

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SOUTH BEND COMMUNITY SCHOOL CORPORATION
ST. JOSEPH COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
03/28/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robert M. Orlowski	07-01-11 to 06-30-14
Superintendent of Schools	Dr. Carole L. Schmidt (Interim) Dr. Carole L. Schmidt	07-01-11 to 11-17-11 11-18-11 to 06-30-14
President of the School Board	Roger Parent Michelle L. Engel	01-01-11 to 12-31-12 01-01-13 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 26, 2014, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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



Paul D. Joyce, CPA
State Examiner

February 26, 2014



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the South Bend Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated February 26, 2014, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

South Bend Community School Corporation's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

February 26, 2014

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FINANCIAL STATEMENT

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

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

	Cash and Investments 07-01-11		Other Financing Sources (Uses)		Cash and Investments 06-30-12		Other Financing Sources (Uses)		Cash and Investments 06-30-13	
	Receipts	Disbursements			Receipts	Disbursements			Receipts	Disbursements
General	\$ 6,324,611	\$ 140,116,100	\$ 143,475,815	\$ 182,115	\$ 3,147,011	\$ 137,504,102	\$ 139,172,361	\$ 664,395	\$ 2,143,147	
Debt Service	174,294	452,555	149,185	(383,193)	94,471	938,740	492,273	(657,673)	(116,735)	
Exempt Debt	7,046,544	20,712,593	18,635,079	-	9,124,058	19,433,341	19,181,738	-	9,375,661	
Exempt Retirement Severance Bond Debt Service	1,124,040	3,495,640	3,150,812	-	1,468,868	3,290,242	3,146,752	-	1,612,358	
Capital Projects	7,218,000	12,806,422	14,223,676	-	5,800,746	12,179,598	12,189,821	-	5,790,523	
School Transportation	2,372,107	13,121,100	13,664,302	-	1,828,905	12,918,327	12,715,894	-	2,031,338	
School Bus Replacement	1,001,167	1,855,428	1,712,155	-	1,144,440	1,991,723	2,143,851	-	992,312	
Rainy Day	816,000	-	-	-	816,000	-	-	-	816,000	
Retirement Severance Bond	10,708,027	107,387	1,024,910	-	9,790,504	86,267	921,212	-	8,955,559	
Post Retirement Severance Future Benefits	2,698,122	14,777	129,573	-	2,583,326	435,749	121,597	-	2,897,478	
Construction	6,013,997	1,693,328	2,495,825	-	5,211,500	16,746	9,059	-	5,219,187	
School Lunch	2,184,227	10,491,400	10,027,235	-	2,648,392	9,596,945	9,447,367	(600,000)	2,197,970	
Textbook Rental	(46,633)	1,785,757	3,016,391	383,193	(894,074)	1,678,352	354,831	657,673	1,087,120	
Self Insurance	16,003,313	50,880,369	53,463,506	-	13,420,176	40,474,176	38,680,321	-	15,214,031	
Levy Excess	-	-	-	-	-	-	-	-	-	-
Print Shop	25,352	15,095	-	-	40,447	22,959	576	-	62,830	
Voyagers Program	-	17,000	8,326	-	8,674	16,000	15,616	-	9,058	
Voyagers Program 2011	17,000	2,000	19,000	-	-	-	-	-	-	
Joint Services and Supply Other	76	-	-	-	76	-	-	-	76	
Adult Education Summer School	6,760	1,260	586	-	7,434	-	-	-	7,434	
STD Remediation	641,326	-	136,563	-	504,763	-	62,497	-	442,266	
Governor Money	373,762	134,453	88,306	-	419,909	-	80,027	-	339,882	
Northern Indiana Conference	(723)	1,028	28	-	277	831	828	-	280	
Bilingual Tests	243	-	208	-	35	-	35	-	-	
Alumni Association	11,974	5,543	5,938	-	11,579	14,292	8,263	-	17,608	
Public Education Foundation	264	1,919	2,490	-	(307)	2,387	1,287	-	793	
Art Association	-	193,399	193,399	-	-	179,419	179,419	-	-	
Child Care Program	18,508	30,025	24,065	-	24,468	29,820	35,980	-	18,308	
Historical Society	-	193,399	193,399	-	-	179,419	179,419	-	-	
SAFE School Haven	2,235	-	-	-	2,235	-	-	-	2,235	
Early Intervention Grant	49,616	-	19,041	-	30,575	-	108	-	30,467	
Reading Recovery	67,829	90,379	246,637	-	(88,429)	114,882	(200,891)	-	227,344	
New Tech Start	50,000	75,000	125,000	-	-	-	-	-	-	
Instruction Support	174,879	139,829	79,293	(129,816)	105,599	78,410	70,826	-	113,183	
Adult and Continuing Education	10,523	9,587	324	-	19,786	12,989	3	-	32,772	
Extra-Curricular Activities	23,832	11,642	10,821	-	24,653	12,851	12,285	-	25,219	
Cultural Arts	569	-	-	-	569	-	-	-	569	

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

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

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
Welfare Activities	660	-	-	-	660	-	10	-	650
Scholarships and Awards	200	-	-	-	200	-	200	-	-
Construction, Remodeling, and Equipping Buildings	75	37,018	6,855	-	30,238	60,126	10,991	-	79,373
Miscellaneous Programs	142,228	292,625	240,883	-	193,970	156,404	127,756	-	222,618
Judgement Bond	523	-	-	-	523	-	-	-	523
Instructional Support	1,000	-	-	-	1,000	-	-	-	1,000
Fluid Power Challenge	-	2,250	-	-	2,250	-	2,228	-	22
Explorers Lips Wilson Grant	3	-	3	-	-	-	-	-	-
Gifted and Talented	128,385	108,580	123,479	-	113,486	111,393	124,605	-	100,274
Tech Assistance	491	-	-	-	491	-	-	-	491
Instructional Support	30,855	2,500	210	(33,145)	-	-	-	-	-
Drug Free Communities	-	-	-	-	-	24,588	33,607	-	(9,019)
Early Childhood Intervention (First Steps)	-	139,194	111,353	-	27,841	10,000	27,839	-	10,002
Medicaid Reimbursement	59,333	469,443	314,876	-	213,900	302,629	351,562	-	164,967
Public Law 221	415,652	-	77,560	-	338,092	-	69,265	-	268,827
Extra-Curricular Activities	168,736	339,272	297,038	-	210,970	402,045	292,620	-	320,395
Project 4R's	1,741	-	1,741	-	-	-	-	-	-
Indiana Arts Commission	149	-	-	-	149	3,000	2,673	-	476
Buddy Summer Grant	222	-	-	(222)	-	-	-	-	-
CISCO Academy	7,000	-	-	(7,000)	-	-	-	-	-
Non-English Speaking Programs P.L. 273-1999	(117,539)	254,932	291,798	-	(154,405)	231,822	36,035	-	41,382
Universal Services	2,842	850,141	938,382	-	(85,399)	783,252	1,240,986	-	(543,133)
Technology Plan Buddy	834	-	-	(834)	-	-	-	-	-
Technology Grants [IC 20-40-15]	1,096,691	599,032	1,431,352	-	264,371	27	261,864	-	2,534
Performance Based Awards	1,404	-	-	-	1,404	-	-	-	1,404
Indiana School Academic Improvement Program (ISAIP)	1,292	-	-	-	1,292	-	-	-	1,292
Technology Planning Grant	7,248	-	-	-	7,248	-	-	-	7,248
Project 2000/93	410	-	-	-	410	-	-	-	410
Technology Grant	4,279	-	1,071	-	3,208	-	-	-	3,208
School Tech Advancement	7,578	-	-	-	7,578	-	-	-	7,578
Principal Tech	648	-	-	-	648	-	-	-	648
Miscellaneous Programs	369	-	-	(369)	-	-	-	-	-
Promoting Positive Values	526	-	-	(526)	-	46	46	-	-
PASS Grant	712	-	-	(712)	-	-	-	-	-

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

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

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
CLASS	741	-	73	(668)	-	-	-	-	-
Moody Foundation	5,235	-	-	-	5,235	-	-	-	5,235
Safe Haven	(23,427)	27,990	2,052	1,150	3,661	-	3,659	-	2
Tele- communication Grant	2,532	-	30,736	-	(28,204)	30,736	-	-	2,532
Head Start 3970	6,173	26,260	25,226	2,118	9,325	10,170	19,245	-	250
Play Smart Grant	(3,750)	-	-	3,750	-	-	-	-	-
Civic Education Program	(2,674)	19,817	24,790	-	(7,647)	-	(7,647)	-	-
Title I	(3,556,584)	12,569,787	9,500,527	(1,148)	(488,472)	8,659,307	8,140,180	-	30,655
Title I Program Improvement	(544,836)	1,764,573	1,226,145	-	(6,408)	94,954	88,548	-	(2)
Title I Delinquent	5,984	-	-	-	5,984	-	-	-	5,984
Title I Part D	(37,201)	142,561	101,315	-	4,045	124,557	127,594	-	1,008
Title I Summer School	424,697	24,118	246,672	1,148	203,291	-	42,084	-	161,207
Title I 4170	(297,292)	1,065,546	783,437	-	(15,183)	669,911	710,187	-	(55,459)
Title I 1003g Grant Dickinson	-	-	-	-	-	794,777	796,883	-	(2,106)
Innovative Education Program Strategies Title V (Part A)	5,785	-	-	(5,785)	-	-	-	-	-
Title I Migrant	(54,875)	184,345	154,548	-	(25,078)	64,865	49,301	-	(9,514)
Summer Migrant	-	24,166	25,493	-	(1,327)	39,845	37,835	(685)	(2)
Migrant Education 4339	25,942	-	17,556	(8,387)	(1)	-	-	-	(1)
Bilingual Reimbursement	(9,968)	13,344	8,265	8,387	3,498	1,000	3,333	-	1,165
Title II-C	244,872	-	-	-	244,872	-	-	-	244,872
Community Foundation Dream Team	10,673	600	11,274	-	(1)	-	-	-	(1)
Respect Funds	68,918	21,000	88,391	-	1,527	-	-	-	1,527
Rainbow Child	150	-	-	(150)	-	-	-	-	-
Memorial Hospital	7,976	-	1,702	-	6,274	-	6,274	-	-
Fam Lit Child C	5,507	230	301	-	5,436	46,270	1,776	-	49,930
Impact Child Care	2,919	-	-	-	2,919	-	-	-	2,919
Food Stamps	16,617	-	1,597	-	15,020	-	1,093	-	13,927
Local Reading Improvement	287	-	-	(287)	-	-	-	-	-
Adult Education Business and Industry	42,127	18,795	12,942	-	47,980	1,130	36,029	-	13,081
ABE Money	2,228	-	-	-	2,228	-	-	-	2,228
Adult Education No. 1	(30,276)	12,115	55,854	-	(74,015)	2,580	1,587	-	(73,022)
Adult Education No. 2	3,014	-	136	-	2,878	-	-	-	2,878
GED Test Fees	34,435	53,436	39,739	-	48,132	61,309	44,513	-	64,928
Serve America	381	-	-	-	381	-	-	-	381
Preschool Grant	(55,328)	330,944	292,090	-	(16,474)	294,731	348,657	-	(70,400)
Special Education Preschool	(919,042)	6,440,797	6,410,173	-	(888,418)	5,651,072	5,300,215	-	(537,561)
Adult Basic Education	(61,144)	441,551	558,295	-	(177,888)	239,061	339,621	-	(278,448)
Work Force Adult Education	37,715	40,947	25,137	-	53,525	37,319	55,000	-	35,844

