B43217

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, 2011 to June 30, 2013

FILED
02/07/2014

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Douglas A. Hasler	07-01-11 to 06-30-14
Superintendent of Schools	Mark T. Mow	07-01-11 to 06-30-12
	Robert E. Haworth	07-01-12 to 06-30-15
President of the School Board	Karen S. Carter	07-01-11 to 09-30-12
	Jeri E. Stahr	10-01-12 to 12-31-13

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Elkhart Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 17, 2013, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

Other Information

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.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

December 17, 2013

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Elkhart Community Schools (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated December 17, 2013, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-1 to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-1.

Elkhart Community Schools' Response to Findings

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

Purpose of This Report

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

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

December 17, 2013

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FINANCIAL STATEMENT

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

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ELKHART COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
General	$ (1,418,646)	$ 78,261,999	$ 85,399,136	$ 8,645	$ (8,547,138)	$ 91,892,033	$ 87,341,582	$ (23,017)	$ (4,019,704)
Debt Service	5,748,060	15,822,515	17,761,883	42,861	3,851,553	14,253,915	14,283,637	-	3,821,831
Retirement/Severance Bond Debt Service	(198,322)	3,332,460	3,645,541	-	(511,403)	2,439,785	1,275,130	-	653,252
Capital Projects	4,017,016	9,410,633	10,509,706	136,970	3,054,913	9,502,861	10,248,209	-	2,309,565
School Transportation	1,786,743	9,503,177	8,656,027	(1,234,726)	1,399,167	8,389,805	8,506,943	165,060	1,447,089
School Bus Replacement	767,671	2,309,494	1,250,000	3,594	1,830,759	2,160,539	2,436,448	(1,404,849)	150,001
Rainy Day	6,822,244	-	-	1,250,000	8,072,244	-	-	1,404,849	9,477,093
Retirement/Severance Bond	6,144,526	-	686,884	-	5,457,642	-	780,706	-	4,676,936
Post-Retirement/Severance Future Benefits	2,350,000	-	-	-	2,350,000	-	-	-	2,350,000
Construction	-	-	-	-	-	-	-	2,668,623	2,668,623
School Lunch	1,789,191	7,074,061	7,528,077	-	1,335,175	7,457,515	8,026,633	-	766,057
Textbook Rental	1,979,264	1,079,915	1,865,794	-	1,193,385	1,064,232	1,004,925	-	1,252,692
Self-Insurance	3,011,827	15,226,766	15,118,710	-	3,119,883	15,370,790	14,686,342	-	3,804,331
Levy Excess	-	98,186	-	15,188	113,374	43,847	-	(157,221)	-
Joint Services and Supply - Area Vocational School	391,449	4,769,553	4,903,291	-	257,711	5,642,902	5,046,099	-	854,514
Joint Services and Supply - Other	(4,394)	-	-	-	(4,394)	-	-	-	(4,394)
Educational License Plates	3,356	1,406	4,106	-	656	1,350	-	-	2,006
Alternative Education	-	34,284	34,284	-	-	45,694	45,694	-	-
Reading Recovery	-	1,000	74	-	926	-	926	-	-
School Intervention and Career Counseling	-	-	-	-	-	68,000	19,593	-	48,407
Answers for Autism 2011-2012	-	2,000	2,000	-	-	-	-	-	-
COACH	16,403	8,055	4,368	-	20,090	7,749	11,247	-	16,592
ECS 21st Century Supplemental	158,248	284,987	203,188	-	240,047	1,099	36,985	-	204,161
Instruction Support	108,595	28,067	27,452	-	109,210	18,910	22,717	-	105,403
United Way Reading Camps 2010	-	-	-	-	-	48,000	-	-	48,000
Early/After School Child Care	72,409	306,627	294,612	-	84,424	315,496	333,207	-	66,713
United Way Reading Camps 2011	139	-	139	-	-	-	-	-	-
United Way Minds in Motion 2011	1,000	1,000	2,000	-	-	-	-	-	-
Extra-Curricular Activities	-	6,000	5,350	-	650	-	650	-	-
Target Field Trip Grant 11-12	-	700	700	-	-	-	-	-	-
Dollars General Literacy 12-13	-	-	-	-	-	2,000	1,498	-	502
United Way Reading Camp 12-13	-	-	-	-	-	4,000	3,154	-	846
IN Coalition Impr Adolescent	4,502	57,516	60,686	-	1,332	57,631	56,608	-	2,355
Recreational Activities	-	-	-	-	-	10,000	10,001	-	(1)
United Way Reading Boost Gr 12	-	-	-	-	-	1,500	1,357	-	143
United Way Minds in Motion 2012	-	-	-	-	-	2,000	1,527	-	473
Target Field Trip Grant for 7/1/11 thru 6/30/13	-	-	-	-	-	700	466	-	234
Elk. Cy. Comm. Corrections 12-13	-	-	-	-	-	60,342	57,098	-	3,244
IN Youth Institute Grant 12	-	737	737	-	-	588	588	-	-
IN Youth Institute Prof Dev 13	-	-	-	-	-	584	549	-	35
ABE Roosevelt Headstart	580	-	580	-	-	-	-	-	-
Elk. Cy. Comm. Corrections 08-10	8,793	60,342	69,135	-	-	-	-	-	-
Headstart Supply	4,901	5,600	8,527	-	1,974	-	1,973	-	1
Construction, Remodeling, and Equipping Buildings	631	-	631	-	-	-	-	-	-
Teachers Credit Union GR 11-12	-	1,867	1,492	-	375	-	376	-	(1)
Teachers Credit Union Grant 12-13	-	236	-	-	236	2,636	2,040	-	832
WVPE	(142,558)	1,163,640	1,009,013	-	12,069	1,115,921	1,127,856	-	134
Earth Science Field Trip Ss	12,644	14,660	17,428	-	9,876	13,220	16,286	-	6,810

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, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
US History Field Trip	6,060	-	6,060	-	-	25,153	10,893	-	14,260
Marine Biology Field Trip	6,106	25,349	26,007	-	5,448	22,626	19,216	-	8,858
United Way Reading Boost	-	1,500	1,500	-	-	-	-	-	-
21 Century Robotics 2013	-	-	-	-	-	5,900	5,900	-	-
Tech Point	-	-	-	-	-	398	398	-	-
Prof Dev Capacity	49,040	-	31,448	-	17,592	48	17,642	-	(2)
Education Technology	(461,894)	2,224,331	1,928,931	-	(166,494)	408,790	1,083,568	-	(841,272)
Medicaid Reimbursement	25,191	75,880	62,771	-	38,300	75,016	65,271	-	48,045
High Ability Grant 12-13	3,158	-	3,157	-	1	72,351	70,376	-	1,976
High Ability Making a Difference	-	15,000	15,000	-	-	-	-	-	-
High Ability Grant 11-12	-	77,394	65,487	-	11,907	-	11,908	-	(1)
Safe Haven 12	-	-	-	-	-	24,259	29,467	-	(5,208)
Safe Haven Grant Pr. 10-SH000	(18,532)	18,532	-	-	-	-	-	-	-
Safe Haven 11-SH-013	-	3,874	38,877	-	(35,003)	35,001	-	-	(2)
Non-English Speaking Programs P.L. 273-1999	-	-	-	-	-	214,268	214,267	-	1
School Technology	1,081,726	169,851	577,798	-	673,779	443,623	178,793	-	938,609
Non English Speaking 10-11	6,020	-	6,020	-	-	-	-	-	-
Non English Speaking 11-12	-	228,344	227,830	-	514	-	514	-	-
Soc. Sv. - Tap	-	163,639	163,639	-	-	165,965	163,799	-	2,166
Excess PTRC Distributions	103,008	-	-	(103,008)	-	-	-	-	-
Title I Response to Intervention	(473)	549	76	-	-	-	-	-	-
Title I-RTI-Pilot 10-11	-	31,792	31,792	-	-	-	-	-	-
Title I School Improvement 11	(28,458)	38,221	9,763	-	-	-	-	-	-
Title I School Imp 12/13	-	-	-	-	-	30,000	30,000	-	-
Title I Sch Imp-Differential	-	508,647	517,959	-	(9,312)	32,407	23,096	-	(1)
Title I Pr. 11-2305	(184,063)	4,018,217	4,411,006	-	(576,852)	1,555,154	978,302	-	-
Title II, Pt B Math/Sc 12-13	(51,918)	312,861	260,945	-	(2)	124,673	145,178	-	(20,507)
Title I Pr. 13-3205	-	-	-	-	-	2,711,549	3,326,041	-	(614,492)
Title II-C	(25,895)	107,017	81,122	-	-	-	-	-	-
Workforce Dev-EMT 11-12	-	9,059	9,126	-	(67)	67	-	-	-
Workforce Dev-Nursing Asst 11-12	-	1,169	5,801	-	(4,632)	6,162	1,563	-	(33)
WDS As Ed-Innovation AEIN2-121	-	-	-	-	-	61,243	83,496	-	(22,253)
Ad. Ed. WorkOne 12-13	-	-	-	-	-	223,810	288,714	-	(64,904)
Adult Ed WorkOne 11-12	-	141,796	218,505	-	(76,709)	78,858	2,149	-	-
Tutorial Assistance Subgrant (Under Reading Excellence Act)	-	954	1,018	-	(64)	19,691	14,268	-	5,359
Ad. Ed. - EL Civics 12-13	-	-	-	-	-	55,244	65,515	-	(10,271)
PL 108-446 Pr. 14211-015	(679,242)	858,579	179,337	-	-	-	-	-	-
PL 108-446 Pr. 14212-015-PN01	-	2,695,170	3,156,909	-	(461,739)	452,652	8,363	17,450	-
Assistive Technology Grt 2	-	68,997	68,997	-	-	-	-	-	-
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	-	-	-	2,679,525	3,175,962	-	(496,437)
Federal Assistance Educational Preschool Handicapped	(12,167)	62,070	61,331	-	(11,428)	11,429	-	-	1
PL 108-446 Pr. 45712-015-PN01	-	55,879	62,192	-	(6,313)	66,246	66,432	-	(6,499)
PL 99-457 Preschool 12-13	-	-	-	-	-	68,506	81,222	-	(12,716)
PL 108-446, Pr. 45710-015	1,205	-	1,205	-	-	-	-	-	-
Ad. Ed. Work One 11-12	-	-	-	-	-	5,000	5,000	-	-
Ad Ed Family Literacy 11-8007	(68,349)	101,680	33,331	-	-	-	-	-	-
Ad Ed Fam Lit 12-8007	-	165,135	183,994	-	(18,859)	22,210	3,351	-	-

