

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SCHOOL CITY OF WHITING
LAKE COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
01/22/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director of Finance	Kim Pusateri	07-01-12 to 06-30-16
Superintendent of Schools	Dr. Sandra Martinez	07-01-12 to 06-30-16
President of the School Board	Michael J. Toth Shawn Turpin Anthony Borgo Kathleen Murzyn	01-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE SCHOOL CITY OF WHITING, LAKE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the School City of Whiting (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2012 to June 30, 2014.

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, 2012 to June 30, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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

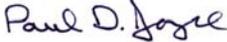
Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 26, 2015, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

October 26, 2015



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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 SCHOOL CITY OF WHITING, LAKE 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 School City of Whiting (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2012 to June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated October 26, 2015, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be material weaknesses.

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

Compliance and Other Matters

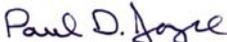
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

School City of Whiting'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

October 26, 2015

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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SCHOOL CITY OF WHITING
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2013 and 2014

	Cash and Investments 07-01-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14
General	\$ 3,365,365	\$ 8,319,082	\$ 7,401,785	\$ (849,594)	\$ 3,433,068	\$ 8,336,291	\$ 8,014,748	\$ (840,573)	\$ 2,914,038
Debt Service	607,585	412,814	444,657	(17,510)	558,232	316,780	481,426	(9,567)	384,019
Exempt Debt	78,888	-	-	-	78,888	-	-	-	78,888
Capital Projects	1,104,871	1,660,826	1,665,390	-	1,100,307	1,655,421	1,532,263	-	1,223,465
School Transportation	204,595	742,350	588,089	-	358,856	640,436	734,718	-	264,574
School Bus Replacement	332,562	48,834	-	-	381,396	52,297	-	-	433,693
Rainy Day	2,707,749	-	-	645,000	3,352,749	-	-	645,000	3,997,749
Post-Retirement/Severance Future Benefits	2,932,254	-	-	200,000	3,132,254	-	-	200,000	3,332,254
Construction	-	1,000,000	963,502	-	36,498	-	36,018	-	480
School Lunch	159,594	515,101	595,844	-	78,851	638,276	618,495	-	98,632
Textbook Rental	12,569	118,177	153,088	23,511	1,169	146,778	115,686	9,567	41,828
Self-Insurance	1,538,028	1,266,157	1,391,826	-	1,412,359	1,269,822	1,344,413	-	1,337,768
Parents as Teachers	11,000	20,000	20,000	-	11,000	20,000	20,000	-	11,000
Recreational Activities	(5,916)	10,420	2,403	-	2,101	-	-	-	2,101
Construction, Remodeling, and Equipping Buildings G.O. 2012	1,764,087	-	1,696,857	-	67,230	-	67,230	-	-
Buckley Wall of Fame	5,543	3,230	4,850	-	3,923	3,235	3,412	-	3,746
Top Ten Dinner	-	524	524	-	-	420	420	-	-
High School Marquee	1,000	-	-	-	1,000	3,010	4,010	-	-
Stem	-	-	-	-	-	4,753	4,753	-	-
Instruction Support High Ability	16,527	27,895	30,286	-	14,136	27,792	24,490	-	17,438
Education Technology	(70,918)	200,300	206,477	-	(77,095)	203,500	221,412	-	(95,007)
Medicaid Reimbursement	348	2,955	-	(2,547)	756	3,761	-	(4,421)	96
School Safety	-	-	-	-	-	-	50,000	-	(50,000)
Non-English Speaking Programs P.L. 273-1999	2,847	14,596	16,137	-	1,306	15,576	16,418	-	464
School Technology	1,166	3,621	3,866	-	921	3,617	3,531	-	1,007
STEM LASS	-	5,190	3,250	-	1,940	-	1,940	-	-
Title I	(8,807)	216,603	224,307	-	(16,511)	206,490	193,661	-	(3,682)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(45,748)	284,738	240,915	-	(1,925)	224,986	223,061	-	-
5260 IDEA T.A.	-	-	-	-	-	4,247	4,247	-	-
Vocational and Technical Board Grants	-	425	425	-	-	-	-	-	-
Medicaid Reimbursement - Federal	5,227	21,376	1,253	1,140	26,490	36,358	26,691	(6)	36,151
Improving Teaching Quality, No Child Left, Title II, Part A	-	26,373	37,004	-	(10,631)	27,378	18,523	-	(1,776)
Title III - Language Instruction	(2,430)	22,344	23,767	-	(3,853)	25,422	23,496	-	(1,927)
Education Jobs Fund	(12,114)	56,753	44,639	-	-	-	-	-	-
Payroll Withholdings	-	1,773,600	1,773,600	-	-	1,894,456	1,894,456	-	-
Totals	\$ 14,705,872	\$ 16,774,284	\$ 17,534,741	\$ -	\$ 13,945,415	\$ 15,761,102	\$ 15,679,518	\$ -	\$ 14,026,999

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

SCHOOL CITY OF WHITING
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.

