension Bonds Series 2006	11,220,000	1,502,259
General obligation bonds	Pension Bonds series 2013	4,169,015	1,645,823
Notes and loans payable	Common School Fund Loan	<u>99,839</u>	<u>100,338</u>
Totals		<u>\$ 23,863,854</u>	<u>\$ 4,268,858</u>

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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.

	Ending Balance
Governmental activities:	
Land	\$ 1,924,680
Buildings	628,304,704
Improvements other than buildings	5,052
Machinery, equipment, and vehicles	101,192,123
Total capital assets	\$ 731,426,559

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE SOUTH BEND COMMUNITY SCHOOL
CORPORATION, ST. JOSEPH COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the South Bend 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, 2013 to June 30, 2015. 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.

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

Basis for Qualified Opinion on Child Nutrition Cluster

As described in item 2015-003 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Procurement and Suspension and Debarment 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, 2013 to June 30, 2015.

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, 2013 to June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002, 2015-006, and 2015-007. Our opinion on each major federal program is not modified with respect to these 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 2015-002, 2015-003, 2015-004, 2015-005, 2015-006, and 2015-007 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

April 12, 2016

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.

SOUTH BEND COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency 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 06-30-14	Total Federal Awards Expended 06-30-15
U.S. DEPARTMENT OF AGRICULTURE					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY13-14/FY14-15	\$ 1,711,191	\$ 2,745,225
National School Lunch Program	Indiana Department of Education	10.555	FY13-14/FY14-15	5,900,356	8,870,222
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY13-14/FY14-15	<u>321,355</u>	<u>311,823</u>
Total - Child Nutrition Cluster				<u>7,932,902</u>	<u>11,927,270</u>
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY13-14/FY14-15	<u>641,875</u>	<u>711,385</u>
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582	FY13-14/FY14-15	<u>63,017</u>	<u>173,719</u>
Total - Department of Agriculture				<u>8,637,794</u>	<u>12,812,374</u>
U.S. DEPARTMENT OF EDUCATION					
School Improvement Grants Cluster					
School Improvement Grants	Indiana Department of Education	84.377	2013-14 1003g	468,282	345,208
School Improvement Grants	Indiana Department of Education	84.377	2014-15 1003g	-	<u>379,038</u>
Total - School Improvement Grants				<u>468,282</u>	<u>724,246</u>
ARRA-School Improvement Grants, Recovery Act	Indiana Department of Education	84.388	2012-2013 1003g	<u>733,394</u>	-
Total - School Improvement Grants Cluster				<u>1,201,676</u>	<u>724,246</u>
Special Education Cluster					
Special Education - Grants to States	Indiana Department of Education	84.027	14212-055-PN01	196,675	-
Special Education - Grants to States	Indiana Department of Education	84.027	14213-055-PN01	612,041	1,120
Special Education - Grants to States	Indiana Department of Education	84.027	14214-055-PN01	4,039,803	1,346,363
Special Education - Grants to States	Indiana Department of Education	84.027	14215-055-PN01	-	4,119,240
Special Education - Grants to States	Indiana Department of Education	84.027	5250-5259	70,000	-
Special Education - Grants to States	Indiana Department of Education	84.027	99914-TA01	<u>35,143</u>	<u>60,032</u>
Total - Special Education - Grants to States				<u>4,953,662</u>	<u>5,526,755</u>
Special Education - Preschool Grants	Indiana Department of Education	84.173	45712-055-PN01	65,563	-
Special Education - Preschool Grants	Indiana Department of Education	84.173	45713-055-PN01	66,653	92,262
Special Education - Preschool Grants	Indiana Department of Education	84.173	45714-055-PN01	117,893	136,432
Special Education - Preschool Grants	Indiana Department of Education	84.173	45715-055-PN01	-	<u>144,797</u>
Total - Special Education - Preschool Grants				<u>250,109</u>	<u>373,491</u>
Total - Special Education Cluster				<u>5,203,771</u>	<u>5,900,246</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	12-7205	3,295,878	-
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	13-7205	2,925,703	5,964,823
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	14-7205	-	<u>3,744,956</u>
Total - Title I Grants to Local Educational Agencies				<u>6,221,581</u>	<u>9,709,779</u>
Adult Education - Basic Grants to States	Indiana Department of Workforce Development	84.002	C1-3-AE-2-22	300,602	-
Adult Education - Basic Grants to States	Indiana Department of Workforce Development	84.002	C1-4-AE-3-22	379,113	319,245
Adult Education - Basic Grants to States	Indiana Department of Workforce Development	84.002	C1-5-AE-4-22	-	<u>368,420</u>
Total - Adult Education - Basic Grants to States				<u>679,715</u>	<u>687,665</u>