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

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

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13
Targeted Projects	12,069	9,900	12,142	-	9,827	15,700	13,735	-	11,792
English Works	13,442	-	571	-	12,871	-	(9,102)	-	21,973
Minority Health	3,962	-	60	(1,150)	2,752	-	2,752	-	-
CTE Mini Grant	5,900	188	6,087	-	1	-	-	-	1
Drug Free Schools	(1,160)	126,014	91,106	-	33,748	-	-	-	33,748
Team Nutrition	3,868	1,600	3,592	-	1,876	-	737	-	1,139
Title II Dwight D. Eisenhower Science and Math Technology Grants	-	50,471	50,825	-	(354)	134,420	148,378	-	(14,312)
Technology Related Assistance for Individuals With Disabilities	-	70,000	70,000	-	-	-	-	-	-
Vocational Education	(67,065)	462,714	503,372	-	(107,723)	485,433	383,325	-	(5,615)
Energy Grant	1,565	-	-	(1,565)	-	-	-	-	-
Vocational and Technical Board Grants	2,661	21,632	22,381	-	1,912	12,210	11,711	(500)	1,911
Tech Resource	-	-	-	-	-	-	4,797	-	(4,797)
Child Care and Development Block Grant	161	-	-	-	161	-	-	-	161
Twenty First Century	(6,582)	155,627	219,366	-	(70,321)	263,189	225,126	-	(32,258)
Small Learnings Grant	(927)	205,583	196,995	-	7,661	-	109	(407)	7,145
Montessori	(4,203)	976,132	971,931	-	(2)	-	-	-	(2)
Early Head Start	(29,043)	483,494	454,450	-	1	176,827	134,801	-	42,027
Head Start 6660	(412,954)	6,016,246	6,067,358	(2,118)	(466,184)	4,875,937	5,030,839	-	(621,086)
CACFP Monies	35,141	403,264	356,489	2,862	84,778	529,988	537,102	-	77,664
Early Head Start 6691	-	566,164	684,278	-	(118,114)	1,069,512	1,056,506	-	(105,108)
School to Work Development Act	11,050	565	1,029	-	10,586	348	748	-	10,186
Challenge Grant for Technology (Dir USDOE)	2,862	-	-	(2,862)	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(155,883)	1,892,217	1,763,360	32,898	5,872	1,501,368	1,494,703	(22,285)	(9,748)
Title II Part D	(28,810)	161,826	133,016	-	-	-	-	-	-
Rural Schools and Low Income Program - Pass Through State	370	-	-	(370)	-	-	-	-	-
Title III, Language Instruction	(55,791)	274,570	295,282	-	(76,503)	365,537	331,065	-	(42,031)
Title I Grants to LEAs	661,925	1,388,774	2,041,941	-	8,758	-	8,619	-	139
Title I School Improvement	(181,850)	255,601	73,751	-	-	-	-	-	-
Special Education Part B	(67,638)	918,294	850,657	-	(1)	-	-	-	(1)
Special Education Part B Preschool	(64,784)	167,743	102,960	-	(1)	-	-	-	(1)
McKinney Vento Education for Homeless	1,512	-	-	-	1,512	-	-	-	1,512
Head Start	243	-	-	-	243	-	-	-	243
Title I Part D Subpart 2	15,229	15,900	31,128	-	1	-	-	-	1
Education Jobs	-	3,913,983	4,512,639	-	(598,656)	758,819	160,163	-	-
Payroll	3,234,877	38,170,061	37,994,623	-	3,410,315	37,443,127	38,039,688	-	2,813,754
Totals	\$ 65,365,046	\$ 341,480,886	\$ 347,314,344	\$ 37,314	\$ 59,568,902	\$ 307,749,908	\$ 305,327,411	\$ 40,518	\$ 62,031,917

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

Note 7. Negative Receipts and Disbursements

The financial statement contains some receipts and/or disbursements which appear as negative entries. Three funds are affected and the negative entries were caused by the following: Reading Recovery is a result of the grant being over spent, and the resulting balance being transferred to the General fund; Civic Education Program is a result of a salary being charged to the grant in error and charges that should have been applied to the subsequent year grant award; English Works is a result of salaries being charged to the grant in error.

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. Three of the non-grant reimbursable funds with deficit balances were: Debt Service is a result of the timing of the payments and property tax collection; Universal Services is a result of a federal program which reimburses

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

schools for telecommunication services, internet access, connections and basic maintenance within the district technology plan. Revenue within the fund will cover expenditures; Adult Education No. 1 is a result of the expenses exceeding the revenue generated within the fund. The fund is now dormant, and the School Board approved a transfer from the General Fund to balance the account on December 2, 2013.

Note 9. Holding Corporations

The School Corporation has entered into capital leases with South Bend Community School Corporation 2000 Building Corporation, South Bend Community School Corporation 2002 Building Corporation, and the South Bend Community School Corporation Riley School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related parties of the School Corporation. Lease payments during the years 2012 and 2013 totaled \$17,557,000 and \$18,194,500, respectively.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012

	General	Debt Service	Exempt Debt	Exempt Retirement Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement Severance Bond	Post Retirement Severance Future Benefits
Cash and investments - beginning	\$ 6,324,611	\$ 174,294	\$ 7,046,544	\$ 1,124,040	\$ 7,218,000	\$ 2,372,107	\$ 1,001,167	\$ 816,000	\$ 10,708,027	\$ 2,698,122
Receipts:										
Local sources	652,825	452,555	20,712,593	3,495,640	12,806,372	13,121,100	1,855,428	-	107,387	14,777
Intermediate sources	35	-	-	-	-	-	-	-	-	-
State sources	139,278,283	-	-	-	-	-	-	-	-	-
Federal sources	183,252	-	-	-	-	-	-	-	-	-
Other	1,705	-	-	-	50	-	-	-	-	-
Total receipts	140,116,100	452,555	20,712,593	3,495,640	12,806,422	13,121,100	1,855,428	-	107,387	14,777
Disbursements:										
Current:										
Instruction	98,775,492	-	-	-	-	-	-	-	738,659	108,827
Support services	43,137,946	-	-	-	8,356,015	13,664,302	1,712,155	-	273,785	19,803
Noninstructional services	1,562,314	-	-	-	-	-	-	-	6,093	943
Facilities acquisition and construction	63	-	-	-	5,867,661	-	-	-	6,373	-
Debt services	-	149,185	18,635,079	3,150,812	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	143,475,815	149,185	18,635,079	3,150,812	14,223,676	13,664,302	1,712,155	-	1,024,910	129,573
Excess (deficiency) of receipts over disbursements	(3,359,715)	303,370	2,077,514	344,828	(1,417,254)	(543,202)	143,273	-	(917,523)	(114,796)
Other financing sources (uses):										
Sale of capital assets	37,313	-	-	-	-	-	-	-	-	-
Transfers in	144,802	-	-	-	-	-	-	-	-	-
Transfers out	-	(383,193)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	182,115	(383,193)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,177,600)	(79,823)	2,077,514	344,828	(1,417,254)	(543,202)	143,273	-	(917,523)	(114,796)
Cash and investments - ending	\$ 3,147,011	\$ 94,471	\$ 9,124,058	\$ 1,468,868	\$ 5,800,746	\$ 1,828,905	\$ 1,144,440	\$ 816,000	\$ 9,790,504	\$ 2,583,326

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Construction	School Lunch	Textbook Rental	Self Insurance	Levy Excess	Print Shop	Voyagers Program	Voyagers Program 2011	Joint Services and Supply Other
Cash and investments - beginning	\$ 6,013,997	\$ 2,184,227	\$ (46,633)	\$ 16,003,313	\$ -	\$ 25,352	\$ -	\$ 17,000	\$ 76
Receipts:									
Local sources	1,693,328	1,598,230	692,510	50,880,369	-	15,095	17,000	2,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	372,450	1,093,247	-	-	-	-	-	-
Federal sources	-	8,516,020	-	-	-	-	-	-	-
Other	-	4,700	-	-	-	-	-	-	-
Total receipts	1,693,328	10,491,400	1,785,757	50,880,369	-	15,095	17,000	2,000	-
Disbursements:									
Current:									
Instruction	-	-	284,928	1,403,783	-	-	8,326	17,160	-
Support services	-	18,840	2,731,463	355,233	-	-	-	1,840	-
Noninstructional services	-	10,008,395	-	3,533	-	-	-	-	-
Facilities acquisition and construction	2,495,825	-	-	1,692	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	51,699,265	-	-	-	-	-
Total disbursements	2,495,825	10,027,235	3,016,391	53,463,506	-	-	8,326	19,000	-
Excess (deficiency) of receipts over disbursements	(802,497)	464,165	(1,230,634)	(2,583,137)	-	15,095	8,674	(17,000)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	831,817	383,193	-	458,016	-	-	-	-
Transfers out	-	(831,817)	-	-	(458,016)	-	-	-	-
Total other financing sources (uses)	-	-	383,193	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(802,497)	464,165	(847,441)	(2,583,137)	-	15,095	8,674	(17,000)	-
Cash and investments - ending	\$ 5,211,500	\$ 2,648,392	\$ (894,074)	\$ 13,420,176	\$ -	\$ 40,447	\$ 8,674	\$ -	\$ 76

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Adult Education Summer School	STD Remediation	Governor Money	Northern Indiana Conference	Bilingual Tests	Alumni Association	Public Education Foundation	Art Association	Child Care Program
Cash and investments - beginning	\$ 6,760	\$ 641,326	\$ 373,762	\$ (723)	\$ 243	\$ 11,974	\$ 264	\$ -	\$ 18,508
Receipts:									
Local sources	1,260	-	-	1,028	-	5,543	1,919	193,399	30,025
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	134,453	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	1,260	-	134,453	1,028	-	5,543	1,919	193,399	30,025
Disbursements:									
Current:									
Instruction	586	-	88,306	-	-	-	-	-	24,000
Support services	-	136,563	-	28	208	3,419	2,490	-	-
Noninstructional services	-	-	-	-	-	2,519	-	193,399	65
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	586	136,563	88,306	28	208	5,938	2,490	193,399	24,065
Excess (deficiency) of receipts over disbursements	674	(136,563)	46,147	1,000	(208)	(395)	(571)	-	5,960
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	3,310
Transfers out	-	-	-	-	-	-	-	-	(3,310)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	674	(136,563)	46,147	1,000	(208)	(395)	(571)	-	5,960
Cash and investments - ending	\$ 7,434	\$ 504,763	\$ 419,909	\$ 277	\$ 35	\$ 11,579	\$ (307)	\$ -	\$ 24,468

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Historical Society	SAFE School Haven	Early Intervention Grant	Reading Recovery	New Tech Start	Instruction Support	Adult and Continuing Education	Extra-Curricular Activities	Cultural Arts
Cash and investments - beginning	\$ -	\$ 2,235	\$ 49,616	\$ 67,829	\$ 50,000	\$ 174,879	\$ 10,523	\$ 23,832	\$ 569
Receipts:									
Local sources	193,399	-	-	-	-	139,829	9,587	11,642	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	90,379	75,000	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	193,399	-	-	90,379	75,000	139,829	9,587	11,642	-
Disbursements:									
Current:									
Instruction	-	-	1,066	200,375	-	73,715	276	8,821	-
Support services	-	-	8,810	46,262	-	5,380	48	2,000	-
Noninstructional services	193,399	-	9,165	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	125,000	198	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	193,399	-	19,041	246,637	125,000	79,293	324	10,821	-
Excess (deficiency) of receipts over disbursements	-	-	(19,041)	(156,258)	(50,000)	60,536	9,263	821	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(129,816)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(129,816)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(19,041)	(156,258)	(50,000)	(69,280)	9,263	821	-
Cash and investments - ending	\$ -	\$ 2,235	\$ 30,575	\$ (88,429)	\$ -	\$ 105,599	\$ 19,786	\$ 24,653	\$ 569

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Welfare Activities	Scholarships and Awards	Construction, Remodeling, and Equipping Buildings	Miscellaneous Programs	Judgement Bond	Instructional Support	Fluid Power Challenge	Explorers Lips Wilson Grant	Gifted and Talented
Cash and investments - beginning	\$ 660	\$ 200	\$ 75	\$ 142,228	\$ 523	\$ 1,000	\$ -	\$ 3	\$ 128,385
Receipts:									
Local sources	-	-	37,018	292,625	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	2,250	-	108,580
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	37,018	292,625	-	-	2,250	-	108,580
Disbursements:									
Current:									
Instruction	-	-	1,855	164,769	-	-	-	-	-
Support services	-	-	-	66,435	-	-	-	3	123,479
Noninstructional services	-	-	-	9,679	-	-	-	-	-
Facilities acquisition and construction	-	-	5,000	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	6,855	240,883	-	-	-	3	123,479
Excess (deficiency) of receipts over disbursements	-	-	30,163	51,742	-	-	2,250	(3)	(14,899)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	30,163	51,742	-	-	2,250	(3)	(14,899)
Cash and investments - ending	\$ 660	\$ 200	\$ 30,238	\$ 193,970	\$ 523	\$ 1,000	\$ 2,250	\$ -	\$ 113,486

