

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, 2015 to June 30, 2017



FILED
12/20/2018

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-18
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-49
Schedule of Leases and Debt	50
Schedule of Capital Assets.....	51
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	54-56
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	58-59
Notes to Schedule of Expenditures of Federal Awards	60
Schedule of Findings and Questioned Costs	61-80
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	82-86
Corrective Action Plan	87-97
Other Reports.....	98

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Douglas A. Hasler Kevin Scott	07-01-15 to 11-23-16 11-24-16 to 06-30-19
Superintendent of Schools	Robert E. Haworth Mark T. Mow (interim)	07-01-15 to 06-30-18 07-01-18 to 12-31-18
President of the School Board	Carolyn Morris Glenn Duncan Susan C. Daiber Karen S. Carter	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



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, 2015 to June 30, 2017, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

As discussed in Note 1 to 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, 2015 to June 30, 2017.

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, 2015 to June 30, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2018, 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 solely 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 effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

October 31, 2018



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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, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated October 31, 2018, 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.

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 School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 and 2017-002, that we consider 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 2017-002.

Elkhart Community Schools' Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

October 31, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

ELKHART COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ (2,821,990)	\$ 89,914,008	\$ 88,389,890	\$ (103)	\$ (1,297,975)	\$ 88,920,133	\$ 90,796,397	\$ (69,083)	\$ (3,243,322)
Referendum Tax Levy	1,421,774	4,768,303	4,946,678	-	1,243,399	4,407,914	4,382,704	(4,394)	1,264,215
Debt Service	34,638	13,941,582	11,098,502	-	2,877,718	10,037,915	11,009,146	-	1,906,487
Retirement/Severance Bond Debt Service	1,076,597	4,666,099	5,137,498	-	605,198	4,576,471	4,342,744	-	838,925
Referendum Debt Exempt Capital	-	802,597	692,000	-	110,597	1,475,003	1,380,500	-	205,100
Capital Projects	5,989,259	10,418,814	10,500,171	17,600	5,925,502	12,103,639	15,216,041	-	2,813,100
School Transportation	189,098	6,553,291	5,299,997	7,838	1,450,230	5,477,077	4,023,390	3,919	2,907,836
School Bus Replacement	1,020,530	1,968,659	2,376,614	-	612,575	2,215,486	2,126,520	-	701,541
Rainy Day	9,477,093	416,612	2,855,525	-	7,038,180	-	-	-	7,038,180
Retirement/Severance Bond	2,240,171	2,373	2,242,543	-	1	-	-	-	1
Post-Retirement/Severance Future Benefits	2,350,000	-	1,492,245	-	857,755	-	46,129	(339,227)	472,399
Construction	201,615	-	112,325	-	89,290	-	89,290	-	-
Construction 2014	9,216,498	-	8,539,635	-	676,863	-	499,782	-	177,081
Construction Fund- 2016	-	-	-	-	-	-	1,307,411	1,994,058	686,647
School Lunch	20,622	8,651,077	8,671,667	-	32	8,541,836	9,571,625	-	(1,029,757)
Textbook Rental	2,129,827	1,133,145	1,679,824	-	1,583,148	1,060,519	477,842	-	2,165,825
Self-Insurance	2,484,102	15,505,392	16,812,480	-	1,177,014	16,583,004	16,384,941	-	1,375,077
Levy Excess	5,468	(5,468)	-	-	-	-	-	-	-
Joint Services and Supply - Area Vocational School	188,462	5,072,402	5,207,421	-	53,443	4,484,712	5,078,831	-	(540,676)
Joint Services and Supply - Other	(4,394)	-	-	-	(4,394)	-	-	4,394	-
Educational License Plates	1,350	600	-	-	1,950	994	-	-	2,944
Alternative Education	55,000	53,821	-	-	108,821	-	-	-	108,821
SAFE School Haven	(3,721)	3,456	(264)	-	(1)	-	-	-	(1)
3512 Safe Haven Grant 15-SH-4082	-	9,029	15,219	-	(6,190)	6,181	(10)	-	1
3513 Safe Haven Grant 16-SH-5317	-	-	-	-	-	23,392	29,745	-	(6,353)
Early Intervention Grant	392	-	392	-	-	-	-	-	-
Early Lit. Intervention- 2015	-	67,900	67,900	-	-	-	-	-	-
School Intervention and Career Counseling	13,520	-	13,519	-	1	-	-	-	1
Lilly Endowment Grant 2017	-	-	-	-	-	49,960	28,058	-	21,902
COACH	14,846	10,635	4,174	-	21,307	6,100	5,587	-	21,820
ECS 21st Century Supplemental	93,437	15	22,084	-	71,368	-	2,772	-	68,596
Instructional Support	156,194	143,176	127,860	1,578	173,088	225,776	158,777	-	240,087
Kiwanis - PEP Program (Stem)	776	-	-	-	776	-	766	-	10
Early/After School Child Care	101,124	1,410	5,856	-	96,678	424	8	-	97,094
2201 Unit Defined- Not in Use- No History	-	61,121	61,121	-	-	4,075	4,075	-	-
United Way Grants 13-14	141	-	141	-	-	-	-	-	-
United Way Reading Camp 15-16	-	4,600	3,388	-	1,212	-	1,213	-	(1)
United Way Reading Camp 16-17	-	-	-	-	-	3,600	1,853	-	1,747
Lowe's Toolbox For Education16	-	4,995	2,059	-	2,936	-	1,227	-	1,709
Target Field Trip Grant-2016	-	700	509	-	191	700	874	-	17
Extra Curricular Salary	314	64,025	61,302	-	3,037	69,683	67,511	-	5,209
United Way - EACC Career Camp 2015	15,000	-	15,000	-	-	-	-	-	-
United Way Move2Stand 14-15	2,270	-	2,270	-	-	-	-	-	-
United Way Move2Stand 15-16	15,000	-	14,228	-	772	-	772	-	-
Un. Way Move2Stand 16-17	-	15,000	-	-	15,000	-	14,999	-	1
Un. Way Move2Stand 17-18	-	-	-	-	-	12,000	-	-	12,000
Elk. Cy. Comm Corrections 14-15	21,677	-	21,677	-	-	-	-	-	-
2492 Elkhart City Community Corrections	-	60,342	38,115	-	22,227	60,342	61,954	-	20,615
Indiana Youth Institute 14-15	157	-	157	-	-	-	-	-	-
Indiana Youth Institute 15-16	-	2,306	1,556	-	750	-	-	-	750
Ball State- Northeast IN AHEC	-	-	-	-	-	-	2,953	-	(2,953)
Headstart Supply	1,378	-	1,378	-	-	-	-	-	-
TCU Grant 13-14	132	-	131	-	1	-	-	-	1
WVPE	153,436	1,351,944	1,362,701	-	142,679	1,437,009	1,317,365	-	262,323
Earth Science Field Trip SS	14,094	61,722	49,298	(2,098)	24,420	79,337	54,168	-	49,589
US History Field Trip	800	4,310	2,042	-	3,068	7,940	5,865	-	5,143
Marine Biology Field Trip	7,161	16,805	21,052	520	3,434	26,194	13,131	-	16,497
Intecare-PBIS	-	252,000	36,009	-	215,991	232,747	117,617	-	331,121
In/Out Fund	-	-	235,097	-	(235,097)	-	104,130	339,227	-
Computer Loan Advancement 2016	-	-	-	-	-	1,283,000	1,283,000	-	-
Formative Assessment	-	125,721	-	-	125,721	166,362	245,104	-	46,979
Special Education Excess Costs	-	-	-	-	-	-	91,629	-	(91,629)
Computer Consortium/Ed Tech Advance	(606)	-	(606)	-	-	1,620,190	1,556,682	-	63,508

ELKHART COMMUNITY SCHOOLS
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
State Tech Advancement 2016	-	364,000	1,090,038	-	(726,038)	-	(726,038)	-	-
Adult and Continuing Education	-	-	-	-	-	6,473	27,276	-	(20,803)
Medicaid Reimbursement	56,128	101,977	74,667	-	83,438	113,052	132,716	-	63,774
Secured Schools Safety Grant	(50,000)	50,000	-	-	-	-	-	-	-
Non-English Speaking 51114-053	5	-	5	-	-	-	-	-	-
Non-English Speaking '14-'15	(1,859)	-	(1,858)	-	(1)	-	-	-	(1)
Non-English Speaking 15/16	-	411,920	377,886	-	34,034	-	34,034	-	-
Non-English Speaking 16/17	-	-	-	-	-	401,849	390,714	-	11,135
School Technology	770,324	289,281	935,888	-	123,717	109,982	318,913	-	(85,214)
Excellence Performance	-	66,950	66,950	-	-	208,779	205,417	-	3,362
Technology Planning Grant	-	-	-	-	-	39,490	-	-	39,490
Innovation Planning Grant 15-16	-	-	29,796	-	(29,796)	29,856	60	-	-
21st Century Scholars	(27,208)	51,929	74,547	-	(49,826)	-	10,338	60,164	-
Miscellaneous Programs	1,662	-	1,662	-	-	-	-	-	-
High Ability 2015-2016	-	81,578	60,513	-	21,065	-	21,065	-	-
High Ability Comp Awa COGAT 16-17	-	-	-	-	-	18,714	18,714	-	-
High Ability 16-17	-	-	-	-	-	81,182	58,466	-	22,716
Soc. Sv. - Tap Pr. 2091 A2965 98-99	-	150,728	150,444	-	284	104,299	197,484	-	(92,901)
Senator David Ford Technology	-	-	-	-	-	-	43,072	-	(43,072)
Title I	-	4,126	4,301	-	(175)	2,027	1,851	-	1
Title I 1003(a) Sch Impr 14-15	(34,195)	71,725	37,531	-	(1)	135,791	195,243	-	(59,453)
Title I 1003(a) School Impr 15-16	-	2,631,020	3,147,839	-	(516,819)	1,166,436	649,623	-	(6)
Even Start-Family Lit 2000-01	-	-	-	-	-	2,483,113	2,907,754	-	(424,641)
Title II-B	(613,071)	1,161,938	548,867	-	-	-	-	-	-
Title II, Part B- Math/Science 2005/07	-	130,770	130,771	-	(1)	-	-	-	(1)
Title II, Pt. B Math/Science 16	-	72,372	80,373	-	(8,001)	117,004	109,003	-	-
Title II- B Ma/Sc Robotics 17	-	-	-	-	-	177,907	177,907	-	-
Ad Ed Work One 15-16 (State)	-	303,655	417,787	-	(114,132)	206,265	92,131	-	2
Ad Ed Work One 16-17	-	-	-	-	-	325,819	413,526	-	(87,707)
Ad Ed WorkOne 14-15	(227,592)	262,082	34,489	-	1	-	-	-	1
Tutorial Assistance	12,646	5,588	6,820	-	11,414	360	-	-	11,774
Part B IDEA Pass Thru FY2016	-	2,718,678	3,101,094	-	(382,416)	2,446,516	2,393,257	-	(329,157)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(454,098)	454,098	-	-	-	-	-	-	-
PL99-457 Preschool 13-14	-	10,148	10,148	-	-	-	-	-	-
PL99-457 Preschool 14-15	(16,225)	46,478	30,254	-	(1)	-	-	-	(1)
PL99-457 Preschool 15-16	-	84,791	111,682	-	(26,891)	26,891	-	-	-
PL99-457 Pr. 45717-013-PN01	-	-	-	-	-	98,319	116,277	-	(17,958)
Adult Basic Education	-	-	-	-	-	29,534	29,534	-	-
Career Incentive	318	4,479	4,797	-	-	-	-	-	-
Fed - Ad Basic Ed '14-'15	(2,429)	7,402	4,972	-	1	-	-	-	1
ECS Project Aware 14/16	-	50,306	50,220	-	86	12,344	12,431	-	(1)
Carl D Perkins 15-4700-2305	(61,853)	95,194	33,341	-	-	-	-	-	-
Carl D. Perkins- 15/16	-	621,685	637,896	-	(16,211)	39,202	22,991	-	-
Carl D. Perkins- 16/17	-	-	-	-	-	634,084	659,792	-	(25,708)
Medicaid Reimbursement - Federal	352,046	284,421	397,334	-	239,133	305,327	234,919	-	309,541
21st Century Learning Center	(9,923)	122,408	118,174	-	(5,689)	7,642	20,244	-	(18,291)
21st Century 16-17	-	-	7,636	-	(7,636)	150,528	191,186	-	(48,294)
Other Federal Programs	(67,645)	67,841	196	-	-	-	-	-	-
WorkIN TANF CFDA: 93.558	-	436,103	499,656	-	(63,553)	110,082	46,530	-	(1)
Title II, Pt A, Impr Tch 12-13	(71,018)	197,693	126,676	-	(1)	-	-	-	(1)
School to Work Opportunity Implementation	-	-	-	-	-	576	1,498	-	(922)
Improving Teacher Quality, No Child Left, Title II, Part A	-	189,555	230,430	-	(40,875)	270,603	350,775	-	(121,047)
6542 Title II Pt. A ImprTch 14-2305	-	-	-	-	-	551,951	534,710	-	17,241
Title III - English Proficiency Migrant	(26,664)	203,512	176,848	-	-	150,642	180,899	-	(30,257)
Payroll	1,366,685	84,834,632	84,857,782	-	1,343,535	85,159,708	85,304,981	-	1,198,262
Petty Cash	-	1,000	1,000	-	-	500	-	-	500
Food Service Change	-	2,110	2,110	-	-	2,010	-	-	2,010
Totals	\$ 36,779,276	\$ 262,768,692	\$ 275,911,942	\$ 25,335	\$ 23,661,361	\$ 260,924,572	\$ 267,284,411	\$ 1,989,058	\$ 19,290,580

