

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

ELKHART COMMUNITY SCHOOLS
ELKHART COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED
02/01/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on the Financial Statement and Supplementary Schedule of Expenditures of Federal Awards.....	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards	5-6
Financial Statement: Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis.....	8-9
Notes to Financial Statement.....	10-14
Supplementary Information: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis.....	16-44
Schedule of Capital Assets.....	45
Schedule of Long-Term Debt	47
Audit Result and Comment: Overdrawn Fund Balances	48
Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	50-51
Schedule of Expenditures of Federal Awards	54-55
Notes to Schedule of Expenditures of Federal Awards.....	56
Schedule of Findings and Questioned Costs	57
Auditee Prepared Schedules: Summary Schedule of Prior Audit Findings	58
Exit Conference.....	59
Official Response	60-61

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Douglas A. Hasler	07-01-09 to 06-30-12
Superintendent of Schools	Mark T. Mow	07-01-09 to 06-30-12
President of the School Board	Glenn L Duncan Susan C. Daiber Karen S. Carter	07-01-09 to 06-30-10 07-01-10 to 06-30-11 07-01-11 to 06-30-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statement of the Elkhart Community Schools (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. 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 includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 noted above is a different basis than that used in the prior year.

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 years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 13, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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 has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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 Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

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

This report is intended solely for the information and use of the School Corporation's management, the School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 13, 2011



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 ELKHART COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

We have audited the financial statement of the Elkhart Community Schools (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated December 13, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A 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.

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

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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

This report is intended solely for the information and use of the School Corporation's management, the School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 13, 2011

FINANCIAL STATEMENT

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

ELKHART COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 3,293,373	\$ 85,363,816	\$ 90,160,948	\$ 301,966	\$ (1,201,793)	\$ 83,965,507	\$ 84,070,907	\$ (111,453)	\$ (1,418,646)
Debt Service	4,483,942	24,753,014	20,530,237	(140,968)	8,565,751	15,159,111	15,476,802	(2,500,000)	5,748,060
Retirement/Severance Bond Debt Service	(132,783)	4,565,992	4,439,466	-	(6,257)	2,749,951	2,942,016	-	(198,322)
Capital Projects	(1,166,893)	19,539,192	15,296,700	-	3,075,599	10,218,060	9,276,643	-	4,017,016
School Transportation	602,406	11,493,812	8,319,705	(1,344,366)	2,432,147	8,390,870	7,942,915	(1,093,359)	1,786,743
School Bus Replacement	416,003	1,997,488	603,828	-	1,809,663	1,372,824	1,414,816	(1,000,000)	767,671
Special Education Preschool	277,981	345,125	389,536	(233,570)	-	-	-	-	-
Rainy Day	587,617	-	-	1,484,627	2,072,244	-	-	4,750,000	6,822,244
Retirement/Severance Bond	7,625,269	-	601,536	-	7,023,733	-	879,207	-	6,144,526
Post-Retirement/Severance Future Benefits	2,350,000	-	-	-	2,350,000	-	-	-	2,350,000
School Lunch	2,420,201	6,427,971	6,905,017	-	1,943,155	6,753,731	6,907,695	-	1,789,191
Textbook Rental	1,151,592	1,496,018	1,299,564	-	1,348,046	1,598,048	966,830	-	1,979,264
Self-Insurance	5,780,221	15,354,835	19,573,038	-	1,562,018	15,266,372	13,816,563	-	3,011,827
Levy Excess	-	-	-	-	-	-	-	1	1
Joint Services and Supply - Area Vocational School	(275,132)	5,462,660	4,833,822	-	353,706	4,790,222	4,752,479	-	391,449
Joint Services and Supply - Other	-	-	-	-	-	2,856	7,250	-	(4,394)
Educational License Plates	6,338	2,930	7,300	-	1,968	1,388	-	-	3,356
Alternative Education	-	54,595	54,437	-	158	42,551	42,709	-	-
COACH	25,999	8,195	7,186	-	27,008	8,375	18,980	-	16,403
ECS 21st Century Supplemental	188,154	261,736	260,784	-	189,106	145,056	175,914	-	158,248
Gifts and Donations	80,417	29,019	28,514	-	80,922	60,046	32,373	-	108,595
United Way Reading Camps 2010	-	1,689	1,592	-	97	1,599	1,696	-	-
Early/After School Child Care	89,302	275,045	304,630	-	59,717	288,083	275,391	-	72,409
Dollar General Grant	-	3,000	3,000	-	-	3,000	3,000	-	-
National Energy Foundation	-	200	-	-	200	-	200	-	-
United Way Reading Camps 2011	-	-	-	-	-	2,283	2,144	-	139
United Way Minds in Motion 2011	-	-	-	-	-	1,000	-	-	1,000
Extra Curricular Salary	-	-	-	-	-	66,721	62,219	-	4,502
Elk County Safe and Drug Free School	(3,000)	3,000	-	-	-	-	-	-	-
ABE Roosevelt Headstart	-	-	5,675	-	(5,675)	6,461	206	-	580
IN Youth Institute Grant 10	-	692	692	-	-	1,078	1,078	-	-
ABE Bristol Headstart	3,197	-	3,197	-	-	-	-	-	-
Elk County Comm. Corrections Grant 08	(40,864)	116,685	58,042	-	17,779	60,342	69,328	-	8,793
Elk County Community Grant 09	-	5,910	5,910	-	-	-	-	-	-
TCU Teacher Grant 2008-09	110	-	110	-	-	-	-	-	-
CARES Grant 08-09	300	1,000	843	-	457	-	457	-	-
Headstart Supply	3,940	4,800	7,546	-	1,194	5,600	1,893	-	4,901
ABE Dollar General Grant 09	-	3,238	3,238	-	-	-	-	-	-
Teachers Credit Union Grant 09-10	-	2,551	1,788	-	763	-	763	-	-
Teachers Credit Union Grant 10-11	-	-	-	-	-	2,492	1,861	-	631
WVPE	(310,240)	1,141,904	1,146,439	-	(314,775)	1,225,398	1,053,181	-	(142,558)
Earth Science Field Trip	9,880	1,810	10,890	-	800	18,805	6,961	-	12,644
US History Field Trip	-	-	-	-	-	6,060	-	-	6,060
Marine Biology Field Trip	-	20,520	6,450	-	14,070	25,053	33,017	-	6,106
Prof.Dev.Capacity Grant 05-07	49,714	1	44,372	-	5,343	-	5,343	-	-
Prof.Dev.Capacity Grant 08-10	120,001	23,752	50,079	-	93,674	-	44,634	-	49,040
Economic Education 08-09	1,227	-	1,227	-	-	-	-	-	-
Computer Loan Advancement	-	-	251,287	-	(251,287)	528,700	739,307	-	(461,894)
Medicaid Reimbursement	18,675	54,530	25,772	-	47,433	14,071	36,313	-	25,191
High Ability Grant 08-09	263	-	263	-	-	-	-	-	-
High Ability Grant 03409-058	-	83,739	83,299	-	440	-	440	-	-
High Ability Grant 10-11	-	-	-	-	-	82,484	79,326	-	3,158
High Ability Making a Difference	-	12,544	-	-	12,544	-	12,544	-	-
2010 Summer Leadership	-	-	-	-	-	6,363	6,363	-	-
Safe Haven Grant Pr.09-SH018	-	23,727	45,000	-	(21,273)	21,273	-	-	-
Safe Haven Grant Pr.10-SH000	-	-	-	-	-	16,913	35,445	-	(18,532)
Non-English Speaking Programs P.L. 273-1999	106,989	-	106,989	-	-	-	-	-	-
School Technology	828,504	419,988	422,246	-	826,246	444,546	189,066	-	1,081,726
Non-English Speaking Programs 09-10	-	370,197	324,725	-	45,472	-	45,472	-	-
Non-English Speaking Programs 10-11	-	-	-	-	-	271,084	265,064	-	6,020

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

ELKHART COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011
(Continued)