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, 2012 and 2013
(Continued)

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
Ad. Basic Ed. 12-13	-	-	-	-	-	231,014	241,986	-	(10,972)
Removal of Architectural Barrier to Handicapped	(7,220)	20,274	13,054	-	-	-	-	-	-
Carl Perkins 13-4700-2305	-	-	-	-	-	617,814	637,414	-	(19,600)
Carl D Perkins 11	(124,458)	136,312	11,854	-	-	-	-	-	-
Carl Perkins 11-12	-	606,474	615,214	-	(8,740)	94,740	85,998	-	2
Carl Perkins Robotics 10-11	-	2,050	2,050	-	-	-	-	-	-
WDS Pr. Lead the Way 10-11	(4,022)	4,022	-	-	-	-	-	-	-
WDS Tech Prep/Pathway 2011	-	98,033	98,033	-	-	-	-	-	-
Carl Perkins Robotics 2012	-	-	-	-	-	2,500	2,500	-	-
Title III Eng. Proficiency 12-13	-	-	-	-	-	144,161	182,758	-	(38,597)
WDS Tech Prep/Pathway 2012	-	-	-	-	-	21,568	21,568	-	-
Medicaid Reimbursement - Federal	141,401	153,114	157,331	-	137,184	283,540	199,737	-	220,987
Title III English Lang 09-10	(59,162)	357,067	298,079	-	(174)	5,759	5,582	-	3
21st Century Learning Center	(34,152)	321,581	328,966	-	(41,537)	47,569	6,033	-	(1)
21st Century	-	-	4,484	-	(4,484)	279,603	304,277	-	(29,158)
Title II, Pt A, Impr Tch 12-13	-	92,081	199,193	-	(107,112)	380,044	319,107	-	(46,175)
Title II, Part A, Impr. Tch Quality 09-11	(3,507)	32,536	29,029	-	-	-	-	-	-
Title II, Pt A, Impr Tch 10-12	(67,929)	653,520	591,971	-	(6,380)	60,504	54,124	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	-	-	-	-	-	68	-	-	68
Title I - Grants to LEAs	(113,060)	527,293	414,300	-	(67)	5,264	5,196	-	1
Special Education - Part B	(200,053)	1,337,184	1,137,131	-	-	-	-	-	-
Special Education - Part B - Preschool	(22,338)	51,895	29,557	-	-	-	-	-	-
Title I - ARRA School Improvement	(197,447)	374,190	183,107	-	(6,364)	-	-	6,364	-
Education Jobs	(308,480)	755,296	537,338	-	(90,522)	1,844,716	1,754,194	-	-
Payroll	2,523,163	72,238,270	73,454,345	-	1,307,088	75,146,789	73,953,652	-	2,500,225
Totals	$ 34,709,531	$ 238,810,161	$ 249,625,521	$ 119,524	$ 24,013,695	$ 248,859,121	$ 243,333,840	$ 2,677,259	$ 32,216,235

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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

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.

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 or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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 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.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. For most deficits, this is a result of the funds being set up for reimbursable grants.

However, there are two funds that do not fit into that category. The Joint Service and Supply – Other Fund has had the same negative balance for the entire audit period. This fund is for an energy cooperative. Expenses were paid in the 2010-2011 school year which have not yet been billed out to the members. The General Fund is negative because the School Corporation pays off the teachers' contracts for the remainder of the school year (four to five payrolls) during June which inflates the payroll expenditures and decreases the cash balance at June 30.

Note 8. Holding Corporations

The School Corporation has entered into various capital leases with Elkhart Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years 2012 and 2013 totaled $13,053,650 and $12,504,175, respectively.

Note 9. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: health insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: http://mustang.doe.state.in.us/TRENDS/fin.cfm. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

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

The supplementary information presented was 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, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	$ (1,418,646)	$ 5,748,060	$ (198,322)	$ 4,017,016	$ 1,786,743	$ 767,671	$ 6,822,244	$ 6,144,526	$ 2,350,000
Receipts:									
Local sources	996,967	13,662,515	2,632,460	9,410,407	8,042,688	1,059,494	-	-	-
Intermediate sources	530	-	-	-	-	-	-	-	-
State sources	76,003,875	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	1,250,000	2,160,000	700,000	-	1,460,000	1,250,000	-	-	-
Other	10,627	-	-	226	489	-	-	-	-
Total receipts	78,261,999	15,822,515	3,332,460	9,410,633	9,503,177	2,309,494	-	-	-
Disbursements:									
Current:									
Instruction	61,164,148	-	-	-	-	-	-	-	-
Support services	22,510,704	-	-	5,880,866	7,196,027	-	-	686,884	-
Noninstructional services	474,284	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	4,628,840	-	-	-	-	-
Debt services	-	15,601,883	2,945,541	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	1,250,000	2,160,000	700,000	-	1,460,000	1,250,000	-	-	-
Total disbursements	85,399,136	17,761,883	3,645,541	10,509,706	8,656,027	1,250,000	-	686,884	-
Excess (deficiency) of receipts over disbursements	(7,137,137)	(1,939,368)	(313,081)	(1,099,073)	847,150	1,059,494	-	(686,884)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	12,040	-	-	-	-	-
Sale of capital assets	16,484	-	-	91,000	-	-	-	-	-
Transfers in	2,064,691	42,861	-	33,930	30,462	3,594	1,250,000	-	-
Transfers out	(2,072,530)	-	-	-	(1,265,188)	-	-	-	-
Total other financing sources (uses)	8,645	42,861	-	136,970	(1,234,726)	3,594	1,250,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,128,492)	(1,896,507)	(313,081)	(962,103)	(387,576)	1,063,088	1,250,000	(686,884)	-
Cash and investments - ending	$ (8,547,138)	$ 3,851,553	$ (511,403)	$ 3,054,913	$ 1,399,167	$ 1,830,759	$ 8,072,244	$ 5,457,642	$ 2,350,000

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, 2012
(Continued)

	Construction	School Lunch	Textbook Rental	Self-Insurance	Levy Excess	Joint Services and Supply - Area Vocational School	Joint Services and Supply - Other	Educational License Plates
Cash and investments - beginning	$ -	$ 1,789,191	$ 1,979,264	$ 3,011,827	$ -	$ 391,449	$ (4,394)	$ 3,356
Receipts:								
Local sources	-	1,715,170	374,484	15,226,324	98,186	4,769,476	-	-
Intermediate sources	-	-	-	-	-	-	-	1,406
State sources	-	30,370	698,813	-	-	-	-	-
Federal sources	-	5,324,063	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	4,458	6,618	442	-	77	-	-
Total receipts	-	7,074,061	1,079,915	15,226,766	98,186	4,769,553	-	1,406
Disbursements:								
Current:								
Instruction	-	-	-	-	-	3,386,635	-	-
Support services	-	62,333	1,865,794	100,513	-	1,516,656	-	4,106
Noninstructional services	-	7,214,627	-	-	-	-	-	-
Facilities acquisition and construction	-	251,117	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	15,018,197	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	7,528,077	1,865,794	15,118,710	-	4,903,291	-	4,106
Excess (deficiency) of receipts over disbursements	-	(454,016)	(785,879)	108,056	98,186	(133,738)	-	(2,700)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	15,188	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	15,188	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(454,016)	(785,879)	108,056	113,374	(133,738)	-	(2,700)
Cash and investments - ending	$ -	$ 1,335,175	$ 1,193,385	$ 3,119,883	$ 113,374	$ 257,711	$ (4,394)	$ 656

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, 2012
(Continued)

	Alternative Education	Reading Recovery	School Intervention and Career Counseling	Answers for Autism 2011-2012	COACH	ECS 21st Century Supplemental	Instruction Support	United Way Reading Camps 2010
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ 16,403	$ 158,248	$ 108,595	$ -
Receipts:								
Local sources	-	1,000	-	2,000	8,055	284,987	28,067	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	34,284	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	34,284	1,000	-	2,000	8,055	284,987	28,067	-
Disbursements:								
Current:								
Instruction	34,284	74	-	1,994	4,368	203,188	14,495	-
Support services	-	-	-	6	-	-	11,263	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	1,694	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	34,284	74	-	2,000	4,368	203,188	27,452	-
Excess (deficiency) of receipts over disbursements	-	926	-	-	3,687	81,799	615	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	926	-	-	3,687	81,799	615	-
Cash and investments - ending	$ -	$ 926	$ -	$ -	$ 20,090	$ 240,047	$ 109,210	$ -