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(Continued)

Federal Grantor Agency 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 06-30-14	Total Federal Awards Expended 06-30-15
U.S. DEPARTMENT OF EDUCATION (continued)					
Migrant Education - State Grant Program	Indiana Department of Education	84.011	38212-004-MR01	201,636	-
Migrant Education - State Grant Program	Indiana Department of Education	84.011	38212-013-PN01	39,715	-
Migrant Education - State Grant Program	Indiana Department of Education	84.011	38213-008-PN01	218,471	526,711
Migrant Education - State Grant Program	Indiana Department of Education	84.011	38214-006-PN01	-	175,827
Total - Migrant Education - State Grant Program				459,822	702,538
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048	13-4700-7205	147,526	-
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048	14-4700-7205	342,760	171,173
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048	15-4700-7205	-	326,174
Total - Career and Technical Education - Basic Grants to States				490,286	497,347
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287	2012-13	72,183	-
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287	2013-14	119,740	-
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287	2013-14A58-0-10DL-123	-	135,251
Total - Twenty-First Century Community Learning Centers				191,923	135,251
English Language Acquisition State Grants	Indiana Department of Education	84.365	PL 01114-078-PN01	110,677	185,195
English Language Acquisition State Grants	Indiana Department of Education	84.365	PL 01115-084-PN01	191,910	199,569
English Language Acquisition State Grants	Indiana Department of Education	84.365	PL 107-110 FY2011	-	24,130
Total - English Language Acquisition State Grants				302,587	408,894
Mathematics and Science Partnerships	Indiana Department of Education	84.366	A58-1-11CI-273	215,920	-
Mathematics and Science Partnerships	Indiana Department of Education	84.366	A58-3-13CI-1270	91,452	-
Mathematics and Science Partnerships	Indiana Department of Education	84.366	A58-3-13CI-1270	-	139,142
Total - Mathematics and Science Partnerships				307,372	139,142
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	P.L. 107-110 FY2011	227,200	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	P.L. 107-110 FY2012	406,765	628,807
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	13-15 FY2013	-	389,095
Total - Improving Teacher Quality State Grants				633,965	1,017,902
Total - U. S. Department of Education				15,692,698	19,923,010
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Head Start	Direct grant	93.600	05CH8262/09	6,495,807	2,257,476
Head Start		93.600	05CH842801	-	1,929,030
Head Start		93.600	05CH842802	-	3,500,074
Head Start		93.600	05HP0007/01	-	54,842
Total - Head Start				6,495,807	7,741,422
Total - Department of Health and Human Services				6,495,807	7,741,422
Total federal awards expended				\$ 30,826,299	\$ 40,476,806

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) 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 ended June 30, 2014 and 2015. This noncash assistance is also included in the federal expenditures presented in the SEFA.

Program Title	Federal CFDA Number	2014	2015
National School Lunch Program	10.555	\$ 767,458	\$ 726,171

SOUTH BEND 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?	no
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 all programs except for Child Nutrition Cluster, which was modified.
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
93.600	Child Nutrition Cluster Special Education Cluster Head Start

Dollar threshold used to distinguish between Type A and Type B programs: \$2,139,093

Auditee qualified as low-risk auditee? no

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

Section II - Financial Statement Findings

FINDING 2015-001 - 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 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. The SEFA that was provided for audit contained several errors. Although these errors were immaterial to the SEFA as a whole, the lack of controls could have resulted in material misstatements.

During the audit of the SEFA, we noted the following immaterial errors:

1. The SEFA did not include \$726,171 in non-cash assistance received by the School Corporation for school year 2014-2015.
2. The reported expenditures for CFDA 84.002 were overstated by \$172,440 in 2014-2015, which represented the state portion of grant funds.
3. The reported expenditures for CFDA 10.555 were overstated by \$96,250 in 2013-2014, and understated by \$67,405 in 2014-2015.
4. The reported expenditures for CFDA 10.558 were overstated by \$119,467 in 2013-2014, and \$178,626 in 2014-2015.
5. The pass-through entities for U.S. Department of Agriculture grants were incorrectly identified.