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Tech Assistance	Instructional Support	Drug Free Communities	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Public Law 221	Extra-Curricular Activities	Project 4R's	Indiana Arts Commission
Cash and investments - beginning	\$ 491	\$ 30,855	\$ -	\$ -	\$ 59,333	\$ 415,652	\$ 168,736	\$ 1,741	\$ 149
Receipts:									
Local sources	-	-	-	-	88,068	-	339,272	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	2,500	-	139,194	-	-	-	-	-
Federal sources	-	-	-	-	381,375	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	2,500	-	139,194	469,443	-	339,272	-	-
Disbursements:									
Current:									
Instruction	-	210	-	111,353	182,416	77,560	-	1,741	-
Support services	-	-	-	-	132,460	-	2,913	-	-
Noninstructional services	-	-	-	-	-	-	294,125	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	210	-	111,353	314,876	77,560	297,038	1,741	-
Excess (deficiency) of receipts over disbursements	-	2,290	-	27,841	154,567	(77,560)	42,234	(1,741)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	156,126	-	-
Transfers out	-	(33,145)	-	-	-	-	(156,126)	-	-
Total other financing sources (uses)	-	(33,145)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(30,855)	-	27,841	154,567	(77,560)	42,234	(1,741)	-
Cash and investments - ending	\$ 491	\$ -	\$ -	\$ 27,841	\$ 213,900	\$ 338,092	\$ 210,970	\$ -	\$ 149

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Buddy Summer Grant	CISCO Academy	Non-English Speaking Programs P.L. 273-1999	Universal Services	Technology Plan Buddy	Technology Grants [IC 20-40-15]	Performance Based Awards	Indiana School Academic Improvement Program (ISAIP)	Technology Planning Grant
Cash and investments - beginning	\$ 222	\$ 7,000	\$ (117,539)	\$ 2,842	\$ 834	\$ 1,096,691	\$ 1,404	\$ 1,292	\$ 7,248
Receipts:									
Local sources	-	-	-	1,831	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	254,932	848,310	-	599,032	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	254,932	850,141	-	599,032	-	-	-
Disbursements:									
Current:									
Instruction	-	-	273,945	-	-	-	-	-	-
Support services	-	-	5,092	938,382	-	1,431,352	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	12,761	-	-	-	-	-	-
Total disbursements	-	-	291,798	938,382	-	1,431,352	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	(36,866)	(88,241)	-	(832,320)	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(222)	(7,000)	-	-	(834)	-	-	-	-
Total other financing sources (uses)	(222)	(7,000)	-	-	(834)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(222)	(7,000)	(36,866)	(88,241)	(834)	(832,320)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ (154,405)	\$ (85,399)	\$ -	\$ 264,371	\$ 1,404	\$ 1,292	\$ 7,248

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Project 2000/93	Technology Grant	School Tech Advancement	Principal Tech	Miscellaneous Programs	Promoting Positive Values	PASS Grant	CLASS	Moody Foundation
Cash and investments - beginning	\$ 410	\$ 4,279	\$ 7,578	\$ 648	\$ 369	\$ 526	\$ 712	\$ 741	\$ 5,235
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	73	-
Support services	-	1,071	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	1,071	-	-	-	-	-	73	-
Excess (deficiency) of receipts over disbursements	-	(1,071)	-	-	-	-	-	(73)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(369)	(526)	(712)	(668)	-
Total other financing sources (uses)	-	-	-	-	(369)	(526)	(712)	(668)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,071)	-	-	(369)	(526)	(712)	(741)	-
Cash and investments - ending	<u>\$ 410</u>	<u>\$ 3,208</u>	<u>\$ 7,578</u>	<u>\$ 648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,235</u>

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Safe Haven	Tele-communication Grant	Head Start 3970	Play Smart Grant	Civic Education Program	Title I	Title I Program Improvement	Title I Delinquent	Title I Part D
Cash and investments - beginning	\$ (23,427)	\$ 2,532	\$ 6,173	\$ (3,750)	\$ (2,674)	\$ (3,556,584)	\$ (544,836)	\$ 5,984	\$ (37,201)
Receipts:									
Local sources	-	-	2,020	-	-	715	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	27,990	-	24,240	-	-	-	-	-	-
Federal sources	-	-	-	-	19,817	12,569,072	1,764,573	-	142,561
Other	-	-	-	-	-	-	-	-	-
Total receipts	27,990	-	26,260	-	19,817	12,569,787	1,764,573	-	142,561
Disbursements:									
Current:									
Instruction	-	-	18,285	-	24,652	4,151,536	216,205	-	99,724
Support services	-	-	6,941	-	-	4,210,363	1,009,940	-	-
Noninstructional services	2,052	-	-	-	-	1,105,554	-	-	-
Facilities acquisition and construction	-	30,736	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	138	33,074	-	-	1,591
Total disbursements	2,052	30,736	25,226	-	24,790	9,500,527	1,226,145	-	101,315
Excess (deficiency) of receipts over disbursements	25,938	(30,736)	1,034	-	(4,973)	3,069,260	538,428	-	41,246
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	2,795	-	2,118	3,750	-	235,990	-	-	-
Transfers out	(1,645)	-	-	-	-	(237,138)	-	-	-
Total other financing sources (uses)	1,150	-	2,118	3,750	-	(1,148)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,088	(30,736)	3,152	3,750	(4,973)	3,068,112	538,428	-	41,246
Cash and investments - ending	\$ 3,661	\$ (28,204)	\$ 9,325	\$ -	\$ (7,647)	\$ (488,472)	\$ (6,408)	\$ 5,984	\$ 4,045

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I Summer School	Title I 4170	Title I 1003g Grant Dickinson	Innovative Education Program Strategies Title V (Part A)	Title I Migrant	Summer Migrant	Migrant Education 4339	Bilingual Reimbursement	Title II-C
Cash and investments - beginning	\$ 424,697	\$ (297,292)	\$ -	\$ 5,785	\$ (54,875)	\$ -	\$ 25,942	\$ (9,968)	\$ 244,872
Receipts:									
Local sources	24,118	2,046	-	-	-	-	-	13,344	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	1,063,500	-	-	184,345	24,166	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	24,118	1,065,546	-	-	184,345	24,166	-	13,344	-
Disbursements:									
Current:									
Instruction	102,935	604,434	-	-	138,139	24,516	17,556	8,265	-
Support services	83,012	173,733	-	-	6,250	563	-	-	-
Noninstructional services	60,725	-	-	-	1,451	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	5,270	-	-	8,708	414	-	-	-
Total disbursements	246,672	783,437	-	-	154,548	25,493	17,556	8,265	-
Excess (deficiency) of receipts over disbursements	(222,554)	282,109	-	-	29,797	(1,327)	(17,556)	5,079	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	238,022	-	-	-	-	-	-	8,387	-
Transfers out	(236,874)	-	-	(5,785)	-	-	(8,387)	-	-
Total other financing sources (uses)	1,148	-	-	(5,785)	-	-	(8,387)	8,387	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(221,406)	282,109	-	(5,785)	29,797	(1,327)	(25,943)	13,466	-
Cash and investments - ending	\$ 203,291	\$ (15,183)	\$ -	\$ -	\$ (25,078)	\$ (1,327)	\$ (1)	\$ 3,498	\$ 244,872

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Community Foundation Dream Team	Respect Funds	Rainbow Child	Memorial Hospital	Fam Lit Child C	Impact Child Care	Food Stamps	Local Reading Improvement	Adult Education Business and Industry
Cash and investments - beginning	\$ 10,673	\$ 68,918	\$ 150	\$ 7,976	\$ 5,507	\$ 2,919	\$ 16,617	\$ 287	\$ 42,127
Receipts:									
Local sources	600	21,000	-	-	230	-	-	-	18,795
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	600	21,000	-	-	230	-	-	-	18,795
Disbursements:									
Current:									
Instruction	-	-	-	1,702	259	-	1,597	-	12,942
Support services	7,722	88,391	-	-	42	-	-	-	-
Noninstructional services	3,552	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	11,274	88,391	-	1,702	301	-	1,597	-	12,942
Excess (deficiency) of receipts over disbursements	(10,674)	(67,391)	-	(1,702)	(71)	-	(1,597)	-	5,853
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(150)	-	-	-	-	(287)	-
Total other financing sources (uses)	-	-	(150)	-	-	-	-	(287)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,674)	(67,391)	(150)	(1,702)	(71)	-	(1,597)	(287)	5,853
Cash and investments - ending	\$ (1)	\$ 1,527	\$ -	\$ 6,274	\$ 5,436	\$ 2,919	\$ 15,020	\$ -	\$ 47,980

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	ABE Money	Adult Education No. 1	Adult Education No. 2	GED Test Fees	Serve America	Preschool Grant	Special Education Preschool	Adult Basic Education	Work Force Adult Education
Cash and investments - beginning	\$ 2,228	\$ (30,276)	\$ 3,014	\$ 34,435	\$ 381	\$ (55,328)	\$ (919,042)	\$ (61,144)	\$ 37,715
Receipts:									
Local sources	-	12,115	-	53,436	-	-	-	-	28,947
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	12,000
Federal sources	-	-	-	-	-	330,944	6,440,797	441,551	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	12,115	-	53,436	-	330,944	6,440,797	441,551	40,947
Disbursements:									
Current:									
Instruction	-	55,854	136	77	-	154,425	5,295,393	450,624	25,137
Support services	-	-	-	39,662	-	137,665	1,114,780	73,498	-
Noninstructional services	-	-	-	-	-	-	-	26,373	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	7,800	-
Total disbursements	-	55,854	136	39,739	-	292,090	6,410,173	558,295	25,137
Excess (deficiency) of receipts over disbursements	-	(43,739)	(136)	13,697	-	38,854	30,624	(116,744)	15,810
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(43,739)	(136)	13,697	-	38,854	30,624	(116,744)	15,810
Cash and investments - ending	\$ 2,228	\$ (74,015)	\$ 2,878	\$ 48,132	\$ 381	\$ (16,474)	\$ (888,418)	\$ (177,888)	\$ 53,525

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Targeted Projects	English Works	Minority Health	CTE Mini Grant	Drug Free Schools	Team Nutrition	Title II Dwight D. Eisenhower Science and Math Technology Grants	Technology Related Assistance for Individuals With Disabilities	Vocational Education
Cash and investments - beginning	\$ 12,069	\$ 13,442	\$ 3,962	\$ 5,900	\$ (1,160)	\$ 3,868	\$ -	\$ -	\$ (67,065)
Receipts:									
Local sources	9,900	-	-	-	2,625	-	-	-	399
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	188	-	-	-	70,000	-
Federal sources	-	-	-	-	123,389	1,600	50,471	-	462,315
Other	-	-	-	-	-	-	-	-	-
Total receipts	9,900	-	-	188	126,014	1,600	50,471	70,000	462,714
Disbursements:									
Current:									
Instruction	954	571	-	1,255	-	870	-	70,000	473,016
Support services	11,188	-	60	4,832	9,093	-	50,825	-	7,692
Noninstructional services	-	-	-	-	67,838	2,722	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	14,175	-	-	-	22,664
Total disbursements	12,142	571	60	6,087	91,106	3,592	50,825	70,000	503,372
Excess (deficiency) of receipts over disbursements	(2,242)	(571)	(60)	(5,899)	34,908	(1,992)	(354)	-	(40,658)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,150)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(1,150)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,242)	(571)	(1,210)	(5,899)	34,908	(1,992)	(354)	-	(40,658)
Cash and investments - ending	\$ 9,827	\$ 12,871	\$ 2,752	\$ 1	\$ 33,748	\$ 1,876	\$ (354)	\$ -	\$ (107,723)

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Energy Grant	Vocational and Technical Board Grants	Tech Resource	Child Care and Development Block Grant	Twenty First Century	Small Learnings Grant	Montessori	Early Head Start	Head Start 6660
Cash and investments - beginning	\$ 1,565	\$ 2,661	\$ -	\$ 161	\$ (6,582)	\$ (927)	\$ (4,203)	\$ (29,043)	\$ (412,954)
Receipts:									
Local sources	-	-	-	-	-	8,929	18	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	21,632	-	-	155,627	196,654	976,114	483,494	6,016,246
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	21,632	-	-	155,627	205,583	976,132	483,494	6,016,246
Disbursements:									
Current:									
Instruction	-	21,052	-	-	93,995	176,586	218,018	258,525	3,994,540
Support services	-	-	-	-	121,911	20,409	753,913	195,925	2,072,818
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,329	-	-	3,460	-	-	-	-
Total disbursements	-	22,381	-	-	219,366	196,995	971,931	454,450	6,067,358
Excess (deficiency) of receipts over disbursements	-	(749)	-	-	(63,739)	8,588	4,201	29,044	(51,112)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(1,565)	-	-	-	-	-	-	-	(2,118)
Total other financing sources (uses)	(1,565)	-	-	-	-	-	-	-	(2,118)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,565)	(749)	-	-	(63,739)	8,588	4,201	29,044	(53,230)
Cash and investments - ending	\$ -	\$ 1,912	\$ -	\$ 161	\$ (70,321)	\$ 7,661	\$ (2)	\$ 1	\$ (466,184)