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, 2012
(Continued)

	Early/After School Child Care	United Way Reading Camps 2011	United Way Minds in Motion 2011	Extra-Curricular Activities	Target Field Trip Grant 11-12	Dollar General Literacy 12-13	United Way Reading Camps 12-13	IN Coalition Impr Adolescent
Cash and investments - beginning	$ 72,409	$ 139	$ 1,000	$ -	$ -	$ -	$ -	$ 4,502
Receipts:								
Local sources	306,582	-	1,000	6,000	700	-	-	57,516
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	45	-	-	-	-	-	-	-
Total receipts	306,627	-	1,000	6,000	700	-	-	57,516
Disbursements:								
Current:								
Instruction	-	139	1,877	5,350	700	-	-	-
Support services	9,159	-	123	-	-	-	-	-
Noninstructional services	285,453	-	-	-	-	-	-	60,686
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	294,612	139	2,000	5,350	700	-	-	60,686
Excess (deficiency) of receipts over disbursements	12,015	(139)	(1,000)	650	-	-	-	(3,170)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,015	(139)	(1,000)	650	-	-	-	(3,170)
Cash and investments - ending	$ 84,424	$ -	$ -	$ 650	$ -	$ -	$ -	$ 1,332

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, 2012
(Continued)

	Recreational Activities	United Way Reading Boost Gr 12	United Way Minds in Motion 2012	Target Field Trip Grant for 7/1/11 thru 6/30/13	Elk. Cy. Comm. Corrections 12-13	IN Youth Institute Grant 12	IN Youth Institute Prof Dev 13	ABE Roosevelt Headstart
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 580
Receipts:								
Local sources	-	-	-	-	-	737	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	737	-	-
Disbursements:								
Current:								
Instruction	-	-	-	-	-	724	-	580
Support services	-	-	-	-	-	13	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	737	-	580
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	(580)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	(580)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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, 2012
(Continued)

	Elk. Cy. Comm. Corrections 08-10	Headstart Supply	Construction Remodeling and Equipping Buildings	Teachers Credit Union GR 11-12	Teachers Credit Union Grant 12-13	WVPE	Earth Science Field Trip Ss	US History Field Trip
Cash and investments - beginning	$ 8,793	$ 4,901	$ 631	$ -	$ -	$ (142,558)	$ 12,644	$ 6,060
Receipts:								
Local sources	60,342	5,600	-	1,867	236	1,163,640	14,660	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	60,342	5,600	-	1,867	236	1,163,640	14,660	-
Disbursements:								
Current:								
Instruction	37,599	8,527	631	1,405	-	1,008,213	11,228	-
Support services	31,536	-	-	87	-	800	6,200	6,060
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	69,135	8,527	631	1,492	-	1,009,013	17,428	6,060
Excess (deficiency) of receipts over disbursements	(8,793)	(2,927)	(631)	375	236	154,627	(2,768)	(6,060)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,793)	(2,927)	(631)	375	236	154,627	(2,768)	(6,060)
Cash and investments - ending	$ -	$ 1,974	$ -	$ 375	$ 236	$ 12,069	$ 9,876	$ -

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, 2012
(Continued)

	Marine Biology Field Trip	United Way Reading Boost	21 Century Robotics 2013	Tech Point	Prof Dev Capacity	Education Technology	Medicaid Reimbursement	High Ability Grant 12-13
Cash and investments - beginning	$ 6,106	$ -	$ -	$ -	$ 49,040	$ (461,894)	$ 25,191	$ 3,158
Receipts:								
Local sources	25,349	1,500	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	2,224,331	75,880	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	25,349	1,500	-	-	-	2,224,331	75,880	-
Disbursements:								
Current:								
Instruction	19,127	1,500	-	-	31,233	-	-	3,157
Support services	6,880	-	-	-	215	1,928,931	62,771	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	26,007	1,500	-	-	31,448	1,928,931	62,771	3,157
Excess (deficiency) of receipts over disbursements	(658)	-	-	-	(31,448)	295,400	13,109	(3,157)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(658)	-	-	-	(31,448)	295,400	13,109	(3,157)
Cash and investments - ending	$ 5,448	$ -	$ -	$ -	$ 17,592	$ (166,494)	$ 38,300	$ 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, 2012
(Continued)

	High Ability Making a Difference	High Ability Grant 11-12	Safe Haven 12	Safe Haven Grant Pr. 10-SH000	Safe Haven 11-SH-013	Non-English Speaking Programs P.L. 273-1999	School Technology	Non English Speaking 10-11
Cash and investments - beginning	$ -	$ -	$ -	$ (18,532)	$ -	$ -	$ 1,081,726	$ 6,020
Receipts:								
Local sources	-	-	-	17	-	-	166,892	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	15,000	77,394	-	18,515	3,874	-	2,959	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	15,000	77,394	-	18,532	3,874	-	169,851	-
Disbursements:								
Current:								
Instruction	15,000	65,487	-	-	-	-	-	6,020
Support services	-	-	-	-	38,877	-	577,798	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	15,000	65,487	-	-	38,877	-	577,798	6,020
Excess (deficiency) of receipts over disbursements	-	11,907	-	18,532	(35,003)	-	(407,947)	(6,020)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	11,907	-	18,532	(35,003)	-	(407,947)	(6,020)
Cash and investments - ending	$ -	$ 11,907	$ -	$ -	$ (35,003)	$ -	$ 673,779	$ -

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, 2012
(Continued)

	Non English Speaking 11-12	Soc. Sv. - Tap	Excess PTRC Distributions	Title I Response to Intervention	Title I - RTI-Pilot 10-11	Title I School Improvement 11	Title I School Imp 12/13	Title I Sch Imp-Differential
Cash and investments - beginning	$ -	$ -	$ 103,008	$ (473)	$ -	$ (28,458)	$ -	$ -
Receipts:								
Local sources	-	135,990	-	-	5,944	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	228,344	5,329	-	-	-	-	-	-
Federal sources	-	22,320	-	549	25,848	38,221	-	508,647
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	228,344	163,639	-	549	31,792	38,221	-	508,647
Disbursements:								
Current:								
Instruction	227,830	6,054	-	76	31,792	1,101	-	517,959
Support services	-	-	-	-	-	8,662	-	-
Noninstructional services	-	157,585	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	227,830	163,639	-	76	31,792	9,763	-	517,959
Excess (deficiency) of receipts over disbursements	514	-	-	473	-	28,458	-	(9,312)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(103,008)	-	-	-	-	-
Total other financing sources (uses)	-	-	(103,008)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	514	-	(103,008)	473	-	28,458	-	(9,312)
Cash and investments - ending	$ 514	$ -	$ -	$ -	$ -	$ -	$ -	$ (9,312)

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, 2012
(Continued)

	Title I PR 11-2305	Title II, Pt B Math/Sc 12-13	Title I Pr. 13-3205	Title II-C	Workforce Dev-EMT 11-12	Workforce Dev-Nursing Asst 11-12	WDS As Ed-Innovation AEIN2-121	Ad. Ed. WorkOne 12-13
Cash and investments - beginning	$ (184,063)	$ (51,918)	$ -	$ (25,895)	$ -	$ -	$ -	$ -
Receipts:								
Local sources	2,754	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	4,015,463	312,861	-	107,017	9,059	1,169	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	4,018,217	312,861	-	107,017	9,059	1,169	-	-
Disbursements:								
Current:								
Instruction	2,315,497	-	-	39,277	9,126	5,801	-	-
Support services	1,689,572	260,945	-	41,845	-	-	-	-
Noninstructional services	405,937	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	4,411,006	260,945	-	81,122	9,126	5,801	-	-
Excess (deficiency) of receipts over disbursements	(392,789)	51,916	-	25,895	(67)	(4,632)	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	640,182	-	-	-	-	-	-	-
Transfers out	(640,182)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(392,789)	51,916	-	25,895	(67)	(4,632)	-	-
Cash and investments - ending	$ (576,852)	$ (2)	$ -	$ -	$ (67)	$ (4,632)	$ -	$ -

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, 2012
(Continued)

	Adult Ed WorkOne 11-12	Tutorial Assistance Subgrant (Under Reading Excellence Act)	Ad. Ed. - EL Civics 12-13	PL 108-446 Pr. 14211-015	PL 108-446 Pr. 14212-015-PN01	Assistive Technology Grt 2	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Federal Assistance Educational Preschool Handicapped
Cash and investments - beginning	$ -	$ -	$ -	$ (679,242)	$ -	$ -	$ -	$ (12,167)
Receipts:								
Local sources	-	954	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	141,796	-	-	858,579	2,695,170	68,997	-	62,070
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	141,796	954	-	858,579	2,695,170	68,997	-	62,070
Disbursements:								
Current:								
Instruction	218,505	1,018	-	166,402	2,962,221	-	-	61,331
Support services	-	-	-	12,935	194,688	68,997	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	218,505	1,018	-	179,337	3,156,909	68,997	-	61,331
Excess (deficiency) of receipts over disbursements	(76,709)	(64)	-	679,242	(461,739)	-	-	739
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(76,709)	(64)	-	679,242	(461,739)	-	-	739
Cash and investments - ending	$ (76,709)	$ (64)	$ -	$ -	$ (461,739)	$ -	$ -	$ (11,428)