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
Soc.Sv-TAP	-	15,917	156,663	-	(140,746)	308,136	167,390	-	-
Excess PTRC Distributions	-	103,008	-	-	103,008	-	-	-	103,008
Title I Response to Intervention	-	-	-	-	-	37,100	37,573	-	(473)
Title I School Improvement 09	100,984	-	100,984	-	-	-	-	-	-
Title I School Improvement 11	-	257,151	218,143	-	39,008	90,281	157,747	-	(28,458)
Title V, Part A 08-09	4,180	12,846	17,026	-	-	-	-	-	-
Title I 09-2305	539,775	96,060	635,835	-	-	-	-	-	-
Title I 10-2305	-	3,816,182	3,370,295	-	445,887	144,023	589,910	-	-
Title I 11-2305	-	-	-	-	-	3,043,932	3,227,995	-	(184,063)
Title II, Part B Math/Science 09	-	211,200	287,647	-	(76,447)	171,515	146,986	-	(51,918)
Education Technology	-	-	148,713	-	(148,713)	331,537	208,719	-	(25,895)
PL108-446, Pr. 14210-015	-	3,232,324	2,992,986	-	239,338	-	239,338	-	-
PL108-446, Pr. 14211-015	-	-	-	-	-	2,310,677	2,989,919	-	(679,242)
PL108-446, Pr. 14208-015	11,310	-	11,310	-	-	-	-	-	-
PL108-446, Part B, IDEA 14208-049	82,727	45,000	127,727	-	-	-	-	-	-
PL105-17, Part B, 14205	129,549	70,197	199,746	-	-	-	-	-	-
PL108-446, Part B, IDEA 10-11	-	-	-	-	-	58,055	70,222	-	(12,167)
PL108-446, Pr. 45710-015	-	128,190	102,350	-	25,840	-	24,635	-	1,205
PL108-446, Pr. 45810-015	57,211	-	14,841	-	42,370	-	42,370	-	-
Ad Ed Family Literacy 09-8007	1,277	-	1,277	-	-	-	-	-	-
Ad Ed Family Literacy 10-8007	-	145,769	145,703	-	66	-	66	-	-
Ad Ed Family Literacy 11-8007	-	-	-	-	-	142,119	210,468	-	(68,349)
Safe & Drug Free 07-131	13,457	-	13,457	-	-	-	-	-	-
Safe & Drug Free, Title IV, Part A	-	49,387	46,965	-	2,422	5,848	8,270	-	-
Safe & Drug Free 09-10	-	11,999	5,197	-	6,802	35,379	49,401	-	(7,220)
Carl D Perkins 09	(91,115)	155,639	64,524	-	-	-	-	-	-
Carl D Perkins 10	-	474,480	623,799	-	(149,319)	157,265	7,946	-	-
Carl D Perkins 11	-	-	-	-	-	534,366	658,824	-	(124,458)
Carl D Perkins Robotics 10-11	-	4,000	4,000	-	-	-	-	-	-
Technology Prep WDS-Central	(25,000)	25,000	-	-	-	-	-	-	-
WDS Lead the Way 08-09	(27,805)	35,956	8,151	-	-	-	-	-	-
WDS Lead the Way 09-10	-	-	19,985	-	(19,985)	19,985	-	-	-
WDS Tech Prep 09-10	-	-	64,628	-	(64,628)	70,283	5,655	-	-
WDS Lead the Way 10-11	-	-	-	-	-	39,516	43,538	-	(4,022)
Medicaid Reimbursement - Federal	168,530	93,948	49,996	-	212,482	38,738	109,819	-	141,401
Title III English Lang 09-10	-	261,895	293,156	-	(31,261)	332,510	360,411	-	(59,162)
21st Century Community Learning	(5,373)	300,046	235,396	-	59,277	247,417	340,846	-	(34,152)
Title II, Part A, Impr.Tch Quality 09-11	-	294,702	221,109	-	73,593	406,362	483,462	-	(3,507)
Title II, Part A, Impr.Tch Quality 10-12	-	-	-	-	-	32,445	100,374	-	(67,929)
Reading First, Title I, Part B	11,568	130,283	141,851	-	-	-	-	-	-
Title I, Improve Tch Quality 09	(211,625)	543,522	331,121	-	776	54,158	54,934	-	-
Title II, Part A, Improve Tch Quality 2008	(30,997)	55,750	24,753	-	-	-	-	-	-
Title III, Language Instruction	62,361	-	62,361	-	-	-	-	-	-
US Dept Commerce-Nat.Communications	(106,036)	106,036	-	-	-	-	-	-	-
Fiscal Stabilization - Education	-	2,630,158	2,630,158	-	-	-	-	-	-
Title I - Grants to LEAs	-	815,612	1,276,767	-	(461,155)	1,354,891	1,006,796	-	(113,060)
Special Education - Part B	-	2,071,255	973,175	-	1,098,080	-	1,298,133	-	(200,053)
Special Education - Part B - Preschool	-	58,460	26,500	-	31,960	15,864	70,162	-	(22,338)
School Lunch Equipment	-	87,900	87,900	-	-	-	-	-	-
Title I - ARRA School Improvement	-	-	-	-	-	-	197,447	-	(197,447)
Education Jobs	-	-	-	-	-	153,255	461,735	-	(308,480)
Payroll	1,267,603	73,744,412	72,661,802	-	2,350,213	71,411,919	71,238,969	-	2,523,163
Totals	\$ 30,545,284	\$ 269,811,204	\$ 264,624,916	\$ 67,689	\$ 35,799,261	\$ 235,171,953	\$ 236,306,871	\$ 45,189	\$ 34,709,532

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

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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 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.

State sources which include distributions from the State of Indiana 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.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources which include distributions from the federal government 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.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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

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.

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

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 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.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

The School Corporation has chosen to establish a risk financing fund for risks associated with medical and dental benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Self-Insurance Fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$150,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are charged to funds based upon the number of employees paid from each fund and the type of coverage each employee carries and are reported as quasi-external interfund transactions.

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 an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in 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

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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
1 North Capital Street, 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.

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
1 North Capital Street, 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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Report 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.

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 Report 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 supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Debt Service	Retirement/ Serverance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool
Cash and investments - beginning	\$ 3,293,373	\$ 4,483,942	\$ (132,783)	\$ (1,166,893)	\$ 602,406	\$ 416,003	\$ 277,981
Receipts:							
Local sources	515,639	22,875,740	4,248,297	15,618,513	11,375,675	1,997,488	-
Intermediate sources	795	-	-	-	-	-	-
State sources	82,417,947	292,274	57,695	195,679	105,602	-	345,125
Federal sources	-	-	-	-	-	-	-
Interfund loans	2,412,321	1,585,000	260,000	3,725,000	8,545	-	-
Other	17,114	-	-	-	3,990	-	-
Total receipts	<u>85,363,816</u>	<u>24,753,014</u>	<u>4,565,992</u>	<u>19,539,192</u>	<u>11,493,812</u>	<u>1,997,488</u>	<u>345,125</u>
Disbursements:							
Current:							
Instruction	55,319,114	-	-	-	-	-	389,536
Support services	21,905,733	-	-	5,515,638	6,531,705	603,828	-
Noninstructional services	1,002,317	-	-	-	-	-	-
Facilities acquisition and construction	12,375	-	-	3,670,062	-	-	-
Debt services	6,844,000	18,945,237	4,179,466	2,386,000	1,788,000	-	-
Nonprogrammed charges	2,677,409	-	-	-	-	-	-
Interfund loans	2,400,000	1,585,000	260,000	3,725,000	-	-	-
Total disbursements	<u>90,160,948</u>	<u>20,530,237</u>	<u>4,439,466</u>	<u>15,296,700</u>	<u>8,319,705</u>	<u>603,828</u>	<u>389,536</u>
Excess (deficiency) of receipts over disbursements	<u>(4,797,132)</u>	<u>4,222,777</u>	<u>126,526</u>	<u>4,242,492</u>	<u>3,174,107</u>	<u>1,393,660</u>	<u>(44,411)</u>
Other financing sources (uses):							
Sale of capital assets	88,556	-	-	-	-	-	-
Transfers in	2,296,089	-	-	-	7,838	-	3,536
Transfers out	(2,082,679)	(140,968)	-	-	(1,352,204)	-	(237,106)
Total other financing sources (uses)	<u>301,966</u>	<u>(140,968)</u>	<u>-</u>	<u>-</u>	<u>(1,344,366)</u>	<u>-</u>	<u>(233,570)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,495,166)</u>	<u>4,081,809</u>	<u>126,526</u>	<u>4,242,492</u>	<u>1,829,741</u>	<u>1,393,660</u>	<u>(277,981)</u>
Cash and investments - ending	<u>\$ (1,201,793)</u>	<u>\$ 8,565,751</u>	<u>\$ (6,257)</u>	<u>\$ 3,075,599</u>	<u>\$ 2,432,147</u>	<u>\$ 1,809,663</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits	School Lunch	Textbook Rental	Self- Insurance	Joint Services and Supply Area Vocational School
Cash and investments - beginning	\$ 587,617	\$ 7,625,269	\$ 2,350,000	\$ 2,420,201	\$ 1,151,592	\$ 5,780,221	\$ (275,132)
Receipts:							
Local sources	-	-	-	1,655,185	600,740	15,354,835	5,462,660
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	27,346	888,948	-	-
Federal sources	-	-	-	4,740,380	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	5,060	6,330	-	-
Total receipts	-	-	-	6,427,971	1,496,018	15,354,835	5,462,660
Disbursements:							
Current:							
Instruction	-	-	-	-	-	1,115	3,232,079
Support services	-	601,536	-	149,933	1,299,564	19,571,923	1,601,743
Noninstructional services	-	-	-	6,279,818	-	-	-
Facilities acquisition and construction	-	-	-	475,266	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	601,536	-	6,905,017	1,299,564	19,573,038	4,833,822
Excess (deficiency) of receipts over disbursements	-	(601,536)	-	(477,046)	196,454	(4,218,203)	628,838
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	1,484,627	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	1,484,627	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,484,627	(601,536)	-	(477,046)	196,454	(4,218,203)	628,838
Cash and investments - ending	\$ 2,072,244	\$ 7,023,733	\$ 2,350,000	\$ 1,943,155	\$ 1,348,046	\$ 1,562,018	\$ 353,706