SCHOOL CITY OF WHITING
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.

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

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

E. Disbursements

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

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

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

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

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

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

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

F. Other Financing Sources and Uses

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

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

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT
(Continued)

based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of grants being funded on a reimbursement basis rather than pre-funded.

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with the School City of Whiting School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2013 and 2014 totaled \$0 and \$34,000, respectively.

Note 9. Subsequent Events

The School Corporation issued \$1,080,000 of General Obligation (GO) Bonds in February of 2015. The proceeds of the GO Bonds were used for the renovation of and improvements to Whiting High School, Whiting Middle School, Nathan Hale Elementary School, and the Administration building including site improvements throughout the School Corporation.

Note 10. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits:

Retirees - Teachers with a minimum of 15 years of employment at age 50 will receive severance pay - Plan A \$100 per day times unused sick days or Plan B \$150 for each full year of full-time service. Upon retiring, the \$50,000 term life insurance policy shall be converted to a term policy with a face value of 25 percent the original amount. For retirees who retire on or before June 30, 2017, with 15 years of service, the Board will provide single plan health insurance coverage at no cost until the retiree becomes eligible for Medicare. Or, if the retiree so chooses, a family plan may be purchased by the retiree paying the difference between the single and family plan. For retirees who retired after July 1, 2017, the Board will provide to the retiree who qualifies for a full pension under IN Teachers Retirement Fund, and who has a minimum of 15 years of service, single plan health insurance coverage until the retiree becomes eligible for Medicare. The Board will pay 80 percent of the single plan coverage and each retiree insured will pay 20 percent of the premium. If retiree chooses a family plan, the retiree will pay the full additional cost difference between the single plan and the family plan. EARLY RETIREMENT - An individual teacher may qualify for early retirement benefits from age 50 until the day they are eligible for reduced Social Security benefits. To qualify, he/she must have a minimum of 16 years of service in the School City of Whiting. Upon retiring, the teacher will receive \$10,000 per year in bi-weekly payments for two consecutive years, or until the date the retiree is eligible for reduced Social Security benefits. The same single insurance benefits apply for early retirees that normal retirees receive as listed above.

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT
(Continued)

A. Twelve-Month Employees:

1. An employee shall be eligible for severance pay if he or she has:
 - a. A minimum of 10 consecutive years of experience in the School City of Whiting;
 - b. Attained the age of 55;
 - c. Resigned while in good standing;
 - d. Given the Superintendent advance notice in writing by May 1 of the year preceding the resignation including the reason for this resignation/severance.
 - e. Been categorized as a 12 month or contracted employees.
2. An employee shall be ineligible for severance if he or she:
 - a. Is discharged for cause;
 - b. Fails to return to work on schedule following a leave of absence or vacation.
3. Severance pay shall be calculated at the rate of \$155 per year of service in the School City of Whiting, up to a maximum of 30 years. In addition, \$30 will be paid to the employee for each day of sick leave the employee has accumulated at retirement up to a maximum of 300 days.
4. The School City of Whiting will pay the single premium of health insurance for any support staff employee who retires at or after the age of 62. This benefit will terminate when the employee is eligible for Medicare. This benefit only applies to employees who have worked a minimum of 10 consecutive years with the School City of Whiting and must have been previously covered under the school health plan at the time of retirement.
5. Also, at the time of retirement, if an employee is eligible for severance (contracted or twelve-month support employee who meets the criteria listed above), the School City of Whiting will pay the premium on a \$5,000 term life insurance policy for the duration of the employee's life.
6. Employee will be paid out any remaining leave time on their last paycheck.

B. Nine-Month Employees:

1. Nine-month employees will be recognized by the School Board when retiring or resigning from the district. The employee must have a minimum of 10 years, attained the age of 55 and resign in good standing.
2. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