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, 2012
(Continued)

	PL 108-446 Pr. 45712-015-PN01	PL 99-457 Preschool 12-13	PL 108-446 Pr. 45710-015	Ad. Ed. Work One 11-12	Ad Ed Family Literacy 11-8007	Ad Ed Fam Lit 12-8007	Ad. Basic Ed. 12-13	Removal of Architectural Barrier to Handicapped
Cash and investments - beginning	$ -	$ -	$ 1,205	$ -	$ (68,349)	$ -	$ -	$ (7,220)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	55,879	-	-	-	101,680	165,135	-	20,274
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	55,879	-	-	-	101,680	165,135	-	20,274
Disbursements:								
Current:								
Instruction	62,192	-	1,205	-	33,331	179,008	-	-
Support services	-	-	-	-	-	-	-	13,054
Noninstructional services	-	-	-	-	-	4,986	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	62,192	-	1,205	-	33,331	183,994	-	13,054
Excess (deficiency) of receipts over disbursements	(6,313)	-	(1,205)	-	68,349	(18,859)	-	7,220
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,313)	-	(1,205)	-	68,349	(18,859)	-	7,220
Cash and investments - ending	$ (6,313)	$ -	$ -	$ -	$ -	$ (18,859)	$ -	$ -

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, 2012
(Continued)

	Carl Perkins 13-4700-2305	Carl D Perkins 11	Carl Perkins 11-12	Carl Perkins Robotics 10-11	WDS Pr. Lead the Way 10-11	WDS Tech Prep/ Pathway 2011	Carl Perkins Robotics 2012	Title III Eng. Proficiency 12-13
Cash and investments - beginning	$ -	$ (124,458)	$ -	$ -	$ (4,022)	$ -	$ -	$ -
Receipts:								
Local sources	-	330	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	135,982	606,474	2,050	4,022	98,033	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	136,312	606,474	2,050	4,022	98,033	-	-
Disbursements:								
Current:								
Instruction	-	-	-	2,050	-	-	-	-
Support services	-	11,854	615,214	-	-	98,033	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	11,854	615,214	2,050	-	98,033	-	-
Excess (deficiency) of receipts over disbursements	-	124,458	(8,740)	-	4,022	-	-	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	124,458	(8,740)	-	4,022	-	-	-
Cash and investments - ending	$ -	$ -	$ (8,740)	$ -	$ -	$ -	$ -	$ -

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, 2012
(Continued)

	WDS Tech Prep/ Pathway 2012	Medicaid Reimbursement - Federal	Title III English Lang 09-10	21st Century Learning Center	21st Century	Title II, Pt A, Impr Tch 12-13	Title II, Part A, Impr Tch Quality 09-11	Title II, Pt A, Impr Tch 10-12
Cash and investments - beginning	$ -	$ 141,401	$ (59,162)	$ (34,152)	$ -	$ -	$ (3,507)	$ (67,929)
Receipts:								
Local sources	-	7,840	197	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	145,274	356,870	321,581	-	92,081	32,536	653,520
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	153,114	357,067	321,581	-	92,081	32,536	653,520
Disbursements:								
Current:								
Instruction	-	225	297,138	328,966	4,484	-	-	-
Support services	-	157,106	941	-	-	199,193	29,029	591,971
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	157,331	298,079	328,966	4,484	199,193	29,029	591,971
Excess (deficiency) of receipts over disbursements	-	(4,217)	58,988	(7,385)	(4,484)	(107,112)	3,507	61,549
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,217)	58,988	(7,385)	(4,484)	(107,112)	3,507	61,549
Cash and investments - ending	$ -	$ 137,184	$ (174)	$ (41,537)	$ (4,484)	$ (107,112)	$ -	$ (6,380)

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, 2012
(Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	Title I - ARRA School Improvement	Education Jobs	Payroll	Totals
Cash and investments - beginning	$ -	$ (113,060)	$ (200,053)	$ (22,338)	$ (197,447)	$ (308,480)	$ 2,523,163	$ 34,709,531
Receipts:								
Local sources	-	-	3,706	-	-	-	-	60,282,633
Intermediate sources	-	-	-	-	-	-	-	1,936
State sources	-	-	-	-	-	-	-	79,418,968
Federal sources	-	527,293	1,333,478	51,895	374,190	755,296	-	20,025,372
Interfund loans	-	-	-	-	-	-	-	6,820,000
Other	-	-	-	-	-	-	72,238,270	72,261,252
Total receipts	-	527,293	1,337,184	51,895	374,190	755,296	72,238,270	238,810,161
Disbursements:								
Current:								
Instruction	-	361,575	-	29,557	-	510,675	-	74,402,079
Support services	-	52,725	1,137,131	-	183,107	26,265	-	47,897,869
Noninstructional services	-	-	-	-	-	398	-	8,603,956
Facilities acquisition and construction	-	-	-	-	-	-	-	4,881,651
Debt services	-	-	-	-	-	-	-	18,547,424
Nonprogrammed charges	-	-	-	-	-	-	73,454,345	88,472,542
Interfund loans	-	-	-	-	-	-	-	6,820,000
Total disbursements	-	414,300	1,137,131	29,557	183,107	537,338	73,454,345	249,625,521
Excess (deficiency) of receipts over disbursements	-	112,993	200,053	22,338	191,083	217,958	(1,216,075)	(10,815,360)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	12,040
Sale of capital assets	-	-	-	-	-	-	-	107,484
Transfers in	-	-	-	-	-	-	-	4,080,908
Transfers out	-	-	-	-	-	-	-	(4,080,908)
Total other financing sources (uses)	-	-	-	-	-	-	-	119,524
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	112,993	200,053	22,338	191,083	217,958	(1,216,075)	(10,695,836)
Cash and investments - ending	$ -	$ (67)	$ -	$ -	$ (6,364)	$ (90,522)	$ 1,307,088	$ 24,013,695

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, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond	Post Retirement/ Severance Future Benefits
Cash and investments - beginning	$ (8,547,138)	$ 3,851,553	$ (511,403)	$ 3,054,913	$ 1,399,167	$ 1,830,759	$ 8,072,244	$ 5,457,642	$ 2,350,000
Receipts:									
Local sources	381,105	13,543,915	1,879,785	8,793,440	7,188,192	960,539	-	-	-
Intermediate sources	795	-	-	-	-	-	-	-	-
State sources	90,929,680	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	550,000	710,000	560,000	700,000	1,200,000	1,200,000	-	-	-
Other	30,453	-	-	9,421	1,613	-	-	-	-
Total receipts	91,892,033	14,253,915	2,439,785	9,502,861	8,389,805	2,160,539	-	-	-
Disbursements:									
Current:									
Instruction	61,828,313	-	-	-	-	-	-	-	-
Support services	23,236,954	-	-	5,377,737	7,306,943	1,236,448	-	780,706	-
Noninstructional services	1,726,315	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	4,170,472	-	-	-	-	-
Debt services	-	13,573,637	715,130	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	550,000	710,000	560,000	700,000	1,200,000	1,200,000	-	-	-
Total disbursements	87,341,582	14,283,637	1,275,130	10,248,209	8,506,943	2,436,448	-	780,706	-
Excess (deficiency) of receipts over disbursements	4,550,451	(29,722)	1,164,655	(745,348)	(117,138)	(275,909)	-	(780,706)	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	8,636	-	-	-	-	-	-	-	-
Transfers in	2,062,519	-	-	-	165,060	-	1,404,849	-	-
Transfers out	(2,094,172)	-	-	-	-	(1,404,849)	-	-	-
Total other financing sources (uses)	(23,017)	-	-	-	165,060	(1,404,849)	1,404,849	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,527,434	(29,722)	1,164,655	(745,348)	47,922	(1,680,758)	1,404,849	(780,706)	-
Cash and investments - ending	$ (4,019,704)	$ 3,821,831	$ 653,252	$ 2,309,565	$ 1,447,089	$ 150,001	$ 9,477,093	$ 4,676,936	$ 2,350,000

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, 2013
(Continued)

	Construction	School Lunch	Textbook Rental	Self-Insurance	Levy Excess	Joint Services and Supply - Area Vocational School	Joint Services and Supply - Other	Educational License Plates
Cash and investments - beginning	$ -	$ 1,335,175	$ 1,193,385	$ 3,119,883	$ 113,374	$ 257,711	$ (4,394)	$ 656
Receipts:								
Local sources	-	1,754,620	368,181	15,370,765	43,847	5,642,902	-	-
Intermediate sources	-	-	-	-	-	-	-	1,350
State sources	-	26,980	689,782	-	-	-	-	-
Federal sources	-	5,671,331	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	4,584	6,269	25	-	-	-	-
Total receipts	-	7,457,515	1,064,232	15,370,790	43,847	5,642,902	-	1,350
Disbursements:								
Current:								
Instruction	-	-	-	-	-	3,373,893	-	-
Support services	-	254,699	869,301	837,269	-	1,672,206	-	-
Noninstructional services	-	7,771,934	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	135,624	-	-	-	-	-
Nonprogrammed charges	-	-	-	13,849,073	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	8,026,633	1,004,925	14,686,342	-	5,046,099	-	-
Excess (deficiency) of receipts over disbursements	-	(569,118)	59,307	684,448	43,847	596,803	-	1,350
Other financing sources (uses):								
Proceeds of long-term debt	2,668,623	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(157,221)	-	-	-
Total other financing sources (uses)	2,668,623	-	-	-	(157,221)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,668,623	(569,118)	59,307	684,448	(113,374)	596,803	-	1,350
Cash and investments - ending	$ 2,668,623	$ 766,057	$ 1,252,692	$ 3,804,331	$ -	$ 854,514	$ (4,394)	$ 2,006