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Educational License Plates	Alternative Education	COACH	ECS 21st Century Supplemental	Gifts and Donations	United Way Reading Camps 2010
Cash and investments - beginning	\$ 6,338	\$ -	\$ 25,999	\$ 188,154	\$ 80,417	\$ -
Receipts:						
Local sources	-	-	8,195	261,726	29,019	1,689
Intermediate sources	2,930	-	-	-	-	-
State sources	-	54,595	-	-	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	10	-	-
Total receipts	<u>2,930</u>	<u>54,595</u>	<u>8,195</u>	<u>261,736</u>	<u>29,019</u>	<u>1,689</u>
Disbursements:						
Current:						
Instruction	-	54,437	4,686	260,784	13,528	1,592
Support services	7,300	-	2,500	-	14,986	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>7,300</u>	<u>54,437</u>	<u>7,186</u>	<u>260,784</u>	<u>28,514</u>	<u>1,592</u>
Excess (deficiency) of receipts over disbursements	<u>(4,370)</u>	<u>158</u>	<u>1,009</u>	<u>952</u>	<u>505</u>	<u>97</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,370)</u>	<u>158</u>	<u>1,009</u>	<u>952</u>	<u>505</u>	<u>97</u>
Cash and investments - ending	<u>\$ 1,968</u>	<u>\$ 158</u>	<u>\$ 27,008</u>	<u>\$ 189,106</u>	<u>\$ 80,922</u>	<u>\$ 97</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Early/ After School Child Care	Dollar General Grant	National Energy Foundation	Elk.County Safe and Drug Free School	ABE Roosevelt Headstart	IN Youth Institute Grant 10
Cash and investments - beginning	\$ 89,302	\$ -	\$ -	\$ (3,000)	\$ -	\$ -
Receipts:						
Local sources	275,045	3,000	200	3,000	-	692
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>275,045</u>	<u>3,000</u>	<u>200</u>	<u>3,000</u>	<u>-</u>	<u>692</u>
Disbursements:						
Current:						
Instruction	-	3,000	-	-	5,675	692
Support services	2,490	-	-	-	-	-
Noninstructional services	302,140	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>304,630</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>5,675</u>	<u>692</u>
Excess (deficiency) of receipts over disbursements	<u>(29,585)</u>	<u>-</u>	<u>200</u>	<u>3,000</u>	<u>(5,675)</u>	<u>-</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(29,585)</u>	<u>-</u>	<u>200</u>	<u>3,000</u>	<u>(5,675)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 59,717</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ (5,675)</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	ABE Bristol Headstart	Elk. County Comm. Corrections Grant 08	Elk. County Community Grant 09	TCU Teacher Grant 2008-09	CARES Grant 08-09	Headstart Supply
Cash and investments - beginning	\$ 3,197	\$ (40,864)	\$ -	\$ 110	\$ 300	\$ 3,940
Receipts:						
Local sources	-	116,685	5,910	-	1,000	4,800
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>116,685</u>	<u>5,910</u>	<u>-</u>	<u>1,000</u>	<u>4,800</u>
Disbursements:						
Current:						
Instruction	3,197	58,042	5,910	110	843	7,546
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>3,197</u>	<u>58,042</u>	<u>5,910</u>	<u>110</u>	<u>843</u>	<u>7,546</u>
Excess (deficiency) of receipts over disbursements	<u>(3,197)</u>	<u>58,643</u>	<u>-</u>	<u>(110)</u>	<u>157</u>	<u>(2,746)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(3,197)</u>	<u>58,643</u>	<u>-</u>	<u>(110)</u>	<u>157</u>	<u>(2,746)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 17,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 457</u>	<u>\$ 1,194</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	ABE Dollar General Grant 09	Teachers Credit Union Grant 09-10	WVPE	Earth Science Field Trip	Marine Biology Field Trip	Prof. Dev. Capacity Grant 05-07
Cash and investments - beginning	\$ -	\$ -	\$ (310,240)	\$ 9,880	\$ -	\$ 49,714
Receipts:						
Local sources	3,238	2,551	1,141,800	1,810	20,520	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	104	-	-	1
Total receipts	<u>3,238</u>	<u>2,551</u>	<u>1,141,904</u>	<u>1,810</u>	<u>20,520</u>	<u>1</u>
Disbursements:						
Current:						
Instruction	3,238	1,788	1,142,063	10,890	6,000	44,372
Support services	-	-	4,376	-	450	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>3,238</u>	<u>1,788</u>	<u>1,146,439</u>	<u>10,890</u>	<u>6,450</u>	<u>44,372</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>763</u>	<u>(4,535)</u>	<u>(9,080)</u>	<u>14,070</u>	<u>(44,371)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>763</u>	<u>(4,535)</u>	<u>(9,080)</u>	<u>14,070</u>	<u>(44,371)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 763</u>	<u>\$ (314,775)</u>	<u>\$ 800</u>	<u>\$ 14,070</u>	<u>\$ 5,343</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Prof. Dev. Capacity Grant 08-10	Economic Education 08-09	Computer Loan Advancement	Medicaid Reimbursement	High Ability Grant 08-09	High Ability Grant 03409-058
Cash and investments - beginning	\$ 120,001	\$ 1,227	\$ -	\$ 18,675	\$ 263	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	23,752	-	-	54,530	-	83,739
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>23,752</u>	<u>-</u>	<u>-</u>	<u>54,530</u>	<u>-</u>	<u>83,739</u>
Disbursements:						
Current:						
Instruction	50,079	1,227	-	-	263	83,299
Support services	-	-	251,287	25,772	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>50,079</u>	<u>1,227</u>	<u>251,287</u>	<u>25,772</u>	<u>263</u>	<u>83,299</u>
Excess (deficiency) of receipts over disbursements	<u>(26,327)</u>	<u>(1,227)</u>	<u>(251,287)</u>	<u>28,758</u>	<u>(263)</u>	<u>440</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(26,327)</u>	<u>(1,227)</u>	<u>(251,287)</u>	<u>28,758</u>	<u>(263)</u>	<u>440</u>
Cash and investments - ending	<u>\$ 93,674</u>	<u>\$ -</u>	<u>\$ (251,287)</u>	<u>\$ 47,433</u>	<u>\$ -</u>	<u>\$ 440</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	High Ability Making a Difference	Safe Haven Grant Pr.09-SH018	Non-English Speaking Programs P.L. 273-1999	School Technology	Non-English Speaking Programs 09-10	Soc.Sv. TAP
Cash and investments - beginning	\$ -	\$ -	\$ 106,989	\$ 828,504	\$ -	\$ -
Receipts:						
Local sources	-	-	-	419,988	-	-
Intermediate sources	-	-	-	-	-	-
State sources	12,544	23,727	-	-	370,197	5,719
Federal sources	-	-	-	-	-	10,198
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>12,544</u>	<u>23,727</u>	<u>-</u>	<u>419,988</u>	<u>370,197</u>	<u>15,917</u>
Disbursements:						
Current:						
Instruction	-	-	106,989	-	324,725	4,669
Support services	-	45,000	-	422,246	-	-
Noninstructional services	-	-	-	-	-	151,994
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>45,000</u>	<u>106,989</u>	<u>422,246</u>	<u>324,725</u>	<u>156,663</u>
Excess (deficiency) of receipts over disbursements	<u>12,544</u>	<u>(21,273)</u>	<u>(106,989)</u>	<u>(2,258)</u>	<u>45,472</u>	<u>(140,746)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>12,544</u>	<u>(21,273)</u>	<u>(106,989)</u>	<u>(2,258)</u>	<u>45,472</u>	<u>(140,746)</u>
Cash and investments - ending	<u>\$ 12,544</u>	<u>\$ (21,273)</u>	<u>\$ -</u>	<u>\$ 826,246</u>	<u>\$ 45,472</u>	<u>\$ (140,746)</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Excess PTRC Distributions	Title I School Improvement 09	Title I School Improvement 11	Title V Part A 08-09	Title I 09-2305	Title I 10-2305
Cash and investments - beginning	\$ -	\$ 100,984	\$ -	\$ 4,180	\$ 539,775	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	103,008	-	-	-	-	-
Federal sources	-	-	257,151	12,846	96,060	3,816,182
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>103,008</u>	<u>-</u>	<u>257,151</u>	<u>12,846</u>	<u>96,060</u>	<u>3,816,182</u>
Disbursements:						
Current:						
Instruction	-	24,042	2,671	16,317	215,498	990,478
Support services	-	76,942	215,472	709	395,052	2,135,099
Noninstructional services	-	-	-	-	25,285	244,718
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>100,984</u>	<u>218,143</u>	<u>17,026</u>	<u>635,835</u>	<u>3,370,295</u>
Excess (deficiency) of receipts over disbursements	<u>103,008</u>	<u>(100,984)</u>	<u>39,008</u>	<u>(4,180)</u>	<u>(539,775)</u>	<u>445,887</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>103,008</u>	<u>(100,984)</u>	<u>39,008</u>	<u>(4,180)</u>	<u>(539,775)</u>	<u>445,887</u>
Cash and investments - ending	<u>\$ 103,008</u>	<u>\$ -</u>	<u>\$ 39,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445,887</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title II Part B Math/Science 09	Education Technology	PL108-446 Pr. 14210-015	PL108-446 Pr. 14208-015	PL108-446 Part B IDEA 14208-049	PL105-17 Part B 14205
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 11,310	\$ 82,727	\$ 129,549
Receipts:						
Local sources	-	-	-	-	-	70,197
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	211,200	-	3,232,324	-	45,000	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>211,200</u>	<u>-</u>	<u>3,232,324</u>	<u>-</u>	<u>45,000</u>	<u>70,197</u>
Disbursements:						
Current:						
Instruction	-	48,241	2,837,963	-	-	117,515
Support services	287,647	100,472	155,023	11,310	127,727	82,231
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>287,647</u>	<u>148,713</u>	<u>2,992,986</u>	<u>11,310</u>	<u>127,727</u>	<u>199,746</u>
Excess (deficiency) of receipts over disbursements	<u>(76,447)</u>	<u>(148,713)</u>	<u>239,338</u>	<u>(11,310)</u>	<u>(82,727)</u>	<u>(129,549)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(76,447)</u>	<u>(148,713)</u>	<u>239,338</u>	<u>(11,310)</u>	<u>(82,727)</u>	<u>(129,549)</u>
Cash and investments - ending	<u>\$ (76,447)</u>	<u>\$ (148,713)</u>	<u>\$ 239,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	PL108-446 Pr. 45710-015	PL108-446 Pr. 45810-015	Ad Ed Family Literacy 09-8007	Ad Ed Family Literacy 10-8007	Safe & Drug Free 07-131	Safe & Drug Free Title IV Part A