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."

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

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

"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.
- (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. . . . "

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-002 - CASH MANAGEMENT

Federal Agency: U.S. Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Years: FY 2013-14, FY 2014-15
Pass-Through Entity: Indiana Department of Education

The School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Cash Management compliance requirement. The failure to establish an effective internal control system places the School Corporation at risk of non-compliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could also allow noncompliance with the compliance requirement and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

The School Corporation has not designed or implemented adequate policies and procedures to ensure that the School Lunch fund's net cash resources were limited to the average expenditures for three months.

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

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same 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 School Corporation's net cash balance of the food service program exceeded the average expenditures for three months for eight of the twenty-four months in the audit period. For the 2013-2014 year, the average expenditures for three months was \$2,915,112; the cash balance exceeded that amount at the end of the July 2013, August 2013, and September 2013. For the 2014-2015 year, the average expenditures for three months was \$3,037,204; the cash balance exceeded that amount at the end of August 2014, September 2014, February 2015, March 2015, and June 2015.

7 CFR 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)."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirement could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Cash Management requirement of the programs.

FINDING 2015-003 - PROCUREMENT AND SUSPENSION AND DEBARMENT

Federal Agency: U.S. Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Years: FY 2013-14, FY 2014-15

Pass-Through Entity: Indiana Department of Education

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

The School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could also allow noncompliance with the compliance requirement and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

The School Corporation has not designed or implemented adequate policies and procedures to ensure that vendors used for the food service program were not suspended or debarred from participation in federal programs. An oversight, review, or approval process has not been established.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same 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 School Corporation failed to provide evidence that a search of the Excluded Parties List Systems through the System of Award Manager Center at www.sam.gov was conducted, that certification from the entity was collected, or that a clause or condition was added to the contract.

During the years 2013-2014 and 2014-2015, the School Corporation made food service purchases exceeding \$25,000 from 14 and 17 vendors, respectively. A search of the System of Award Manager Center website resulted in no active exclusions for any of these vendors.

7 CFR 3016.35 states:

"Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, 'Debarment and Suspension.'"

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

We recommended that the School Corporation's management establish controls, including segregation of duties, to ensure compliance and comply with the Procurement and Suspension and Debarment requirement of the programs.

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

FINDING 2015-004 - PROGRAM INCOME

Federal Agency: U.S. Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch Program
CFDA Number: 10.553, 10.555
Federal Award Number and Year: FY 2012-13, FY 2013-14
Pass-Through Entity: Indiana Department of Education

The School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Program Income compliance requirement. The failure to establish an effective internal control system places the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirement and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

The School Corporation has not designed or implemented adequate policies or procedures to ensure that program income was properly recorded in the financial records. An oversight, review, or approval process has not been established.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same 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 enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirement could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation establish controls, including segregation of duties, related to the grant agreement and Program Income compliance requirement. Additionally, we recommended that School Corporation's management comply with the applicable Program Income requirements.

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

FINDING 2015-005 - ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES, ELIGIBILITY, AND SPECIAL TESTS AND PROVISIONS

Federal Agency: U.S. Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Years: FY 2013-14, FY2014-15
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, and Special Tests and Provisions - Verification of Free and Reduced Price Applications and Paid Lunch Equity. 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. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Management of the School Corporation has not established an effective internal control system to ensure compliance with the Activities Allowed and Allowable Costs/Cost Principles requirements. There were procedures established; however, they were not always effective. Claims were approved without the proper supporting documentation to verify that they were for allowable activities or for allowable costs. In addition, there were no procedures to ensure that purchased food items were actually received. Not all schools' Food Service Managers marked the invoices to indicate that the items had been received. An adequate oversight or review process has not been established.

Eligibility

Management of the School Corporation has not established an effective internal control system to ensure compliance with the Eligibility requirement. The School Corporation contracted with a business to validate the accuracy of scanned free/reduced meal applications but there was no evidence that School Corporation staff reviewed the meal applications for accuracy. An oversight, review, or approval process has not been established.