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	CACFP Monies	Early Head Start 6691	School to Work Development Act	Challenge Grant for Technology (Dir USDOE)	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part D	Rural Schools and Low Income Program - Pass Through State	Title III, Language Instruction	Title I Grants to LEAs
Cash and investments - beginning	\$ 35,141	\$ -	\$ 11,050	\$ 2,862	\$ (155,883)	\$ (28,810)	\$ 370	\$ (55,791)	\$ 661,925
Receipts:									
Local sources	403,264	-	565	-	100	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	566,164	-	-	1,892,117	161,826	-	274,570	1,388,774
Other	-	-	-	-	-	-	-	-	-
Total receipts	403,264	566,164	565	-	1,892,217	161,826	-	274,570	1,388,774
Disbursements:									
Current:									
Instruction	60,519	528,707	1,029	-	532,552	-	-	280,678	1,385,426
Support services	295,970	155,571	-	-	1,230,808	112,826	-	2,133	164,968
Noninstructional services	-	-	-	-	-	-	-	-	430,089
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	20,190	-	12,471	61,458
Total disbursements	356,489	684,278	1,029	-	1,763,360	133,016	-	295,282	2,041,941
Excess (deficiency) of receipts over disbursements	46,775	(118,114)	(464)	-	128,857	28,810	-	(20,712)	(653,167)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	2,862	-	-	-	39,593	-	-	-	-
Transfers out	-	-	-	(2,862)	(6,695)	-	(370)	-	-
Total other financing sources (uses)	2,862	-	-	(2,862)	32,898	-	(370)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	49,637	(118,114)	(464)	(2,862)	161,755	28,810	(370)	(20,712)	(653,167)
Cash and investments - ending	\$ 84,778	\$ (118,114)	\$ 10,586	\$ -	\$ 5,872	\$ -	\$ -	\$ (76,503)	\$ 8,758

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2012
 (Continued)

	Title I School Improvement	Special Education Part B	Special Education Part B Preschool	McKinney Vento Education for Homeless	Head Start	Title I Part D Subpart 2	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ (181,850)	\$ (67,638)	\$ (64,784)	\$ 1,512	\$ 243	\$ 15,229	\$ -	\$ 3,234,877	\$ 65,365,046
Receipts:									
Local sources	-	-	-	-	-	-	-	-	110,066,820
Intermediate sources	-	-	-	-	-	-	-	-	35
State sources	-	-	-	-	-	-	-	-	143,133,028
Federal sources	255,601	918,294	167,743	-	-	15,900	3,913,983	-	50,104,487
Other	-	-	-	-	-	-	-	38,170,061	38,176,516
Total receipts	255,601	918,294	167,743	-	-	15,900	3,913,983	38,170,061	341,480,886
Disbursements:									
Current:									
Instruction	-	420,010	99,276	-	-	30,751	4,512,639	-	127,113,604
Support services	73,751	387,389	2,761	-	-	-	-	-	85,805,182
Noninstructional services	-	-	-	-	-	-	-	-	13,983,985
Facilities acquisition and construction	-	-	-	-	-	-	-	-	8,532,548
Debt services	-	-	-	-	-	-	-	-	21,935,076
Nonprogrammed charges	-	43,258	923	-	-	377	-	37,994,623	89,943,949
Total disbursements	73,751	850,657	102,960	-	-	31,128	4,512,639	37,994,623	347,314,344
Excess (deficiency) of receipts over disbursements	181,850	67,637	64,783	-	-	(15,228)	(598,656)	175,438	(5,833,458)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	37,313
Transfers in	-	-	-	-	-	-	-	-	2,510,781
Transfers out	-	-	-	-	-	-	-	-	(2,510,780)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	37,314
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	181,850	67,637	64,783	-	-	(15,228)	(598,656)	175,438	(5,796,144)
Cash and investments - ending	\$ -	\$ (1)	\$ (1)	\$ 1,512	\$ 243	\$ 1	\$ (598,656)	\$ 3,410,315	\$ 59,568,902

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

	General	Debt Service	Exempt Debt	Exempt Retirement Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement Severance Bond	Post Retirement Severance Future Benefits
Cash and investments - beginning	\$ 3,147,011	\$ 94,471	\$ 9,124,058	\$ 1,468,868	\$ 5,800,746	\$ 1,828,905	\$ 1,144,440	\$ 816,000	\$ 9,790,504	\$ 2,583,326
Receipts:										
Local sources	554,564	938,740	19,433,341	3,290,242	11,549,605	12,918,327	1,991,723	-	86,267	435,749
Intermediate sources	46	-	-	-	-	-	-	-	-	-
State sources	136,765,341	-	-	-	-	-	-	-	-	-
Federal sources	184,151	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	629,993	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total receipts	<u>137,504,102</u>	<u>938,740</u>	<u>19,433,341</u>	<u>3,290,242</u>	<u>12,179,598</u>	<u>12,918,327</u>	<u>1,991,723</u>	<u>-</u>	<u>86,267</u>	<u>435,749</u>
Disbursements:										
Current:										
Instruction	96,838,756	-	-	-	-	-	-	-	656,903	101,871
Support services	40,796,137	-	-	-	8,054,952	12,715,894	2,143,851	-	256,027	18,944
Noninstructional services	1,537,308	-	-	-	-	-	-	-	8,282	782
Facilities acquisition and construction	160	-	-	-	4,134,869	-	-	-	-	-
Debt services	-	492,273	19,181,738	3,146,752	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	<u>139,172,361</u>	<u>492,273</u>	<u>19,181,738</u>	<u>3,146,752</u>	<u>12,189,821</u>	<u>12,715,894</u>	<u>2,143,851</u>	<u>-</u>	<u>921,212</u>	<u>121,597</u>
Excess (deficiency) of receipts over disbursements	<u>(1,668,259)</u>	<u>446,467</u>	<u>251,603</u>	<u>143,490</u>	<u>(10,223)</u>	<u>202,433</u>	<u>(152,128)</u>	<u>-</u>	<u>(834,945)</u>	<u>314,152</u>
Other financing sources (uses):										
Sale of capital assets	40,518	-	-	-	-	-	-	-	-	-
Transfers in	626,419	449,374	-	-	-	2,163,451	47,046	-	-	-
Transfers out	(2,542)	(1,107,047)	-	-	-	(2,163,451)	(47,046)	-	-	-
Total other financing sources (uses)	<u>664,395</u>	<u>(657,673)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,003,864)</u>	<u>(211,206)</u>	<u>251,603</u>	<u>143,490</u>	<u>(10,223)</u>	<u>202,433</u>	<u>(152,128)</u>	<u>-</u>	<u>(834,945)</u>	<u>314,152</u>
Cash and investments - ending	<u>\$ 2,143,147</u>	<u>\$ (116,735)</u>	<u>\$ 9,375,661</u>	<u>\$ 1,612,358</u>	<u>\$ 5,790,523</u>	<u>\$ 2,031,338</u>	<u>\$ 992,312</u>	<u>\$ 816,000</u>	<u>\$ 8,955,559</u>	<u>\$ 2,897,478</u>

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

	Construction	School Lunch	Textbook Rental	Self Insurance	Levy Excess	Print Shop	Voyagers Program	Voyagers Program 2011	Joint Services and Supply Other
Cash and investments - beginning	\$ 5,211,500	\$ 2,648,392	\$ (894,074)	\$ 13,420,176	\$ -	\$ 40,447	\$ 8,674	\$ -	\$ 76
Receipts:									
Local sources	16,746	1,360,559	614,243	40,474,176	-	22,959	16,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	347,907	1,064,109	-	-	-	-	-	-
Federal sources	-	7,883,948	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	4,531	-	-	-	-	-	-	-
Total receipts	16,746	9,596,945	1,678,352	40,474,176	-	22,959	16,000	-	-
Disbursements:									
Current:									
Instruction	-	-	186,456	1,086,853	-	-	15,363	-	-
Support services	-	8,648	168,375	324,238	-	576	253	-	-
Noninstructional services	-	9,438,719	-	3,103	-	-	-	-	-
Facilities acquisition and construction	9,059	-	-	2,068	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	37,264,059	-	-	-	-	-
Total disbursements	9,059	9,447,367	354,831	38,680,321	-	576	15,616	-	-
Excess (deficiency) of receipts over disbursements	7,687	149,578	1,323,521	1,793,855	-	22,383	384	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	2,294,409	657,673	-	-	-	-	-	-
Transfers out	-	(2,894,409)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(600,000)	657,673	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,687	(450,422)	1,981,194	1,793,855	-	22,383	384	-	-
Cash and investments - ending	\$ 5,219,187	\$ 2,197,970	\$ 1,087,120	\$ 15,214,031	\$ -	\$ 62,830	\$ 9,058	\$ -	\$ 76

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

	Adult Education Summer School	STD Remediation	Governor Money	Northern Indiana Conference	Bilingual Tests	Alumni Association	Public Education Foundation	Art Association	Child Care Program
Cash and investments - beginning	\$ 7,434	\$ 504,763	\$ 419,909	\$ 277	\$ 35	\$ 11,579	\$ (307)	\$ -	\$ 24,468
Receipts:									
Local sources	-	-	-	831	-	14,292	2,387	179,419	29,820
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	831	-	14,292	2,387	179,419	29,820
Disbursements:									
Current:									
Instruction	-	-	80,027	-	35	-	-	-	35,760
Support services	-	62,497	-	828	-	3,433	1,287	-	220
Noninstructional services	-	-	-	-	-	4,830	-	179,419	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	62,497	80,027	828	35	8,263	1,287	179,419	35,980
Excess (deficiency) of receipts over disbursements	-	(62,497)	(80,027)	3	(35)	6,029	1,100	-	(6,160)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	201,753	-	-	-	-	-	106,077	-
Transfers out	-	(201,753)	-	-	-	-	-	(106,077)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(62,497)	(80,027)	3	(35)	6,029	1,100	-	(6,160)
Cash and investments - ending	\$ 7,434	\$ 442,266	\$ 339,882	\$ 280	\$ -	\$ 17,608	\$ 793	\$ -	\$ 18,308

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

	Historical Society	SAFE School Haven	Early Intervention Grant	Reading Recovery	New Tech Start	Instruction Support	Adult and Continuing Education	Extra-Curricular Activities	Cultural Arts
Cash and investments - beginning	\$ -	\$ 2,235	\$ 30,575	\$ (88,429)	\$ -	\$ 105,599	\$ 19,786	\$ 24,653	\$ 569
Receipts:									
Local sources	179,419	-	-	-	-	78,410	12,989	12,101	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	114,882	-	-	-	750	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	179,419	-	-	114,882	-	78,410	12,989	12,851	-
Disbursements:									
Current:									
Instruction	-	-	-	(212,862)	-	43,270	1	3,852	-
Support services	-	-	108	11,971	-	27,556	2	8,433	-
Noninstructional services	179,419	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	179,419	-	108	(200,891)	-	70,826	3	12,285	-
Excess (deficiency) of receipts over disbursements	-	-	(108)	315,773	-	7,584	12,986	566	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	106,077	-	-	-	-	-	-	-	-
Transfers out	(106,077)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(108)	315,773	-	7,584	12,986	566	-
Cash and investments - ending	\$ -	\$ 2,235	\$ 30,467	\$ 227,344	\$ -	\$ 113,183	\$ 32,772	\$ 25,219	\$ 569