Cash and investments - beginning	\$ -	\$ 57,211	\$ 1,277	\$ -	\$ 13,457	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	128,190	-	-	145,769	-	49,387
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>128,190</u>	<u>-</u>	<u>-</u>	<u>145,769</u>	<u>-</u>	<u>49,387</u>
Disbursements:						
Current:						
Instruction	102,350	14,841	1,277	145,703	-	-
Support services	-	-	-	-	13,457	46,965
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>102,350</u>	<u>14,841</u>	<u>1,277</u>	<u>145,703</u>	<u>13,457</u>	<u>46,965</u>
Excess (deficiency) of receipts over disbursements	<u>25,840</u>	<u>(14,841)</u>	<u>(1,277)</u>	<u>66</u>	<u>(13,457)</u>	<u>2,422</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>25,840</u>	<u>(14,841)</u>	<u>(1,277)</u>	<u>66</u>	<u>(13,457)</u>	<u>2,422</u>
Cash and investments - ending	<u>\$ 25,840</u>	<u>\$ 42,370</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 2,422</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Safe & Drug Free 09-10	Carl D Perkins 09	Carl D Perkins 10	Carl D Perkins Robotics 10-11	Technology Prep WDS Central	WDS Lead the Way 08-09
Cash and investments - beginning	\$ -	\$ (91,115)	\$ -	\$ -	\$ (25,000)	\$ (27,805)
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	11,999	155,639	474,480	4,000	25,000	35,956
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>11,999</u>	<u>155,639</u>	<u>474,480</u>	<u>4,000</u>	<u>25,000</u>	<u>35,956</u>
Disbursements:						
Current:						
Instruction	-	-	-	4,000	-	3,824
Support services	5,197	64,524	623,799	-	-	4,327
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>5,197</u>	<u>64,524</u>	<u>623,799</u>	<u>4,000</u>	<u>-</u>	<u>8,151</u>
Excess (deficiency) of receipts over disbursements	<u>6,802</u>	<u>91,115</u>	<u>(149,319)</u>	<u>-</u>	<u>25,000</u>	<u>27,805</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>6,802</u>	<u>91,115</u>	<u>(149,319)</u>	<u>-</u>	<u>25,000</u>	<u>27,805</u>
Cash and investments - ending	<u>\$ 6,802</u>	<u>\$ -</u>	<u>\$ (149,319)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	WDS Lead the Way 09-10	WDS Tech Prep 09-10	Medicaid Reimbursement Federal	Title III English Language 09-10	21st Century Community Learning	Title II Part A Impr. Tch Quality 09-11
Cash and investments - beginning	\$ -	\$ -	\$ 168,530	\$ -	\$ (5,373)	\$ -
Receipts:						
Local sources	-	-	6,211	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	87,737	261,895	300,001	294,702
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	45	-
Total receipts	<u>-</u>	<u>-</u>	<u>93,948</u>	<u>261,895</u>	<u>300,046</u>	<u>294,702</u>
Disbursements:						
Current:						
Instruction	19,985	-	-	293,156	235,396	-
Support services	-	64,628	49,996	-	-	221,109
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>19,985</u>	<u>64,628</u>	<u>49,996</u>	<u>293,156</u>	<u>235,396</u>	<u>221,109</u>
Excess (deficiency) of receipts over disbursements	<u>(19,985)</u>	<u>(64,628)</u>	<u>43,952</u>	<u>(31,261)</u>	<u>64,650</u>	<u>73,593</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(19,985)</u>	<u>(64,628)</u>	<u>43,952</u>	<u>(31,261)</u>	<u>64,650</u>	<u>73,593</u>
Cash and investments - ending	<u>\$ (19,985)</u>	<u>\$ (64,628)</u>	<u>\$ 212,482</u>	<u>\$ (31,261)</u>	<u>\$ 59,277</u>	<u>\$ 73,593</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Reading First Title I Part B	Title I Improve Tch Quality 09	Title II Part A Improve Tch Quality 2008	Title III Language Instruction	US Dept Commerce Nat. Communications	Fiscal Stabilization Education
Cash and investments - beginning	\$ 11,568	\$ (211,625)	\$ (30,997)	\$ 62,361	\$ (106,036)	\$ -
Receipts:						
Local sources	-	36,012	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	130,283	507,510	55,750	-	106,036	2,630,158
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>130,283</u>	<u>543,522</u>	<u>55,750</u>	<u>-</u>	<u>106,036</u>	<u>2,630,158</u>
Disbursements:						
Current:						
Instruction	106,601	-	5,266	55,841	-	2,362,996
Support services	35,250	331,121	19,487	6,520	-	267,162
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>141,851</u>	<u>331,121</u>	<u>24,753</u>	<u>62,361</u>	<u>-</u>	<u>2,630,158</u>
Excess (deficiency) of receipts over disbursements	<u>(11,568)</u>	<u>212,401</u>	<u>30,997</u>	<u>(62,361)</u>	<u>106,036</u>	<u>-</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(11,568)</u>	<u>212,401</u>	<u>30,997</u>	<u>(62,361)</u>	<u>106,036</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	School Lunch Equipment	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,267,603	\$ 30,545,284
Receipts:						
Local sources	-	-	-	-	-	82,118,060
Intermediate sources	-	-	-	-	-	3,725
State sources	-	-	-	-	-	85,062,427
Federal sources	815,612	2,071,255	58,460	87,900	-	20,859,060
Interfund loans	-	-	-	-	-	7,990,866
Other	-	-	-	-	73,744,412	73,777,066
Total receipts	<u>815,612</u>	<u>2,071,255</u>	<u>58,460</u>	<u>87,900</u>	<u>73,744,412</u>	<u>269,811,204</u>
Disbursements:						
Current:						
Instruction	1,027,086	-	26,500	-	-	69,799,035
Support services	228,088	966,967	-	-	-	65,094,291
Noninstructional services	21,593	6,208	-	87,900	-	8,121,973
Facilities acquisition and construction	-	-	-	-	-	4,157,703
Debt services	-	-	-	-	-	34,142,703
Nonprogrammed charges	-	-	-	-	-	2,677,409
Interfund loans	-	-	-	-	72,661,802	80,631,802
Total disbursements	<u>1,276,767</u>	<u>973,175</u>	<u>26,500</u>	<u>87,900</u>	<u>72,661,802</u>	<u>264,624,916</u>
Excess (deficiency) of receipts over disbursements	<u>(461,155)</u>	<u>1,098,080</u>	<u>31,960</u>	<u>-</u>	<u>1,082,610</u>	<u>5,186,288</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	88,556
Transfers in	-	-	-	-	-	3,792,090
Transfers out	-	-	-	-	-	(3,812,957)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,689</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(461,155)</u>	<u>1,098,080</u>	<u>31,960</u>	<u>-</u>	<u>1,082,610</u>	<u>5,253,977</u>
Cash and investments - ending	<u>\$ (461,155)</u>	<u>\$ 1,098,080</u>	<u>\$ 31,960</u>	<u>\$ -</u>	<u>\$ 2,350,213</u>	<u>\$ 35,799,261</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Serverance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool
Cash and investments - beginning	\$ (1,201,793)	\$ 8,565,751	\$ (6,257)	\$ 3,075,599	\$ 2,432,147	\$ 1,809,663	\$ -
Receipts:							
Local sources	843,240	13,508,864	2,712,625	10,215,987	7,535,441	1,372,824	-
Intermediate sources	265	-	-	-	-	-	-
State sources	83,095,533	793,747	30,826	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	5,467	856,500	6,500	-	853,965	-	-
Other	21,002	-	-	2,073	1,464	-	-
Total receipts	<u>83,965,507</u>	<u>15,159,111</u>	<u>2,749,951</u>	<u>10,218,060</u>	<u>8,390,870</u>	<u>1,372,824</u>	<u>-</u>
Disbursements:							
Current:							
Instruction	58,977,110	-	-	-	-	-	-
Support services	22,323,236	-	-	6,239,236	7,092,915	1,414,816	-
Noninstructional services	950,121	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	3,037,407	-	-	-
Debt services	-	14,620,302	2,935,516	-	-	-	-
Nonprogrammed charges	1,820,440	-	-	-	-	-	-
Interfund loans	-	856,500	6,500	-	850,000	-	-
Total disbursements	<u>84,070,907</u>	<u>15,476,802</u>	<u>2,942,016</u>	<u>9,276,643</u>	<u>7,942,915</u>	<u>1,414,816</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(105,400)</u>	<u>(317,691)</u>	<u>(192,065)</u>	<u>941,417</u>	<u>447,955</u>	<u>(41,992)</u>	<u>-</u>
Other financing sources (uses):							
Sale of capital assets	54,621	-	-	-	-	-	-
Transfers in	2,063,241	-	-	-	160,606	-	-
Transfers out	(2,229,315)	(2,500,000)	-	-	(1,253,965)	(1,000,000)	-
Total other financing sources (uses)	<u>(111,453)</u>	<u>(2,500,000)</u>	<u>-</u>	<u>-</u>	<u>(1,093,359)</u>	<u>(1,000,000)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(216,853)</u>	<u>(2,817,691)</u>	<u>(192,065)</u>	<u>941,417</u>	<u>(645,404)</u>	<u>(1,041,992)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (1,418,646)</u>	<u>\$ 5,748,060</u>	<u>\$ (198,322)</u>	<u>\$ 4,017,016</u>	<u>\$ 1,786,743</u>	<u>\$ 767,671</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits	School Lunch	Textbook Rental	Self- Insurance	Levy Excess
Cash and investments - beginning	\$ 2,072,244	\$ 7,023,733	\$ 2,350,000	\$ 1,943,155	\$ 1,348,046	\$ 1,562,018	\$ -
Receipts:							
Local sources	-	-	-	1,671,174	774,434	15,266,372	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	28,553	817,267	-	-
Federal sources	-	-	-	5,049,686	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	-	4,318	6,347	-	-
Total receipts	-	-	-	6,753,731	1,598,048	15,266,372	-
Disbursements:							
Current:							
Instruction	-	-	-	-	-	-	-
Support services	-	879,207	-	54,706	966,830	160,197	-
Noninstructional services	-	-	-	6,835,047	-	-	-
Facilities acquisition and construction	-	-	-	17,942	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	13,656,366	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	-	879,207	-	6,907,695	966,830	13,816,563	-
Excess (deficiency) of receipts over disbursements	-	(879,207)	-	(153,964)	631,218	1,449,809	-
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	4,750,000	-	-	-	-	-	152,769
Transfers out	-	-	-	-	-	-	(152,768)
Total other financing sources (uses)	4,750,000	-	-	-	-	-	1
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,750,000	(879,207)	-	(153,964)	631,218	1,449,809	1
Cash and investments - ending	\$ 6,822,244	\$ 6,144,526	\$ 2,350,000	\$ 1,789,191	\$ 1,979,264	\$ 3,011,827	\$ 1