OTHER INFORMATION - UNAUDITED

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

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

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

SCHOOL CITY OF WHITING
 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	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 3,365,365	\$ 607,585	\$ 78,888	\$ 1,104,871	\$ 204,595	\$ 332,562	\$ 2,707,749	\$ 2,932,254	\$ -
Receipts:									
Local sources	132,672	412,814	-	1,161,826	439,201	48,834	-	-	1,000,000
Intermediate sources	20,482	-	-	-	-	-	-	-	-
State sources	8,131,030	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	499,000	303,000	-	-	-	-
Interfund loans	6,000	-	-	-	-	-	-	-	-
Other	28,898	-	-	-	149	-	-	-	-
Total receipts	<u>8,319,082</u>	<u>412,814</u>	<u>-</u>	<u>1,660,826</u>	<u>742,350</u>	<u>48,834</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Disbursements:									
Current:									
Instruction	4,607,565	-	-	-	-	-	-	-	-
Support services	2,627,341	-	-	710,140	386,853	-	-	-	18,242
Noninstructional services	166,879	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	340,650	3,036	-	-	-	945,260
Debt services	-	444,657	-	614,600	198,200	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>7,401,785</u>	<u>444,657</u>	<u>-</u>	<u>1,665,390</u>	<u>588,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>963,502</u>
Excess (deficiency) of receipts over disbursements	<u>917,297</u>	<u>(31,843)</u>	<u>-</u>	<u>(4,564)</u>	<u>154,261</u>	<u>48,834</u>	<u>-</u>	<u>-</u>	<u>36,498</u>
Other financing sources (uses):									
Transfers in	1,407	1	-	-	-	-	645,000	200,000	-
Transfers out	(851,001)	(17,511)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(849,594)</u>	<u>(17,510)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>645,000</u>	<u>200,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>67,703</u>	<u>(49,353)</u>	<u>-</u>	<u>(4,564)</u>	<u>154,261</u>	<u>48,834</u>	<u>645,000</u>	<u>200,000</u>	<u>36,498</u>
Cash and investments - ending	<u>\$ 3,433,068</u>	<u>\$ 558,232</u>	<u>\$ 78,888</u>	<u>\$ 1,100,307</u>	<u>\$ 358,856</u>	<u>\$ 381,396</u>	<u>\$ 3,352,749</u>	<u>\$ 3,132,254</u>	<u>\$ 36,498</u>

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

	School Lunch	Textbook Rental	Self-Insurance	Parents as Teachers	Recreational Activities	Construction, Remodeling, and Equipping Buildings G.O. 2012	Buckley Wall of Fame	Top Ten Dinner	High School Marquee
Cash and investments - beginning	\$ 159,594	\$ 12,569	\$ 1,538,028	\$ 11,000	\$ (5,916)	\$ 1,764,087	\$ 5,543	\$ -	\$ 1,000
Receipts:									
Local sources	172,200	63,266	1,266,157	20,000	-	-	3,230	524	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	2,810	54,911	-	-	10,420	-	-	-	-
Federal sources	339,266	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	825	-	-	-	-	-	-	-	-
Total receipts	515,101	118,177	1,266,157	20,000	10,420	-	3,230	524	-
Disbursements:									
Current:									
Instruction	-	120,077	-	-	-	-	-	524	-
Support services	21,622	27,011	-	-	2,403	2,700	-	-	-
Noninstructional services	564,593	-	-	20,000	-	-	4,850	-	-
Facilities acquisition and construction	9,629	-	-	-	-	1,694,157	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,391,826	-	-	-	-	-	-
Interfund loans	-	6,000	-	-	-	-	-	-	-
Total disbursements	595,844	153,088	1,391,826	20,000	2,403	1,696,857	4,850	524	-
Excess (deficiency) of receipts over disbursements	(80,743)	(34,911)	(125,669)	-	8,017	(1,696,857)	(1,620)	-	-
Other financing sources (uses):									
Transfers in	-	23,511	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	23,511	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(80,743)	(11,400)	(125,669)	-	8,017	(1,696,857)	(1,620)	-	-
Cash and investments - ending	\$ 78,851	\$ 1,169	\$ 1,412,359	\$ 11,000	\$ 2,101	\$ 67,230	\$ 3,923	\$ -	\$ 1,000

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

	Stem	Instruction Support High Ability	Education Technology	Medicaid Reimbursement	School Safety	Non-English Speaking Programs P.L. 273-1999	School Technology	STEM LASS	Title I
Cash and investments - beginning	\$ -	\$ 16,527	\$ (70,918)	\$ 348	\$ -	\$ 2,847	\$ 1,166	\$ -	\$ (8,807)
Receipts:									
Local sources	-	-	-	-	-	-	-	5,190	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	27,895	-	2,955	-	14,596	3,621	-	-
Federal sources	-	-	-	-	-	-	-	-	216,603
Temporary loans	-	-	200,300	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	27,895	200,300	2,955	-	14,596	3,621	5,190	216,603
Disbursements:									
Current:									
Instruction	-	-	-	-	-	16,137	-	3,250	224,307
Support services	-	30,286	206,477	-	-	-	3,866	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	30,286	206,477	-	-	16,137	3,866	3,250	224,307
Excess (deficiency) of receipts over disbursements	-	(2,391)	(6,177)	2,955	-	(1,541)	(245)	1,940	(7,704)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(2,547)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(2,547)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,391)	(6,177)	408	-	(1,541)	(245)	1,940	(7,704)
Cash and investments - ending	\$ -	\$ 14,136	\$ (77,095)	\$ 756	\$ -	\$ 1,306	\$ 921	\$ 1,940	\$ (16,511)