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

	Welfare Activities	Scholarships and Awards	Construction, Remodeling, and Equipping Buildings	Miscellaneous Programs	Judgement Bond	Instructional Support	Fluid Power Challenge	Explorers Lips Wilson Grant	Gifted and Talented
Cash and investments - beginning	\$ 660	\$ 200	\$ 30,238	\$ 193,970	\$ 523	\$ 1,000	\$ 2,250	\$ -	\$ 113,486
Receipts:									
Local sources	-	-	60,126	156,404	-	-	-	-	210
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	111,183
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	60,126	156,404	-	-	-	-	111,393
Disbursements:									
Current:									
Instruction	10	-	10,991	97,954	-	-	2,228	-	-
Support services	-	200	-	27,193	-	-	-	-	124,605
Noninstructional services	-	-	-	447	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,162	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10	200	10,991	127,756	-	-	2,228	-	124,605
Excess (deficiency) of receipts over disbursements	(10)	(200)	49,135	28,648	-	-	(2,228)	-	(13,212)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10)	(200)	49,135	28,648	-	-	(2,228)	-	(13,212)
Cash and investments - ending	\$ 650	\$ -	\$ 79,373	\$ 222,618	\$ 523	\$ 1,000	\$ 22	\$ -	\$ 100,274

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

	Tech Assistance	Instructional Support	Drug Free Communities	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Public Law 221	Extra-Curricular Activities	Project 4R's	Indiana Arts Commission
Cash and investments - beginning	\$ 491	\$ -	\$ -	\$ 27,841	\$ 213,900	\$ 338,092	\$ 210,970	\$ -	\$ 149
Receipts:									
Local sources	-	-	-	-	31,807	-	402,045	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	24,588	10,000	-	-	-	-	3,000
Federal sources	-	-	-	-	270,822	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	24,588	10,000	302,629	-	402,045	-	3,000
Disbursements:									
Current:									
Instruction	-	-	33,607	27,839	165,623	69,265	-	-	2,673
Support services	-	-	-	-	185,939	-	1,949	-	-
Noninstructional services	-	-	-	-	-	-	290,671	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	33,607	27,839	351,562	69,265	292,620	-	2,673
Excess (deficiency) of receipts over disbursements	-	-	(9,019)	(17,839)	(48,933)	(69,265)	109,425	-	327
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	204,388	-	-
Transfers out	-	-	-	-	-	-	(204,388)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(9,019)	(17,839)	(48,933)	(69,265)	109,425	-	327
Cash and investments - ending	\$ 491	\$ -	\$ (9,019)	\$ 10,002	\$ 164,967	\$ 268,827	\$ 320,395	\$ -	\$ 476

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

	Buddy Summer Grant	CISCO Academy	Non-English Speaking Programs P.L. 273-1999	Universal Services	Technology Plan Buddy	Technology Grants [IC 20-40-15]	Performance Based Awards	Indiana School Academic Improvement Program (ISAIP)	Technology Planning Grant
Cash and investments - beginning	\$ -	\$ -	\$ (154,405)	\$ (85,399)	\$ -	\$ 264,371	\$ 1,404	\$ 1,292	\$ 7,248
Receipts:									
Local sources	-	-	-	777,129	-	27	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	231,822	6,123	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	231,822	783,252	-	27	-	-	-
Disbursements:									
Current:									
Instruction	-	-	30,315	-	-	-	-	-	-
Support services	-	-	5,720	1,240,986	-	261,864	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	36,035	1,240,986	-	261,864	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	195,787	(457,734)	-	(261,837)	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	195,787	(457,734)	-	(261,837)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 41,382	\$ (543,133)	\$ -	\$ 2,534	\$ 1,404	\$ 1,292	\$ 7,248

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

	Project 2000/93	Technology Grant	School Tech Advancement	Principal Tech	Miscellaneous Programs	Promoting Positive Values	PASS Grant	CLASS	Moody Foundation
Cash and investments - beginning	\$ 410	\$ 3,208	\$ 7,578	\$ 648	\$ -	\$ -	\$ -	\$ -	\$ 5,235
Receipts:									
Local sources	-	-	-	-	-	46	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	46	-	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	46	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	46	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ 410	\$ 3,208	\$ 7,578	\$ 648	\$ -	\$ -	\$ -	\$ -	\$ 5,235

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

	Safe Haven	Tele-communication Grant	Head Start 3970	Play Smart Grant	Civic Education Program	Title I	Title I Program Improvement	Title I Delinquent	Title I Part D
Cash and investments - beginning	\$ 3,661	\$ (28,204)	\$ 9,325	\$ -	\$ (7,647)	\$ (488,472)	\$ (6,408)	\$ 5,984	\$ 4,045
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	30,736	10,170	-	-	-	-	-	-
Federal sources	-	-	-	-	-	8,659,307	94,954	-	124,557
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	30,736	10,170	-	-	8,659,307	94,954	-	124,557
Disbursements:									
Current:									
Instruction	-	-	19,186	-	(7,647)	3,201,783	-	-	125,966
Support services	-	-	59	-	-	4,006,071	88,548	-	-
Noninstructional services	3,659	-	-	-	-	890,553	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	41,773	-	-	1,628
Total disbursements	3,659	-	19,245	-	(7,647)	8,140,180	88,548	-	127,594
Excess (deficiency) of receipts over disbursements	(3,659)	30,736	(9,075)	-	7,647	519,127	6,406	-	(3,037)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	11,065
Transfers out	-	-	-	-	-	-	-	-	(11,065)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,659)	30,736	(9,075)	-	7,647	519,127	6,406	-	(3,037)
Cash and investments - ending	\$ 2	\$ 2,532	\$ 250	\$ -	\$ -	\$ 30,655	\$ (2)	\$ 5,984	\$ 1,008

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

	Title I Summer School	Title I 4170	Title I 1003g Grant Dickinson	Innovative Education Program Strategies Title V (Part A)	Title I Migrant	Summer Migrant	Migrant Education 4339	Bilingual Reimbursement	Title II-C
Cash and investments - beginning	\$ 203,291	\$ (15,183)	\$ -	\$ -	\$ (25,078)	\$ (1,327)	\$ (1)	\$ 3,498	\$ 244,872
Receipts:									
Local sources	-	-	33	-	-	-	-	1,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	669,911	794,744	-	64,865	39,845	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	669,911	794,777	-	64,865	39,845	-	1,000	-
Disbursements:									
Current:									
Instruction	8,253	548,037	722,742	-	42,905	36,872	-	3,333	-
Support services	33,831	162,150	74,141	-	5,184	963	-	-	-
Noninstructional services	-	-	-	-	65	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	1,147	-	-	-	-
Total disbursements	42,084	710,187	796,883	-	49,301	37,835	-	3,333	-
Excess (deficiency) of receipts over disbursements	(42,084)	(40,276)	(2,106)	-	15,564	2,010	-	(2,333)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(685)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(685)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(42,084)	(40,276)	(2,106)	-	15,564	1,325	-	(2,333)	-
Cash and investments - ending	\$ 161,207	\$ (55,459)	\$ (2,106)	\$ -	\$ (9,514)	\$ (2)	\$ (1)	\$ 1,165	\$ 244,872

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

	Community Foundation Dream Team	Respect Funds	Rainbow Child	Memorial Hospital	Fam Lit Child C	Impact Child Care	Food Stamps	Local Reading Improvement	Adult Education Business and Industry
Cash and investments - beginning	\$ (1)	\$ 1,527	\$ -	\$ 6,274	\$ 5,436	\$ 2,919	\$ 15,020	\$ -	\$ 47,980
Receipts:									
Local sources	-	-	-	-	46,270	-	-	-	1,130
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	46,270	-	-	-	1,130
Disbursements:									
Current:									
Instruction	-	-	-	-	1,776	-	1,093	-	36,029
Support services	-	-	-	6,274	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	6,274	1,776	-	1,093	-	36,029
Excess (deficiency) of receipts over disbursements	-	-	-	(6,274)	44,494	-	(1,093)	-	(34,899)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(6,274)	44,494	-	(1,093)	-	(34,899)
Cash and investments - ending	\$ (1)	\$ 1,527	\$ -	\$ -	\$ 49,930	\$ 2,919	\$ 13,927	\$ -	\$ 13,081

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

	ABE Money	Adult Education No. 1	Adult Education No. 2	GED Test Fees	Serve America	Preschool Grant	Special Education Preschool	Adult Basic Education	Work Force Adult Education
Cash and investments - beginning	\$ 2,228	\$ (74,015)	\$ 2,878	\$ 48,132	\$ 381	\$ (16,474)	\$ (888,418)	\$ (177,888)	\$ 53,525
Receipts:									
Local sources	-	2,580	-	61,309	-	-	-	-	37,319
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	294,731	5,651,072	239,061	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	2,580	-	61,309	-	294,731	5,651,072	239,061	37,319
Disbursements:									
Current:									
Instruction	-	1,587	-	-	-	171,352	4,155,757	260,843	45,000
Support services	-	-	-	44,513	-	175,319	1,144,458	40,508	10,000
Noninstructional services	-	-	-	-	-	-	-	32,463	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,986	-	5,807	-
Total disbursements	-	1,587	-	44,513	-	348,657	5,300,215	339,621	55,000
Excess (deficiency) of receipts over disbursements	-	993	-	16,796	-	(53,926)	350,857	(100,560)	(17,681)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	993	-	16,796	-	(53,926)	350,857	(100,560)	(17,681)
Cash and investments - ending	\$ 2,228	\$ (73,022)	\$ 2,878	\$ 64,928	\$ 381	\$ (70,400)	\$ (537,561)	\$ (278,448)	\$ 35,844

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

	Targeted Projects	English Works	Minority Health	CTE Mini Grant	Drug Free Schools	Team Nutrition	Title II Dwight D. Eisenhower Science and Math Technology Grants	Technology Related Assistance for Individuals With Disabilities	Vocational Education
Cash and investments - beginning	\$ 9,827	\$ 12,871	\$ 2,752	\$ 1	\$ 33,748	\$ 1,876	\$ (354)	\$ -	\$ (107,723)
Receipts:									
Local sources	15,700	-	-	-	-	-	18,769	-	1,093
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	115,651	-	484,340
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	15,700	-	-	-	-	-	134,420	-	485,433
Disbursements:									
Current:									
Instruction	1,135	(9,102)	-	-	-	-	-	-	355,308
Support services	12,600	-	2,752	-	-	80	140,105	-	8,217
Noninstructional services	-	-	-	-	-	657	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	8,273	-	19,800
Total disbursements	13,735	(9,102)	2,752	-	-	737	148,378	-	383,325
Excess (deficiency) of receipts over disbursements	1,965	9,102	(2,752)	-	-	(737)	(13,958)	-	102,108
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,965	9,102	(2,752)	-	-	(737)	(13,958)	-	102,108
Cash and investments - ending	\$ 11,792	\$ 21,973	\$ -	\$ 1	\$ 33,748	\$ 1,139	\$ (14,312)	\$ -	\$ (5,615)

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

	Energy Grant	Vocational and Technical Board Grants	Tech Resource	Child Care and Development Block Grant	Twenty First Century	Small Learnings Grant	Montessori	Early Head Start	Head Start 6660
Cash and investments - beginning	\$ -	\$ 1,912	\$ -	\$ 161	\$ (70,321)	\$ 7,661	\$ (2)	\$ 1	\$ (466,184)
Receipts:									
Local sources	-	-	-	-	-	-	-	176,827	386
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	12,210	-	-	263,189	-	-	-	4,875,551
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	12,210	-	-	263,189	-	-	176,827	4,875,937
Disbursements:									
Current:									
Instruction	-	-	4,797	-	94,779	109	-	93,723	3,511,068
Support services	-	11,711	-	-	126,627	-	-	41,078	1,519,771
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,720	-	-	-	-
Total disbursements	-	11,711	4,797	-	225,126	109	-	134,801	5,030,839
Excess (deficiency) of receipts over disbursements	-	499	(4,797)	-	38,063	(109)	-	42,026	(154,902)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(500)	-	-	-	(407)	-	-	-
Total other financing sources (uses)	-	(500)	-	-	-	(407)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1)	(4,797)	-	38,063	(516)	-	42,026	(154,902)
Cash and investments - ending	\$ -	\$ 1,911	\$ (4,797)	\$ 161	\$ (32,258)	\$ 7,145	\$ (2)	\$ 42,027	\$ (621,086)