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Joint Services and Supply Area Vocational School	Joint Services and Supply Other	Educational License Plates	Alternative Education	COACH	ECS 21st Century Supplemental	Gifts and Donations
Cash and investments - beginning	\$ 353,706	\$ -	\$ 1,968	\$ 158	\$ 27,008	\$ 189,106	\$ 80,922
Receipts:							
Local sources	4,790,162	2,856	-	-	8,375	145,056	60,046
Intermediate sources	-	-	1,388	-	-	-	-
State sources	-	-	-	42,551	-	-	-
Federal sources	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	60	-	-	-	-	-	-
Total receipts	<u>4,790,222</u>	<u>2,856</u>	<u>1,388</u>	<u>42,551</u>	<u>8,375</u>	<u>145,056</u>	<u>60,046</u>
Disbursements:							
Current:							
Instruction	3,380,177	-	-	42,709	18,980	175,559	8,190
Support services	1,372,302	7,250	-	-	-	355	23,559
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	624
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	<u>4,752,479</u>	<u>7,250</u>	<u>-</u>	<u>42,709</u>	<u>18,980</u>	<u>175,914</u>	<u>32,373</u>
Excess (deficiency) of receipts over disbursements	<u>37,743</u>	<u>(4,394)</u>	<u>1,388</u>	<u>(158)</u>	<u>(10,605)</u>	<u>(30,858)</u>	<u>27,673</u>
Other financing sources (uses):							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>37,743</u>	<u>(4,394)</u>	<u>1,388</u>	<u>(158)</u>	<u>(10,605)</u>	<u>(30,858)</u>	<u>27,673</u>
Cash and investments - ending	<u>\$ 391,449</u>	<u>\$ (4,394)</u>	<u>\$ 3,356</u>	<u>\$ -</u>	<u>\$ 16,403</u>	<u>\$ 158,248</u>	<u>\$ 108,595</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	United Way Reading Camps 2010	Early/ After School Child Care	Dollar General Grant	National Energy Foundation	United Way Reading Camps 2011	United Way Minds in Motion 2011
Cash and investments - beginning	\$ 97	\$ 59,717	\$ -	\$ 200	\$ -	\$ -
Receipts:						
Local sources	1,599	288,083	3,000	-	2,283	1,000
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>1,599</u>	<u>288,083</u>	<u>3,000</u>	<u>-</u>	<u>2,283</u>	<u>1,000</u>
Disbursements:						
Current:						
Instruction	1,696	-	3,000	200	2,144	-
Support services	-	9,425	-	-	-	-
Noninstructional services	-	265,966	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>1,696</u>	<u>275,391</u>	<u>3,000</u>	<u>200</u>	<u>2,144</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(97)</u>	<u>12,692</u>	<u>-</u>	<u>(200)</u>	<u>139</u>	<u>1,000</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(97)</u>	<u>12,692</u>	<u>-</u>	<u>(200)</u>	<u>139</u>	<u>1,000</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 72,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ 1,000</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Extra Curricular Salary	ABE Roosevelt Headstart	IN Youth Institute Grant 10	Elk. County Comm. Corrections Grant 08	CARES Grant 08-09	Headstart Supply
Cash and investments - beginning	\$ -	\$ (5,675)	\$ -	\$ 17,779	\$ 457	\$ 1,194
Receipts:						
Local sources	66,721	6,461	1,078	60,342	-	5,600
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>66,721</u>	<u>6,461</u>	<u>1,078</u>	<u>60,342</u>	<u>-</u>	<u>5,600</u>
Disbursements:						
Current:						
Instruction	-	206	-	69,328	457	1,893
Support services	-	-	1,078	-	-	-
Noninstructional services	62,219	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>62,219</u>	<u>206</u>	<u>1,078</u>	<u>69,328</u>	<u>457</u>	<u>1,893</u>
Excess (deficiency) of receipts over disbursements	<u>4,502</u>	<u>6,255</u>	<u>-</u>	<u>(8,986)</u>	<u>(457)</u>	<u>3,707</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,502</u>	<u>6,255</u>	<u>-</u>	<u>(8,986)</u>	<u>(457)</u>	<u>3,707</u>
Cash and investments - ending	<u>\$ 4,502</u>	<u>\$ 580</u>	<u>\$ -</u>	<u>\$ 8,793</u>	<u>\$ -</u>	<u>\$ 4,901</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Teachers Credit Union Grant 09-10	Teachers Credit Union Grant 10-11	WVPE	Earth Science Field Trip	US History Field Trip	Marine Biology Field Trip
Cash and investments - beginning	\$ 763	\$ -	\$ (314,775)	\$ 800	\$ -	\$ 14,070
Receipts:						
Local sources	-	2,492	1,224,648	18,805	6,060	25,053
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	750	-	-	-
Total receipts	-	2,492	1,225,398	18,805	6,060	25,053
Disbursements:						
Current:						
Instruction	763	1,861	1,051,176	6,961	-	16,510
Support services	-	-	2,005	-	-	16,507
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	763	1,861	1,053,181	6,961	-	33,017
Excess (deficiency) of receipts over disbursements	(763)	631	172,217	11,844	6,060	(7,964)
Other financing sources (uses):						
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	(763)	631	172,217	11,844	6,060	(7,964)
Cash and investments - ending	\$ -	\$ 631	\$ (142,558)	\$ 12,644	\$ 6,060	\$ 6,106