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, 2013
(Continued)

	Alternative Education	Reading Recovery	School Intervention and Career Counseling	Answers for Autism 2011-2012	COACH	ECS 21st Century Supplemental	Instruction Support	United Way Reading Camps 2010
Cash and investments - beginning	$ -	$ 926	$ -	$ -	$ 20,090	$ 240,047	$ 109,210	$ -
Receipts:								
Local sources	-	-	68,000	-	7,749	-	18,910	48,000
Intermediate sources	-	-	-	-	-	-	-	-
State sources	45,694	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	1,099	-	-
Total receipts	45,694	-	68,000	-	7,749	1,099	18,910	48,000
Disbursements:								
Current:								
Instruction	45,694	926	19,593	-	10,247	36,985	15,333	-
Support services	-	-	-	-	1,000	-	7,384	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	45,694	926	19,593	-	11,247	36,985	22,717	-
Excess (deficiency) of receipts over disbursements	-	(926)	48,407	-	(3,498)	(35,886)	(3,807)	48,000
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(926)	48,407	-	(3,498)	(35,886)	(3,807)	48,000
Cash and investments - ending	$ -	$ -	$ 48,407	$ -	$ 16,592	$ 204,161	$ 105,403	$ 48,000

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, 2013
(Continued)

	Early/After School Child Care	United Way Reading Camps 2011	United Way Minds in Motion 2011	Extra-Curricular Activities	Target Field Trip Grant 11-12	Dollar General Literacy 12-13	United Way Reading Camps 12-13	IN Coalition Impr Adolescent
Cash and investments - beginning	$ 84,424	$ -	$ -	$ 650	$ -	$ -	$ -	$ 1,332
Receipts:								
Local sources	315,436	-	-	-	-	2,000	4,000	57,603
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	60	-	-	-	-	-	-	28
Total receipts	315,496	-	-	-	-	2,000	4,000	57,631
Disbursements:								
Current:								
Instruction	-	-	-	650	-	1,498	3,154	3,112
Support services	2,915	-	-	-	-	-	-	-
Noninstructional services	330,292	-	-	-	-	-	-	53,496
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	333,207	-	-	650	-	1,498	3,154	56,608
Excess (deficiency) of receipts over disbursements	(17,711)	-	-	(650)	-	502	846	1,023
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,711)	-	-	(650)	-	502	846	1,023
Cash and investments - ending	$ 66,713	$ -	$ -	$ -	$ -	$ 502	$ 846	$ 2,355

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, 2013
(Continued)

	Recreational Activities	United Way Reading Boost Gr 12	United Way Minds in Motion 2012	Target Field Trip Grant for 7/1/11 thru 6/30/13	Elk. Cy. Comm. Corrections 12-13	IN Youth Institute Grant 12	IN Youth Institute Prof Dev 13	ABE Roosevelt Headstart
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:								
Local sources	10,000	1,500	2,000	700	60,342	588	584	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	10,000	1,500	2,000	700	60,342	588	584	-
Disbursements:								
Current:								
Instruction	10,001	1,357	1,527	466	57,098	588	549	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	10,001	1,357	1,527	466	57,098	588	549	-
Excess (deficiency) of receipts over disbursements	(1)	143	473	234	3,244	-	35	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1)	143	473	234	3,244	-	35	-
Cash and investments - ending	$ (1)	$ 143	$ 473	$ 234	$ 3,244	$ -	$ 35	$ -

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, 2013
(Continued)

	Elk. Cy. Comm. Corrections 08-10	Headstart Supply	Construction Remodeling and Equipping Buildings	Teachers Credit Union GR 11-12	Teachers Credit Union Grant 12-13	WVPE	Earth Science Field Trip Ss	US History Field Trip
Cash and investments - beginning	$ -	$ 1,974	$ -	$ 375	$ 236	$ 12,069	$ 9,876	$ -
Receipts:								
Local sources	-	-	-	-	2,636	1,115,753	13,220	25,153
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	168	-	-
Total receipts	-	-	-	-	2,636	1,115,921	13,220	25,153
Disbursements:								
Current:								
Instruction	-	1,973	-	376	2,040	1,127,075	12,349	10,893
Support services	-	-	-	-	-	781	3,937	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	1,973	-	376	2,040	1,127,856	16,286	10,893
Excess (deficiency) of receipts over disbursements	-	(1,973)	-	(376)	596	(11,935)	(3,066)	14,260
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,973)	-	(376)	596	(11,935)	(3,066)	14,260
Cash and investments - ending	$ -	$ 1	$ -	$ (1)	$ 832	$ 134	$ 6,810	$ 14,260

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, 2013
(Continued)

	Marine Biology Field Trip	United Way Reading Boost	21 Century Robotics 2013	Tech Point	Prof Dev Capacity	Education Technology	Medicaid Reimbursement	High Ability Grant 12-13
Cash and investments - beginning	$ 5,448	$ -	$ -	$ -	$ 17,592	$ (166,494)	$ 38,300	$ 1
Receipts:								
Local sources	22,626	-	5,900	398	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	408,790	75,016	72,351
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	48	-	-	-
Total receipts	22,626	-	5,900	398	48	408,790	75,016	72,351
Disbursements:								
Current:								
Instruction	16,667	-	5,900	398	17,642	-	-	70,376
Support services	2,549	-	-	-	-	1,083,568	65,271	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	19,216	-	5,900	398	17,642	1,083,568	65,271	70,376
Excess (deficiency) of receipts over disbursements	3,410	-	-	-	(17,594)	(674,778)	9,745	1,975
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,410	-	-	-	(17,594)	(674,778)	9,745	1,975
Cash and investments - ending	$ 8,858	$ -	$ -	$ -	$ (2)	$ (841,272)	$ 48,045	$ 1,976

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, 2013
(Continued)

	High Ability Making a Difference	High Ability Grant 11-12	Safe Haven 12	Safe Haven Grant Pr. 10-SH000	Safe Haven 11-SH-013	Non-English Speaking Programs P.L. 273-1999	School Technology	Non English Speaking 10-11
Cash and investments - beginning	$ -	$ 11,907	$ -	$ -	$ (35,003)	$ -	$ 673,779	$ -
Receipts:								
Local sources	-	-	-	-	-	-	440,524	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	24,259	-	35,001	214,268	3,099	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	24,259	-	35,001	214,268	443,623	-
Disbursements:								
Current:								
Instruction	-	11,908	-	-	-	214,267	-	-
Support services	-	-	29,467	-	-	-	178,793	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	11,908	29,467	-	-	214,267	178,793	-
Excess (deficiency) of receipts over disbursements	-	(11,908)	(5,208)	-	35,001	1	264,830	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(11,908)	(5,208)	-	35,001	1	264,830	-
Cash and investments - ending	$ -	$ (1)	$ (5,208)	$ -	$ (2)	$ 1	$ 938,609	$ -

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, 2013
(Continued)

	Non English Speaking 11-12	Soc. Sv. - Tap	Excess PTRC Distributions	Title I Response to Intervention	Title I - RTI-Pilot 10-11	Title I School Improvement 11	Title I School Imp 12/13	Title I Sch Imp-Differential
Cash and investments - beginning	$ 514	$ -	$ -	$ -	$ -	$ -	$ -	$ (9,312)
Receipts:								
Local sources	-	133,199	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	4,290	-	-	-	-	-	-
Federal sources	-	28,476	-	-	-	-	30,000	32,407
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	165,965	-	-	-	-	30,000	32,407
Disbursements:								
Current:								
Instruction	514	5,537	-	-	-	-	-	1,534
Support services	-	-	-	-	-	-	30,000	21,562
Noninstructional services	-	158,262	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	514	163,799	-	-	-	-	30,000	23,096
Excess (deficiency) of receipts over disbursements	(514)	2,166	-	-	-	-	-	9,311
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(514)	2,166	-	-	-	-	-	9,311
Cash and investments - ending	$ -	$ 2,166	$ -	$ -	$ -	$ -	$ -	$ (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, 2013
(Continued)