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

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	5260 IDEA T.A.	Vocational and Technical Board Grants	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	Education Jobs Fund	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (45,748)	\$ -	\$ -	\$ 5,227	\$ -	\$ (2,430)	\$ (12,114)	\$ -	\$ 14,705,872
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,725,914
Intermediate sources	-	-	-	-	-	-	-	-	20,482
State sources	-	-	-	-	-	-	-	-	8,248,238
Federal sources	284,738	-	425	21,376	26,373	22,344	56,753	-	967,878
Temporary loans	-	-	-	-	-	-	-	-	1,002,300
Interfund loans	-	-	-	-	-	-	-	-	6,000
Other	-	-	-	-	-	-	-	1,773,600	1,803,472
Total receipts	284,738	-	425	21,376	26,373	22,344	56,753	1,773,600	16,774,284
Disbursements:									
Current:									
Instruction	240,915	-	-	-	-	23,767	44,639	-	5,281,181
Support services	-	-	425	1,253	37,004	-	-	-	4,075,623
Noninstructional services	-	-	-	-	-	-	-	-	756,322
Facilities acquisition and construction	-	-	-	-	-	-	-	-	2,992,732
Debt services	-	-	-	-	-	-	-	-	1,257,457
Nonprogrammed charges	-	-	-	-	-	-	-	1,773,600	3,165,426
Interfund loans	-	-	-	-	-	-	-	-	6,000
Total disbursements	240,915	-	425	1,253	37,004	23,767	44,639	1,773,600	17,534,741
Excess (deficiency) of receipts over disbursements	43,823	-	-	20,123	(10,631)	(1,423)	12,114	-	(760,457)
Other financing sources (uses):									
Transfers in	-	-	-	1,140	-	-	-	-	871,059
Transfers out	-	-	-	-	-	-	-	-	(871,059)
Total other financing sources (uses)	-	-	-	1,140	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	43,823	-	-	21,263	(10,631)	(1,423)	12,114	-	(760,457)
Cash and investments - ending	\$ (1,925)	\$ -	\$ -	\$ 26,490	\$ (10,631)	\$ (3,853)	\$ -	\$ -	\$ 13,945,415

SCHOOL CITY OF WHITING
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014

	General	Debt Service	Exempt Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 3,433,068	\$ 558,232	\$ 78,888	\$ 1,100,307	\$ 358,856	\$ 381,396	\$ 3,352,749	\$ 3,132,254	\$ 36,498
Receipts:									
Local sources	112,202	316,780	-	1,220,171	473,361	52,297	-	-	-
Intermediate sources	21,189	-	-	-	-	-	-	-	-
State sources	8,172,446	-	-	3,250	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	432,000	167,000	-	-	-	-
Interfund loans	30,000	-	-	-	-	-	-	-	-
Other	454	-	-	-	75	-	-	-	-
Total receipts	<u>8,336,291</u>	<u>316,780</u>	<u>-</u>	<u>1,655,421</u>	<u>640,436</u>	<u>52,297</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	4,921,260	-	-	-	-	-	-	-	-
Support services	2,893,269	-	-	711,913	431,571	-	-	-	1,868
Noninstructional services	170,219	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	321,350	147	-	-	-	34,150
Debt services	-	481,426	-	499,000	303,000	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	30,000	-	-	-	-	-	-	-	-
Total disbursements	<u>8,014,748</u>	<u>481,426</u>	<u>-</u>	<u>1,532,263</u>	<u>734,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,018</u>
Excess (deficiency) of receipts over disbursements	<u>321,543</u>	<u>(164,646)</u>	<u>-</u>	<u>123,158</u>	<u>(94,282)</u>	<u>52,297</u>	<u>-</u>	<u>-</u>	<u>(36,018)</u>
Other financing sources (uses):									
Transfers in	4,427	-	-	-	-	-	645,000	200,000	-
Transfers out	(845,000)	(9,567)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(840,573)</u>	<u>(9,567)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>645,000</u>	<u>200,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(519,030)</u>	<u>(174,213)</u>	<u>-</u>	<u>123,158</u>	<u>(94,282)</u>	<u>52,297</u>	<u>645,000</u>	<u>200,000</u>	<u>(36,018)</u>
Cash and investments - ending	<u>\$ 2,914,038</u>	<u>\$ 384,019</u>	<u>\$ 78,888</u>	<u>\$ 1,223,465</u>	<u>\$ 264,574</u>	<u>\$ 433,693</u>	<u>\$ 3,997,749</u>	<u>\$ 3,332,254</u>	<u>\$ 480</u>