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

Special Tests and Provisions - Verification of Free and Reduced Price Applications

Management of the School Corporation has not established an effective internal control system to ensure compliance with the Special Test and Provisions - Verification of Free and Reduced Price Application requirement. The School Corporation performed the required verifications; however, the Food and Nutrition Services Director independently prepared the annual free/reduced meal application verification summary report without evidence of an oversight or review process.

Special Tests and Provisions - Paid Lunch Equity

Management of the School Corporation has not established an effective internal control system to ensure compliance with the Special Tests and Provisions - Paid Lunch Equity requirement. There were no procedures to ensure that the calculations for paid lunch equity were made or that they were accurate. The Food and Nutrition Services Director prepared the paid lunch equity calculations without evidence of an oversight or review process.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same 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 could enable material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

FINDING 2015-006 - CASH MANAGEMENT AND REPORTING

Federal Agency: U.S. Department of Education

Federal Programs: Special Education - Grants to States; Special Education - Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers: 14212-055-PN01, 14213-055-PN01, 14214-055-PN01, 14215-055-PN01,
5250-5259, 99914-TA01, 45712-055-PN01, 45713-055-PN01,
45714-055-PN01, 45715-055-PN01

Pass-Through Entity: Indiana Department of Education

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

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Cash Management and Reporting compliance requirements. 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. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

The School Corporation has not designed or implemented adequate policies and procedures to ensure compliance with Cash Management and Reporting requirements of the programs. There were no procedures in place to ensure that supporting documentation for the requests for reimbursement of federal expenditures was available or that it agreed with the expenditure amounts submitted for reimbursement. In addition, there were no procedures to ensure that expenditures were actually made before reimbursement was requested. An oversight, review, or approval process has not been established.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same 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 completeness and accuracy of the reimbursement claims that were submitted during the audit period for the Special Education programs could not be verified. The accounting system could not duplicate reports to support each reimbursement claim. At the end of the grant period the total disbursements posted to the grant fund and the total reimbursement claims submitted for the grants could not be matched.

When requests for reimbursement were prepared, a cumulative financial report was generated at the summary level by fund, account, and object. The amounts previously requested were subtracted from the current cumulative amounts and the difference was the amount of reimbursement requested. In some cases, the cumulative report was generated several days before the end of the time period covered by the report. No detailed report of the actual disbursements was generated and retained for audit.

When financial reports were generated for the time periods covered by the requests for reimbursement, over 80 percent of the reports tested did not agree with the supporting reports for the requests. There were minor differences due to timing; the original report was generated before some disbursements were recorded in the financial accounting system. However, without an original detailed report from the time the reimbursement was requested, the causes for most of the differences could not be readily identified or actual disbursements easily traced to the requests for reimbursement.

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

Also, the total amount of actual expenditures as reported on the Final Report for FY 2013 IDEA Part B (611) equaled the approved budgeted amount for the grant year, but did not agree with the total expenses posted on the Expense Summary report. The ledger amount was greater by \$12,670, which indicates that the budget for the grant year was actually overspent.

34 CFR 80.20 states in part:

"(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to:

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
- (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant . . . "

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

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Cash Management and Reporting compliance requirements. We also recommended that the School Corporation comply with the grant agreement and the Cash Management and Reporting requirements.

FINDING 2015-007 - MATCHING, EARMARKING, AND REPORTING

Federal Agency: U.S. Department of Health and Human Services
Federal Program: Head Start
CFDA Number: 93.600
Federal Award Numbers: 05CH8262/09, 05CH8428/01, 05CH8428/02, and 05HP0007/01
Pass-Through Entity: Direct grant

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Matching, Earmarking, and Reporting. 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. A lack of segregation of duties within an internal control system could also allow non-compliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

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

The School Corporation has not designed or implemented internal control procedures to ensure compliance with the requirements for Matching, Earmarking, and Reporting. The School Corporation did not have controls in place to ensure that supporting documentation for matching, earmarking, and subsequently, the reporting of matching and earmarking, was retained for audit.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same 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 School Corporation reports indicated that the program had met this requirement through in-kind contributions. However, the supporting documentation to detail how the third-party, in-kind contributions were calculated was not available for audit. The monthly in-kind reports presented to the Consortium's Board included cumulative totals for in-kind contributions claimed, but there was no tabulation available to support the information presented.