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

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: 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. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Interfund loans. Amounts 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. Amounts received from various sources, including, but not limited to, the following: 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. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

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

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

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

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts 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. Amounts 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 amounts 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 amounts 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 lien date (March 1 in a year ending before January 1, 2016 and

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

January 1 in a year beginning after December 31, 2015) 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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The 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.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. *Negative Receipts and Disbursements*

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

Note 8. *Cash Balance Deficits*

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. Other funds with cash deficits as of June 30, 2017, include the General fund, School Lunch fund and the Joint Services and Supply - Area Vocational School fund.

The General fund reported a negative cash balance due to the School Corporation paying off the teachers' contract for the remainder of the teacher contract cycle (four to five payrolls) during June, which inflated the payroll expenditures and decreased the cash balance at June 30, 2016 and 2017.

The School Lunch fund reported a negative cash balance due to the cumulative effect of a number of items. Increases to federal reimbursements have lagged cost increases for food supplies and wage expense. The addition of lunch room paraprofessionals to assist with student behavior and timely flow through cafeterias also increased the stress on the cash balance. In addition, the School Corporation suffered a vendor issue during the audit period that had a significant impact on cash. As a result, an action plan was developed that continues to be refined and updated.

The Joint Services and Supply - Area Vocational School fund reported a negative cash balance due to the timing of payments made to the School Corporation by the nine area districts sending students to the Elkhart Area Career Center. The cash balance was positive by the end of August 2017.

Note 9. *Holding Corporation*

The School Corporation has entered into 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 lessor has been determined to be a related-party of the School Corporation. Lease payments during the calendar years 2016 and 2017 totaled \$8,068,300 and \$7,791,550, respectively.

ELKHART COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 10. Subsequent Event

Mortgage Bonds were issued in 2017 in the amount of \$1,945,000, with bond purchasers paying a net original issue premium of \$53,312, for the purpose of paying for the cost of construction and equipping of the Food Commissary Renovation Project, other miscellaneous facility and/or equipping projects at facilities operated by the School Corporation, and any projects related to any of such facility improvement, renovation, and equipping projects, are to be used in connection with the operation of the School Corporation (collectively, the "2017 Projects"), and to pay the costs of issuance of the 2017 Bonds. Funding for the 2017 Projects will be provided from the proceeds of the 2017 Bonds and interest earnings during construction. The payment of lease rentals is not dependent on the completion of the 2017 Projects.

Note 11. 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. This exposure is limited to one narrow and specific group within the district, and one remaining retiree who was granted an exception. Information regarding the benefits can be obtained by contacting the School Corporation.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

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

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

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, 2016

	General	Referendum Tax Levy	Debt Service	Retirement/Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ (2,821,990)	\$ 1,421,774	\$ 34,638	\$ 1,076,597	\$ -	\$ 5,989,259	\$ 189,098	\$ 1,020,530	\$ 9,477,093
Receipts:									
Local sources	706,609	4,175,303	11,302,382	2,655,099	802,597	9,611,614	4,797,204	1,070,659	416,612
Intermediate sources	265	-	-	-	-	-	-	-	-
State sources	86,812,734	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Interfund loans	2,391,000	593,000	2,639,200	2,011,000	-	807,200	1,753,000	898,000	-
Other	3,400	-	-	-	-	-	3,087	-	-
Total receipts	89,914,008	4,768,303	13,941,582	4,666,099	802,597	10,418,814	6,553,291	1,968,659	416,612
Disbursements:									
Current:									
Instruction	60,963,850	-	-	-	-	-	-	-	2,096,178
Support services	24,099,915	4,263,478	-	-	-	4,878,457	3,546,997	1,478,614	735,335
Noninstructional services	935,125	-	-	-	-	-	-	-	24,012
Facilities acquisition and construction	-	90,200	-	-	-	4,814,514	-	-	-
Debt service	-	-	8,459,302	3,126,498	692,000	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	2,391,000	593,000	2,639,200	2,011,000	-	807,200	1,753,000	898,000	-
Total disbursements	88,389,890	4,946,678	11,098,502	5,137,498	692,000	10,500,171	5,299,997	2,376,614	2,855,525
Excess (deficiency) of receipts over disbursements	1,524,118	(178,375)	2,843,080	(471,399)	110,597	(81,357)	1,253,294	(407,955)	(2,438,913)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	7,736	-	-	-	-	17,600	-	-	-
Transfers in	2,062,519	-	-	-	-	-	7,838	-	-
Transfers out	(2,070,358)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(103)	-	-	-	-	17,600	7,838	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,524,015	(178,375)	2,843,080	(471,399)	110,597	(63,757)	1,261,132	(407,955)	(2,438,913)
Cash and investments - ending	\$ (1,297,975)	\$ 1,243,399	\$ 2,877,718	\$ 605,198	\$ 110,597	\$ 5,925,502	\$ 1,450,230	\$ 612,575	\$ 7,038,180

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, 2016

	Retirement/Severance Bond	Post-Retirement/Severance Future Benefits	Construction	Construction 2014	Construction Fund- 2016	School Lunch	Textbook Rental	Self-Insurance
Cash and investments - beginning	\$ 2,240,171	\$ 2,350,000	\$ 201,615	\$ 9,216,498	\$ -	\$ 20,622	\$ 2,129,827	\$ 2,484,102
Receipts:								
Local sources	2,373	-	-	-	-	1,589,982	465,357	15,505,392
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	28,873	660,747	-
Federal sources	-	-	-	-	-	7,030,112	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	2,110	7,041	-
Total receipts	2,373	-	-	-	-	8,651,077	1,133,145	15,505,392
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	526,109
Support services	2,242,543	1,492,245	-	269,053	-	46,914	1,672,028	1,995,843
Noninstructional services	-	-	-	-	-	8,624,753	-	28,453
Facilities acquisition and construction	-	-	112,325	8,270,582	-	-	7,796	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	14,262,075
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	2,242,543	1,492,245	112,325	8,539,635	-	8,671,667	1,679,824	16,812,480
Excess (deficiency) of receipts over disbursements	(2,240,170)	(1,492,245)	(112,325)	(8,539,635)	-	(20,590)	(546,679)	(1,307,088)
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	(2,240,170)	(1,492,245)	(112,325)	(8,539,635)	-	(20,590)	(546,679)	(1,307,088)
Cash and investments - ending	\$ 1	\$ 857,755	\$ 89,290	\$ 676,863	\$ -	\$ 32	\$ 1,583,148	\$ 1,177,014

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, 2016

	Levy Excess	Joint Services and Supply - Area Vocational School	Joint Services and Supply - Other	Educational License Plates	Alternative Education	SAFE School Haven	3512 Safe Haven Grant 15-SH-4082	3513 Safe Haven Grant 16-SH-5317
Cash and investments - beginning	\$ 5,468	\$ 188,462	\$ (4,394)	\$ 1,350	\$ 55,000	\$ (3,721)	\$ -	\$ -
Receipts:								
Local sources	(5,468)	5,072,402	-	-	-	-	-	-
Intermediate sources	-	-	-	600	-	-	-	-
State sources	-	-	-	-	53,821	3,456	9,029	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	(5,468)	5,072,402	-	600	53,821	3,456	9,029	-
Disbursements:								
Current:								
Instruction	-	3,522,028	-	-	-	-	-	-
Support services	-	1,685,393	-	-	-	(264)	15,219	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	5,207,421	-	-	-	(264)	15,219	-
Excess (deficiency) of receipts over disbursements	(5,468)	(135,019)	-	600	53,821	3,720	(6,190)	-
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	(5,468)	(135,019)	-	600	53,821	3,720	(6,190)	-
Cash and investments - ending	\$ -	\$ 53,443	\$ (4,394)	\$ 1,950	\$ 108,821	\$ (1)	\$ (6,190)	\$ -

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, 2016

	Early Intervention Grant	Early Lit. Intervention- 2015	School Intervention and Career Counseling	Lilly Endowment Grant 2017	COACH	ECS 21st Century Supplemental	Instructional Support	Kiwanis - PEP Program (Stem)
Cash and investments - beginning	\$ 392	\$ -	\$ 13,520	\$ -	\$ 14,846	\$ 93,437	\$ 156,194	\$ 776
Receipts:								
Local sources	-	-	-	-	10,635	15	143,176	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	67,900	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	67,900	-	-	10,635	15	143,176	-
Disbursements:								
Current:								
Instruction	392	-	5,719	-	4,174	22,084	112,053	-
Support services	-	67,900	7,800	-	-	-	15,807	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	392	67,900	13,519	-	4,174	22,084	127,860	-
Excess (deficiency) of receipts over disbursements	(392)	-	(13,519)	-	6,461	(22,069)	15,316	-
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	3,048	-
Transfers out	-	-	-	-	-	-	(1,470)	-
Total other financing sources (uses)	-	-	-	-	-	-	1,578	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(392)	-	(13,519)	-	6,461	(22,069)	16,894	-
Cash and investments - ending	\$ -	\$ -	\$ 1	\$ -	\$ 21,307	\$ 71,368	\$ 173,088	\$ 776

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, 2016

	Early/After School Child Care	2201 Unit Defined- Not in Use- No History	United Way Grants 13-14	United Way Reading Camp 15-16	United Way Reading Camp 16-17	Lowe's Toolbox For Education16	Target Field Trip Grant-2016	Extra Curricular Salary
Cash and investments - beginning	\$ 101,124	\$ -	\$ 141	\$ -	\$ -	\$ -	\$ -	\$ 314
Receipts:								
Local sources	1,410	-	-	4,600	-	4,995	700	64,025
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	61,121	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	1,410	61,121	-	4,600	-	4,995	700	64,025
Disbursements:								
Current:								
Instruction	753	60,320	141	3,388	-	2,059	509	-
Support services	599	-	-	-	-	-	-	-
Noninstructional services	4,504	801	-	-	-	-	-	61,302
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	5,856	61,121	141	3,388	-	2,059	509	61,302
Excess (deficiency) of receipts over disbursements	(4,446)	-	(141)	1,212	-	2,936	191	2,723
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	(4,446)	-	(141)	1,212	-	2,936	191	2,723
Cash and investments - ending	\$ 96,678	\$ -	\$ -	\$ 1,212	\$ -	\$ 2,936	\$ 191	\$ 3,037