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Prof. Dev. Capacity Grant 05-07	Prof. Dev. Capacity Grant 08-10	Computer Loan Advancement	Medicaid Reimbursement	High Ability Grant 03409-058	High Ability Grant 10-11
Cash and investments - beginning	\$ 5,343	\$ 93,674	\$ (251,287)	\$ 47,433	\$ 440	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	528,700	14,071	-	82,484
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>528,700</u>	<u>14,071</u>	<u>-</u>	<u>82,484</u>
Disbursements:						
Current:						
Instruction	5,343	44,634	-	-	440	79,326
Support services	-	-	739,307	36,313	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>5,343</u>	<u>44,634</u>	<u>739,307</u>	<u>36,313</u>	<u>440</u>	<u>79,326</u>
Excess (deficiency) of receipts over disbursements	<u>(5,343)</u>	<u>(44,634)</u>	<u>(210,607)</u>	<u>(22,242)</u>	<u>(440)</u>	<u>3,158</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,343)</u>	<u>(44,634)</u>	<u>(210,607)</u>	<u>(22,242)</u>	<u>(440)</u>	<u>3,158</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 49,040</u>	<u>\$ (461,894)</u>	<u>\$ 25,191</u>	<u>\$ -</u>	<u>\$ 3,158</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	High Ability Making a Difference	2,010 Summer Leadership	Safe Haven Grant Pr.09-SH018	Safe Haven Grant Pr.10-SH000	School Technology	Non-English Speaking Programs 09-10
Cash and investments - beginning	\$ 12,544	\$ -	\$ (21,273)	\$ -	\$ 826,246	\$ 45,472
Receipts:						
Local sources	-	-	-	-	441,586	-
Intermediate sources	-	-	-	-	-	-
State sources	-	6,363	21,273	16,913	2,960	-
Federal sources	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>6,363</u>	<u>21,273</u>	<u>16,913</u>	<u>444,546</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	10,620	-	-	2,690	-	14,739
Support services	1,924	6,363	-	32,755	189,066	30,733
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>12,544</u>	<u>6,363</u>	<u>-</u>	<u>35,445</u>	<u>189,066</u>	<u>45,472</u>
Excess (deficiency) of receipts over disbursements	<u>(12,544)</u>	<u>-</u>	<u>21,273</u>	<u>(18,532)</u>	<u>255,480</u>	<u>(45,472)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(12,544)</u>	<u>-</u>	<u>21,273</u>	<u>(18,532)</u>	<u>255,480</u>	<u>(45,472)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,532)</u>	<u>\$ 1,081,726</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Non-English Speaking Programs 10-11	Soc.Sv. TAP	Excess PTRC Distributions	Title I Response to Intervention	Title I School Improvement 11	Title I 10-2305
Cash and investments - beginning	\$ -	\$ (140,746)	\$ 103,008	\$ -	\$ 39,008	\$ 445,887
Receipts:						
Local sources	-	284,276	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	271,084	5,552	-	-	-	-
Federal sources	-	18,308	-	37,100	90,281	144,023
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>271,084</u>	<u>308,136</u>	<u>-</u>	<u>37,100</u>	<u>90,281</u>	<u>144,023</u>
Disbursements:						
Current:						
Instruction	265,064	9,261	-	37,573	4,081	65,048
Support services	-	-	-	-	153,666	493,192
Noninstructional services	-	158,129	-	-	-	31,670
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>265,064</u>	<u>167,390</u>	<u>-</u>	<u>37,573</u>	<u>157,747</u>	<u>589,910</u>
Excess (deficiency) of receipts over disbursements	<u>6,020</u>	<u>140,746</u>	<u>-</u>	<u>(473)</u>	<u>(67,466)</u>	<u>(445,887)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>6,020</u>	<u>140,746</u>	<u>-</u>	<u>(473)</u>	<u>(67,466)</u>	<u>(445,887)</u>
Cash and investments - ending	<u>\$ 6,020</u>	<u>\$ -</u>	<u>\$ 103,008</u>	<u>\$ (473)</u>	<u>\$ (28,458)</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title I 11-2305	Title II Part B Math/Science 09	Education Technology	PL108-446 Pr. 14210-015	PL108-446 Pr. 14211-015	PL108-446 Part B IDEA 10-11
Cash and investments - beginning	\$ -	\$ (76,447)	\$ (148,713)	\$ 239,338	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	3,043,932	171,515	331,537	-	2,310,677	58,055
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>3,043,932</u>	<u>171,515</u>	<u>331,537</u>	<u>-</u>	<u>2,310,677</u>	<u>58,055</u>
Disbursements:						
Current:						
Instruction	1,785,761	-	91,585	198,322	2,852,444	69,721
Support services	1,188,792	146,973	117,134	41,016	137,475	501
Noninstructional services	253,442	13	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>3,227,995</u>	<u>146,986</u>	<u>208,719</u>	<u>239,338</u>	<u>2,989,919</u>	<u>70,222</u>
Excess (deficiency) of receipts over disbursements	<u>(184,063)</u>	<u>24,529</u>	<u>122,818</u>	<u>(239,338)</u>	<u>(679,242)</u>	<u>(12,167)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(184,063)</u>	<u>24,529</u>	<u>122,818</u>	<u>(239,338)</u>	<u>(679,242)</u>	<u>(12,167)</u>
Cash and investments - ending	<u>\$ (184,063)</u>	<u>\$ (51,918)</u>	<u>\$ (25,895)</u>	<u>\$ -</u>	<u>\$ (679,242)</u>	<u>\$ (12,167)</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	PL108-446 Pr. 45710-015	PL108-446 Pr. 45810-015	Ad Ed Family Literacy 10-8007	Ad Ed Family Literacy 11-8007	Safe & Drug Free Title IV Part A	Safe & Drug Free 09-10
Cash and investments - beginning	\$ 25,840	\$ 42,370	\$ 66	\$ -	\$ 2,422	\$ 6,802
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	142,119	5,848	35,379
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,119</u>	<u>5,848</u>	<u>35,379</u>
Disbursements:						
Current:						
Instruction	24,635	42,370	66	206,165	-	-
Support services	-	-	-	-	8,270	49,401
Noninstructional services	-	-	-	4,303	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>24,635</u>	<u>42,370</u>	<u>66</u>	<u>210,468</u>	<u>8,270</u>	<u>49,401</u>
Excess (deficiency) of receipts over disbursements	<u>(24,635)</u>	<u>(42,370)</u>	<u>(66)</u>	<u>(68,349)</u>	<u>(2,422)</u>	<u>(14,022)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(24,635)</u>	<u>(42,370)</u>	<u>(66)</u>	<u>(68,349)</u>	<u>(2,422)</u>	<u>(14,022)</u>
Cash and investments - ending	<u>\$ 1,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (68,349)</u>	<u>\$ -</u>	<u>\$ (7,220)</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Carl D Perkins 10	Carl D Perkins 11	WDS Lead the Way 09-10	WDS Tech Prep 09-10	WDS Lead the Way 10-11	Medicaid Reimbursement Federal
Cash and investments - beginning	\$ (149,319)	\$ -	\$ (19,985)	\$ (64,628)	\$ -	\$ 212,482
Receipts:						
Local sources	-	-	-	-	-	6,846
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	157,265	534,366	19,985	70,283	39,516	31,892
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>157,265</u>	<u>534,366</u>	<u>19,985</u>	<u>70,283</u>	<u>39,516</u>	<u>38,738</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	14,079	-
Support services	7,946	658,824	-	5,655	29,459	109,819
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>7,946</u>	<u>658,824</u>	<u>-</u>	<u>5,655</u>	<u>43,538</u>	<u>109,819</u>
Excess (deficiency) of receipts over disbursements	<u>149,319</u>	<u>(124,458)</u>	<u>19,985</u>	<u>64,628</u>	<u>(4,022)</u>	<u>(71,081)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>149,319</u>	<u>(124,458)</u>	<u>19,985</u>	<u>64,628</u>	<u>(4,022)</u>	<u>(71,081)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (124,458)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,022)</u>	<u>\$ 141,401</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title III English Language 09-10	21st Century Community Learning	Title II Part A Impr. Tch Quality 09-11	Title II Part A Impr. Tch Quality 10-12	Title I Improve Tch Quality 09	Title I Grants to LEAs
Cash and investments - beginning	\$ (31,261)	\$ 59,277	\$ 73,593	\$ -	\$ 776	\$ (461,155)
Receipts:						
Local sources	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	332,510	247,417	406,362	32,445	54,158	1,354,891
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>332,510</u>	<u>247,417</u>	<u>406,362</u>	<u>32,445</u>	<u>54,158</u>	<u>1,354,891</u>
Disbursements:						
Current:						
Instruction	359,975	327,630	-	-	-	780,881
Support services	436	13,216	483,462	100,374	54,934	214,266
Noninstructional services	-	-	-	-	-	11,649
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	<u>360,411</u>	<u>340,846</u>	<u>483,462</u>	<u>100,374</u>	<u>54,934</u>	<u>1,006,796</u>
Excess (deficiency) of receipts over disbursements	<u>(27,901)</u>	<u>(93,429)</u>	<u>(77,100)</u>	<u>(67,929)</u>	<u>(776)</u>	<u>348,095</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(27,901)</u>	<u>(93,429)</u>	<u>(77,100)</u>	<u>(67,929)</u>	<u>(776)</u>	<u>348,095</u>
Cash and investments - ending	<u>\$ (59,162)</u>	<u>\$ (34,152)</u>	<u>\$ (3,507)</u>	<u>\$ (67,929)</u>	<u>\$ -</u>	<u>\$ (113,060)</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Special Education Part B	Special Education Part B Preschool	Title I ARRA School Improvement	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ 1,098,080	\$ 31,960	\$ -	\$ -	\$ 2,350,213	\$ 35,799,261
Receipts:						
Local sources	-	-	-	-	-	61,353,389
Intermediate sources	-	-	-	-	-	1,653
State sources	-	-	-	-	-	85,757,877
Federal sources	-	15,864	-	153,255	-	14,888,669
Interfund loans	-	-	-	-	-	1,722,432
Other	-	-	-	-	71,411,919	71,447,933
Total receipts	<u>-</u>	<u>15,864</u>	<u>-</u>	<u>153,255</u>	<u>71,411,919</u>	<u>235,171,953</u>
Disbursements:						
Current:						
Instruction	-	64,787	-	434,887	-	71,551,047
Support services	1,298,133	5,375	197,447	26,425	-	47,142,276
Noninstructional services	-	-	-	423	-	8,572,982
Facilities acquisition and construction	-	-	-	-	-	3,055,973
Debt services	-	-	-	-	-	17,555,818
Nonprogrammed charges	-	-	-	-	-	15,476,806
Interfund loans	-	-	-	-	71,238,969	72,951,969
Total disbursements	<u>1,298,133</u>	<u>70,162</u>	<u>197,447</u>	<u>461,735</u>	<u>71,238,969</u>	<u>236,306,871</u>
Excess (deficiency) of receipts over disbursements	<u>(1,298,133)</u>	<u>(54,298)</u>	<u>(197,447)</u>	<u>(308,480)</u>	<u>172,950</u>	<u>(1,134,918)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	54,621
Transfers in	-	-	-	-	-	7,126,616
Transfers out	-	-	-	-	-	(7,136,048)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,189</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,298,133)</u>	<u>(54,298)</u>	<u>(197,447)</u>	<u>(308,480)</u>	<u>172,950</u>	<u>(1,089,729)</u>
Cash and investments - ending	<u>\$ (200,053)</u>	<u>\$ (22,338)</u>	<u>\$ (197,447)</u>	<u>\$ (308,480)</u>	<u>\$ 2,523,163</u>	<u>\$ 34,709,532</u>