The Earmarking requirements of the Head Start grant limit development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-Federal share contribution of such costs. The School Corporation reported total development and administrative expenditures that met the requirement; however, the administrative portion of wages for some employees could not be verified.

Attachment 1 of the Department of Health and Human Services' Notice of Award states in part:

"This grant is subject to Section 640(b) of the Head Start Act and 45 C.F.R. 1301.20 requiring a non-Federal match of 20 percent of the total cost of the program. This grant is also subject to the requirements in Section 644(b) of the Head Start Act and 45 C.F.R. 1301.32 limiting development and administrative costs to a maximum of 15 percent of the total costs of the program, including the non-Federal share contribution of such costs."

Federal Financial Report Form 425 requires the reporting of matching and earmarking totals. Due to the issues described above, the reporting requirements for the Head Start grant were not fully met. The School Corporation's records presented for audit did not provide the proper supporting documentation for the amounts reported on the required Federal Financial reports.

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

45 CFR 92.20(b) states in part:

"The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . . "

The failure to establish internal controls enabled material 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 the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Matching, Earmarking, and Reporting compliance requirements. We also recommended that the School Corporation comply with the grant agreement and the Matching, Earmarking, and Reporting requirements.

AUDITEE PREPARED DOCUMENTS

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



SOUTH BEND COMMUNITY SCHOOL CORPORATION

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-002 -- INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CHILD NUTRITION CLUSTER

Original Assigned SBA Audit Report Number: B43371
Report Period: July 1, 2011 – June 30, 2013
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: Victoria L. Moore
Contact Phone Number: 574-283-8093

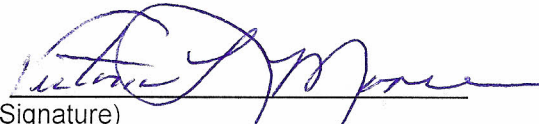
Corrective Action:

As of S.Y. 2013-2014, all claims for South Bend Community School Corporation are up-loaded directly from the WebSmart POS to IDOE website. The Supervisor, Lori Weldy manually enters the claim information for the Charles Martin Center along with the four sites that have contracted with us. Prior to submitting the monthly claims, Lori will provide the Director of Food & Nutrition, Victoria L. Moore with a hard copy of that months claim for review. As the Director, I will verify and sign off on the monthly claim. After which the monthly claim will be submitted to IDOE.

The Food & Nutrition Office will retain a signed copy of each monthly claim form, and the yearly Annual Financial Report, Sponsor Sheet, and Site Summary Sheets. These signed documents shall be retained on file in accordance with the NSLP regulations.

Status of Audit Finding:

We are in compliance with this corrective action.


(Signature)


(Title)


(Date)



SOUTH BEND COMMUNITY SCHOOL CORPORATION
ADMINISTRATIVE SERVICES
215 SOUTH ST. JOSEPH STREET SOUTH BEND, INDIANA 46601
TELEPHONE: (574) 283-8111

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2013-003-Internal Controls over compliance and noncompliance requirements that have a direct and material effect to improving teacher quality state Grants.

Original Assigned SBA Audit Report Number: B43371
Report Period: July 1, 2011 – June 30, 2013
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: Deborah Herring
Contact Phone Number: 574-283-8052

Status of Audit Finding:

The following are the steps that have been completed:

- A separate file for each grant has been set up and maintained
- The approved budget has been input on the financial system
- The expenditure categories are monitored by the Director
- Monthly expenditure reports are provided to grantees
- Financial records for the grant are maintained
- The close out and final report are completed by the deadline, all professional development services, materials and supplies are paid by December 1 each year
- Funds are not obligated after September 30, the end of the grant period.

We believe the completed action plan will maintain the South Bend Community School Corporation's compliance for internal controls.

Deborah Herring
(Signature)

Auxiliary Title I, II
(Title)

January 4, 2016
(Date)



SOUTH BEND COMMUNITY SCHOOL CORPORATION
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CORRECTIVE ACTION PLAN

FINDING 2015-001 – Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action:

Robert M. Orlowski

Contact Phone Number: 574-283-8111

Views of Responsible Official:

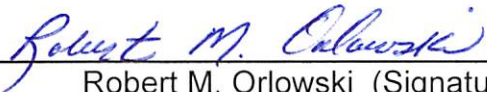
We concur with the finding.