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, 2016

	United Way - EACC Career Camp 2015	United Way Move2Stand 14-15	United Way Move2Stand 15-16	Un. Way Move2Stand 16-17	Un. Way Move2Stand 17-18	Elk. Cy. Comm Corrections 14-15	2492 Elkhart City Community Corrections	Indiana Youth Institute 14-15
Cash and investments - beginning	\$ 15,000	\$ 2,270	\$ 15,000	\$ -	\$ -	\$ 21,677	\$ -	\$ 157
Receipts:								
Local sources	-	-	-	15,000	-	-	60,342	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	15,000	-	-	60,342	-
Disbursements:								
Current:								
Instruction	15,000	2,270	14,228	-	-	21,677	38,115	-
Support services	-	-	-	-	-	-	-	157
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	15,000	2,270	14,228	-	-	21,677	38,115	157
Excess (deficiency) of receipts over disbursements	(15,000)	(2,270)	(14,228)	15,000	-	(21,677)	22,227	(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	(15,000)	(2,270)	(14,228)	15,000	-	(21,677)	22,227	(157)
Cash and investments - ending	\$ -	\$ -	\$ 772	\$ 15,000	\$ -	\$ -	\$ 22,227	\$ -

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, 2016

	Indiana Youth Institute 15-16	Ball State- Northeast IN AHEC	Headstart Supply	TCU Grant 13-14	WVPE	Earth Science Field Trip SS	US History Field Trip	Marine Biology Field Trip
Cash and investments - beginning	\$ -	\$ -	\$ 1,378	\$ 132	\$ 153,436	\$ 14,094	\$ 800	\$ 7,161
Receipts:								
Local sources	2,306	-	-	-	1,351,944	61,722	4,310	16,805
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>2,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,351,944</u>	<u>61,722</u>	<u>4,310</u>	<u>16,805</u>
Disbursements:								
Current:								
Instruction	-	-	1,378	131	1,361,296	48,798	2,042	20,992
Support services	1,556	-	-	-	1,405	500	-	60
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>1,556</u>	<u>-</u>	<u>1,378</u>	<u>131</u>	<u>1,362,701</u>	<u>49,298</u>	<u>2,042</u>	<u>21,052</u>
Excess (deficiency) of receipts over disbursements	<u>750</u>	<u>-</u>	<u>(1,378)</u>	<u>(131)</u>	<u>(10,757)</u>	<u>12,424</u>	<u>2,268</u>	<u>(4,247)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	300	-	1,170
Transfers out	-	-	-	-	-	(2,398)	-	(650)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,098)</u>	<u>-</u>	<u>520</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>750</u>	<u>-</u>	<u>(1,378)</u>	<u>(131)</u>	<u>(10,757)</u>	<u>10,326</u>	<u>2,268</u>	<u>(3,727)</u>
Cash and investments - ending	<u>\$ 750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 142,679</u>	<u>\$ 24,420</u>	<u>\$ 3,068</u>	<u>\$ 3,434</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Intecare-PBIS	In/Out Fund	Computer Loan Advancement 2016	Formative Assessment	Special Education Excess Costs	Computer Consortium/Ed Tech Advance	State Tech Advancement 2016	Adult and Continuing Education
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (606)	\$ -	\$ -
Receipts:								
Local sources	252,000	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	125,721	-	-	364,000	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>252,000</u>	<u>-</u>	<u>-</u>	<u>125,721</u>	<u>-</u>	<u>-</u>	<u>364,000</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	36,009	-	-	-	-	-	-	-
Support services	-	235,097	-	-	-	(606)	1,090,038	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>36,009</u>	<u>235,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(606)</u>	<u>1,090,038</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>215,991</u>	<u>(235,097)</u>	<u>-</u>	<u>125,721</u>	<u>-</u>	<u>606</u>	<u>(726,038)</u>	<u>-</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>215,991</u>	<u>(235,097)</u>	<u>-</u>	<u>125,721</u>	<u>-</u>	<u>606</u>	<u>(726,038)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 215,991</u>	<u>\$ (235,097)</u>	<u>\$ -</u>	<u>\$ 125,721</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (726,038)</u>	<u>\$ -</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking 51114-053	Non-English Speaking '14-'15	Non-English Speaking 15/16	Non-English Speaking 16/17	School Technology	Excellence Performance
Cash and investments - beginning	\$ 56,128	\$ (50,000)	\$ 5	\$ (1,859)	\$ -	\$ -	\$ 770,324	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	284,877	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	101,977	50,000	-	-	411,920	-	4,404	66,950
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	101,977	50,000	-	-	411,920	-	289,281	66,950
Disbursements:								
Current:								
Instruction	-	-	5	(1,858)	377,886	-	-	66,950
Support services	74,667	-	-	-	-	-	935,888	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	74,667	-	5	(1,858)	377,886	-	935,888	66,950
Excess (deficiency) of receipts over disbursements	27,310	50,000	(5)	1,858	34,034	-	(646,607)	-
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	27,310	50,000	(5)	1,858	34,034	-	(646,607)	-
Cash and investments - ending	\$ 83,438	\$ -	\$ -	\$ (1)	\$ 34,034	\$ -	\$ 123,717	\$ -

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, 2016

	Technology Planning Grant	Innovation Planning Grant 15-16	21st Century Scholars	Miscellaneous Programs	High Ability 2015-2016	High Ability Comp Awa COGAT 16-17	High Ability 16-17	Soc. Sv. - Tap Pr. 2091 A2965 98-99
Cash and investments - beginning	\$ -	\$ -	\$ (27,208)	\$ 1,662	\$ -	\$ -	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	111,320
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	51,929	-	81,578	-	-	5,362
Federal sources	-	-	-	-	-	-	-	34,046
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	51,929	-	81,578	-	-	150,728
Disbursements:								
Current:								
Instruction	-	-	-	1,662	60,513	-	-	4,425
Support services	-	29,796	74,547	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	146,019
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	29,796	74,547	1,662	60,513	-	-	150,444
Excess (deficiency) of receipts over disbursements	-	(29,796)	(22,618)	(1,662)	21,065	-	-	284
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	-	(29,796)	(22,618)	(1,662)	21,065	-	-	284
Cash and investments - ending	\$ -	\$ (29,796)	\$ (49,826)	\$ -	\$ 21,065	\$ -	\$ -	\$ 284

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, 2016

	Senator David Ford Technology	Title I	Title I 1003(a) Sch Impr 14-15	Title I 1003(a) School Impr 15-16	Even Start-Family Lit 2000-01	Title II-B	Title II, Part B- Math/Scienc 2005/07	Title II, Pt. B Math/Science 16
Cash and investments - beginning	\$ -	\$ -	\$ (34,195)	\$ -	\$ -	\$ (613,071)	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	4,126	71,725	2,631,020	-	1,161,938	130,770	72,372
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	4,126	71,725	2,631,020	-	1,161,938	130,770	72,372
Disbursements:								
Current:								
Instruction	-	-	-	2,416,223	-	409,077	-	-
Support services	-	4,301	37,531	274,900	-	36,191	130,771	80,373
Noninstructional services	-	-	-	456,716	-	103,599	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	4,301	37,531	3,147,839	-	548,867	130,771	80,373
Excess (deficiency) of receipts over disbursements	-	(175)	34,194	(516,819)	-	613,071	(1)	(8,001)
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	-	(175)	34,194	(516,819)	-	613,071	(1)	(8,001)
Cash and investments - ending	\$ -	\$ (175)	\$ (1)	\$ (516,819)	\$ -	\$ -	\$ (1)	\$ (8,001)

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, 2016

	Title II- B Ma/Sc Robotics 17	Ad Ed Work One 15-16 (State)	Ad Ed Work One 16-17	Ad Ed WorkOne 14-15	Tutorial Assistance	Part B IDEA Pass Thru FY2016	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	PL99-457 Preschool 13-14
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (227,592)	\$ 12,646	\$ -	\$ (454,098)	\$ -
Receipts:								
Local sources	-	-	-	-	5,588	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	303,655	-	262,082	-	2,718,678	454,098	10,148
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	303,655	-	262,082	5,588	2,718,678	454,098	10,148
Disbursements:								
Current:								
Instruction	-	410,826	-	34,489	6,820	3,002,158	-	10,148
Support services	-	-	-	-	-	98,936	-	-
Noninstructional services	-	6,961	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	417,787	-	34,489	6,820	3,101,094	-	10,148
Excess (deficiency) of receipts over disbursements	-	(114,132)	-	227,593	(1,232)	(382,416)	454,098	-
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	-	(114,132)	-	227,593	(1,232)	(382,416)	454,098	-
Cash and investments - ending	\$ -	\$ (114,132)	\$ -	\$ 1	\$ 11,414	\$ (382,416)	\$ -	\$ -

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, 2016

	PL99-457 Preschool 14-15	PL99-457 Preschool 15-16	PL99-457 Pr. 45717-013-PN01	Adult Basic Education	Career Incentive	Fed - Ad Basic Ed '14-'15	ECS Project Aware 14/16	Carl D Perkins 15-4700-2305
Cash and investments - beginning	\$ (16,225)	\$ -	\$ -	\$ -	\$ 318	\$ (2,429)	\$ -	\$ (61,853)
Receipts:								
Local sources	-	-	-	-	-	-	-	811
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	46,478	84,791	-	-	4,479	7,402	50,306	94,383
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	46,478	84,791	-	-	4,479	7,402	50,306	95,194
Disbursements:								
Current:								
Instruction	30,254	89,001	-	-	4,797	4,972	50,220	-
Support services	-	22,681	-	-	-	-	-	33,341
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	30,254	111,682	-	-	4,797	4,972	50,220	33,341
Excess (deficiency) of receipts over disbursements	16,224	(26,891)	-	-	(318)	2,430	86	61,853
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	16,224	(26,891)	-	-	(318)	2,430	86	61,853
Cash and investments - ending	\$ (1)	\$ (26,891)	\$ -	\$ -	\$ -	\$ 1	\$ 86	\$ -

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, 2016

	Carl D. Perkins- 15/16	Carl D. Perkins- 16/17	Medicaid Reimbursement - Federal	21st Century Learning Center	21st Century 16-17	Other Federal Programs	WorkIN TANF CFDA: 93.558	Title II, Pt A, Impr Tch 12-13
Cash and investments - beginning	\$ -	\$ -	\$ 352,046	\$ (9,923)	\$ -	\$ (67,645)	\$ -	\$ (71,018)
Receipts:								
Local sources	-	-	102,330	150	-	-	285	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	621,685	-	182,091	122,258	-	67,841	435,818	197,693
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	621,685	-	284,421	122,408	-	67,841	436,103	197,693
Disbursements:								
Current:								
Instruction	-	-	121,985	118,174	7,636	196	-	-
Support services	637,896	-	275,349	-	-	-	499,656	126,676
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	637,896	-	397,334	118,174	7,636	196	499,656	126,676
Excess (deficiency) of receipts over disbursements	(16,211)	-	(112,913)	4,234	(7,636)	67,645	(63,553)	71,017
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	(16,211)	-	(112,913)	4,234	(7,636)	67,645	(63,553)	71,017
Cash and investments - ending	\$ (16,211)	\$ -	\$ 239,133	\$ (5,689)	\$ (7,636)	\$ -	\$ (63,553)	\$ (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, 2016

	School to Work Opportunity Implementation	Improving Teacher Quality, No Child Left, Title II, Part A	6542 Title II Pt. A ImprTch 14-2305	Title III - English Proficiency Migrant	Payroll	Petty Cash	Food Service Change	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (26,664)	\$ 1,366,685	\$ -	\$ -	\$ 36,779,276
Receipts:								
Local sources	-	-	-	-	-	-	-	60,667,463
Intermediate sources	-	-	-	-	-	-	-	865
State sources	-	-	-	-	-	-	-	88,900,401
Federal sources	-	189,555	-	203,512	-	-	-	17,254,183
Interfund loans	-	-	-	-	-	-	-	11,092,400
Other	-	-	-	-	84,834,632	1,000	2,110	84,853,380
Total receipts	-	189,555	-	203,512	84,834,632	1,000	2,110	262,768,692
Disbursements:								
Current:								
Instruction	-	230,430	-	176,848	-	-	-	76,515,530
Support services	-	-	-	-	-	-	-	53,215,583
Noninstructional services	-	-	-	-	-	-	-	10,392,245
Facilities acquisition and construction	-	-	-	-	-	-	-	13,295,417
Debt service	-	-	-	-	-	-	-	12,277,800
Nonprogrammed charges	-	-	-	-	84,857,782	1,000	2,110	99,122,967
Interfund loans	-	-	-	-	-	-	-	11,092,400
Total disbursements	-	230,430	-	176,848	84,857,782	1,000	2,110	275,911,942
Excess (deficiency) of receipts over disbursements	-	(40,875)	-	26,664	(23,150)	-	-	(13,143,250)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	25,336
Transfers in	-	-	-	-	-	-	-	2,074,875
Transfers out	-	-	-	-	-	-	-	(2,074,876)
Total other financing sources (uses)	-	-	-	-	-	-	-	25,336
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(40,875)	-	26,664	(23,150)	-	-	(13,117,915)
Cash and investments - ending	\$ -	\$ (40,875)	\$ -	\$ -	\$ 1,343,535	\$ -	\$ -	\$ 23,661,361