	Title I PR 11-2305	Title II, Pt B Math/Sc 12-13	Title I Pr. 13-3205	Title II-C	Workforce Dev-EMT 11-12	Workforce Dev-Nursing Asst 11-12	WDS As Ed-Innovation AEIN2-121	Ad. Ed. WorkOne 12-13
Cash and investments - beginning	$ (576,852)	$ (2)	$ -	$ -	$ (67)	$ (4,632)	$ -	$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	1,555,154	124,673	2,711,549	-	67	6,162	61,243	223,810
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	1,555,154	124,673	2,711,549	-	67	6,162	61,243	223,810
Disbursements:								
Current:								
Instruction	449,510	-	2,265,261	-	-	1,563	83,496	288,714
Support services	429,400	145,178	714,078	-	-	-	-	-
Noninstructional services	99,392	-	346,702	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	978,302	145,178	3,326,041	-	-	1,563	83,496	288,714
Excess (deficiency) of receipts over disbursements	576,852	(20,505)	(614,492)	-	67	4,599	(22,253)	(64,904)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	576,852	(20,505)	(614,492)	-	67	4,599	(22,253)	(64,904)
Cash and investments - ending	$ -	$ (20,507)	$ (614,492)	$ -	$ -	$ (33)	$ (22,253)	$ (64,904)

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, 2013
(Continued)

	Adult Ed WorkOne 11-12	Tutorial Assistance Subgrant (Under Reading Excellence Act)	Ad. Ed. - EL Civics 12-13	PL 108-446 Pr. 14211-015	PL 108-446 Pr. 14212-015-PN01	Assistive Technology Grt 2	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Federal Assistance Educational Preschool Handicapped
Cash and investments - beginning	$ (76,709)	$ (64)	$ -	$ -	$ (461,739)	$ -	$ -	$ (11,428)
Receipts:								
Local sources	-	19,691	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	78,858	-	55,244	-	452,652	-	2,679,525	11,429
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	78,858	19,691	55,244	-	452,652	-	2,679,525	11,429
Disbursements:								
Current:								
Instruction	2,149	14,268	65,515	-	8,363	-	3,082,885	-
Support services	-	-	-	-	-	-	93,060	-
Noninstructional services	-	-	-	-	-	-	17	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	2,149	14,268	65,515	-	8,363	-	3,175,962	-
Excess (deficiency) of receipts over disbursements	76,709	5,423	(10,271)	-	444,289	-	(496,437)	11,429
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	17,450	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	17,450	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	76,709	5,423	(10,271)	-	461,739	-	(496,437)	11,429
Cash and investments - ending	$ -	$ 5,359	$ (10,271)	$ -	$ -	$ -	$ (496,437)	$ 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, 2013
(Continued)

	PL 108-446 Pr. 45712-015-PN01	PL 99-457 Preschool 12-13	PL 108-446 Pr. 45710-015	Ad. Ed. Work One 11-12	Ad Ed Family Literacy 11-8007	Ad Ed Fam Lit 12-8007	Ad. Basic Ed. 12-13	Removal of Architectural Barrier to Handicapped
Cash and investments - beginning	$ (6,313)	$ -	$ -	$ -	$ -	$ (18,859)	$ -	$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	66,246	68,506	-	5,000	-	22,210	231,014	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	66,246	68,506	-	5,000	-	22,210	231,014	-
Disbursements:								
Current:								
Instruction	66,159	81,222	-	5,000	-	3,351	236,993	-
Support services	273	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	4,993	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	66,432	81,222	-	5,000	-	3,351	241,986	-
Excess (deficiency) of receipts over disbursements	(186)	(12,716)	-	-	-	18,859	(10,972)	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(186)	(12,716)	-	-	-	18,859	(10,972)	-
Cash and investments - ending	$ (6,499)	$ (12,716)	$ -	$ -	$ -	$ -	$ (10,972)	$ -

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, 2013
(Continued)

	Carl Perkins 13-4700-2305	Carl D Perkins 11	Carl Perkins 11-12	Carl Perkins Robotics 10-11	WDS Pr. Lead the Way 10-11	WDS Tech Prep/ Pathway 2011	Carl Perkins Robotics 2012	Title III Eng. Proficiency 12-13
Cash and investments - beginning	$ -	$ -	$ (8,740)	$ -	$ -	$ -	$ -	$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	617,814	-	94,740	-	-	-	2,500	144,161
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	617,814	-	94,740	-	-	-	2,500	144,161
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	2,500	182,758
Support services	637,414	-	85,998	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	637,414	-	85,998	-	-	-	2,500	182,758
Excess (deficiency) of receipts over disbursements	(19,600)	-	8,742	-	-	-	-	(38,597)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,600)	-	8,742	-	-	-	-	(38,597)
Cash and investments - ending	$ (19,600)	$ -	$ 2	$ -	$ -	$ -	$ -	$ (38,597)

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, 2013
(Continued)

	WDS Tech Prep/ Pathway 2012	Medicaid Reimbursement - Federal	Title III English Lang 09-10	21st Century Learning Center	21st Century	Title II, Pt A, Impr Tch 12-13	Title II, Part A, Impr Tch Quality 09-11	Title II, Pt A, Impr Tch 10-12
Cash and investments - beginning	$ -	$ 137,184	$ (174)	$ (41,537)	$ (4,484)	$ (107,112)	$ -	$ (6,380)
Receipts:								
Local sources	-	113,180	-	-	16	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	15,731	-	-	-
Federal sources	21,568	170,360	5,759	47,569	263,856	380,044	-	60,504
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	21,568	283,540	5,759	47,569	279,603	380,044	-	60,504
Disbursements:								
Current:								
Instruction	-	211	5,582	6,033	304,277	-	-	-
Support services	21,568	199,526	-	-	-	319,107	-	54,124
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	21,568	199,737	5,582	6,033	304,277	319,107	-	54,124
Excess (deficiency) of receipts over disbursements	-	83,803	177	41,536	(24,674)	60,937	-	6,380
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	83,803	177	41,536	(24,674)	60,937	-	6,380
Cash and investments - ending	$ -	$ 220,987	$ 3	$ (1)	$ (29,158)	$ (46,175)	$ -	$ -

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, 2013
(Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A	Title I - Grants to LEAs	Special Education - Part B	Special Education - Part B - Preschool	Title I - ARRA School Improvement	Education Jobs	Payroll	Totals
Cash and investments - beginning	$ -	$ (67)	$ -	$ -	$ (6,364)	$ (90,522)	$ 1,307,088	$ 24,013,695
Receipts:								
Local sources	-	-	-	-	-	-	-	58,416,999
Intermediate sources	-	-	-	-	-	-	-	2,145
State sources	-	-	-	-	-	-	-	92,544,941
Federal sources	68	5,264	-	-	-	1,844,716	-	17,774,479
Interfund loans	-	-	-	-	-	-	-	4,920,000
Other	-	-	-	-	-	-	75,146,789	75,200,557
Total receipts	68	5,264	-	-	-	1,844,716	75,146,789	248,859,121
Disbursements:								
Current:								
Instruction	-	5,196	-	-	-	1,477,037	-	75,548,476
Support services	-	-	-	-	-	217,434	-	45,916,650
Noninstructional services	-	-	-	-	-	59,723	-	10,551,126
Facilities acquisition and construction	-	-	-	-	-	-	-	4,170,472
Debt services	-	-	-	-	-	-	-	14,424,391
Nonprogrammed charges	-	-	-	-	-	-	73,953,652	87,802,725
Interfund loans	-	-	-	-	-	-	-	4,920,000
Total disbursements	-	5,196	-	-	-	1,754,194	73,953,652	243,333,840
Excess (deficiency) of receipts over disbursements	68	68	-	-	-	90,522	1,193,137	5,525,281
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	2,668,623
Sale of capital assets	-	-	-	-	-	-	-	8,636
Transfers in	-	-	-	-	6,364	-	-	3,656,242
Transfers out	-	-	-	-	-	-	-	(3,656,242)
Total other financing sources (uses)	-	-	-	-	6,364	-	-	2,677,259
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	68	68	-	-	6,364	90,522	1,193,137	8,202,540
Cash and investments - ending	$ 68	$ 1	$ -	$ -	$ -	$ -	$ 2,500,225	$ 32,216,235

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Elkhart Community School Building Corporation	Bristol Elementary School	$ 1,479,000	02-09-06	02-15-17
Elkhart Community School Building Corporation	High School Additions	5,651,000	10-21-03	02-10-15
Elkhart Community School Building Corporation	Elkhart Area Career Center	1,109,500	06-08-10	06-26-20
Elkhart Community School Building Corporation	Beck Elementary School	1,301,000	10-13-05	06-26-21
Elkhart Community School Building Corporation	Hawthorne/Daly Elementary School	867,000	08-03-11	06-26-22
Elkhart Community School Building Corporation	Roosevelt Elementary School	1,182,000	03-13-12	06-26-24
Elkhart Community School Building Corporation	Riverview Elementary School	309,000	03-19-13	12-26-25
Elkhart Community School Building Corporation	Pinewood Elementary School	589,000	04-04-13	12-26-26
Elkhart Community School Building Corporation	2013 A Capital Improvement Projects	225,000	06-20-13	08-01-18
Elkhart Community School Building Corporation	2013 B Capital Improvement Projects	258,000	06-20-13	08-01-18
Elkhart Community School Building Corporation	2013 C Capital Improvement Projects	229,000	06-20-13	08-01-18
Total of annual lease payments		$ 13,199,500		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Common School Loans	$ 2,931,532	$ 784,698
General obligation bonds	Bonds of 2005	2,850,000	1,198,800
	Pension Bonds of 2006	32,610,000	2,242,400
Totals		$ 38,391,532	$ 4,225,898

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2013

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

	Ending Balance
Governmental activities:	
Land	$ 2,218,675
Buildings	121,988,040
Improvements other than buildings	4,621,248
Machinery, equipment, and vehicles	18,091,922
Total capital assets	$ 146,919,885

ELKHART COMMUNITY SCHOOLS
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES - CORPORATION

The financial statements presented in this report included the following funds with overdrawn cash balances at June 30, 2013:

Fund	Amount Overdrawn
General	$ 4,019,703
Joint Service and Supply - Other	4,394

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

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

Report on Compliance for Each Major Federal Program

We have audited the Elkhart Community Schools' (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Basis for Qualified Opinion on Career and Technical Education – Basic Grants to States

As described in items 2013-3 and 2013-4 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Period of Availability of Federal Funds and Subrecipient Monitoring that are applicable to its Career and Technical Education – Basic Grants to States program. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

Qualified Opinion on Career and Technical Education – Basic Grants to States

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Career and Technical Education – Basic Grants to States for the period of July 1, 2011 to June 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2011 to June 30, 2013.