SCHOOL CITY OF WHITING
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Parents as Teachers	Recreational Activities	Construction, Remodeling, and Equipping Buildings G.O. 2012	Buckley Wall of Fame	Top Ten Dinner	High School Marquee
Cash and investments - beginning	\$ 78,851	\$ 1,169	\$ 1,412,359	\$ 11,000	\$ 2,101	\$ 67,230	\$ 3,923	\$ -	\$ 1,000
Receipts:									
Local sources	188,087	62,399	1,269,822	20,000	-	-	3,235	420	3,010
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	3,195	54,379	-	-	-	-	-	-	-
Federal sources	446,411	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	30,000	-	-	-	-	-	-	-
Other	583	-	-	-	-	-	-	-	-
Total receipts	<u>638,276</u>	<u>146,778</u>	<u>1,269,822</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>3,235</u>	<u>420</u>	<u>3,010</u>
Disbursements:									
Current:									
Instruction	-	55,652	-	-	-	-	-	420	-
Support services	15,032	30,034	-	-	-	-	-	-	-
Noninstructional services	583,040	-	-	20,000	-	-	3,412	-	-
Facilities acquisition and construction	20,423	-	-	-	-	67,230	-	-	4,010
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,344,413	-	-	-	-	-	-
Interfund loans	-	30,000	-	-	-	-	-	-	-
Total disbursements	<u>618,495</u>	<u>115,686</u>	<u>1,344,413</u>	<u>20,000</u>	<u>-</u>	<u>67,230</u>	<u>3,412</u>	<u>420</u>	<u>4,010</u>
Excess (deficiency) of receipts over disbursements	<u>19,781</u>	<u>31,092</u>	<u>(74,591)</u>	<u>-</u>	<u>-</u>	<u>(67,230)</u>	<u>(177)</u>	<u>-</u>	<u>(1,000)</u>
Other financing sources (uses):									
Transfers in	-	9,567	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>9,567</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>19,781</u>	<u>40,659</u>	<u>(74,591)</u>	<u>-</u>	<u>-</u>	<u>(67,230)</u>	<u>(177)</u>	<u>-</u>	<u>(1,000)</u>
Cash and investments - ending	<u>\$ 98,632</u>	<u>\$ 41,828</u>	<u>\$ 1,337,768</u>	<u>\$ 11,000</u>	<u>\$ 2,101</u>	<u>\$ -</u>	<u>\$ 3,746</u>	<u>\$ -</u>	<u>\$ -</u>

SCHOOL CITY OF WHITING
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Stem	Instruction Support High Ability	Education Technology	Medicaid Reimbursement	School Safety	Non-English Speaking Programs P.L. 273-1999	School Technology	STEM LASS	Title I
Cash and investments - beginning	\$ -	\$ 14,136	\$ (77,095)	\$ 756	\$ -	\$ 1,306	\$ 921	\$ 1,940	\$ (16,511)
Receipts:									
Local sources	4,753	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	27,792	-	3,761	-	15,576	3,617	-	-
Federal sources	-	-	-	-	-	-	-	-	206,490
Temporary loans	-	-	203,500	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>4,753</u>	<u>27,792</u>	<u>203,500</u>	<u>3,761</u>	<u>-</u>	<u>15,576</u>	<u>3,617</u>	<u>-</u>	<u>206,490</u>
Disbursements:									
Current:									
Instruction	-	-	-	-	-	16,295	-	1,193	193,661
Support services	4,753	24,490	221,412	-	-	-	3,531	747	-
Noninstructional services	-	-	-	-	-	123	-	-	-
Facilities acquisition and construction	-	-	-	-	50,000	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>4,753</u>	<u>24,490</u>	<u>221,412</u>	<u>-</u>	<u>50,000</u>	<u>16,418</u>	<u>3,531</u>	<u>1,940</u>	<u>193,661</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>3,302</u>	<u>(17,912)</u>	<u>3,761</u>	<u>(50,000)</u>	<u>(842)</u>	<u>86</u>	<u>(1,940)</u>	<u>12,829</u>
Other financing sources (uses):									
Transfers in	-	-	-	6	-	-	-	-	-
Transfers out	-	-	-	(4,427)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,421)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>3,302</u>	<u>(17,912)</u>	<u>(660)</u>	<u>(50,000)</u>	<u>(842)</u>	<u>86</u>	<u>(1,940)</u>	<u>12,829</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 17,438</u>	<u>\$ (95,007)</u>	<u>\$ 96</u>	<u>\$ (50,000)</u>	<u>\$ 464</u>	<u>\$ 1,007</u>	<u>\$ -</u>	<u>\$ (3,682)</u>

SCHOOL CITY OF WHITING
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	5260 IDEA T.A.	Vocational and Technical Board Grants	Medicaid Reimbursement - Federal	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	Education Jobs Fund	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (1,925)	\$ -	\$ -	\$ 26,490	\$ (10,631)	\$ (3,853)	\$ -	\$ -	\$ 13,945,415
Receipts:									
Local sources	-	-	-	-	-	-	-	-	3,726,537
Intermediate sources	-	-	-	-	-	-	-	-	21,189
State sources	-	-	-	-	-	-	-	-	8,284,016
Federal sources	224,986	4,247	-	36,358	27,378	25,422	-	-	971,292
Temporary loans	-	-	-	-	-	-	-	-	802,500
Interfund loans	-	-	-	-	-	-	-	-	60,000
Other	-	-	-	-	-	-	-	1,894,456	1,895,568
Total receipts	224,986	4,247	-	36,358	27,378	25,422	-	1,894,456	15,761,102
Disbursements:									
Current:									
Instruction	223,061	4,247	-	19,378	-	23,496	-	-	5,458,663
Support services	-	-	-	7,313	18,523	-	-	-	4,364,456
Noninstructional services	-	-	-	-	-	-	-	-	776,794
Facilities acquisition and construction	-	-	-	-	-	-	-	-	497,310
Debt services	-	-	-	-	-	-	-	-	1,283,426
Nonprogrammed charges	-	-	-	-	-	-	-	1,894,456	3,238,869
Interfund loans	-	-	-	-	-	-	-	-	60,000
Total disbursements	223,061	4,247	-	26,691	18,523	23,496	-	1,894,456	15,679,518
Excess (deficiency) of receipts over disbursements	1,925	-	-	9,667	8,855	1,926	-	-	81,584
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	859,000
Transfers out	-	-	-	(6)	-	-	-	-	(859,000)
Total other financing sources (uses)	-	-	-	(6)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,925	-	-	9,661	8,855	1,926	-	-	81,584
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 36,151	\$ (1,776)	\$ (1,927)	\$ -	\$ -	\$ 14,026,999