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, 2017

	General	Referendum Tax Levy	Debt Service	Retirement/Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day
Cash and investments - beginning	\$ (1,297,975)	\$ 1,243,399	\$ 2,877,718	\$ 605,198	\$ 110,597	\$ 5,925,502	\$ 1,450,230	\$ 612,575	\$ 7,038,180
Receipts:									
Local sources	684,588	3,995,914	8,683,102	3,221,658	1,475,003	10,233,600	5,471,029	1,224,486	-
Intermediate sources	530	-	-	-	-	-	-	-	-
State sources	86,928,183	-	-	-	-	50,000	-	-	-
Federal sources	53,346	-	-	-	-	-	-	-	-
Interfund loans	1,241,000	412,000	1,354,813	1,354,813	-	1,820,000	-	991,000	-
Other	12,486	-	-	-	-	39	6,048	-	-
Total receipts	88,920,133	4,407,914	10,037,915	4,576,471	1,475,003	12,103,639	5,477,077	2,215,486	-
Disbursements:									
Current:									
Instruction	63,266,574	-	-	-	-	-	-	-	-
Support services	25,588,315	3,963,646	205,818	-	-	4,857,969	4,023,390	1,135,520	-
Noninstructional services	697,942	-	-	-	-	-	-	-	-
Facilities acquisition and construction	184	7,058	-	-	-	8,538,072	-	-	-
Debt service	-	-	9,448,515	2,987,931	1,380,500	-	-	-	-
Nonprogrammed charges	2,382	-	-	-	-	-	-	-	-
Interfund loans	1,241,000	412,000	1,354,813	1,354,813	-	1,820,000	-	991,000	-
Total disbursements	90,796,397	4,382,704	11,009,146	4,342,744	1,380,500	15,216,041	4,023,390	2,126,520	-
Excess (deficiency) of receipts over disbursements	(1,876,264)	25,210	(971,231)	233,727	94,503	(3,112,402)	1,453,687	88,966	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	1,031,260	-	-	-	-	-	3,919	-	-
Transfers out	(1,100,343)	(4,394)	-	-	-	-	-	-	-
Total other financing sources (uses)	(69,083)	(4,394)	-	-	-	-	3,919	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,945,347)	20,816	(971,231)	233,727	94,503	(3,112,402)	1,457,606	88,966	-
Cash and investments - ending	\$ (3,243,322)	\$ 1,264,215	\$ 1,906,487	\$ 838,925	\$ 205,100	\$ 2,813,100	\$ 2,907,836	\$ 701,541	\$ 7,038,180

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, 2017

	Retirement/Severance Bond	Post-Retirement/Severance Future Benefits	Construction	Construction 2014	Construction Fund- 2016	School Lunch	Textbook Rental	Self-Insurance
Cash and investments - beginning	\$ 1	\$ 857,755	\$ 89,290	\$ 676,863	\$ -	\$ 32	\$ 1,583,148	\$ 1,177,014
Receipts:								
Local sources	-	-	-	-	-	1,637,479	401,400	16,582,884
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	24,918	652,717	-
Federal sources	-	-	-	-	-	6,876,992	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	2,447	6,402	120
Total receipts	-	-	-	-	-	8,541,836	1,060,519	16,583,004
Disbursements:								
Current:								
Instruction	-	-	-	-	-	-	-	-
Support services	-	46,129	-	(277,701)	-	49,526	462,629	977,082
Noninstructional services	-	-	-	-	-	9,522,099	-	-
Facilities acquisition and construction	-	-	89,290	777,483	1,307,411	-	15,213	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	15,407,859
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	46,129	89,290	499,782	1,307,411	9,571,625	477,842	16,384,941
Excess (deficiency) of receipts over disbursements	-	(46,129)	(89,290)	(499,782)	(1,307,411)	(1,029,789)	582,677	198,063
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	1,994,058	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(339,227)	-	-	-	-	-	-
Total other financing sources (uses)	-	(339,227)	-	-	1,994,058	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(385,356)	(89,290)	(499,782)	686,647	(1,029,789)	582,677	198,063
Cash and investments - ending	\$ 1	\$ 472,399	\$ -	\$ 177,081	\$ 686,647	\$ (1,029,757)	\$ 2,165,825	\$ 1,375,077

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, 2017

	Levy Excess	Joint Services and Supply - Area Vocational School	Joint Services and Supply - Other	Educational License Plates	Alternative Education	SAFE School Haven	3512 Safe Haven Grant 15-SH-4082	3513 Safe Haven Grant 16-SH-5317
Cash and investments - beginning	\$ -	\$ 53,443	\$ (4,394)	\$ 1,950	\$ 108,821	\$ (1)	\$ (6,190)	\$ -
Receipts:								
Local sources	-	4,478,647	-	-	-	-	-	-
Intermediate sources	-	-	-	994	-	-	-	-
State sources	-	5,969	-	-	-	-	6,181	23,392
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	96	-	-	-	-	-	-
Total receipts	-	4,484,712	-	994	-	-	6,181	23,392
Disbursements:								
Current:								
Instruction	-	3,671,879	-	-	-	-	-	-
Support services	-	1,406,952	-	-	-	-	(10)	29,745
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	5,078,831	-	-	-	-	(10)	29,745
Excess (deficiency) of receipts over disbursements	-	(594,119)	-	994	-	-	6,191	(6,353)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	4,394	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	4,394	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(594,119)	4,394	994	-	-	6,191	(6,353)
Cash and investments - ending	\$ -	\$ (540,676)	\$ -	\$ 2,944	\$ 108,821	\$ (1)	\$ 1	\$ (6,353)

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, 2017

	Early Intervention Grant	Early Lit. Intervention- 2015	School Intervention and Career Counseling	Lilly Endowment Grant 2017	COACH	ECS 21st Century Supplemental	Instructional Support	Kiwanis - PEP Program (Stem)
Cash and investments - beginning	\$ -	\$ -	\$ 1	\$ -	\$ 21,307	\$ 71,368	\$ 173,088	\$ 776
Receipts:								
Local sources	-	-	-	49,960	6,100	-	225,576	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	200	-
Total receipts	-	-	-	49,960	6,100	-	225,776	-
Disbursements:								
Current:								
Instruction	-	-	-	-	5,587	2,772	148,730	766
Support services	-	-	-	28,058	-	-	10,047	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	28,058	5,587	2,772	158,777	766
Excess (deficiency) of receipts over disbursements	-	-	-	21,902	513	(2,772)	66,999	(766)
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	-	-	-	21,902	513	(2,772)	66,999	(766)
Cash and investments - ending	\$ -	\$ -	\$ 1	\$ 21,902	\$ 21,820	\$ 68,596	\$ 240,087	\$ 10

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, 2017

	Early/After School Child Care	2201 Unit Defined- Not in Use- No History	United Way Grants 13-14	United Way Reading Camp 15-16	United Way Reading Camp 16-17	Lowe's Toolbox For Education16	Target Field Trip Grant-2016	Extra Curricular Salary
Cash and investments - beginning	\$ 96,678	\$ -	\$ -	\$ 1,212	\$ -	\$ 2,936	\$ 191	\$ 3,037
Receipts:								
Local sources	-	-	-	-	3,600	-	700	69,406
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	4,075	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	424	-	-	-	-	-	-	277
Total receipts	424	4,075	-	-	3,600	-	700	69,683
Disbursements:								
Current:								
Instruction	-	4,075	-	1,213	1,853	1,227	874	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	8	-	-	-	-	-	-	67,511
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	8	4,075	-	1,213	1,853	1,227	874	67,511
Excess (deficiency) of receipts over disbursements	416	-	-	(1,213)	1,747	(1,227)	(174)	2,172
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	416	-	-	(1,213)	1,747	(1,227)	(174)	2,172
Cash and investments - ending	\$ 97,094	\$ -	\$ -	\$ (1)	\$ 1,747	\$ 1,709	\$ 17	\$ 5,209

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, 2017

	United Way - EACC Career Camp 2015	United Way Move2Stand 14-15	United Way Move2Stand 15-16	Un. Way Move2Stand 16-17	Un. Way Move2Stand 17-18	Elk. Cy. Comm Corrections 14-15	2492 Elkhart City Community Corrections	Indiana Youth Institute 14-15
Cash and investments - beginning	\$ -	\$ -	\$ 772	\$ 15,000	\$ -	\$ -	\$ 22,227	\$ -
Receipts:								
Local sources	-	-	-	-	12,000	-	60,342	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	12,000	-	60,342	-
Disbursements:								
Current:								
Instruction	-	-	772	14,999	-	-	61,954	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	772	14,999	-	-	61,954	-
Excess (deficiency) of receipts over disbursements	-	-	(772)	(14,999)	12,000	-	(1,612)	-
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	-	-	(772)	(14,999)	12,000	-	(1,612)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1	\$ 12,000	\$ -	\$ 20,615	\$ -

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, 2017

	Indiana Youth Institute 15-16	Ball State- Northeast IN AHEC	Headstart Supply	TCU Grant 13-14	WVPE	Earth Science Field Trip SS	US History Field Trip	Marine Biology Field Trip
Cash and investments - beginning	\$ 750	\$ -	\$ -	\$ 1	\$ 142,679	\$ 24,420	\$ 3,068	\$ 3,434
Receipts:								
Local sources	-	-	-	-	1,436,394	79,337	7,290	24,921
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	615	-	650	1,273
Total receipts	-	-	-	-	1,437,009	79,337	7,940	26,194
Disbursements:								
Current:								
Instruction	-	2,953	-	-	1,315,477	53,668	5,865	13,131
Support services	-	-	-	-	1,888	500	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	2,953	-	-	1,317,365	54,168	5,865	13,131
Excess (deficiency) of receipts over disbursements	-	(2,953)	-	-	119,644	25,169	2,075	13,063
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	-	(2,953)	-	-	119,644	25,169	2,075	13,063
Cash and investments - ending	\$ 750	\$ (2,953)	\$ -	\$ 1	\$ 262,323	\$ 49,589	\$ 5,143	\$ 16,497

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, 2017

	Intecare-PBIS	In/Out Fund	Computer Loan Advancement 2016	Formative Assessment	Special Education Excess Costs	Computer Consortium/Ed Tech Advance	State Tech Advancement 2016	Adult and Continuing Education
Cash and investments - beginning	\$ 215,991	\$ (235,097)	\$ -	\$ 125,721	\$ -	\$ -	\$ (726,038)	\$ -
Receipts:								
Local sources	232,747	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	1,283,000	166,362	-	1,620,190	-	-
Federal sources	-	-	-	-	-	-	-	6,473
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>232,747</u>	<u>-</u>	<u>1,283,000</u>	<u>166,362</u>	<u>-</u>	<u>1,620,190</u>	<u>-</u>	<u>6,473</u>
Disbursements:								
Current:								
Instruction	117,617	-	-	27,820	91,629	-	-	27,276
Support services	-	104,130	1,283,000	217,284	-	1,556,682	(726,038)	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>117,617</u>	<u>104,130</u>	<u>1,283,000</u>	<u>245,104</u>	<u>91,629</u>	<u>1,556,682</u>	<u>(726,038)</u>	<u>27,276</u>
Excess (deficiency) of receipts over disbursements	<u>115,130</u>	<u>(104,130)</u>	<u>-</u>	<u>(78,742)</u>	<u>(91,629)</u>	<u>63,508</u>	<u>726,038</u>	<u>(20,803)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	339,227	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>339,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>115,130</u>	<u>235,097</u>	<u>-</u>	<u>(78,742)</u>	<u>(91,629)</u>	<u>63,508</u>	<u>726,038</u>	<u>(20,803)</u>
Cash and investments - ending	<u>\$ 331,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,979</u>	<u>\$ (91,629)</u>	<u>\$ 63,508</u>	<u>\$ -</u>	<u>\$ (20,803)</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Medicaid Reimbursement	Secured Schools Safety Grant	Non-English Speaking 51114-053	Non-English Speaking '14-'15	Non-English Speaking 15/16	Non-English Speaking 16/17	School Technology	Excellence Performance
Cash and investments - beginning	\$ 83,438	\$ -	\$ -	\$ (1)	\$ 34,034	\$ -	\$ 123,717	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	103,674	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	113,052	-	-	-	-	401,849	6,308	208,779
Federal sources	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	113,052	-	-	-	-	401,849	109,982	208,779
Disbursements:								
Current:								
Instruction	-	-	-	-	34,034	390,714	-	205,417
Support services	132,716	-	-	-	-	-	318,913	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	132,716	-	-	-	34,034	390,714	318,913	205,417
Excess (deficiency) of receipts over disbursements	(19,664)	-	-	-	(34,034)	11,135	(208,931)	3,362
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	(19,664)	-	-	-	(34,034)	11,135	(208,931)	3,362
Cash and investments - ending	\$ 63,774	\$ -	\$ -	\$ (1)	\$ -	\$ 11,135	\$ (85,214)	\$ 3,362