Other Matters

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

Report on Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-2, 2013-3, 2013-4, and 2013-5 to be material weaknesses.

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

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

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

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

December 17, 2013

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

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ELKHART COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
U.S. DEPARTMENT OF AGRICULTURE					
Child Nutrition Cluster	Pass-Through Indiana Department of Education				
School Breakfast Program		10.553		$ 1,052,431	$ 1,250,939
National School Lunch Program		10.555		4,315,599	4,525,411
Summer Food Service Program for Children		10.559		132,021	118,502
Total - Child Nutrition Cluster				5,500,051	5,894,852
Child and Adult Care Food Program		10.558		90,659	109,994
Fresh Fruit and Vegetable Program		10.582		273,242	237,403
Total - U.S. DEPARTMENT OF AGRICULTURE				5,863,952	6,242,249
U.S. DEPARTMENT OF EDUCATION					
Title I, Part A Cluster	Pass-Through Indiana Department of Education	84.010	11-2305	786,483	-
Title I Grants to Local Educational Agencies			12-2305	3,044,918	1,555,154
			13-2305	-	2,711,549
			11-2305 School Improvement	9,763	-
			12-2305 School Improvement	508,647	32,407
			13-2305 School Improvement	-	30,000
Total for Program				4,349,810	4,329,110
ARRA - Title I Grants to Local Educational Agencies, Recovery Act		84.389	ARRA - Title I 10-2305	414,233	5,264
			ARRA - Title I School Improvement	176,743	-
Total for Program				590,976	5,264
Total - Title I, Part A Cluster				4,940,786	4,334,374
Special Education (IDEA) Cluster	Pass-Through Indiana Department of Education	84.027	14211-015-PN01	179,337	-
Special Education-Grants to States			14212-015-PN01	2,695,170	452,652
			14213-015-PN01	-	2,679,525
			EDS# A58-1-11-DL-013	76	-
			Assistive Technology	68,997	-
			EDS# A58-1-11DL-009	25,848	-
Total for program				2,969,427	3,132,178
Special Education - Preschool Grants		84.173	45710-015-PN01	49,904	11,429
			45712-015-PN01	55,879	66,246
			45713-015-PN01	-	68,506
Total for program				105,783	146,180
ARRA - Special Ed Grants to States, Recovery Act		84.391	ARRA Sp Ed Part B, IDEA	1,113,425	-
ARRA - Special Education-Preschool Grants, Recovery Act		84.392	ARRA Sp Ed Part B, Preschool	29,557	-
Total - Special Education (IDEA) Cluster				4,218,192	3,278,358

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, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
U.S. DEPARTMENT OF EDUCATION (continued)					
Educational Technology State Grants Cluster	Pass-Through Indiana Department of Education				
Educational Technology State Grants		84.318	EDS# A58-0-10IT-054	81,122	-
Total - Educational Technology State Grant Cluster				81,122	-
Adult Education - Basic Grants to State	Pass-Through Indiana Department of Education	84.002	11-8007	13,181	-
			12-8007	165,135	22,210
			EDS C1-2-PIMIC-1-121-b	9,059	67
			EDS C1-2-PIMIC-121-1-a	1,169	6,162
			AEIN-2-121	-	61,243
			C1-3-AE-2-121	-	223,810
			AE1121	141,796	78,858
			C1-3ECL-2-121	-	55,244
			C1-3-AEPD-2-121	-	5,000
			EDS C1-3-AE-2-121	-	231,014
Total for program				330,340	683,608
Career and Technical Education - Basic Grants to States	Pass-Through Indiana Department of Education	84.048	11-4700-2305	11,524	-
			12-4700-2305	606,474	94,740
			13-4700-2305	-	617,814
			Pathway/Tech Prep 2011-12	84,649	-
			Pathway/Tech Prep 13-4700-2305	-	21,568
	Pass-Through Indiana Department of Workforce Development	84.048	C1-1-CPR-0-121	2,050	-
			Carl Perkins Robotics SY 11/12	-	2,500
Total for program				704,697	736,623
Safe and Drug Free Schools and Communities - State Grants	Pass-Through Indiana Department of Education	84.186	09-131	13,054	-
Twenty-First Century Community Learning Centers	Pass-Through Indiana Department of Education	84.287	10-11	45,095	-
			11-12	276,486	47,569
			12-13	-	279,587
Total for program				321,581	327,156
English Language Acquisition State Grants	Pass-Through Indiana Department of Education	84.365	01111-019-PN01	60,833	-
			01112-019-PN01	313,321	5,759
			01113-019-PN01	-	144,161
Total for program				374,154	149,920

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, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
U.S. DEPARTMENT OF EDUCATION (continued)					
Mathematics and Science Partnerships	Pass-Through Indiana Department of Education	84.366	FY12	260,943	-
			FY13	-	124,673
Total for program				260,943	124,673
Improving Teacher Quality State Grants	Pass-Through Indiana Department of Education	84.367	SY09-10	29,029	-
			SY10-11	568,308	60,504
			FY2011	92,081	380,044
			FY2012	-	69
Total for program				689,418	440,617
Education Jobs Fund	Pass-Through Indiana Department of Education	84.410		446,816	1,844,716
Total - U.S. DEPARTMENT OF EDUCATION				12,381,104	11,920,045
Total federal awards expended				$ 18,245,055	$ 18,162,294

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 federal awards to subrecipients as follows for the years ended June 30, 2012 and 2013:

Program Title	Federal CFDA Number	2012	2013
Career and Technical Education - Basic Grants to States	84.048	$ 99,693	$ 46,568
Adult Education - Basic Grants to States	84.002	-	108,977

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
School Breakfast Program	10.553	$ 86,540	$ 106,300
National School Lunch Program	10.555	321,329	346,107

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported

Type of auditor's report issued on compliance for major programs:

Unmodified for all programs except for Career and Technical Education – Basic Grants to States which was qualified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Special Education Cluster (IDEA)
84.048	Career and Technical Education – Basic Grants to States
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: $1,092,220

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2013-1 - INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the Schedule of Expenditures of Federal Awards (SEFA), we noted the following errors: The expenditures presented on the SEFA for CFDA Number 10.553 for the first year were the same expenditures presented for the second year of $1,250,939. The federal expenditures for CFDA Number 10.553 for the first year were overstated by $198,508. The expenditures presented for CFDA Number 10.558 for the first year were the same expenditures as presented for the second year for CFDA Number 10.559 of $132,021. The federal expenditures for CFDA Number 10.558 for the second year were overstated by $41,362. The expenditures presented for CFDA Number 10.559 for the second year was overstated by $123,512. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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

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

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

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

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

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

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and indentifying number assigned by the pass-through entity shall be included.

(3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.

(4) Include notes that describe the significant accounting policies used in preparing the schedule.

(5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.

(6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Section III – Federal Award Findings and Questioned Costs

FINDING 2013-2 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO THE CHILD NUTRITION CLUSTER

Federal Agency: U.S. Department of Agriculture
Federal Program: School Breakfast Program, National School Lunch
Program, Summer Food Service Program for Children
CFDA Number: 10.553, 10.555, and 10.559
Federal Award Number and Year (or Other Identifying Number): FY12 and FY13
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and one of the compliance requirements that have a direct and material effect to the program. This includes the compliance requirement for reporting.

There is no documentation to indicate that there is oversight over the reporting process. Currently, the work being performed by the individual compiling the information for the monthly reimbursement claim is not being reviewed by anyone. She is responsible for compiling and submitting the required forms to the State. There is also no documentation to indicate that there is oversight over the reconciling process for the separate food service bank account maintained by the School Corporation for the food service program. Currently, daily deposits are being made by the each participating school. At the end of the week, the documents are sent to the administration building where they are verified to the Receipts and Collections Reports provided by each school. Once this process has been completed, an actual receipt is issued to record the collection in the School Corporation records and at the end of the month a reconcilement is prepared by the food service program accountant. This reconcilement is not reviewed or approved by anyone. The lack of review of the reconcilement could allow errors in the school lunch accounts to remain undetected resulting in incorrect reporting.

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

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

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

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement noted above that has a direct and material effect to the program.