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

	CACFP Monies	Early Head Start 6691	School to Work Development Act	Challenge Grant for Technology (Dir USDOE)	Improving Teaching Quality, No Child Left, Title II, Part A	Title II Part D	Rural Schools and Low Income Program - Pass Through State	Title III, Language Instruction	Title I Grants to LEAs
Cash and investments - beginning	\$ 84,778	\$ (118,114)	\$ 10,586	\$ -	\$ 5,872	\$ -	\$ -	\$ (76,503)	\$ 8,758
Receipts:									
Local sources	529,988	-	348	-	435	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	1,069,512	-	-	1,500,933	-	-	365,537	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	529,988	1,069,512	348	-	1,501,368	-	-	365,537	-
Disbursements:									
Current:									
Instruction	33,057	815,411	748	-	454,804	-	-	321,156	6,697
Support services	504,045	241,095	-	-	1,039,899	-	-	9,909	-
Noninstructional services	-	-	-	-	-	-	-	-	1,922
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	537,102	1,056,506	748	-	1,494,703	-	-	331,065	8,619
Excess (deficiency) of receipts over disbursements	(7,114)	13,006	(400)	-	6,665	-	-	34,472	(8,619)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	407	-	-	-	-
Transfers out	-	-	-	-	(22,692)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(22,285)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,114)	13,006	(400)	-	(15,620)	-	-	34,472	(8,619)
Cash and investments - ending	\$ 77,664	\$ (105,108)	\$ 10,186	\$ -	\$ (9,748)	\$ -	\$ -	\$ (42,031)	\$ 139

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

	Title I School Improvement	Special Education Part B	Special Education Part B Preschool	McKinney Vento Education for Homeless	Head Start	Title I Part D Subpart 2	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ (1)	\$ (1)	\$ 1,512	\$ 243	\$ 1	\$ (598,656)	\$ 3,410,315	\$ 59,568,902
Receipts:									
Local sources	-	-	-	-	-	-	-	-	96,533,890
Intermediate sources	-	-	-	-	-	-	-	-	46
State sources	-	-	-	-	-	-	-	-	138,720,611
Federal sources	-	-	-	-	-	-	758,819	-	34,417,710
Temporary loans	-	-	-	-	-	-	-	-	629,993
Other	-	-	-	-	-	-	-	37,443,127	37,447,658
Total receipts	-	-	-	-	-	-	758,819	37,443,127	307,749,908
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	160,163	-	114,495,510
Support services	-	-	-	-	-	-	-	-	75,902,640
Noninstructional services	-	-	-	-	-	-	-	-	12,572,299
Facilities acquisition and construction	-	-	-	-	-	-	-	-	4,148,318
Debt services	-	-	-	-	-	-	-	-	22,820,763
Nonprogrammed charges	-	-	-	-	-	-	-	38,039,688	75,387,881
Total disbursements	-	-	-	-	-	-	160,163	38,039,688	305,327,411
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	598,656	(596,561)	2,422,497
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	40,518
Transfers in	-	-	-	-	-	-	-	-	6,868,139
Transfers out	-	-	-	-	-	-	-	-	(6,868,139)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	40,518
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	-	598,656	(596,561)	2,463,015
Cash and investments - ending	\$ -	\$ (1)	\$ (1)	\$ 1,512	\$ 243	\$ 1	\$ -	\$ 2,813,754	\$ 62,031,917

SOUTH BEND COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2013

Lessor	Purpose	Annual Lease Payments	Lease Beginning Date	Lease Ending Date
Governmental activities:				
South Bend Community School Corporation 2002 Building Corporation	Wilson/Edison Construction	\$ 1,399,000	01-15-11	01-15-16
South Bend Community School Corporation 2002 Building Corporation	Marquette/Monroe Construction	2,070,000	07-01-09	07-15-29
South Bend Community School Corporation 2002 Building Corporation	Marquette/Monroe Construction	880,000	07-15-09	12-30-28
South Bend Community School Corporation 2002 Building Corporation	Greene/Brown Plan Z	3,259,500	04-15-10	01-15-15
South Bend Community School Corporation 2002 Building Corporation	Greene/Brown Plan Z	1,655,000	01-15-08	07-15-23
South Bend Community School Corporation 2000 Building Corporation	Adams/Harrison	3,218,000	04-15-10	01-15-15
South Bend Community School Corporation 2000 Building Corporation	Adams/Harrison	2,135,500	01-15-08	07-15-24
South Bend Community School Corporation Riley School Building Corporation	Riley	<u>3,577,500</u>	01-15-09	07-15-19
Total of annual lease payments		<u>\$ 18,194,500</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
Notes and loans payable:				
Advancement of Common School Fund Loan No. A1560	Technology Upgrades		\$ 499,193	\$ 204,170
State General Fund Loan	State Loan HEA 1072		314,996	314,996
General obligation bonds:				
Amended Taxable General Obligation Bonds of 2003	Resolve the unfunded liability existing contractual retirement payments		7,220,000	1,646,983
General Obligation Pension Bond Series 2006	Resolve the unfunded liability existing contractual retirement payments		12,780,000	1,502,991
Lincoln School Construction General Obligation Bonds of 2005	Construction of Lincoln Primary Center		<u>9,835,000</u>	<u>1,005,993</u>
Totals			<u>\$ 30,649,189</u>	<u>\$ 4,675,133</u>

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2013

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

	Ending Balance
Governmental activities:	
Land	\$ 1,924,680
Buildings	636,349,636
Improvements other than buildings	5,052
Machinery, equipment, and vehicles	97,522,985
Total capital assets	\$ 735,802,353

SOUTH BEND COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

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

<u>Fund</u>	<u>Amount Overdrawn</u>
Debt Service	\$ 116,735
Universal Services	543,133
Adult Education No. 1	73,022

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

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Improving Teacher Quality State Grants

As described in item 2013-003 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Cost/Cost Principals, Period of Availability and Reporting that are applicable to its Improving Teacher Quality State Grants. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

Qualified Opinion on Improving Teacher Quality State Grants

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

Unmodified Opinion on Each of the Other Major Federal Programs

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

Other Matters

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

Report on Internal Control Over Compliance

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


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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-002 and 2013-003 to be material weaknesses.

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

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

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


Paul D. Joyce, CPA
State Examiner

February 26, 2014

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553		\$ 2,249,557	\$ 2,054,889
National School Lunch Program	Indiana Department of Education	10.555		6,737,615	6,172,708
Summer Food Service Program for Children	Indiana Department of Education	10.559		236,239	297,637
Total for cluster				9,223,411	8,525,234
Child and Adult Care Food Program	Indiana Department of Education	10.558		74,912	195,648
Team Nutrition Grants	Indiana Department of Education	10.574	7205-7549	3,592	737
Fresh Fruit & Vegetable Program	Indiana Department of Education	10.582		94,367	95,498
Total for federal grantor agency				9,396,282	8,817,117
<u>U.S. DEPARTMENT OF EDUCATION</u>					
Title 1, Part A Cluster					
Title 1 Grants to Local Educational Agencies	Indiana Department of Education	84.010	2010-11	3,275,051	-
			School Improve 10-11	734,967	-
			Delinquent 10-11	15,144	-
			2011-12	6,462,612	2,511,044
			School Improve 11-12	491,177	43,547
			Delinquent 11-12	86,170	47,680
			2012-13	-	5,629,136
			School Improve 12-13	-	45,000
			Delinquent 12-13	-	84,604
Total for program				11,065,121	8,361,011
ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act	Indiana Department of Education	84.389	ARRA 2009-11	2,041,942	8,620
			ARRA School Improv	73,751	-
			ARRA Part D 2009-10	31,129	-
Total for program				2,146,822	8,620
Total for cluster				13,211,943	8,369,631

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>					
Special Education Cluster (IDEA) Special Education - Grants to State	Indiana Department of Education	84.027	14211-055-PN01 14212-055-PN01 14213-055-PN01 A58-2-12DL-0179	828,540 5,581,631 - 70,000	- 447,822 5,769,186 -
Total for program				<u>6,480,171</u>	<u>6,217,008</u>
Special Education - Preschool Grants	Indiana Department of Education	84.173	45711-055-PN01 45712-055-PN01 45713-055-PN01	39,082 253,009 -	80,679 16,130 251,849
Total for program				<u>292,091</u>	<u>348,658</u>
ARRA - Special Education Grants to States, Recovery Act	Indiana Department of Education	84.391	33310-055-SN01 ARRA	<u>850,656</u>	-
ARRA - Special Education Preschool Grants, Recovery Act	Indiana Department of Education	84.392	44410-055-SN01 ARRA	<u>102,960</u>	-
Total for cluster				<u>7,725,878</u>	<u>6,565,666</u>
Educational Technology State Grants Cluster Educational Technology State Grants	Indiana Department of Education	84.318	Title II Part D	<u>133,016</u>	-
Total for cluster				<u>133,016</u>	-
School Improvement Grants Cluster School Improvement Grants	Indiana Department of Education	84.377	2010-2011 1003g 2011-2012 1003g	198,059 <u>585,378</u>	- <u>448,233</u>
Total for program				<u>783,437</u>	<u>448,233</u>
ARRA - School Improvement Grants, Recovery Act	Indiana Department of Education	84.388	2012-2013 1003g	-	<u>1,058,838</u>
Total for cluster				<u>783,437</u>	<u>1,507,071</u>
Magnet Schools Assistance	Direct Grant	84.165	U165A070073-09	<u>971,930</u>	-
Fund for the Improvement of Education	Direct Grant	84.215	S215L060023-09 10-11	<u>196,992</u>	<u>515</u>
Adult Education - Basic Grants to States	Indiana Department of Education	84.002	2011-8032 2011-8408 C1-2-AE-1-22 C1-3-AE-2-22	158,476 8,990 316,157 -	- - - <u>423,280</u>
Total for program				<u>483,623</u>	<u>423,280</u>

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>					
Migrant Education - State Grant Program	Indiana Department of Education	84.011	38210-016-PN01 38210-016-DY02 38211-016-PN01 38211-025-CY01 38212-013-PN01	20,184 24,166 133,765 1,325 -	- - - 38,520 49,750
Total for program				<u>179,440</u>	<u>88,270</u>
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048	11-4700-7205 12-4700-7205 13-4700-7205 11-6200-7205	152,422 350,949 - 21,632	- 92,227 291,098 12,210
Total for program				<u>525,003</u>	<u>395,535</u>
Safe and Drug-Free Schools and Communities - State Grants	Indiana Department of Education	84.186		<u>89,227</u>	-
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287	2010-11 2011-12 2012-13	4,141 190,458 24,766	- 10,084 211,886
Total for program				<u>219,365</u>	<u>221,970</u>
Advance Placement Program (Advance Placement Test Fee; Advance Placement Incentive Program Grants)	Indiana Department of Education	84.330	IB Test	<u>9,387</u>	-
English Language Acquisition Grants	Indiana Department of Education	84.365	01111-076-PN01 01112-076-PN01 01113-078-PN01	36,960 258,254 -	- 74,934 289,712
Total for program				<u>295,214</u>	<u>364,646</u>
Mathematics and Science Partnerships	Indiana Department of Education	84.366	A58-1-11CI-273 A58-13CI-1270	50,825 -	134,067 14,311
Total for program				<u>50,825</u>	<u>148,378</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	P.L. 107-110 SY09-10 P.L. 107-110 SY10-11 P.L. 107-110 SY11-12	690,890 1,079,165 -	- 462,303 1,055,093
Total for program				<u>1,770,055</u>	<u>1,517,396</u>

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2012 and 2013
 (Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>					
Education Jobs Fund	Indiana Department of Education	84.410	2010-2012	<u>4,512,640</u>	<u>160,163</u>
Tech Prep Education	Indiana Department of Workforce Development	84.243	TP-9-22	<u>750</u>	<u>-</u>
Total for federal grantor agency				<u>31,158,725</u>	<u>19,762,521</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Head Start Cluster					
Head Start	Direct Grant	93.600	05CH8262/07 05CH8262/08 05CH8262/09	2,749,351 4,004,253 <u>-</u>	 2,773,284 <u>3,313,950</u>
Total for program				<u>6,753,604</u>	<u>6,087,234</u>
ARRA - Early Head Start	Direct Grant	93.709	B3023P1	<u>454,451</u>	<u>-</u>
Total for cluster				<u>7,208,055</u>	<u>6,087,234</u>
Total federal awards expended				<u>\$ 47,763,062</u>	<u>\$ 34,666,872</u>

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the South Bend Community School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs.

An exception to this rule is the Child Nutrition Cluster. The federal awards for this program are considered expended when the reimbursement is received.