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, 2017

	Technology Planning Grant	Innovation Planning Grant 15-16	21st Century Scholars	Miscellaneous Programs	High Ability 2015-2016	High Ability Comp Awa COGAT 16-17	High Ability 16-17	Soc. Sv. - Tap Pr. 2091 A2965 98-99
Cash and investments - beginning	\$ -	\$ (29,796)	\$ (49,826)	\$ -	\$ 21,065	\$ -	\$ -	\$ 284
Receipts:								
Local sources	-	-	-	-	-	-	-	71,325
Intermediate sources	-	-	-	-	-	-	-	-
State sources	39,490	29,856	-	-	-	18,714	81,182	6,828
Federal sources	-	-	-	-	-	-	-	26,146
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>39,490</u>	<u>29,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,714</u>	<u>81,182</u>	<u>104,299</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	21,065	18,714	57,266	7,088
Support services	-	60	10,338	-	-	-	1,200	-
Noninstructional services	-	-	-	-	-	-	-	190,396
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>60</u>	<u>10,338</u>	<u>-</u>	<u>21,065</u>	<u>18,714</u>	<u>58,466</u>	<u>197,484</u>
Excess (deficiency) of receipts over disbursements	<u>39,490</u>	<u>29,796</u>	<u>(10,338)</u>	<u>-</u>	<u>(21,065)</u>	<u>-</u>	<u>22,716</u>	<u>(93,185)</u>
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	60,164	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>60,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>39,490</u>	<u>29,796</u>	<u>49,826</u>	<u>-</u>	<u>(21,065)</u>	<u>-</u>	<u>22,716</u>	<u>(93,185)</u>
Cash and investments - ending	<u>\$ 39,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,716</u>	<u>\$ (92,901)</u>

ELKHART COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Senator David Ford Technology	Title I	Title I 1003(a) Sch Impr 14-15	Title I 1003(a) School Impr 15-16	Even Start-Family Lit 2000-01	Title II-B	Title II, Part B- Math/Science 2005/07	Title II, Pt. B Math/Science 16
Cash and investments - beginning	\$ -	\$ (175)	\$ (1)	\$ (516,819)	\$ -	\$ -	\$ (1)	\$ (8,001)
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	2,027	135,791	1,166,436	2,483,113	-	-	117,004
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	2,027	135,791	1,166,436	2,483,113	-	-	117,004
Disbursements:								
Current:								
Instruction	-	1,614	24,210	411,389	2,270,348	-	-	-
Support services	43,072	237	171,033	42,929	231,691	-	-	109,003
Noninstructional services	-	-	-	23,698	405,715	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	171,607	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	43,072	1,851	195,243	649,623	2,907,754	-	-	109,003
Excess (deficiency) of receipts over disbursements	(43,072)	176	(59,452)	516,813	(424,641)	-	-	8,001
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	(43,072)	176	(59,452)	516,813	(424,641)	-	-	8,001
Cash and investments - ending	\$ (43,072)	\$ 1	\$ (59,453)	\$ (6)	\$ (424,641)	\$ -	\$ (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, 2017

	Title II- B Ma/Sc Robotics 17	Ad Ed Work One 15-16 (State)	Ad Ed Work One 16-17	Ad Ed WorkOne 14-15	Tutorial Assistance	Part B IDEA Pass Thru FY2016	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	PL99-457 Preschool 13-14
Cash and investments - beginning	\$ -	\$ (114,132)	\$ -	\$ 1	\$ 11,414	\$ (382,416)	\$ -	\$ -
Receipts:								
Local sources	-	-	181	-	360	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	18,047	290,640	-	-	-	-	-
Federal sources	177,907	188,218	34,998	-	-	2,446,516	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	177,907	206,265	325,819	-	360	2,446,516	-	-
Disbursements:								
Current:								
Instruction	-	89,745	403,481	-	-	2,393,257	-	-
Support services	177,907	-	-	-	-	-	-	-
Noninstructional services	-	2,386	10,045	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	177,907	92,131	413,526	-	-	2,393,257	-	-
Excess (deficiency) of receipts over disbursements	-	114,134	(87,707)	-	360	53,259	-	-
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	-	114,134	(87,707)	-	360	53,259	-	-
Cash and investments - ending	\$ -	\$ 2	\$ (87,707)	\$ 1	\$ 11,774	\$ (329,157)	\$ -	\$ -

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, 2017

	PL99-457 Preschool 14-15	PL99-457 Preschool 15-16	PL99-457 Pr. 45717-013-PN01	Adult Basic Education	Career Incentive	Fed - Ad Basic Ed '14-'15	ECS Project Aware 14/16	Carl D Perkins 15-4700-2305
Cash and investments - beginning	\$ (1)	\$ (26,891)	\$ -	\$ -	\$ -	\$ 1	\$ 86	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	26,891	98,319	29,534	-	-	12,344	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	26,891	98,319	29,534	-	-	12,344	-
Disbursements:								
Current:								
Instruction	-	-	71,025	28,867	-	-	12,431	-
Support services	-	-	29,548	-	-	-	-	-
Noninstructional services	-	-	15,704	667	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	-	116,277	29,534	-	-	12,431	-
Excess (deficiency) of receipts over disbursements	-	26,891	(17,958)	-	-	-	(87)	-
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	-	26,891	(17,958)	-	-	-	(87)	-
Cash and investments - ending	\$ (1)	\$ -	\$ (17,958)	\$ -	\$ -	\$ 1	\$ (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, 2017

	Carl D. Perkins- 15/16	Carl D. Perkins- 16/17	Medicaid Reimbursement - Federal	21st Century Learning Center	21st Century 16-17	Other Federal Programs	WorkIN TANF CFDA: 93.558	Title II, Pt A, Impr 12-13
Cash and investments - beginning	\$ (16,211)	\$ -	\$ 239,133	\$ (5,689)	\$ (7,636)	\$ -	\$ (63,553)	\$ (1)
Receipts:								
Local sources	-	-	108,439	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	11,204	-	-	-	-	-
Federal sources	39,202	634,084	185,684	7,642	150,528	-	110,082	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	39,202	634,084	305,327	7,642	150,528	-	110,082	-
Disbursements:								
Current:								
Instruction	-	-	120,601	20,244	191,186	-	-	-
Support services	22,991	659,792	114,318	-	-	-	46,530	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	22,991	659,792	234,919	20,244	191,186	-	46,530	-
Excess (deficiency) of receipts over disbursements	16,211	(25,708)	70,408	(12,602)	(40,658)	-	63,552	-
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	16,211	(25,708)	70,408	(12,602)	(40,658)	-	63,552	-
Cash and investments - ending	\$ -	\$ (25,708)	\$ 309,541	\$ (18,291)	\$ (48,294)	\$ -	\$ (1)	\$ (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, 2017

School to Work Opportunity Implementation	Improving Teacher Quality, No Child Left, Title II, Part A	6542 Title II Pt. A ImprTch 14-2305	Title III - English Proficiency Migrant	Payroll	Petty Cash	Food Service Change	Totals
Cash and investments - beginning	\$ -	\$ (40,875)	\$ -	\$ -	\$ 1,343,535	\$ -	\$ 23,661,361
Receipts:							
Local sources	-	-	-	-	-	-	60,582,142
Intermediate sources	-	-	-	-	-	-	1,524
State sources	-	-	-	-	-	-	91,986,861
Federal sources	576	270,603	551,951	150,642	-	-	15,987,124
Interfund loans	-	-	-	-	-	-	7,173,626
Other	-	-	-	-	85,159,708	500	2,010
	-	-	-	-	-	-	85,193,295
Total receipts	576	270,603	551,951	150,642	85,159,708	500	2,010
Disbursements:							
Current:							
Instruction	-	140,280	152	180,899	-	-	75,932,738
Support services	1,498	210,495	534,558	-	-	-	47,803,390
Noninstructional services	-	-	-	-	-	-	10,936,171
Facilities acquisition and construction	-	-	-	-	-	-	10,734,711
Debt service	-	-	-	-	-	-	13,816,946
Nonprogrammed charges	-	-	-	-	85,304,981	-	100,886,829
Interfund loans	-	-	-	-	-	-	7,173,626
Total disbursements	1,498	350,775	534,710	180,899	85,304,981	-	267,284,411
Excess (deficiency) of receipts over disbursements	(922)	(80,172)	17,241	(30,257)	(145,273)	500	2,010
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	1,994,058
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,438,964
Transfers out	-	-	-	-	-	-	(1,443,964)
Total other financing sources (uses)	-	-	-	-	-	-	1,989,058
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(922)	(80,172)	17,241	(30,257)	(145,273)	500	2,010
Cash and investments - ending	\$ (922)	\$ (121,047)	\$ 17,241	\$ (30,257)	\$ 1,198,262	\$ 500	\$ 19,290,580

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Elkhart Community School Building Corporation	To finance the cost of building improvements at the Elkhart Area Career Center	\$ 1,117,000	3/13/2001	6/26/2020
Elkhart Community School Building Corporation	To finance the cost of building improvements at Beck School	1,214,500	1/16/2002	6/30/2021
Elkhart Community School Building Corporation	To finance the cost of building improvements at Hawthorne and Daly Schools	904,000	2/19/2003	6/30/2022
Elkhart Community School Building Corporation	To finance the cost of building improvements at Roosevelt School	1,262,000	10/15/2004	6/30/2024
Elkhart Community School Building Corporation	To finance the cost of building improvements at Riverview School	434,000	6/12/2006	12/26/2025
Elkhart Community School Building Corporation	To finance the cost of building improvements at Pinewood School	644,000	12/29/2006	12/26/2026
Elkhart Community School Building Corporation	To finance the cost of building improvements at various school locations (under the same lease already in place for high school improvements)	319,000	2/24/1998	8/31/2018
Elkhart Community School Building Corporation	To finance the cost of building improvements at various school locations (under the same lease already in place for high school improvements)	365,000	2/24/1998	8/31/2018
Elkhart Community School Building Corporation	To finance the cost of building improvements at various school locations (under the same lease already in place for high school improvements)	314,000	2/24/1998	8/31/2018
Elkhart Community School Building Corporation	To finance the cost of building improvements at Beardsley	62,000	6/26/2017	12/31/2035
Elkhart Community School Building Corporation	To finance the cost of improvements at various school locations as authorized under a referendum approved in May 2014 (bonds sold in December 2014)	691,500	8/26/2014	12/31/2033
Elkhart Community School Building Corporation	To finance the cost of improvements at various school locations as authorized under a referendum approved in May 2014 (bonds sold in January 2015)	<u>687,500</u>	8/26/2014	12/31/2033
Total governmental activities		<u>8,014,500</u>		
Total of annual lease payments		<u>\$ 8,014,500</u>		