FINDING 2013-3 - PERIOD OF AVAILABILITY - QUESTIONED COSTS

Federal Agency: U.S. Department of Education
Federal Program: Career and Technical Education - Basic Grants to States
CFDA Number: 84.048
Federal Award Number and Year: 11-4700-2305 and Year 2011-2012
13-4700-2305 and Year 2012-2013
Pass-Through Entity: Indiana Department of Education

The internal controls for ensuring that the period of availability requirement are met are not working as intended. The School Corporation had two disbursements totaling $34,386 that were obligated after the period of availability ended. The period of availability for federal award number 11-4700-2305 ended June 30, 2012. On October 9, 2012, a payment of $33,387 was made to a vendor for the purchase of equipment. Records presented for audit indicate that a quote was received on June 28, 2012, but the actual purchase order shows that the funds were obligated on August 28, 2012. The period of availability for federal award number 13-4700-2305 ended June 30, 2013. On August 27, 2013, a payment of $999 was made to a vendor for a subscription for the 2013-2014 school years. The purchase order shows that the funds were obligated on August 13, 2013.

According to the Notice of Grant Awards Condition No. 9, all obligations for expenditure of these funds must be made on or before the end of the grant period June 30, 2012, and June 30, 2013, respectively. Documentation must be maintained that the transaction giving rise to the obligation did occur on or before June 30. Any obligation made after June 30 cannot be funded with grant funds. These payments have resulted in questioned costs totaling $34,386. The federal agency may require that these questioned costs be repaid.

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

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

34 CFR 80.23 Period of availability of funds states:

"(a) General. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) Liquidation of obligations. A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee."

We recommended that the School Corporation officials follow the conditions set forth in the Notification of Grant Award letters and establish controls to ensure the conditions are followed.

FINDING 2013-4 - SUBRECIPIENT MONITORING - COMMUNICATION OF FEDERAL INFORMATION TO SUBRECIPIENTS

Federal Agency: U.S. Department of Education
Federal Program: Career and Technical Education - Basic Grants to States
CFDA Number: 84.048
Federal Award Number and Year (or Other Identifying Number): Pathway/Tech Prep Grant; 2011-12;
11-4700-2305 FY10-11;
12-4700-2305 FY11-12;
13-4700-2305 FY12-13;
Pathway/Tech Prep Grant
13-4700-2305 FY 12-13
Pass-Through Entity: Indiana Department of Education

The School Corporation did not comply with the requirements set forth by 34 CFR 80.37(b). Grant information was not communicated to subrecipients. During the audit period July 1, 2011 to June 30, 2013, the School Corporation paid $146,261 to subrecipients. The amounts paid to these subrecipients were approved as part of the budget in the grant applications; however, there were no subrecipient agreements executed to indicate/document that the subrecipients were made aware of the award information (i.e., CFDA title and number; award name and number; if the award is research and development; and name of Federal awarding agency and requirements imposed by laws, regulations, and the provisions of contract or grant agreements; the activities for the sub-recipients were allowable).

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

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

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

34 CFR 80.37(b) states:

"All other grantees. All other grantees shall follow the provisions of this part which are applicable to awarding agencies when awarding and administering sub-grants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. Grantees shall:

(1) Ensure that every sub-grant includes a provision for compliance with this part;

(2) Ensure that every sub-grant includes any clauses required by Federal statute and executive orders and their implementing regulations; and

(3) Ensure that sub-grantees are aware of requirements imposed upon them by Federal statutes and regulations."

We recommended that the School Corporation comply with all subrecipient grant requirements related to the communication of grant information to its subrecipients as listed above and establish controls to ensure this compliance.

FINDING 2013-5 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES

Federal Agency: U.S. Department of Education
Federal Program: Career and Technical Education - Basic Grants to States
CFDA Number: 84.048
Federal Award Number and Year (or Other Identifying Number): 11-4700-2305; 12-4700-2305; 13-4700-2305; Pathway/Tech Prep 2011-12; Pathway/Tech Prep 13-4700-2305; C1-1-CPR-0-121 and CPR SY 11/12
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the Career and Technical Education - Basic Grants to States program. This includes the following compliance requirements: Allowable Activities and Allowable Costs/Cost Principles.

Documentation was not presented for audit to indicate that the Career and Technical Education Director was reviewing/approving requisitions for the purchase of supplies and equipment prior to them being submitted to the School Corporation for processing.

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

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

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

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements noted above that have a direct and material effect to the program.

J. C. RICE EDUCATIONAL SERVICES CENTER
Elkhart Community Schools
2720 California Road, Elkhart, IN 46514-1220
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December 16, 2013

To: State board of accounts
From: Pam Melcher-Director of Food Service
Re: Corrective action plan for 2013 audit

Finding 2013-1-Internal controls over the schedule of expenditures of federal awards

- Director of Food Service and the Supervisor of Accounting, Auditing and Investments will work together to make sure that the expenditures listed on the SEFA report are accurate for the period requested per State Board of Accounts.

Finding 2013-2-Internal controls over compliance requirements that have a direct and material effect to the child nutrition cluster

- Food Service Director was providing over site to the reporting process but not initialing the documents.
- Food Service Director is now initialing as she reviews the reports and bank reconcilements.

If you have any other suggestions for actions that you would like us to perform please let us know.

Sincerely

Pam Melcher

Pam Melcher
Food Service Director

Elkhart Area Career Center • 2424 California Road • Elkhart, Indiana 46514 • 574/262-5650 • Fax 574/262-5801

A Division of Elkhart Community Schools

CORRECTIVE ACTION PLAN

Finding No. ***2013-3 – PERIOD OVER AVAILABILITY – QUESTIONED COSTS***

Original SBA Audit Report Number:	####
Auditee Contact Person:	William E. Kovach
Title of Contact Person:	Director
Phone Number:	574-262-5732

Corrective Action Plan:

Regarding "Period Over Availability" issue, our internal control system will establish an internal deadline within the Career and Technical school for any Perkins Grant expenditures so that all Perkins Grant expenses can be resolved by the grant deadline. In addition, the director will work closely with the secretary to ensure all requests for expenditures fall within the grand period.

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CORRECTIVE ACTION PLAN

Finding No. ***2013-4 – SUB RECIPIENT – COMMUNICATION OF FEDERAL INFORMATION TO SUB RECIPIENTS***

Original SBA Audit Report Number: ####
Auditee Contact Person: William E. Kovach
Title of Contact Person: Director
Phone Number: 574-262-5732

Corrective Action Plan:

Regarding "Sub recipient – Communication of Federal Information to Sub recipients" issue, the Elkhart Area Career Center will establish a contract with the sub recipients that will include the CFDA title and number, award name and number, and the name of Federal awarding agency. It will also include the requirements imposed by laws, regulations, and the provisions of the grant agreement and the activities for the sub recipients that are allowable under the grant.

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CORRECTIVE ACTION PLAN

Finding No. ***2013-5 – INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO CAREER AND TECHNICAL EDUCATION – BASIC GRANTS TO STATES***

Original SBA Audit Report Number:	####
Auditee Contact Person:	William E. Kovach
Title of Contact Person:	Director
Phone Number:	574-262-5732

Corrective Action Plan:

Regarding "Internal Controls Over Compliance Requirement" issue, the Elkhart Area Career Center's director will review all requests for purchases for supplies and equipment prior to being submitted to the school corporation for processing. This will be noted by the director's signature on all requests.

ELKHART COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on December 17, 2013, with Douglas A. Hasler, Treasurer; Robert E. Haworth, Superintendent of Schools; and Jeri E. Stahr, President of the School Board. The Official Response has been made a part of this report and may be found on pages 77 and 78.

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December 27, 2013

State Board of Accounts
Indianapolis, IN 46204-2738

RE: Official Response – Elkhart Community Schools Audit

OVERDRAWN CASH BALANCES

The audit report cited negative cash balances for the General Fund, and the Joint Service and Supply (Other). The circumstances of each of these funds are addressed separately, as follows:

General Fund – A negative cash balance of $4,019,703 as of June 30, 2013 was cited in the audit report. Negative cash balances of this magnitude occur on annual basis in the General Fund. This results from issuing checks for final contract payments to teaching staff who have completed their school year employment contracts at the end of May, or early June, with the balance of such payments occurring on the second payroll date in June. As a result, the second June payroll constitutes payment for the equivalent of 4 or 5 payrolls (out of 26 annual payroll payments). The total cash balance for all other funds is well in excess of the negative cash balance that occurs in June for the General Fund. By the end of the established budget year (January-December), the General Fund cash balance returns to a positive. As we approach the end of the 2013 budget year, I anticipate a General Fund cash balance greater than $3 million. Elkhart Schools has considered seeking a temporary loan to cover the negative cash balance in the General Fund in the past, but has elected not do so as such loan would incur additional (and in our view, unnecessary) interest cost.

Joint Service and Supply (Other) – A small negative cash balance of $4,394 exists in this fund, which is maintained in order for Elkhart Schools to fulfill its duties as administrative agent for the North Central Energy Cooperative (a consortium of Indiana school corporations). These costs reflect fees incurred by Elkhart Schools, primarily for legal services, on behalf of the Cooperative. Elkhart Schools will be billing the other participating school corporations for their share of these costs in order to eliminate this negative cash balance.

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, the negative cash balance occurring at the end of June is 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 a fund that experiences a short-term negative cash balance since cash balances from other funds are available to offset the negative cash balance that has prevailed in the General Fund at the end of June.

Sincerely,

Douglas A. Hasler
Executive Director of Support Services