ELKHART COMMUNITY SCHOOLS
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2011

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

	<u>Ending Balance</u>
Capital assets, not being depreciated:	
Land	\$ 2,218,675
Buildings	121,988,040
Improvements other than buildings	4,621,248
Machinery and equipment	<u>18,091,922</u>
Total capital assets not being depreciated	<u>\$ 146,919,885</u>

(This page intentionally left blank.)

ELKHART COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
Bristol Elementary School	\$ 8,285,000	\$ 1,696,000	Debt Service
High School Additions	19,685,000	5,490,000	Debt Service
Elkhart Area Career Center	8,250,000	1,097,200	Debt Service
Beck Elementary School	10,445,000	1,286,000	Debt Service
Hawthorne Elementary School	8,225,000	926,000	Debt Service
Roosevelt Elementary School	14,405,000	1,367,000	Debt Service
Riverview Elementary School	4,690,000	430,000	Debt Service
Pinewood Elementary School	7,230,000	329,000	Debt Service
Notes and loans payable:			
Common School Fund Loan 1183	68,859	69,375	Debt Service
Common School Fund Loan 1234	139,084	71,454	Debt Service
Common School Fund Loan 1291	206,241	70,638	Debt Service
Common School Fund Loan 1326	196,942	58,098	Debt Service
Common School Fund Loan 1417	236,394	54,765	Debt Service
Common School Fund Loan 1492	266,040	27,989	Debt Service
Bonds payable:			
General obligation bonds:			
Bonds of 2002	415,000	427,710	Debt Service
Bonds of 2005	4,885,000	1,175,600	Debt Service
Pension Bonds of 2006	30,405,000	2,945,541	Retirement/Severance Bond
Total debt	<u>\$ 118,033,560</u>	<u>\$ 17,522,370</u>	

ELKHART COMMUNITY SCHOOLS
AUDIT RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The fund balances of the following funds were overdrawn at June 30, 2010 and June 30, 2011:

<u>Fund</u>	<u>June 30, 2010</u>	<u>June 30, 2011</u>
General	\$ (1,201,793)	\$ (1,418,646)
Retirement/Severance Bond Debt Service	(6,257)	(198,322)
WVPE	(314,775)	(142,558)
Computer Loan Advancement	(251,287)	(461,894)

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

Compliance

We have audited the compliance of the Elkhart Community Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

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

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect 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.