Description of Corrective Action Plan:

The Schedule of Expenditures of Federal Awards (SEFA) will be developed by the Supervisor of Extra Curricular and Grant Awards. During the grant cycle a separate spread sheet will be used to track Food Service revenue and expenditures by CFDA number. The SEFA will be reviewed and placed on the Gateway System by the Executive Director of Operational Services. After the schedule is on the Gateway System, a hard copy will be printed and returned to the Supervisor of Extra Curricular and Grant Awards for review before the final submission.

Anticipated Completion Date:

August, 2016


Robert M. Orlowski (Signature)

Treasurer
(Title)

April 12, 2016 -----
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2015-002 – Cash Management

Contact Person Responsible for Corrective Action

Victoria L. Moore, Director Food & Nutrition

Contact Phone Number:

574-283-8094

Views of Responsible Officer

We concur with the findings

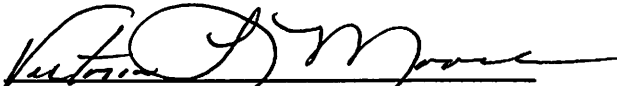
Description of Corrective Action Plan:

The Corrective Action Plan will include the following steps toward making the finding compliant:

1. The Director will analyze cash flow and expenditures to determine net cash resources.
2. The Director will review/monitor report of department financial status at the end of each month.
3. Department supervisory staff each year will assist Director in developing a suggested list of improvements for the National School Lunch Program. The list may include items such as: new equipment, up-scale food items, sending or providing employee training at the local/state/national level, student promotions & promotional items.
4. When it is determined that excess funds exist, using the list developed, the Director will approve spending the funds to the benefit of the program to determine an appropriate net cash balance.

Anticipated Completion Date:

On-going monthly during school year


Victoria L. Moore (Signature)

Director Food & Nutrition Services
(Title)

April 12, 2016
(Date)



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 215 SOUTH ST. JOSEPH STREET SOUTH BEND, INDIANA 46601
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CORRECTIVE ACTION PLAN

FINDING 2015-003 – Suspension and Debarment

Contact Person Responsible for Corrective Action

Victoria L. Moore, Director Food & Nutrition

Contact Phone Number:

574-283-8094

Views of Responsible Officer

We concur with the findings

Description of Corrective Action Plan:

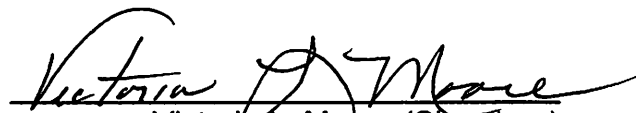
SBCSC Food & Nutrition contacted the DOE and obtained a copy of the Certification regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion form and instructions. This information was shared with the SBCSC Purchasing Supervisor. The Debarment & Suspension form will be included with all bid packets. A completed & signed copy of the Debarment & Suspension form will be the responsibility of the vendor. Bid packets returned without a signed Debarment & Suspension form will be excluded.

Duties:

1. The Food & Nutrition Director will include the Debarment & Suspension form in all bid packets.
2. SBCSC Purchasing agent will confirm the Debarment & Suspension form is received in all bid packets returned.
3. The Procurement Supervisor then checks to ensure the vendor is eligible to receive a bid award.
4. The Director will verify all bid awards and sends bid award report forward for Board of Trustees approval.

Anticipated Completion Date:

Completed March 1, 2016


 Victoria L. Moore (Signature)

Director Food & Nutrition Services
 (Title)

April 12, 2016
 (Date)



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CORRECTIVE ACTION PLAN

FINDING 2015-004 –Program Income

Contact Person Responsible for Corrective Action

Victoria L. Moore, Director Food & Nutrition

Contact Phone Number:

574-283-8094

Views of Responsible Officer

We concur with the findings

Description of Corrective Action Plan:

The Food & Nutrition Department has implemented accounting procedures whereby all pre-paid monies are deposited into a specific fund (082) set up by the Budget Supervisor. The budget department staff will account for all pre-paid deposited weekly. The Budget Supervisor, each month, will transfer pre-paid monies used from the pre-payment fund to the Food and Nutrition breakfast /lunch account. The amount transferred is verified by the Sales & Meal Count Report generated by Food & Nutrition from the department POS system.