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SCHOOL CITY OF WHITING
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,093,026</u>	<u>\$ -</u>

SCHOOL CITY OF WHITING
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment*	Lease Beginning Date	Lease Ending Date
Governmental activities:				
The School City of Whiting School Building Corporation	Building Corporation Whiting High School	<u>\$ 66,000</u>	12/31/2013	12/31/2024

*Annual lease payment increases to \$394,000 during 2020

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	GO Bond 2012 Energy	\$ 1,865,000	\$ 316,220
Tax anticipation warrants	Tax Warrant	599,000	603,792
Notes and loans payable	Common School Loan Technology A1720	101,600	11,187
Notes and loans payable	Common School Loan Technology A1458	15,133	15,209
Notes and loans payable	Common School Loan Technology A1603	78,720	20,418
Notes and loans payable	Common School Loan Technology A1635	81,520	21,145
Notes and loans payable	Common School Loan Technology A1515	32,800	33,046
Notes and loans payable	Common School Loan Technology A1701	<u>91,710</u>	<u>21,247</u>
Totals		<u>\$ 2,865,483</u>	<u>\$ 1,042,264</u>

SCHOOL CITY OF WHITING
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2014

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	\$ 446,368
Buildings	29,666,983
Improvements other than buildings	7,249,849
Machinery, equipment, and vehicles	3,226,789
Total capital assets	\$ 40,589,989

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE SCHOOL CITY OF WHITING, LAKE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the School City of Whiting'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, 2012 to June 30, 2014. 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.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2012 to June 30, 2014.

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

Report on Internal Control Over Compliance

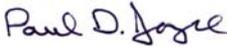
Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over 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 item 2014-002 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

October 26, 2015

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

SCHOOL CITY OF WHITING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014

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 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2013 and 2014	\$ 35,910	\$ 52,082
National School Lunch Program		10.555	FY 2013 and 2014	319,760	416,317
Special Milk Program for Children		10.556	FY 2013 and 2014	847	1,117
Summer Food Service Program for Children		10.559	FY 2013 and 2014	<u>18,412</u>	<u>14,056</u>
Total - Department of Agriculture				<u>374,929</u>	<u>483,572</u>
<u>Department of Education</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I Grants Part A Cluster			84.010 FY12-4760	24,726	-
Title I Grants Part A Cluster			84.010 FY13-4760	191,877	16,511
Title I Grants Part A Cluster			84.010 FY14-4760	<u>-</u>	<u>189,979</u>
Total - Title I, Part A Cluster				<u>216,603</u>	<u>206,490</u>
Special Education Cluster (IDEA)					
Special Education_Grants to States					
Special Education IDEA Part B 611	Indiana Department of Education	84.027	14214-096-PN01-4760	-	218,344
Special Education IDEA Part B 611			14213-096-PN01-4760	230,391	1,925
Special Education IDEA Part B 611			14212-096-PN01-4760	40,940	-
Special Education IDEA Part B T.A.			99914-96-TA01	<u>-</u>	<u>4,247</u>
Total - Special Education_Grants to States				<u>271,331</u>	<u>224,516</u>
Special Education_Preschool Grants					
Special Education IDEA Part B 619	Indiana Department of Education	84.173	45712-96-PN01-4760	8,210	-
Special Education IDEA Part B 619			45713-96-PN01-4760	5,197	-
Special Education IDEA Part B 619			45714-96-PN01-4760	<u>-</u>	<u>4,717</u>
Total - Special Education_Preschool Grants				<u>13,407</u>	<u>4,717</u>
Total - Special Education Cluster (IDEA)				<u>284,738</u>	<u>229,233</u>