-50-

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	To fund the buyout of retirement benefits for certified and administrative staff.		\$ 26,360,000	\$ 3,003,384
Notes and loans payable	Common School Fund Loan to finance technology purchases		362,940	38,263
Notes and loans payable	Common School Fund loan to finance technology purchases (CSF 1536)		117,076	117,661
Notes and loans payable	Common School Fund loan to finance technology purchases (CSF 1567)		26,270	26,401
Notes and loans payable	Common School Fund loan to finance technology purchases (CSF 1595)		234,143	235,899
Notes and loans payable	Common School Fund loan to finance technology purchases (CSF 1614)		345,785	233,405
Notes and loans payable	Common School Fund loan to finance technology purchases (CSF 1660)		74,480	50,274
Notes and loans payable	Common School Fund Loan to finance technology purchases (CSF 1760)		130,817	53,504
Notes and loans payable	Common School Fund Loan to finance technology purchases (CSF 1969)		327,600	75,894
Notes and loans payable	Common School Fund Loan to finance technology purchases (CSF 2846)		1,283,000	140,236
Notes and loans payable	Common School Fund Loan to finance technology purchases (CSF 2904)		<u>1,257,250</u>	<u>134,233</u>
Total governmental activities			<u>30,519,361</u>	<u>4,109,154</u>
Totals			<u>\$ 30,519,361</u>	<u>\$ 4,109,154</u>

ELKHART COMMUNITY SCHOOLS
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2017

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	\$ 230,174
Buildings	559,487,494
Machinery, equipment, and vehicles	<u>23,532,393</u>
Total governmental activities	<u>583,250,061</u>
WVPE:	
Machinery, equipment, and vehicles	<u>545,987</u>
Total WVPE	<u>545,987</u>
Total capital assets	<u>\$ 583,796,048</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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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 *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

Opinion on Each Major Federal Program

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 major federal programs for the period of July 1, 2015 to June 30, 2017.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-005, 2017-007, and 2017-010. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-003, 2017-004, 2017-005, 2017-006, 2017-007, 2017-008, 2017-009, and 2017-010, that we consider to be material weaknesses.

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

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

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

October 31, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

ELKHART COMMUNITY SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2016 and 2017

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	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY2016 FY2017	\$ - -	\$ 1,800,355 -	\$ - -	\$ - 1,512,193
Total - School Breakfast Program				-	1,800,355	-	1,512,193
National School Lunch Program	Indiana Department of Education	10.555	FY2016 FY2017	- -	4,838,253 -	- -	- 4,975,194
Commodities				-	438,393	-	543,309
Total - National School Lunch Program				-	5,276,646	-	5,518,503
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY2016 FY2017	- -	108,223 -	- -	- 130,223
Total - Summer Food Service Program for Children				-	108,223	-	130,223
Total - Child Nutrition Cluster				-	7,185,224	-	7,160,919
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY2016 FY2017	- -	102,622 -	- -	- 139,380
Total - Child and Adult Care Food Program				-	102,622	-	139,380
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582	FY2016 FY2017	- -	180,659 -	- -	- 120,002
Total - Fresh Fruit and Vegetable Program				-	180,659	-	120,002
Total - Department of Agriculture				-	7,468,505	-	7,420,301
Department of Labor							
WIOA Cluster							
WIOA Dislocated Worker Formula Grants Workforce Innovation and Opportunity Act (WIOA) of 2014	Indiana Department of Workforce Development	17.278	AA-28315-16-55-A-18	-	-	-	576
Total - WIOA Cluster				-	-	-	576
Total - Department of Labor				-	-	-	576
Department of Education							
Special Education Cluster (IDEA)							
Special Education - Grants to States	Indiana Department of Education	84.027	14215-015-PN01 14216-013-PN01 14217-013-PN01 99914-015-TA01	- - - -	454,098 2,718,678 - 4,479	- - - -	- 382,417 2,064,099 -
Total - Special Education - Grants to States				-	3,177,255	-	2,446,516
Special Education - Preschool Grants		84.173	45714-015-PN01 45715-015-PN01 45716-013-PN01 45717-013-PN01	- - - -	10,148 46,478 84,791 -	- - - -	- - 26,891 98,319
Total - Special Education - Preschool Grants				-	141,417	-	125,210
Total - Special Education Cluster (IDEA)				-	3,318,672	-	2,571,726
Adult Education - Basic Grants to States	Indiana Department of Education	84.002	C1-4-ELC-3-121 C1-5-AE-4-121 C1-6-AE-4-121 ELC6121	- - - -	61,121 7,402 - -	- - - -	4,075 - 29,534 6,473
Total - Adult Education - Basic Grants to States				-	68,523	-	40,082

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

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	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	15-2305	-	1,161,938	-	-
			15-2305 School Improvement	-	71,725	-	-
			16-2305	-	2,631,020	-	1,166,436
			16-2305 School Improvement	-	4,126	-	2,026
			17-2305	-	-	-	2,483,113
Total - Title I Grants to Local Educational Agencies				-	3,868,809	-	3,651,575
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048	2014-15 14-4700-2305	-	94,383	-	-
			2015-16 16-4700-2305	-	621,685	-	39,202
			2016-17 17-4700-2305	-	-	-	634,084
Total - Career and Technical Education - Basic Grants to States				-	716,068	-	673,286
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287	14-15	-	67,841	-	-
			15-16	-	122,258	-	7,642
			16-17	-	-	-	150,528
Total - Twenty-First Century Community Learning Centers				-	190,099	-	158,170
English Language Acquisition State Grants	Indiana Department of Education	84.365	01115-022-PN01	-	203,512	-	-
			01115-022-PN01	-	189,555	-	181,156
			01116-022-PN01	-	-	-	5,674
			01117-021-PN01	-	-	-	144,968
Total - English Language Acquisition State Grants				-	393,067	-	331,798
Mathematics and Science Partnerships	Indiana Department of Education	84.366	FY 15	-	130,770	-	-
			FY 16	-	72,372	-	117,004
			FY17	-	-	-	177,907
Total - Mathematics and Science Partnerships				-	203,142	-	294,911
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367	FY 2013	-	197,693	-	-
			FY 2014	-	435,818	-	110,082
			FY 2015	-	-	-	551,951
			FY2016	-	-	-	89,448
Total - Supporting Effective Instruction State Grants				-	633,511	-	751,481
School Improvement Grants		84.377	17-2305 School Improvement	-	-	-	135,791
Total - Department of Education				-	9,391,891	-	8,608,820
Department of Health and Human Services							
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	Indiana Department of Education	93.079	NA	-	-	-	500
Substance Abuse and Mental Health Services Projects of Regional and National Significance	Indiana Department of Education	93.243	H79 SM031844-01	-	50,305	-	12,344
Total - Department of Health and Human Services				-	50,305	-	12,844
Total federal awards expended				\$	\$ 16,910,701	\$	\$ 16,042,541

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 (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.048	Career and Technical Education - Basic Grants to States	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$988,597

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2017-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2015-001 related to cash and investments from the immediately prior audit.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

There were several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

Payroll Disbursements

The School Corporation did not have a proper system of oversight and review to ensure that employees were paid from the correct fund or account.

Vendor Disbursements

The School Corporation did not have a proper system of oversight and review to ensure that all accounts payable vouchers were reviewed and approved.

Cash and Investments

For two of the three bank reconcilements, there was no evidence to indicate that the bank reconcilements were being reviewed.

Context

The lack of controls was a systemic problem throughout the audit period.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

Management of the School Corporation had not established a proper system of internal control.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish controls could have enabled misstatements or irregularities to remain undetected.

Recommendation

We recommended that the School Corporation establish a system of internal controls related to financial transactions and reporting.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat of Finding 2015-002 from the immediately prior audit.

Condition

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 federal expenditures reported on the SEFA contained the following material errors:

1. The Child Nutrition Cluster expenditures were overstated for the fiscal years ended June 30, 2016 and 2017, by \$434,759 and \$489,223, respectively.
2. Amounts passed through to subrecipients were overstated for the fiscal years ended June 30, 2016 and 2017, by \$123,710 and \$400,586, respectively.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 financial statements. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the School Corporation's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-003

Subject: Title I Grants to Local Educational Agencies, Career and Technical Education - Basic Grants to States, Special Education Cluster (IDEA) - Internal Control

Federal Agencies: Department of Agriculture, Department of Education

Federal Programs: Title I Grants to Local Educational Agencies, Career and Technical Education - Basic Grants to States, Special Education - Grants to States, Special Education - Preschool Grants

CFDA Numbers: 84.010, 84.027, 84.048, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 15-2305, 16-2305, 17-2305, 2014-15 14-4700-2305, 2015-16 16-4700-2305, 2016-17 17-4700-2305, 14215-015-PN01, 14216-013-PN01, 14217-013-PN01, 99914-015-TA01, 45714-015-PN01, 45715-015-PN01, 45716-013-PN01, 45717-013-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance

Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance compliance requirements.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation did not have a proper system of oversight and review to ensure employees were paid from the correct fund or account and that the expense was charged within the period of performance.

Context

The lack of controls was a systemic issue throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed 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 have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2017-004

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers: FY2016, FY2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles,
Cash Management, Eligibility, Procurement and Suspension and
Debarment, Period of Performance, Reporting, Special Tests
and Provisions - School Food Accounts

Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the requirements listed above.

Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Procurement

The School Corporation did not have a proper system of oversight and review to ensure all accounts payable vouchers were reviewed and approved by the Food Service Director.

Cash Management, Special Tests and Provisions - School Food Accounts

The Bookkeeper performed the monthly bank reconciliations, which the Food Service Director reviewed and approved. During the monthly bank reconciliation process, the Bookkeeper and the Food Service Director indicated they checked the balance of the School Lunch fund to ensure that the balance did not exceed three months average expenditures. The Food Service Director's involvement in the process was not documented.

Eligibility

The School Corporation used a food service software which automatically made the eligibility determinations dependent upon the information entered into the software, by applicants or school personnel. The School Corporation did not have a proper system of oversight or review documented to ensure that the federal income guidelines entered into the software program were accurate. These guidelines were entered into the Meals Plus system by the Food Service Director and the Food Service Secretary (Secretary) reviewed to ensure the guidelines were input correctly. However, there was no documentation of this review. Additionally, while the Food Service Director randomly selected applications that were entered into Meals Plus by either the Secretary or Food Service Bookkeeper to verify that the information was input correctly, there was no evidence of this review.

Period of Performance

The School Corporation did not have a proper system of oversight and review to ensure that expenses were only for costs incurred within the period of performance.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Reporting - Verification Summary Report

The Verification Summary Report was compiled by the Secretary, and reviewed and submitted by the Food Service Director. There was no evidence of the Secretary's involvement in the process.

Context

The lack of controls were systemic issues throughout the audit period.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed 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 have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

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

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-005

Subject: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers: FY2016, FY2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat of Finding 2015-003 from the immediately prior audit.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the suspension and debarment requirements.

The Bid and Commodities Coordinator checked vendors for suspension and debarment status on the System for Award Management (SAM) website and printed off the results for retention. However, there was not a review to ensure a SAM search was completed for each vendor. SAM search results were not retained for every vendor.

Context

The lack of controls was a systemic issue throughout the audit period. Searches for two of the three vendors tested were not retained.

Criteria

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish effective internal controls enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the suspension and debarment requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-006

Subject: Special Education Cluster (IDEA) - Internal Controls

Federal Agency: Department of Education

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

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14215-015-PN01, 14216-013-PN01,
14217-013-PN01, 45714-015-PN01,
45715-015-PN01, 45716-013-PN01,
45717-013-PN01, 99914-015-TA01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Reporting

Audit Finding: Material Weakness

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting compliance requirements.

Activities Allowed or Unallowed, Allowable Costs/Cost Principles

The School Corporation did not have a proper system of oversight and review to ensure that all accounts payable vouchers were reviewed and approved by personnel knowledgeable about the grant.

Reporting

The Final Expenditure Reports were both completed and submitted by the Grant Director with no review from other personnel knowledgeable about the grant.

Context

The lack of controls was a systemic issue throughout the audit period.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed 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 have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-007

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 15-2305, 16-2305, 17-2305
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat of Finding 2015-005 from the immediately prior audit.