At the end of the school year any monies in the Pre-Paid Account will:

- A) For students no longer active in SBCSC system, monies will be returned to parent or transferred to other household members account upon written request from guardian.
- B) For students still active in the SBCSC system, monies will carry over to the next school year or can be applied to another household member upon written request from guardian.

Anticipated Completion Date:
 Completed February 1, 2016


 Victoria L. Moore (Signature)

Director Food & Nutrition Services
 (Title)

April 12, 2016
 (Date)



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CORRECTIVE ACTION PLAN

FINDING 2015-005 – Activities Allowed, Allowable Costs/Cost Principles, Eligibility and Special Tests and Provisions

Contact Person Responsible for Corrective Action

Victoria L. Moore, Director Food & Nutrition

Contact Phone Number:

574-283-8094

Views of Responsible Officer

We concur with the findings

Description of Corrective Action Plan:

The Corrective Action Plan will include the following steps toward making the finding compliant:

Activities Allowed, Allowable Costs/Cost Principles:

1. Weekly, Managers will submit all signed invoices to the Food & Nutrition Financial Supervisor.
2. The Food & Nutrition Financial Supervisor insure all invoices are signed by Manager.
3. All un-signed invoices will be fax back to the Manager for signature and comments if the invoice is NOT accurate as listed.
4. The SBCSC Manager will return the signed invoice within 24 hours.
5. The Food & Nutrition Financial Supervisor will process all invoices for payment.

Anticipated Completion Date:

March 31, 2016

Eligibility:

1. The Food & Nutrition Computer Application Specialist will review all paper meal applications for accuracy.
2. Meal Applications found to be inaccurate will be turned over to the Food & Nutrition Director.
3. The Food & Nutrition Director will notify the household in writing of change in status.
4. Families have the right to file a new meal application.

Anticipated Completion Date:

June 30 2016

Special Tests and Provisions - Verification of Free and Reduced Price Applications:

1. The Food & Nutrition Director will verify selected applications.
2. The Food & Nutrition will notify households of varication results.

FINDING 2015-005 – Activities Allowed, Allowable Costs/Cost Principles, Eligibility and Special Tests and Provisions

Page 2

3. After November 15th, the Food & Nutrition Director will prepare the Verification Summary Report.
4. Prior to submitting the Verification Summary Report, the Food & Nutrition Financial Supervisor will review both the selected applications and the Verification Summary Report for accuracy.
5. The Food & Nutrition Financial Supervisor will sign off once she has completed the review.
6. Once the Verification Summary Report has had a second review, the report will then be submitted to the DOE by December 15th.

Anticipated Completion Date:

December 15, 2016

Special Tests and Provisions — Paid Lunch Equity:

1. The Food & Nutrition Director will complete the on-line Paid Equity Application each year.
2. Prior to submission to DOE, the Food & Nutrition Financial Supervisor will review the Paid Equity Application for accuracy.
3. If there are any mistakes the application goes back to the Food & Nutrition Director for correction.
4. Once the application is complete and accurate the Food & Nutrition Financial Supervisor will print a copy of the Paid Equity application.
5. Both the Food & Nutrition Director and the Food & Nutrition Financial Supervisor will sign and date the Paid Equity application.
6. The Food & Nutrition Financial Supervisor will maintain the copy of the Paid Equity application with the NSLP contract for that school year.
7. The Director will submit the Paid Equity Application to DOE.
8. Should the Paid Equity Application indicate a lunch meal price increase is needed; the Food & Nutrition Director can file for a waiver not to increase lunch meal prices.
9. DOE will notify Food & Nutrition of approval or denial.

DOE decision letter will be maintained with the coming school year contract for the NSLP.

Anticipated Completion Date:

July 30, 2016


Victoria L. Moore (Signature)

Director Food & Nutrition Services
(Title)

April 12, 2016

(Date)



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CORRECTIVE ACTION PLAN

FINDING 2015-006 – Cash Management and Reporting

Contact Person Responsible for Corrective Action: Matthew Johns and Pauline Busby

Contact Phone Number: 574-283-8130

Views of Responsible Official:

The Special Education Department recognizes the value of having oversight at every level of budgeting and spending; accountability and transparency are key to successful money management.