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

SCHOOL CITY OF WHITING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2013 and 2014
(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 06-30-13	Total Federal Awards Expended 06-30-14
<u>Department of Education (continued)</u>					
Career and Technical Education -- Basic Grants to States Tech Prep	Hammond Area Career Center	84.048	13-4700-4710	<u>425</u>	<u>-</u>
English Language Acquisition State Grants	Indiana Department of Education	84.365			
Title III			84.365 FY12	6,457	-
Title III			84.365 FY13	15,887	5,961
Title III			84.365 FY14	<u>-</u>	<u>19,461</u>
Total - English Language Acquisition State Grants				<u>22,344</u>	<u>25,422</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
Title II Part A			84.367 FY13-4760	26,373	11,100
Title II Part A			84.367 FY14-4760	<u>-</u>	<u>16,278</u>
Total - Improving Teacher Quality State Grants				<u>26,373</u>	<u>27,378</u>
Education Jobs Fund	Indiana Department of Education	84.410	4760	<u>56,753</u>	<u>-</u>
Total - Department of Education				<u>607,236</u>	<u>488,523</u>
Total federal awards expended				<u>\$ 982,165</u>	<u>\$ 972,095</u>

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

SCHOOL CITY OF WHITING
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 School Corporation and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2013 and 2014. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2013	2014
National School Lunch Program	10.555	\$ 35,664	\$ 37,161

SCHOOL CITY OF WHITING
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?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.365	Special Education Cluster (IDEA) Title I, Part A Cluster English Language Acquisition State Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2014-001 - FINANCIAL TRANSACTIONS AND REPORTING

The School Corporation has deficiencies in the internal control system related to financial transactions and reporting. Effective internal control involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statement and then determining how those identified risks should be managed. Control activities should be selected and developed at various levels to reduce risks of error and/or fraud of the financial statement. The School Corporation has not separated incompatible activities related to the receipting process.

SCHOOL CITY OF WHITING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Director of Finance/Treasurer is responsible for receipting, depositing, and reconciling cash transactions and balances to the bank balances without a proper system of oversight or review. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. Control activities should be in place to reduce the risks of errors in financial transactions and reporting.

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)

Section III Federal Award Findings and Questioned Costs

FINDING 2014-002 - ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES, AND PERIOD OF AVAILABILITY

Federal Agency: Department of Education

Federal Programs: Title I Grants to Local Educational Agencies, Special Education_Grants to States,
Special Education - Preschool Grants, English Language Acquisition State Grants

CFDA Numbers: 84.010, 84.027, 84.173, 84.365

Federal Award Numbers: 84.010 FY12-4760; 84.010 FY13-4760; 84.010 FY14-4760;
14214-096-PN01-4760; 14213-096-PN01-4760; 14212-096-PN01-4760;
99914-96-TA01; 45712-96-PN01-4760; 45713-96-PN01-4760;
45714-96-PN01-4760; 84.365 FY12; 84.365 FY13; 84.365 FY14

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 Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Availability compliance requirements.

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Over 85 percent of the grant expenditures for the Special Education grants are for payroll and related benefit costs for special education personnel. 100 percent of the grant expenditures for the Title I grants are for payroll and related benefit costs for Title I personnel. Over 98 percent of the grant expenditures for the English Language Acquisition State Grants are for payroll and related benefit costs. One employee is responsible for preparing, recording, and paying the bi-weekly payroll and related benefits without evidence of an oversight or review process.

Period of Availability

The School Corporation historically expends the available funds in advance of the end of the period of availability. However, evidence of an oversight or review process was not noted to ensure that grant funds are disbursed within the period of availability and that expenditures are not made from expired grant funds.

SCHOOL CITY OF WHITING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

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

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

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements that have a direct and material effect on the programs 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 on the programs.

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AUDITEE PREPARED DOCUMENTS

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

SCHOOL CITY OF WHITING

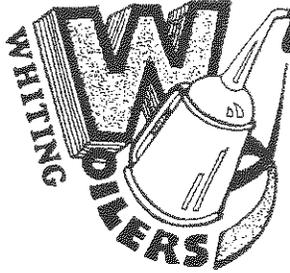
1500 CENTER STREET
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ASSISTANT SUPERINTENDENT
Cscroggins@ns.whiting.k12.in.us

September 22, 2015



BOARD OF SCHOOL TRUSTEES

Kathy Murzyn, President
Michael J. Toth, Vice President
Shawn M. Turpin, Secretary
Jeremiah J. Moynihan, Trustee
Anthony Borgo, Trustee

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2012-02

Original Assigned SBA Audit Report Number: B42024

Report Period: 2012

Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education,
School City of Hammond

Contact Person Responsible for Corrective Action: Director of Finance

Contact Phone Number: 219-656-0656

Status of Audit Finding: Corrected

Eligibility: The information regarding student eligibility for Free/Reduced Lunch and Textbook assistance is provided to the IDOE using the STN reporting site. This information is included on the Enrollment and Mobility Report (EM) and on the Real Time (RT) report. The Title I grant pulls the data from the STN site and populates the Title I grant application with this poverty data as a percentage by school and district. The district information provided on these reports is pulled from two sources. First is the Direct Certification report that is provided by the State to the Director of Food Services. This report provides a list of student names that receive assistance through the State and have a case number. Those on the Direct Certification report automatically qualify for Free Lunch and Textbooks. The second source of information is provided by the applications completed by parents/guardians who are requesting meal and textbook assistance. The Director of Food Services determines the eligibility status of the applicants based on the application information. She inputs the names and eligibility status of the qualifying students on the RDS student management system. She can generate a report that provides a list of names, grades, and status from the RDS system. Both the Direct Certification form and the RDS form combined will provide a number and percentage of students who qualify for free/reduced lunch and textbook assistance. The combined information is compared against the data that is populated on the Title I application that is pre-loaded by the IDOE. This comparison will determine the accuracy of the Title I grant application information.