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation had not established internal controls to ensure that written documentation was retained which supported the student's removal from the high school cohort graduation rate for mobility reasons. The supporting documentation provided for 9 of the 40 students requested did not accurately support the reason as to why the student was no longer enrolled in the School Corporation.

Context

The lack of controls and noncompliance were systemic issues throughout the audit.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

34 CFR 200.19(b) states in part:

"*High schools*—

(1) *Graduation rate.* Consistent with paragraphs (b)(4) and (b)(5) of this section regarding reporting and determining AYP, respectively, each State must calculate a graduation rate, defined as follows, for all public high schools in the State:

(i)(A) A State must calculate a 'four-year adjusted cohort graduation rate,' defined as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class. . . .

(ii) The term 'adjusted cohort' means the students who enter grade 9 (or the earliest high school grade) and any students who transfer into the cohort in grades 9 through 12 minus any students removed from the cohort.

(A) The term 'students who transfer into the cohort' means the students who enroll after the beginning of the entering cohort's first year in high school, up to and including in grade 12.

(B) To remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, emigrated to another country, or is deceased.

(1) To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. . . .

(2) *Transitional graduation rate.*

(i) Prior to the deadline in paragraph (b)(4)(ii)(A) of this section, a State must calculate graduation rate as defined in paragraph (b)(1) of this section or use, on a transitional basis—

(A) A graduation rate that measures the percentage of students from the beginning of high school who graduate with a regular high school diploma in the standard number or years; or . . .

(ii) For a transitional graduation rate calculated under paragraph (b)(2)(i) of this section—

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (A) 'Regular high school diploma' has the same meaning as in paragraph (b)(1)(iv) of this section;
- (B) 'Standard number of years' means four years unless a high school begins after ninth grade, in which case the standard number of years is the number of grades in the school; and
- (C) A dropout may not be counted as a transfer. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-008

Subject: Title I Grants to Local Educational Agencies - Internal Controls

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 15-2305, 16-2305, 17-2305, 16-2305
School Improvement

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Period of Performance, Reporting, Special Tests and Provisions - Schoolwide Programs

Audit Finding: Material Weakness

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the compliance requirements listed above.

Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance

The School Corporation designed a system of oversight and review to ensure that all accounts payable vouchers and adjustments were reviewed and approved by the Director of Federal Programming. However, that control had not been fully implemented or documented as the sample tested revealed several items for which there was no evidence of the review.

Cash Management and Reporting

The School Corporation had not established an effective internal control system to ensure that grant expenditures for supplies were paid before they were included on a reimbursement request and that the reimbursement requests were complete and accurate prior to submission. The School Corporation had supporting documentation attached to the reimbursement requests, but this documentation did not always agree to the amounts that were requested. The completeness and accuracy of the reimbursement requests could not be determined since not all expenditures included on the reimbursement requests were properly documented. However, the expenditures for supplies were not material to the grant, so we determined that the inaccuracies did not constitute material noncompliance.

Special Tests and Provisions - Schoolwide Programs

The principal at each school submitted a schoolwide improvement plan every year. The School Corporation did not have a proper system of oversight or review documented to ensure the accuracy of the plans.

Context

The lack of controls was a systemic problem throughout the audit period.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could have resulted in the loss of funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Period of Performance, Reporting, and Special Tests and Provisions - Schoolwide Programs compliance requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-009

Subject: Career and Technical Education - Basic Grants to States - Internal Controls

Federal Agency: Department of Education

Federal Program: Career and Technical Education - Basic Grants to States

CFDA Number: 84.048

Federal Award Numbers and Years (or Other Identifying Numbers): 2014-15 14-4700-2305,
2015-16 16-4700-2305,
2016-17 17-4700-2305

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/
Cost Principles, Period of Performance

Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2015-004 related to Period of Performance from the immediately prior audit.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance compliance requirements.

The School Corporation had not designed or implemented adequate internal controls to ensure that vendor disbursements were for allowable activities and allowable costs and for only those expenses which were incurred within the period of performance. The lack of controls allowed stipends to be paid to employees without authorization or supporting documentation. Also, payments were approved for goods and services that were not obligated during the period of performance. However, we determined that these payments did not constitute material noncompliance.

Context

The lack of controls was a systemic issue throughout the audit period.

Criteria

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed 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 have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-010

Subject: Career and Technical Education - Basic Grants to States - Procurement

Federal Agency: Department of Education

Federal Program: Career and Technical Education - Basic Grants to States

CFDA Number: 84.048

Federal Award Numbers and Years (or Other Identifying Numbers): 2014-15 14-4700-2305,
2015-16 16-4700-2305,
2016-17 17-4700-2305

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the procurement requirements.

The School Corporation had not established internal controls to ensure that the purchasing method used complied with 2 CFR 200.320.

The School Corporation did not comply with the procurement requirements. The School Corporation did not obtain price or rate quotes from an adequate number of sources for purchases of goods or services exceeding \$3,500, which fell under the small purchase procedures. Quotes were not obtained for four small purchase transactions with four separate vendors tested, which totaled \$57,968.

Context

The lack of controls and the noncompliance were systemic issues throughout the audit period.

Criteria

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. . . ."

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.319(a) states in part:

"All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. . . ."

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish effective internal controls enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

ELKHART COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the procurement requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

AUDITEE-PREPARED DOCUMENTS

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



BUSINESS OFFICE

PHONE: 574-262-5563



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001- Internal Controls Over Financial Transactions and Reporting

Fiscal year in which the finding initially occurred: 2013-15 Audit

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE

Contact Person Responsible for Corrective Action: Kevin Scott & Cheryl Waggoner

Contact Phone Number: (574) 262-5719

Status of Audit Finding:

Lack of Segregation of Duties-Payroll

Wages and salaries entered into the district's Payroll Software utilizing a dual confirmation process of verifying accurate wages has been implemented. The Human Resource Department and Payroll Secretary enter wages in their respective access in the Payroll Software, and if wages do not agree, payroll cannot be finalized until the issue is addressed and rectified.

Cash Reconciliation Process

The district's bank reconciliations are prepared by the Deputy Treasurer and reviewed by the Chief Financial Officer. Procedures to enhance internal controls are continually reviewed to ensure accurate reporting and to mitigate against potential loss.

Delayed completion of the 2013-2015 audit by the State Board of Accounts, coupled with internal administration changes has created a challenge incorporating revised procedures into practice. The 2013-15 audit was completed on July 13, 2017, which was after the start of the subsequent 2015-2017 audit period. As a result, changes to operational procedures were unable to be implemented during the 2015-2017 audit period and were further delayed by staff changes in several key positions. The intent of Elkhart Schools as of this writing is to revisit and assure all corrective actions are in place and operating as expected no later than December 31, 2018.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-002- Preparation of the Schedule of Expenditures of Federal Awards

Fiscal year in which the finding initially occurred: 2013-15 Audit

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE

Contact Person Responsible for Corrective Action: Deb Shoup, Valerie Gillespie

Contact Phone Number: (574) 262-5537

Status of Audit Finding:

As of April 2017, the Schedule of Expenditures of Federal Awards (SEFA) is prepared by the Supervisor of Accounting, Audits, and Investments, and reviewed by the Chief Financial Officer. Resources such as the System for Awards Management (www.sam.gov), and other grant documentation are referenced to ensure accurate reporting of the Catalog of Federal Domestic Assistance (CFDA) numbers referenced. Procedures to enhance internal controls are continually reviewed to ensure accuracy of the SEFA.

Delayed completion of the 2013-2015 audit by the State Board of Accounts, coupled with internal administration changes has created a challenge incorporating revised procedures into practice. The 2013-15 audit was completed on July 13, 2017, which was after the start of the subsequent 2015-2017 audit period. As a result, changes to operational procedures were unable to be implemented during the 2015-2017 audit period and were further delayed by staff changes in several key positions. The intent of Elkhart Schools as of this writing is to revisit and assure all corrective actions are in place and operating as expected no later than December 31, 2018.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-003- Suspension and Debarment

Fiscal year in which the finding initially occurred: 2013-15 Audit
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Pam Melcher
Contact Phone Number: (574) 262-5523

Status of Audit Finding:

The Quality Coordinator and Commodity & Bid Coordinator have been tasked with ensuring all vendors who provide goods and services to the Food Service Department of the district are not suspended or debarred. Procedures to enhance internal controls are continually reviewed to prevent non-authorized vendors from providing goods or services to the district.

Delayed completion of the 2013-2015 audit by the State Board of Accounts, coupled with internal administration changes has created a challenge incorporating revised procedures into practice. The 2013-15 audit was completed on July 13, 2017, which was after the start of the subsequent 2015-2017 audit period. As a result, changes to operational procedures were unable to be implemented during the 2015-2017 audit period and were further delayed by staff changes in several key positions. The intent of Elkhart Schools as of this writing is to revisit and assure all corrective actions are in place and operating as expected no later than December 31, 2018.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-004- Period of Availability

Fiscal year in which the finding initially occurred:2013-15 Audit

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE

Contact Person Responsible for Corrective Action: David Benak, Dr. William Kovach

Contact Phone Number: (574) 262-5670

Status of Audit Finding:

Tracking is maintained through both internal and external measures. Through collaboration with administration of the Elkhart Area Career Center and the Business Office, internal controls are continually addressed to identify and capture opportunities to ensure compliance. An example includes increased conversation and tracking at the end of grant periods to ensure that only approved salaries, wages, and other grant expenditures are paid before the deadline. Procedures to enhance internal controls are continually reviewed to ensure accurate reporting of expenditures incurred.

Delayed completion of the 2013-2015 audit by the State Board of Accounts, coupled with internal administration changes has created a challenge incorporating revised procedures into practice. The 2013-15 audit was completed on July 13, 2017, which was after the start of the subsequent 2015-2017 audit period. As a result, changes to operational procedures were unable to be implemented during the 2015-2017 audit period and were further delayed by staff changes in several key positions. The intent of Elkhart Schools as of this writing is to revisit and assure all corrective actions are in place and operating as expected no later than December 31, 2018.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-005- Special Tests and Provisions

Fiscal year in which the finding initially occurred: 203-15 Audit
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Tony England
Contact Phone Number: (574) 262-5540

Status of Audit Finding:

The Withdrawal or Transfer to Home School form has been added to the list of permanent documents maintained by Student Services. Forms are signed by the administrator or a designee, maintained in the file of the respective student, and maintained confidentially. Procedures to enhance internal controls are continually reviewed to ensure policies of retaining documents are followed accurately.

Delayed completion of the 2013-2015 audit by the State Board of Accounts, coupled with internal administration changes has created a challenge incorporating revised procedures into practice. The 2013-15 audit was completed on July 13, 2017, which was after the start of the subsequent 2015-2017 audit period. As a result, changes to operational procedures were unable to be implemented during the 2015-2017 audit period and were further delayed by staff changes in several key positions. The intent of Elkhart Schools as of this writing is to revisit and assure all corrective actions are in place and operating as expected no later than December 31, 2018.



BUSINESS OFFICE

ELKHART
COMMUNITY SCHOOLS

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Valerie Gillespie

Contact Phone Number: (574)262-5537

Compliance Requirements: Financial Transactions and Reporting

Internal control deficiencies resulted in authorization gaps of proper oversight processes.

We agree with this finding.

During the audit period, concise practices to prevent unauthorized approval of vendors were not in place. The same was also true for employees paid by the district as Payroll Distribution reports did not have documented proof that thorough review and approval by administration was completed. Lastly, bank reconcilements were also lacking in documented review and approval on a consistent basis.

To rectify these issues, an opportunity has been identified to review internal control practices with program administrators. Approval of the Payroll Distribution report has been incorporated into routine grant reimbursement requests which are prepared by the Supervisor of Accounting, Audits, and Investments and authorized by the respective grant administrator. Internal control policies are being enhanced to prevent unauthorized payments to vendors. Bank statement reconciliation review and authorization processes have been enhanced to ensure accuracy and meet internal control requirements. The Controller reconciles both the Corporation and Food Service accounts, and the Chief Financial Officer then reviews and approves once accuracy is confirmed. The Textbook Rental account is reconciled by the Staff Accountant. The Controller then reviews and approves once accuracy is confirmed.