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

Note 2. Noncash Assistance

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

Program Title	Federal CFDA Number	2012	2013
School Breakfast Program	10.553	\$ 165,135	\$ 183,737
National School Lunch Program	10.555	494,589	552,073

SOUTH BEND COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	no
Type of auditor's report issued on compliance for major programs:	Unmodified except for Improving Teacher Quality State Grants, which is qualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
	Title I, Part A Cluster
84.367	Improving Teacher Quality State Grants
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$2,472,898

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

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

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

CFDA	Understated (Overstated) 06-30-12	Understated (Overstated) 06-30-13
10.553	\$ 1,706,401	\$ 1,889,755
10.555	(1,842,476)	(2,427,556)
10.559	(151,435)	(40,617)
10.558	57,346	192,921
84.165	517,479	-

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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

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

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

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

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

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

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

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

Section III – Federal Award Findings and Questioned Costs

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

Federal Agency: U.S. Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Years (or Other Identifying Number): FY 11/12 and FY 12/13

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system over the Reporting compliance requirement.

There is no documentation to indicate that there is oversight over the reporting process. Currently, the work being performed by the individual compiling the information for the monthly reimbursement claims is not being reviewed by anyone before they are submitted to the Indiana Department of Education.

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

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

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

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

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

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

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

FINDING 2013-003 - INTERNAL CONTROLS OVER COMPLIANCE AND NONCOMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO IMPROVING TEACHER QUALITY STATE GRANTS

Federal Agency: U.S. Department of Education

Federal Program: Improving Teacher Quality State Grants

CFDA Number: 84.367

Federal Award Numbers and Years (or Other Identifying Number): P.L. 107-110 SY09-10, P.L. 107-110 SY10-11, P.L. 107-110 SY11-12

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Allowable Costs/Cost Principals, Period of Availability, and Reporting that have a direct and material effect on the program. The failure to establish an effective internal control system places the School at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

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

The following deficiencies were noted during the audit of the program:

1. The Final Report of Expenditures for federal award numbers P.L. 107-110 SY09-10 and P.L. 107-110 SY10-11 were not filed by the due date. The final report for program P.L. 107-110 SY09-10 was due December 31, 2011. The report was submitted on January 2, 2012, two days late. The final report for P.L. 107-110 SY10-11 was due December 31, 2012. The final report was submitted on February 14, 2013, 45 days late.

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

34 CFR 80.41 (4) states:

"*Due date.* When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support."

2. We were unable to verify the completeness and accuracy of the reimbursement claims that were submitted during the audit period for the program. The accounting system was not able to duplicate reports to support each reimbursement claim. At the end of the grant period, we were able to match the total disbursements posted to the grant fund to the total reimbursement claims submitted for the grants.

34 CFRA 80.20(b) states in part:

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

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
 - (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . .
 - (6) *Source documentation.* Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc. . . ."
3. We inspected all vendor payments made after September 30, 2011, which was the end of the period of availability for award P.L. 107-110 SY09-10 and all vendor payments after September 30, 2012, which was the end of the period of availability for award P.L. 107-110 SY10-11 and we determined that for award P.L. 107-110 SY09-10 there were questioned costs totaling \$245,449 in payments for goods and services that were obligated after September 30, 2011. The following table lists all vendor payments that were obligated after September 30, 2011.

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

Vendor	Questioned Costs	Obligated
Distributors	\$ 5,359	10-18-11
Distributors	3,855	10-18-11
TCU	1,252	11-15-11
School Improvement Network	32,000	
Commercial Office	894	10-03-11
Commercial Office	1,332	10-03-11
Commercial Office	166	10-03-11
CDW Govern't Inc	1,048	10-04-11
Apple Computers, Inc.	56,590	
Lewis Paper Place Inc	1,526	10-03-11
EAI Education	7,605	10-21-11
EAI Education	51	10-04-11
Distributors	5,072	10-18-11
Scholastic Software	307	10-07-11
Heinemann	4,325	10-05-11
ASCD	12,752	10-19-11
Coaching for Results, Inc.	6,289	10-17-11
CDW Government, Inc	5,177	10-17-11
Sage Publications	3,461	10-11-11
Barnes & Noble Bookstore	1,123	10-03-11
Apple Inc	2,847	11-03-11
Patricia Davenport Consulting	70,000	10-03-11
Riverbend Comm Math Cent	15,000	10-01-11
Bullock, Yvonne	247	11-15-11
TCU	1,823	11-15-11
Sage Publications	5,348	10-11-11
	<u>\$ 245,449</u>	

34 CFR 80.23 states:

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

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

34 CFR 80.3 states in part:

"*Obligations* means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period."

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

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

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

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

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



SOUTH BEND COMMUNITY SCHOOL CORPORATION

215 South St. Joseph Street

South Bend, Indiana 46601

Telephone (574) 283-8000

February 26, 2014

FINDING 2013-001- INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Agency:	Department of Agriculture
Federal Program:	School Breakfast Program
Federal Program:	National School Lunch Program
Federal Program:	Summer Food Service Program for Children
CFDA Number:	10.553, 10.555, 10.559
Federal Award Number and Year:	FY 11/12 and FY 12/13
Pass-Through Entity:	Indiana Department of Education
Auditor Contact Person:	Victoria L. Moore
Title of Contact Person:	Director Food & Nutrition
Phone Number:	574-283-8093

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

During the audit of the Schedule of Expenditures of Federal Awards (SEFA), we noted the following errors:

**South Bend Community School Corporation
For the audit Period 07-01-11 to 06-30-13
Finding 2013-001**

<u>CFDA</u>	Understated (Overstated)	Understated (Overstated)
	<u>6/30/2012</u>	<u>6/30/2013</u>
10.553	\$1,706,401	\$1,889,755
10.555	(1,842,476)	(2,427,556)
10.559	(151,435)	(40,617)
10.558	57,346	192,921
84.165	517,479	

Audit adjustments were proposed, accepted by the School, and made to the SEFA presented in this report. The net effect of these adjustments was immaterial to the presentation of the SEFA as a whole.

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

FINDING 2013-001- INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued

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

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

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

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

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

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

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

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

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


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

Corrective Action

Monthly, the South Bend Community Schools Accounting Department receives the claim reimbursement check. The Food & Nutrition Office is given a notice of the claim check amount. The Food & Nutrition Office will provide the Accounting Department with the following 2 documents:

1. An adjusted Claim Comparison (see attachment 1) – this form will be adjusted by reviewing the Sponsor Summary Payment tab on the IDOE website. This summary will show any differences in claim amount vs. actual monies received. Using the adjusted amounts, Director, Victoria Moore, will complete the Claim Comparison. The adjusted amounts will be used for all reporting purposes.
2. Income Report by School (see attachment 2) – this report breaks out the reimbursement by school & by category. All amounts are totaled and MUST match the actual amount received and the Claim Comparison. This report is completed by the Supervisor, Lori Weldy

Before submitting these forms to the Accounting Department, both the Income Report and the Claim Comparison will be reviewed for accuracy and signed by the Director, Victoria Moore.


Robert M. Orlowski

2-26-2014

South Bend Community School Corporation

Attachment 1

Food & Nutrition Department
Yearly Comparison

REIMBURSEMENTS		2013																		
NSLP		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Lunch Reimbursement																				
Paid	\$ 178,516.83	6,750.91	16,278.86	20,563.32	19,199.74	14,416.19	15,191.94	17,809.77	20,273.75	18,922.65	23,302.3	39,07.4								
Free	\$ 5,624,407.72	262,546.56	603,089.28	675,662.40	616,155.84	455,780.16	484,295.04	577,278.72	561,804.6	525,460.32	661,320.66	1,190,14.14								
Reduced	\$ 669,451.84	23,197.92	71,071.84	86,064.80	81,403.52	60,822.00	63,971.60	75,431.68	71,965.82	66,421	82,565.24	145,36.42								
BKFT Reimbursement	\$ 6,418,376.39	292,485.39	690,439.98	784,290.52	716,759.10	531,018.36	563,458.68	670,520.17	654,044.17	610,703.97	767,188.20	1,374,57.96								
Paid	\$ 40,078.15	1,699.11	4,407.21	5,142.96	4,798.71	3,556.97	3,529.61	4,420.98	4,289.22	4,024.62	5,209.65	889.11								
Free	\$ 1,921,443.30	79,929.25	212,137.65	237,218.10	220,466.35	158,513.55	161,318.15	195,974.2	191,959.7	183,699.45	237,791.6	424,35.3								
Reduced	\$ 182,157.55	4,902.65	17,995.50	23,358.50	21,318.70	15,864.25	15,904.55	19,887.36	18,879	17,528.95	22,885.75	39,92.35								
State Revenue Match	\$ 2,145,679.00	86,591.01	234,540.36	265,719.56	246,583.76	177,944.77	180,852.31	219,982.53	215,127.92	205,253.02	265,987.00	472,56.76								
Summer	\$ 50,270.73																			
Snack Reimbursement	\$ 337,636.67	174,098.70	129,049.91																	
Paid	\$ 1,164.45	43.96	112.98	137.76	131.32	92.40	108.92	129.78	122.36	119.35	142.94	22.68								
Free	\$ 15,081.62			118.56	167.70	70.98	110.76	127.14	109.98	211.38	175.5	416.62								
Reduced	\$ 74.10			9.36	14.82	8.68	7.80	7.41	6.63	13.65	5.85									
S.E. Free	\$ 451,031.02	1,798.68	10,729.68	6,236.10	4,356.30	2,753.40	3,192.54	4,965.34	4,034.94	4,169.1	3,176.94	439.30								
Fresh Fruit & Vegetable	\$ 48,160.19	1,842.64	10,842.66	6,501.78	4,670.14	2,925.36	3,420.02	5,219.67	4,273.91	4,513.45	3,501.23									
Admin	\$ 6,563.46		1,042.70	4,470.25	484.25	521.50					44.76									
Operating	\$ 81,157.12		5,994.51	12,880.00	10,116.66	7,904.03	9,081.86	11,211.71	8,997.4	8,011.66	6,869.29									
Other Operating	\$ 34,858.32		1,677.71	2,745.82	1,663.17	1,997.77	1,656.54	1,599.21	2,081.52	1,269.96	1,66.62									
TOTAL REIMBURSEMENT	\$ 9,102,691.90																			
Supper Reimbursement																				
Free	\$ 184,556.66			27,650.48	27,990.62	18,235.36	20,268.62	25,070.76	20,454.72	21,504.34	21,816.08	15,67.28								
Cash In-Lieu Reimbursement	\$ 14,650.79			2,199.47	2,226.54	1,450.54	1,612.29	1,994.26	1,627.08	1,710.57	1,735.37	124.67								
TOTAL REIMBURSEMENT	\$ 199,209.45			29,849.95	30,217.36	19,685.90	21,881.11	27,065.02	22,081.80	23,214.91	23,551.45	1,651.95								
Net Claim Reimbursement	\$ 9,301,931.35																			
Annual Budget	9,939,699.00																			