Description of Corrective Action Plan:

The Special Education department will meet the first week of the month and review the grants. Members will include, the Director of Special Education, Coordinator for Grants and Budget and the Data and Budget Assistant. There will be a brief overview of the expenditures for the month. This will allow for multiple people to oversee the grant and what is being spent and out of what fund.

The Director of Special Education and the Coordinator for Grants and budget in the special education department will also meet with the budget department every month to review the closeout process. Each person will review the expenditures for that month and project the following month of expenditures.

Prior to the end of each grant the Director of Special Education and the Coordinator for Budgets and Grants will review the Final Report prior to submission.

Anticipated Completion Date:

This will become the new process. Ongoing process from the findings date in March of 2016

Matthew Johns (Signature)

Director Special Education
(Title)

April 12, 2016
(Date)



SOUTH BEND COMMUNITY SCHOOL CORPORATION

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CORRECTIVE ACTION PLAN

FINDING 2015-007 - Matching Earmarking and Reporting

Contact Person Responsible for Corrective Action:

Dr. Kathy Guajardo, Executive Director (574) 283-8128
Brenda Overton, Fiscal Officer (574) 283-8115

Contact Phone Number:

Dr. Kathy Guajardo, Executive Director (574) 283-8128
Brenda Overton, Fiscal Officer (574) 283-8115

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

Corrective Action Plan will include the following steps toward making the finding compliant.

1. Create a budget line in each category and entitle it Administrative Costs, which is to be listed within the administrative line of the Chart of Accounts noted in the AS400/RDS System and charged under the appropriate grant as administrative costs. Example, managerial portions of salaries and supplies.
2. Calculate Administrative Costs per pay period to ensure accuracy and note it on the AS400/ RDS system and submit the charge accordingly to the fiscal accounting system and reviewed by the Fiscal Officer.
3. All documentation will be filed at the Consortium's Grantee Office, which will include and not limited to: Relevant Chart of Account, Payroll Roster, Time Sheets, Reports, and any other forms of relevant documents.
4. The Fiscal Officer will review/monitor on a bi-weekly basis and the Executive Director will monitor the reports at the end of the each month.

FINDING 2015-007 - Matching Earmarking and Reporting – No system in place to accumulate/substantiate numbers being reported to the Board and Federal Agency.
Page 2

5. The Consortium Board will receive a monthly report along with the rest of the fiscal reports.
6. The methodology will be reflected in the Cost Allocation Plan (Manual) and the Consortium's Fiscal Manual, updates will be noted as needed based on regulatory changes. The actual will be supported through the bi-weekly reports.

Capturing In-Kind Documentation:

At the time of this audit, the Consortium has a Fiscal Officer vacancy and the position has been filled. The lack of documentation occurred resulting from not having information available to the Executive Director at the time of review.

Therefore, the Corrective Action Plan will include the following procedures:


1. Staff will turn in all in-kind generated by parents and submit to the Non-Federal Entity Office (Grantee).
2. The Consortium's Data Team will enter all allowable in-kind forms into the Childplus Software System under each parent's personal account so that hours and value amount can be captured. Additionally, the data team upon completion will mark the in-kind form as "received and allowable" based on federal guidelines. Should an in-kind form be submitted that is questionable the data team will send the form to the appropriate manager for their review. The Manager will evaluate the form and determine eligibility and sign off as "allowable" or "disallowable." If marked allowable the data team will continue the process of receiving the in-kind and enter into the system.
3. All Parent In-kind forms that are received and entered into the system will be collected by the month, a Childplus roster report will be attached, along with another Childplus report that reflects the total amount of in-kind collected for the month and a copy of the Board Report will be attached on top of the documentation to make the flow of information consistent and reliable.
4. The fiscal department will run a monthly report based on information captured within the month. The importance of monthly captures will generate an accumulative figure generated from the monthly entries regardless just as long as it meets the criteria of not being previously entered during the course of the grant year.

FINDING 2015-007 - Matching Earmarking and Reporting – No system in place to accumulate/substantiate numbers being reported to the Board and Federal Agency.
Page 3

5. All in-kind generated by other budget lines (examples: transportation) those items will be submitted according to a framework and dollar amount as approved by the Consortium's Board.

Anticipated Completion Date:

June 1st, 2016



Dr. Kathy Guajardo (signature)

Executive Director,
Elkhart and St. Joseph Counties Head Start Consortium
(Title)

April 12, 2016
(Date)

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/>.