In conjunction with these changes to operations, routine reviews to ensure compliance are completed by the Supervisor of Accounting, Audits, and Investments with the intent to prevent the exceptions from occurring in the future.

Anticipated Completion Date: February 2019

Valerie Gillespie
Name of Responsible Official

Supervisor of Accounting, Audits, & Investments
Title

10/31/2018
Date



BUSINESS OFFICE

ELKHART
COMMUNITY SCHOOLS

CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person Responsible for Corrective Action: Valerie Gillespie

Contact Phone Number: (574)262-5537

Compliance Requirements: Preparation of the Schedule of Expenditures of Federal Awards

Internal control deficiencies prevented the detection of errors as reported on the Schedule of Expenditures of Federal Awards.

We agree with this finding.

During the preparation of the Schedule of Expenditures of Federal Awards (SEFA), understanding of key terms was not complete, which resulted in erroneous reporting.

To rectify these issues moving forward, internal control procedures are being enhanced to incorporate grant administrator review and approval of information reported by the Supervisor of Accounting, Audits, and Investments for accuracy. Essentially, the Supervisor of Accounting, Audits, and Investments will prepare, respective grant administrators will review and approve, and the Chief Financial Officer will confirm valid reporting of financial data within the SEFA.

By expanding the review of data reported within the SEFA, it is the district's goal to decrease the likelihood for future non-compliance.

Anticipated Completion Date: December 2018

Valerie Gillespie
Name of Responsible Official

Supervisor of Accounting, Audits, & Investments
Title

10/31/2018
Date



BUSINESS OFFICE

**ELKHART
COMMUNITY SCHOOLS**

CORRECTIVE ACTION PLAN

FINDING 2017-003

Contact Person Responsible for Corrective Action: Valerie Gillespie

Contact Phone Number: (574) 262-5537

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance

The oversight of grant agreements was not adhered to, resulting in insufficient internal controls maintained by the district.

We agree with this finding.

In compliance with grant agreements and requirements, the Business Office remitted distribution reports reflecting payroll transactions for each pay cycle to respective grant administrators for review and confirmation. However, once review and verification were determined as accurate, oversight signatures were not documented. To ensure compliance moving forward, payroll distribution reports and Accounts Payable expenditure reports, which represent supporting documentation for routine reimbursement requests, will be prepared by the Supervisor of Accounting, Audits, and Investments and provided to grant administrators for review and approval.

By incorporating review and oversight into operations already in place, likelihood for future non-compliance is minimized. Documented internal controls strengthen the district's operations while mitigating opportunities for loss.

Anticipated Completion Date: December 2018

Valerie Gillespie
Name of Responsible Official

Supervisor of Accounting, Audits, & Investments
Title

10/31/2018
Date



BUSINESS OFFICE

ELKHART
COMMUNITY SCHOOLS

CORRECTIVE ACTION PLAN

FINDING 2017-004

Contact Person Responsible for Corrective Action: Pam Melcher

Contact Phone Number: (574)262-5523

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Procurement, Reporting- Verification Summary Report, Special Tests & Provisions- School Food Accounts

Proper expenditure authorization for allowed costs and activities were not comprehensive of the 2015-17 audit period. Additionally, review and authorization was not completed to ensure that payroll expenditures were accurately charged to Food Service.

We agree with this finding.

Although review and oversight of expenditures was being done, signatures reflecting review and approval were not being provided on Accounts Payable Vouchers. To correct this issue, multiple layers of oversight have been incorporated to review and approve Accounts Payable claims. At the building level, Food Service managers review and authorize by signature the Accounts Payable claims, then forward to the Food Service Department Secretary to review and confirm, by signature, accurate budgetary account code is utilized. Upon the final approval of the Food Service Director by signature, the claim is then processed by the Food Service Bookkeeper.

Review and oversight of monthly bank reconciliations was not able to be proven due to a lack of signature by the Food Service Director on the reconciling documents. To rectify, the Food Service Director now signs reconciling documents to indicate both review and approval of reconciliations.

Prior practices of eligibility determination as provided directly by the district's software vendor were not internally verified for accuracy to ensure compliance with Federal requirements before utilized. To rectify, the Food Service Secretary reviews, by signature, and the Food Service Director confirms, by signature, to ensure accuracy and compliance. This process will also apply to the review and oversight of the random application checks as required.

The Verification Summary Report was compiled by the Food Service Secretary, but only the Food Service Director was reviewing. To correct per proper internal controls, both the Food Service Secretary and Director will review and sign to indicate approval of reviewed documentation.

By integrating multiple layers of review and oversight into the approval process, the Food Service Department aims to eliminate the opportunity for loss or fraud, in conjunction with complying with internal control requirements.

Anticipated Completion Date: December 2018

Valerie Gillespie
Name of Responsible Official

Supervisor of Accounting, Audits, & Investments
Title

10/31/2018
Date





BUSINESS OFFICE

ELKHART
COMMUNITY SCHOOLS

CORRECTIVE ACTION PLAN

FINDING 2017-005

Contact Person Responsible for Corrective Action: Pam Melcher

Contact Phone Number: (574)262-5523

Compliance Requirements: Suspension & Debarment

Verification of vendors reviewed for suspension and debarment was not completed comprehensively.

We agree with this finding.

Although the district checked vendors for suspension and debarment, not all vendors were verified with documented proof. To ensure adequate internal controls, the Food Service Secretary will complete reviews, documenting completion with signature. The Food Service Director will confirm the reviews have been accurately completed, and validate with their signature.

By enhancing internal controls, the district aims to eliminate further issues to ensure proper operations and compliance.

Anticipated Completion Date: December 2018

Valerie Gillespie
Name of Responsible Official

Supervisor of Accounting, Audits, & Investments
Title

10/31/2018
Date



BUSINESS OFFICE

**ELKHART
COMMUNITY SCHOOLS**

CORRECTIVE ACTION PLAN

FINDING 2017-006

Contact Person Responsible for Corrective Action: Dawn McGrath

Contact Phone Number: (574)262-5542

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Proper expenditure authorization for allowed costs and activities was not comprehensive of the 2015-17 audit period. Additionally, final expenditure reports were not verified for accuracy before submittal.

We agree with this finding.

Prior operational practices did not consist of clear communication pertaining to operational updates and ensuring state and federal changes were implemented. To rectify the issue, only specific personnel within the Office of Student Services will be recognized as providing appropriate authorization of Payroll and Accounts Payable claims. These personnel include the Assistant Superintendent of Student Services and the Director of Special Services. Designees as assigned will be responsible for reviewing documents for accuracy and ensuring grant compliance of expenditures before authorization.

Historically, final expenditure reports were completed and submitted by the Director of Special Education. To rectify this issue, a full expenditure report of the grant will be generated by the Supervisor of Accounting, Audits, & Investments, and submitted to the Director of Special Services. Upon review and confirmation, the Director of Special Services will incorporate the information received into the Final Expenditure Report.

By evaluating operational procedures and limiting authorized signors, we aim to safeguard district funds while ensuring the accuracy of reported data.

Anticipated Completion Date: December 31, 2018

Valerie Gillespie
Name of Responsible Official

Supervisor of Accounting, Audits, & Investments
Title

10/31/2018
Date



BUSINESS OFFICE

ELKHART
COMMUNITY SCHOOLS

CORRECTIVE ACTION PLAN

FINDING 2017-007

Contact Person Responsible for Corrective Action: Beth Williams

Contact Phone Number: (574)262-5679

Compliance Requirements: Special Tests & Provisions- Annual Report Card/High School Graduation Rate

Written documentation was not retained to support the Special Tests & Provisions-Annual Report Card/High School Graduation Rate.

We agree with this finding.

Prior operational practices did not offer sufficient options of withdrawal categories. To rectify the issue, withdrawal categories have been added to ensure proper classification of withdrawal reporting. To ensure accuracy, the Administrator, or the Administrator's designee, will review, verify, and sign completed and accurate withdrawal forms.

This finding was also addressed during the 2013/15 audit, and has since been corrected as of July 2017. Unfortunately, the 2013/15 audit was completed on July 13, 2017, well after the Corrective Action Plans presented could be applied to the 2015/17 audit period.

Anticipated Completion Date: July 2017

Valerie Gillespie

Name of Responsible Official

Supervisor of Accounting, Audits, & Investments

Title

10/31/2018

Date



BUSINESS OFFICE

ELKHART
COMMUNITY SCHOOLS

CORRECTIVE ACTION PLAN

FINDING 2017-008

Contact Person Responsible for Corrective Action: Dr. Brad Sheppard

Contact Phone Number: (574)262-5679

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Period of Performance, Reporting and Special Test and Provisions-Schoolwide Improvement Plan

Internal Controls were not effective to ensure proper authorization and reporting of grant operations.

We agree with this finding.

During the grant period, nominal quantities of Accounts Payable vouchers were assigned for payment without proper authorization. Additionally, adjustments made to the grant that were verbally discussed did not have proper authorization in writing. These issues have been resolved through Administrative changes within departments. Accounts Payable vouchers and adjustments are not processed without the approval of the Director of Federal Programming.

Schoolwide Improvement Plans submitted did not always reference oversight or review to ensure the goals of the plans aligned with district initiatives. Through further internal review, authorizations for Schoolwide Improvement Plans were found to be on file for the 14/15 and 18/19 school years. Moving forward, this issue has been resolved through Administrative changes within departments, as the authorization for the 18/19 school year is on file. In addition to initial review of the plans, Administration is ensuring compliance of the plan through routine follow-up at buildings to monitor and, when necessary, re-direct to attain goals as established.

Anticipated Completion Date: July 2018

Valerie Gillespie
Name of Responsible Official

Supervisor of Accounting, Audits, & Investments
Title

10/31/2018
Date



BUSINESS OFFICE

ELKHART
COMMUNITY SCHOOLS

CORRECTIVE ACTION PLAN

FINDING 2017-009

Contact Person Responsible for Corrective Action: William Kovach

Contact Phone Number: (574)262-5557

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance

Proper expenditure authorization for allowed costs and activities was not comprehensive of the 2015-17 audit period. Additionally, expenditures were incurred and paid for outside of the grant period.

We agree with this finding.

Prior operational practices did not fully adhere to grant requirements, as outlined in the award letter. To resolve the identified issues, only the Director of the Elkhart Area Career Center will represent valid authorization of Payroll and Accounts Payable claims. Upon the approval of the Director, the Payroll claim and/or Accounts Payable voucher will be forwarded to the Controller for review, and upon approval, forwarded for processing.

Through separation of duties, the district's level of internal controls is strengthened as multiple facets of review and oversight ensure that accurate transactions are processed within compliance.

Anticipated Completion Date: December 2018

Valerie Gillespie
Name of Responsible Official

Supervisor of Accounting, Audits, & Investments
Title

10/31/2018
Date



BUSINESS OFFICE

ELKHART
COMMUNITY SCHOOLS

CORRECTIVE ACTION PLAN

FINDING 2017-010

Contact Person Responsible for Corrective Action: William Kovach

Contact Phone Number: (574)262-5557

Compliance Requirements: Material Weakness, Other Matters

Verification of vendors reviewed for suspension and debarment was not completed comprehensively. Additionally, purchasing thresholds complying with Federal requirements were not incorporated into routine operations.

We agree with this finding.

Although the district checked vendors for suspension and debarment, not all vendors were verified with documented proof. To ensure adequate internal controls, the Elkhart Area Career Center Secretary will complete reviews, documenting completion with his/her signature. The Elkhart Area Career Center Director will confirm the reviews have been accurately completed, and validate with his/her signature.

Grant requirements of purchasing directives were not adhered to during the period of grant performance. To ensure compliance, all applicable purchase limits falling within the specifications of the Federal requirement will be implemented. As expenditures utilizing grant funds are proposed, the Elkhart Area Career Center Director, or designee, will ensure that proper means are followed that support adequate bids and/or quotes are obtained before the purchase is completed.

Ensuring that competitive purchasing efforts are accurately tracked maintains responsible financial transactions within the district. Integration of multiple personnel of the procurement process also ensures compliance of the internal control efforts.

Anticipated Completion Date: February 2019

Valerie Gillespie
Name of Responsible Official

Supervisor of Accounting, Audits, & Investments
Title

10/31/2018
Date

OTHER REPORTS

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