INCOME REPORT

INCOME REPORT

INCOME REPORT

BASE KITCHEN	SATELLITE SCHOOL(S) Deduction	Commodity	REIMBURSEMENT LUNCH	REIMBURSEMENT BREAKFAST	REIMBURSEMENT SNACKS	FFVP REIMBURSEMENT	REDUCED \$\$\$ BREAKFAST	REDUCED \$\$\$ LUNCH	PAID \$\$\$ BREAKFAST	PAID \$\$\$ LUNCH	TOTAL INCOME FOR KITCHEN	TOTAL INCOME FOR BASE KITCHEN
1 ADAMS HIGH	(\$0.00)		\$38,734.80	\$14,222.51	\$0.00	\$0.00	\$0.00	\$574.40	\$1,022.00	\$6,914.25	\$67,435.21	\$72,817.74
STUDEBAKER			\$1,807.45	\$1,305.33	\$0.00	\$0.00	\$0.00	\$36.40	\$525.00	\$1,271.25	\$5,346.53	\$5,346.53
3 CLAY HIGH	(\$0.00)		\$27,940.36	\$8,956.84	\$0.00	\$0.00	\$0.00	\$470.80	\$928.00	\$4,720.50	\$47,960.35	\$55,574.05
RISE UP ACADEMY			\$4,074.23	\$2,243.22	\$0.00	\$0.00	\$0.00	\$30.40	\$243.00	\$680.00	\$7,613.70	\$7,613.70
7 RILEY HIGH	(\$0.00)		\$35,023.39	\$10,183.68	\$0.00	\$0.00	\$0.00	\$579.20	\$807.00	\$6,504.75	\$57,496.37	\$57,496.37
8 WASHINGTON HIGH	(\$0.00)		\$42,103.38	\$9,006.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,979.86	\$51,979.86
12 BROWN INTERMEDIATE	(\$0.00)		\$24,731.88	\$5,906.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,753.89	\$31,753.89
15 CLAY MIDDLE	(\$0.00)		\$18,287.63	\$5,624.29	\$0.00	\$0.00	\$0.00	\$30.80	\$382.00	\$3,107.25	\$29,460.87	\$29,460.87
54 DICKINSON MIDDLE	(\$0.00)		\$26,031.51	\$7,746.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$34,923.73	\$34,923.73
20 EDISON MIDDLE	(\$0.00)		\$24,193.54	\$4,933.72	\$424.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,257.56	\$31,257.56
24 GREENE INTERMEDIATE	(\$0.00)		\$17,965.56	\$6,601.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,550.52	\$25,550.52
4 JACKSON INTERMEDIATE	(\$0.00)		\$27,332.04	\$6,566.82	\$97.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,938.41	\$35,938.41
COMMUNITY BAPTIST			\$1,913.45	\$0.00	\$0.00	\$0.00	\$0.00	\$26.80	\$0.00	\$1,398.00	\$3,338.25	\$3,338.25
28 JEFFERSON INTERMEDIATE	(\$0.00)		\$18,328.11	\$6,158.83	\$96.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,412.09	\$26,412.09
05 LASALLE INTERMEDIATE	(\$0.00)		\$19,654.45	\$6,561.79	\$76.40	\$0.00	\$0.00	\$567.60	\$1,868.00	\$9,204.75	\$41,943.74	\$41,943.74
38 MARSHALL INTERMEDIATE	(\$0.00)		\$20,757.00	\$5,698.18	\$76.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,177.43	\$28,177.43
42 NAVARRE INTERMEDIATE	(\$0.00)		\$30,101.10	\$8,186.83	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40,438.33	\$40,438.33
19 DARDEN PRIMARY	(\$0.00)		\$18,075.96	\$9,056.85	\$560.80	\$0.00	\$0.00	\$268.00	\$1,239.00	\$3,116.00	\$33,196.86	\$48,447.67
MADISON			\$26,377.25	\$13,539.70	\$113.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43,533.32	\$43,533.32
MUESSEL			\$21,902.92	\$8,692.34	\$65.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,661.60	\$33,661.60
SWANSON			\$10,728.76	\$4,667.52	\$0.00	\$0.00	\$0.00	\$160.40	\$498.00	\$1,098.00	\$17,324.93	\$17,324.93
TARKINGTON			\$6,948.66	\$2,029.86	\$0.00	\$0.00	\$0.00	\$132.40	\$906.00	\$3,654.00	\$14,060.07	\$14,060.07
CHRIST THE KING			\$1,611.34	\$0.00	\$0.00	\$0.00	\$0.00	\$74.80	\$0.00	\$4,518.00	\$6,670.89	\$6,670.89
26 HARRISON PRIMARY	(\$0.00)		\$37,429.79	\$15,968.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,138.22	\$103,870.35
WARREN			\$14,331.57	\$5,609.05	\$105.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,227.82	\$20,227.82
WILSON			\$21,564.32	\$9,748.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$31,504.31	\$31,504.31
31 LINCOLN PRIMARY	(\$0.00)		\$26,703.01	\$15,199.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$45,888.84	\$45,888.84
MCKINLEY			\$17,656.70	\$4,846.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,655.06	\$22,655.06
NUNER			\$15,710.30	\$4,692.93	\$139.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,700.73	\$20,700.73
PERLEY			\$6,545.73	\$3,199.30	\$693.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,710.93	\$10,710.93
37 MARQUETTE MONTESSORI	(\$0.00)		\$13,658.02	\$6,850.83	\$456.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,446.00	\$21,446.00
COQUILLARD			\$18,998.42	\$7,556.86	\$149.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$27,229.08	\$27,229.08
KENNEDY			\$17,542.46	\$4,866.02	\$90.40	\$0.00	\$0.00	\$456.40	\$1,151.00	\$6,182.00	\$30,604.93	\$30,604.93
LAFAYETTE TRADITIONAL			\$1,301.19	\$1,126.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,427.86	\$2,427.86
ST. JOHN'S			\$4,592.47	\$0.00	\$0.00	\$0.00	\$0.00	\$84.00	\$0.00	\$178.00	\$4,868.92	\$4,868.92
NEW DISCOVERIES			\$1,432.22	\$900.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,332.52	\$2,332.52
39 MONROE PRIMARY	(\$0.00)		\$15,198.88	\$4,983.48	\$52.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,766.26	\$20,766.26
HAMILTON			\$9,662.52	\$3,998.72	\$35.20	\$0.00	\$0.00	\$165.20	\$719.00	\$3,094.00	\$17,992.89	\$17,992.89
HAY			\$18,120.72	\$6,925.39	\$876.00	\$0.00	\$0.00	\$305.60	\$547.00	\$2,704.00	\$29,577.81	\$29,577.81
SUB-TOTAL FOR CORPORATION			\$705,075.09	\$242,161.40	\$4,110.80	\$10,002.80	\$0.00	\$4,283.20	\$10,835.00	\$58,344.75	\$1,076,546.69	\$1,076,546.69
Commodity Deduction Total	(\$0.00)											
TOTAL FOR CORPORATION			\$705,075.09									



SOUTH BEND COMMUNITY SCHOOL CORPORATION

215 South St. Joseph Street

South Bend, Indiana 46601

Telephone (574) 283-8000

February 26, 2014

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

Federal Agency:	Department of Agriculture
Federal Program:	School Breakfast Program
Federal Program:	National School Lunch Program
Federal Program:	Summer Food Service Program for Children
CFDA Number:	10.553, 10.555, 10.559
Federal Award Number and Year:	FY 11/12 and FY 12/13
Pass-Through Entity:	Indiana Department of Education
Auditor Contact Person:	Victoria L. Moore
Title of Contact Person:	Director Food & Nutrition
Phone Number:	574-283-8093
Completion Date:	February 26, 2014

Management of the South Bend School Corporation has not established an effective internal control system over the Reporting compliance requirement.

There is no documentation to indicate that there is oversight over the reporting process. Currently, the work being performed by the individual compiling the information for the monthly reimbursement claims is not being reviewed by anyone before they are submitted to the State.

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

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

OMB Circular A-133, Subpart C, section .300 (b) states:

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.

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

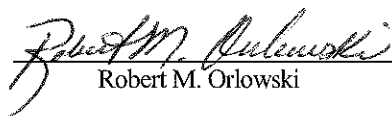
The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School.

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

Corrective Action:

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

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


Robert M. Orłowski

2-26-2014



SOUTH BEND COMMUNITY SCHOOL CORPORATION

215 SOUTH ST. JOSEPH STREET

SOUTH BEND, INDIANA 46601

TELEPHONE: (574) 283-8000

February 26, 2014

Finding 2013-003- INTERNAL CONTROLS OVER COMPLIANCE AND NONCOMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO IMPROVING TEACHER QUALITY STATE GRANTS

Federal Agency:	US Department of Education
Federal Program:	Improving Teacher Quality State Grants
CFDA Number:	84.367
Federal Award Number and Year:	P.L. 107-110 SY09-10, P.L. 107-110 SY 10-11, P.L. 107-110 SY 11-12
Pass-Through Entity:	Indiana Department of Education
Auditor Contact Person:	Deborah Herring
Title of Contact Person:	Director of Government Funded Programs
Phone Number:	574-283-8052
Completion Date:	February 26, 2014

Management of the South Bend Community School Corporation (School) has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the compliance requirements, Allowable Costs/Cost Principals, Period of Availability and Reporting that have a direct and material effect on the program. The failure to establish an effective internal control system places the School at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

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

The following deficiencies were noted during the audit of the Improving Teacher Quality State Grants.

- 1) The Final Report of Expenditures for federal award numbers P.L. 107-110 SY09-10 and P.L. 107-110 SY10-11 were not filed by the due date. The final report for program P.L. 107-110 SY09-10 was due December 31, 2011. The report was submitted on January 2, 2012, two days late. The final report for P.L. 107-110 SY10-11 was due December 31, 2012. The final report was submitted on February 14, 2013, 45 days late.

34 CFR 80.41(4) Due date. When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support.

- 2) We were unable to verify the completeness and accuracy of the reimbursement claims that were submitted during the audit period for the Improving Teacher Quality State Grants. The accounting system was not able to duplicate reports to support each reimbursement claim. At the end of the grant period we were able to match the total disbursements posted to the grant fund to the total reimbursement claims submitted for the grants.

**Finding 2013-003- INTERNAL CONTROLS OVER COMPLIANCE AND NONCOMPLIANCE
 REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO IMPROVING TEACHER
 QUALITY STATE GRANTS - Continued**

34 CFRA 80.20(b): The financial management systems of other grantees and subgrantees must meet the following standards:

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

(2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

(6) *Source documentation.* Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

- 3) We inspected all vendor payments made after September 30, 2011 for program year P.L. 107-110 SY09-10 and all vendor payments after September 30, 2012 for program year P.L. 107-110 SY10-11 and we determined that the program P.L. 107-110 SY09-10 had questioned costs totaling \$245,449 in payments for goods and services that were obligated after September 30, 2011. The following table lists all vendor payments that were obligated after September 30, 2011.

**South Bend Community School Corporation
 For the Audit Period 07-01-11 to 06-30-13
 Finding 2013-003**

<u>Vendor</u>	<u>Questioned Costs</u>	<u>Date Obligated</u>
Distributors	\$ 5,359	10/18/11
Distributors	3,855	10/18/11
TCU	1,252	11/15/11
School Improvement Network	32,000	
Commercial Office	894	10/03/11
Commercial Office	1,332	10/03/11
Commercial Office	166	10/03/11
CDW Govern't Inc	1,048	10/04/11
Apple Computers, Inc.	56,590	
Lewis Paper Place Inc	1,526	10/03/11
EAI Education	7,605	10/21/11
EAI Education	51	10/04/11
Distributors	5,072	10/18/11
Scholastic Software	307	10/07/11
Heinemann	4,325	10/05/11
ASCD	12,752	10/19/11
Coaching for Results, Inc.	6,289	10/17/11
CDW Government, Inc	5,177	10/17/11
Sage Publications	3,461	10/11/11
Barnes & Noble Bookstore	1,123	10/03/11
Apple Inc	2,847	11/03/11
Patricia Davenport Consulting	70,000	10/03/11
Riverbend Comm Math Cent	15,000	10/01/11
Bullock, Yvonne	247	11/15/11
TCU	1,823	11/15/11
Sage Publications	5,348	10/11/11

Finding 2013-003- INTERNAL CONTROLS OVER COMPLIANCE AND NONCOMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO IMPROVING TEACHER QUALITY STATE GRANTS - Continued

Corrective Action Plan

Currently the South Bend Community School Corporation follows these guidelines for federal awards:

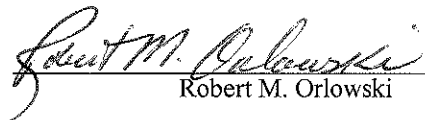
- Set up a separate file for each grant
- Input approved budget on financial system
- Monitor expenditure categories
- Provide grantees with monthly expenditure reports
- Maintain financial records for grant
- Close out and issue final report

This process has served the district well as noted in the audit report of federal findings Section II -- Financial Statement Finding (no matters are reportable) and Section III-Federal Award Findings and Questioned Costs (no matters are reportable).

The South Bend Community School Corporation will work to strengthen its reporting process to meet the deadline of reporting by requiring all professional development services, materials and supplies to be paid by December 1 each year to ensure compliance of CFR 74.51(b)

The district has established internal controls to support accuracy of reimbursement claims CFRA 80.20 (b). A printout of the computer screen of actual expenditures and dating the document will occur for each reimbursement.

South Bend Community School Corporation will adhere to the obligation guidance for Federal grants. Federal funds will not be obligated funds after Sept. 30, the end of the grant period. This change should ensure compliance of CFR 80.23.


Robert M. Orłowski

2/26/2014

SOUTH BEND COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 26, 2014, with Robert M. Orlowski, Treasurer; Michelle L. Engel, President of the School Board; Maritza Robles, School Board member; and Dr. Carole L. Schmidt, Superintendent of Schools. The officials concurred with our audit findings.