Reporting:

The grants reimbursements are now reviewed by the Superintendent. The Superintendent signs the reimbursement report and I then scan and e-mail the signed reimbursement form to reimbursement contact for each grant.

Kim Kusateu
(Signature)

Director of Finance
(Title)

9-23-15
(Date)

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September 22, 2015



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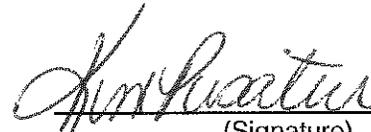
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2012-03

Original Assigned SBA Audit Report Number: B42024
Report Period: 2012
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education,
Contact Person Responsible for Corrective Action: Director of Finance
Contact Phone Number: 219-656-0656

Status of Audit Finding: Corrected

Internal controls have been put in place related to the Level of Effort –MOE requirements. I keep excel sheets that monitor the local and state expenditures for special education.



(Signature)



(Title)



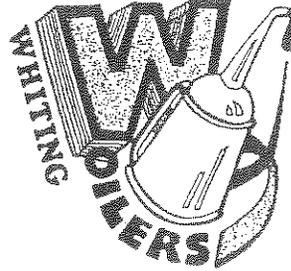
(Date)

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September 22, 2015



BOARD OF SCHOOL TRUSTEES

Kathy Murzyn, President
Michael J. Toth, Vice President
Shawn M. Turpin, Secretary
Jeremiah J. Moynihan, Trustee
Anthony Borgo, Trustee

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

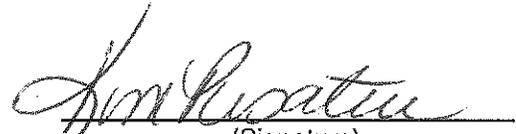
FINDING 2012-04

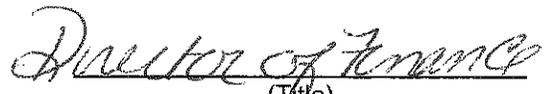
Original Assigned SBA Audit Report Number: B42024
Report Period: 2012
Pass-Through Entity or Federal Grantor Agency: Indiana Department of Education
Contact Person Responsible for Corrective Action: Director of Finance
Contact Phone Number: 219-656-0656

Status of Audit Finding: Corrected

Level of Effort –Maintenance of Effort has been corrected. The worksheet provided in the Excess Costs worksheet subtracts out the amounts for capital outlay and debt service. I also contacted IDOE, Special Education Department with questions in regards to this issue.

The percentage used when computing the allocation of expenditures is verified by the ADM count percentages between the two groups.


(Signature)


(Title)


(Date)

SCHOOL CITY OF WHITING

1500 CENTER STREET
WHITING, INDIANA 46394

(219) 659-0656 • (219) 473-4008 FAX

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CORRECTIVE ACTION PLAN

FINDING 2014-001 - FINANCIAL TRANSACTIONS AND REPORTING

Contact Person Responsible for Corrective Action: Kim Pusateri, Director of Finance/Treasurer
Contact Phone Number: 219-659-0656 ext. 224

Description of Corrective Action Plan:

The corporation treasurer keeps an excel spreadsheet as a backup with all monthly receipts and disbursements listed. The treasurer uses this spreadsheet when balancing each month end reconciliation. The excel spreadsheet will be reviewed by the Superintendent as another step in the internal controls improvements for the school corporation.

Anticipated Completion Date:

The correction action plan was implemented effective the September 30, 2015 month end reconciliation.



(Signature)



(Title)



(Date)

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CORRECTIVE ACTION PLAN

FINDING 2014-002 - ACTIVITIES ALLOWED, ALLOWABLE COSTS/COSTS PRINCIPLES, AND PERIOD OF AVAILABILITY

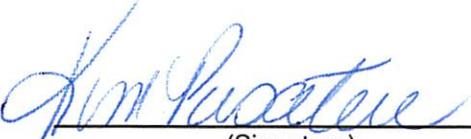
Contact Person Responsible for Corrective Action: Kim Pusateri, Director of Finance/Treasurer
Contact Phone Number: 219-659-0656 ext. 224

Description of Corrective Action Plan:

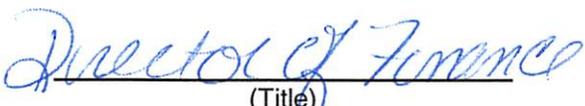
The payroll clerk will submit the detailed payroll register report to the corporation treasurer for review each pay period.

Anticipated Completion Date:

The corrective action plan was implemented beginning the October 2, 2015 payroll.



(Signature)



(Title)



(Date)

OTHER REPORTS

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