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

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

This report is intended solely for the information and use of the School Corporation's management, the School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 13, 2011

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 972,111	\$ 976,183
National School Lunch Program	10.555		4,054,442	4,175,971
Summer Food Service Program for Children	10.559		<u>68,553</u>	<u>83,329</u>
Total for cluster			<u>5,095,106</u>	<u>5,235,483</u>
Child and Adult Care Food Program	10.558		<u>5,138</u>	<u>6,390</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579		<u>87,900</u>	<u>-</u>
Fresh Fruit and Vegetable Program	10.582		<u>54,270</u>	<u>227,987</u>
Total for federal grantor agency			<u>5,242,414</u>	<u>5,469,860</u>
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies				
	84.010	09-2305	594,828	-
		10-2305	3,370,294	294,245
		11-2305	-	3,227,994
		09-2305 School Improvement	95,502	-
		11-2305 School Improvement	<u>218,142</u>	<u>157,746</u>
Total for program			<u>4,278,766</u>	<u>3,679,985</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-2305 School Improvement	1,276,767 <u>-</u>	1,006,796 <u>197,447</u>
Total for program			<u>1,276,767</u>	<u>1,204,243</u>
Total for cluster			<u>5,555,533</u>	<u>4,884,228</u>
Special Education Cluster (IDEA)				
Special Education - Grants to States				
	84.027	14208-015-PN01	11,310	-
		14208-049-DY01	123,178	-
		14209-015-PN01	199,746	-
		14210-015-PN01	2,992,986	239,338
		14211-015-PN01	-	2,989,918
		EDS A58-1-11 DL-013	<u>-</u>	<u>37,572</u>
Total for program			<u>3,327,220</u>	<u>3,266,828</u>
Special Education - Preschool Grants	84.173	45709-015-PN01 45710-015-PN01 45711-015-PN01	102,351 14,841 <u>-</u>	24,635 42,370 <u>70,222</u>
Total for program			<u>117,192</u>	<u>137,227</u>
ARRA - Special Education - Grants to States, Recovery Act	84.391		<u>973,176</u>	<u>1,298,134</u>
ARRA - Special Education - Preschool Grants, Recovery Act	84.392		<u>26,500</u>	<u>70,159</u>
Total for cluster			<u>4,444,088</u>	<u>4,772,348</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394		<u>2,630,158</u>	<u>-</u>
Educational Technology State Grants Cluster				
Educational Technology State Grants	84.318		<u>148,713</u>	<u>208,720</u>
Adult Education - Basic Grants to States	84.002	09-8007 10-8007 11-8007	1,277 145,704 <u>-</u>	- 66 <u>210,468</u>
Total for program			<u>146,981</u>	<u>210,534</u>
Career and Technical Education - Basic Grants to States	84.048	09-4700-08-2305 10-4700-08-2305 11-4700-0802305	64,524 623,799 <u>-</u>	- 7,947 <u>658,824</u>

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

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
U.S. DEPARTMENT OF EDUCATION (continued)				
Pass-Through Indiana Department of Workforce Development Career and Technical Education - Basic Grants to States	84.048	Robotics 09-121	4,000	-
Total for program			<u>692,323</u>	<u>666,771</u>
Pass-Through Indiana Department of Education Safe and Drug-Free Schools and Communities - State Grants	84.186	07-131 08-131 09-131	13,457 46,966 5,197	- 8,271 49,401
Total for program			<u>65,620</u>	<u>57,672</u>
Pass-Through Indiana Department of Workforce Development Tech-Prep Education	84.243	TP-8-121 PLTW-9-121 TP-9-121 PLTW-10-121	8,151 19,985 64,628 -	- - 5,655 43,537
Total for program			<u>92,764</u>	<u>49,192</u>
Pass-Through Indiana Department of Education Twenty-First Century Community Learning Centers	84.287		235,396	327,630
State Grants for Innovative Programs	84.298	08-09	17,026	-
Reading First State Grants	84.357	08-09	128,094	-
English Language Acquisition Grants	84.365	08-09 09-10 10-11	55,867 293,156 -	- 21,600 338,810
Total for program			<u>349,023</u>	<u>360,410</u>
Mathematics and Science Partnerships	84.366	FY 09	287,647	146,986
Improving Teacher Quality State Grants	84.367	07-08 08-09 09-10 10-11	24,753 331,122 221,107 -	- 54,934 483,463 100,373
Total for program			<u>576,982</u>	<u>638,770</u>
ARRA - Education Jobs Fund	84.410		-	461,373
Total for federal grantor agency			<u>15,370,348</u>	<u>12,784,634</u>
Total federal awards expended			<u>\$ 20,612,762</u>	<u>\$ 18,254,494</u>

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

ELKHART COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Elkhart Community Schools (School Corporation) and is presented in accordance with the 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 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided no federal awards to subrecipients.

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
Child Nutrition Cluster	10.555	\$ 317,523	\$ 321,008

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Title I, Part A Cluster
	Special Education Cluster (IDEA)
	State Fiscal Stabilization Fund Cluster
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$1,146,862

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

ELKHART COMMUNITY SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

ELKHART COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on December 13, 2011, with Douglas A. Hasler, Treasurer; Mark T. Mow, Superintendent of Schools; and Karen S. Carter, President of the School Board. The Official Response has been made a part of this report and may be found on pages 60 and 61.

January 24, 2012

State Board of Accounts
Indianapolis, IN 46204-2738

RE: Official Response – Elkhart Community Schools Audit

OVERDRAWN CASH BALANCES

The audit report indicated negative cash balances for the General Fund, Retirement/Severance Bond Debt Service Fund, WVPE Fund, and the Computer Loan Advancement Fund effective June 30, 2011. The circumstances of each of these funds is addressed separately, as follows:

General Fund – The negative cash balance in the General Fund at the end of June is indicative of a cash flow imbalance that occurs on an annual basis. Payroll payments to teaching staff in the month of June are artificially large, as teachers are entitled to salary payments for the balance of their contracts at the end of the school year generally reflecting 4 or 5 payrolls (out of 26 annual payroll payments) in addition to the two payrolls that generally occur in each month of the school year. The General Fund is approved by the State of Indiana on a calendar basis. At the end of the budget year (December 31, 2011), the fund balance was in excess of \$4,870,000. It would likely be possible to minimize or eliminate the negative cash balance in the General Fund that regularly occurs at the end of the June by entering into a temporary loan as authorized under Indiana law. The practice of entering into temporary loans by the School Corporation has been suspended in recent years in order to minimize interest cost payments so long as cash balances from other funds are sufficient to offset the negative cash balance of the General Fund. Since the end of June cash balance is artificially low (due to factors described above), and the fund continues to show a positive cash balance at the end of the budget year, there is no reason for the School Corporation to incur additional interest cost to take on a temporary loan.

Retirement/Severance Bond Debt Service Fund – The negative cash balance that occurs in this fund results from a combination of factors including a minimal carry-over fund balance from the prior budget year, the two annual (principal and interest) payments falling within the first 7 months of the year, and the final distribution of property taxes occurring in the final month of the budget year. Fund balances have been reduced in recent years due to reduced property tax distributions that largely result from the institution of circuit breaker property tax credits to eligible taxpayers. As would be the case for the General Fund (as discussed above), it would be possible to reduce or eliminate the negative cash balance in this fund by entering into a temporary loan. For the same reasons that are applicable to the General Fund, the School Corporation has determined that it

would not be worthwhile to enter into a temporary loan to address this negative cash balance, as sufficient offsetting cash balances from other funds are available at the end of June, and positive cash balance has been achieved by the end of the budget year.

WVPE – This fund supports the operation of the public radio station for the Elkhart/Michiana area for which the School Corporation holds the broadcasting license. This fund has regularly shown negative cash balances in prior years. Cost reductions were instituted in the past year. While there was a negative cash balance at the end of June 2011, the fund ended up the budget year with a small positive cash balance. Cost controls that have been instituted place the operations of the radio station on a sound financial footing, and it is anticipated that the fund should regularly end the budget year with positive, and, increasing cash balances in future years. Cash flow issues may result in negative cash balances prevailing at certain times of the year.

Computer Loan Advancement Fund – The School Corporation has historically qualified for computer loan advancements through the Common School Fund. The practice of the school corporation has been to seek full reimbursement for project costs upon the completion of the project, rather than over the course of the project. Given that this practice has resulted in negative cash balances in this fund over the course of the project, regular reimbursement will be requested with future computer loan advances.

The School Corporation rejects the notion that the negative cash balances cited in this audit reflect serious financial problems. In the case of the General Fund and the Retirement/Severance Bond Debt Service Fund, the negative cash balances at the end of June are not indicative of the cash position of the fund throughout the budget year, and especially at the end of the budget year. In addition, the School Corporation has made a prudent decision to minimize its interest cost payments by not entering into temporary loans for these two funds since cash balances from other funds are available to offset the negative cash balance that prevails in these funds at the end of June. Appropriate steps have been taken to reduce costs at WVPE resulting in a positive cash balance on December 31, 2011. Finally, regular reimbursement of computer advance loan moneys will be requested with future projects.