

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

WHITLEY COUNTY CONSOLIDATED SCHOOLS
WHITLEY COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
02/20/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-31
Schedule of Payables and Receivables	32
Schedule of Leases and Debt	33
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	36-37
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	41
Notes to Schedule of Expenditures of Federal Awards	42
Schedule of Findings and Questioned Costs	43-45
Auditee Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	48
Corrective Action Plan	49
Other Report	50

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Anthony G. Zickgraf Kirk Doehrmann	07-01-12 to 06-30-14 07-01-14 to 06-30-15
Superintendent of Schools	Dr. Patricia O'Connor	07-01-12 to 06-30-15
President of the School Board	Donald L. Armstrong	01-01-12 to 12-31-14



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF WHITLEY COUNTY CONSOLIDATED SCHOOLS, WHITLEY COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Whitley County Consolidated Schools (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.

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, and Schedule of Leases and Debt, 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 January 8, 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

January 8, 2015



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON 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 WHITLEY COUNTY CONSOLIDATED SCHOOLS, WHITLEY 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 Whitley County Consolidated Schools (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 January 8, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

Whitley County Consolidated Schools' Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

January 8, 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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WHITLEY COUNTY CONSOLIDATED SCHOOLS
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		Other Financing Sources (Uses)		Cash and Investments 06-30-13		Other Financing Sources (Uses)		Cash and Investments 06-30-14	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 524,159	\$ 21,684,976	\$ 21,608,458	\$ 2,945	\$ 603,622	\$ 21,507,167	\$ 21,388,936	\$ 2,112	\$ 723,965	
Debt Service	2,425,979	4,428,926	4,328,627	(26,412)	2,499,866	4,783,937	4,554,704	(27,023)	2,702,076	
Retirement/Severance Bond Debt Service	292,531	632,737	615,639	-	309,629	618,889	617,351	-	311,167	
Capital Projects	1,387,198	3,096,049	3,543,772	11,039	950,514	3,179,623	3,432,271	-	697,866	
School Transportation	532,916	1,702,888	1,694,066	99,730	641,468	1,809,312	1,993,543	-	457,237	
School Bus Replacement	216,541	389,409	339,698	-	266,252	401,724	428,646	-	239,330	
Rainy Day	1,978,572	-	-	-	1,978,572	-	6,045	-	1,972,527	
School Lunch	491,687	1,360,818	1,466,335	297	386,467	1,342,424	1,401,981	-	326,910	
Textbook Rental	92,005	275,704	385,631	26,412	8,490	283,554	96,242	27,023	222,825	
Repair and Replacement	-	37,637	34,600	-	3,037	148,135	39,216	-	111,956	
Levy Excess	68,245	31,485	-	(99,730)	-	-	-	-	-	
Educational License Plates	13,856	225	-	-	14,081	188	-	-	14,269	
Alternative Education	-	-	-	-	-	1,058	-	-	1,058	
DEKKO Kindergarten	12,674	-	9,517	-	3,157	-	2,316	-	841	
Miscellaneous Grants	20,698	17,807	24,056	-	14,449	4,080	5,238	-	13,291	
Miscellaneous Grants Substitutes	-	1,367	1,292	-	75	684	684	-	75	
Teaching Excellence	1,042	-	-	-	1,042	-	-	-	1,042	
Student Counseling Assistance Program	899	-	225	-	674	-	674	-	-	
Project Lead The Way	42,937	30,583	50,966	-	22,554	31,005	8,224	-	45,335	
Schwab Foundation	-	33,000	-	-	33,000	-	17,028	-	15,972	
Community Partnership New Tech Tops	-	117,500	117,500	-	-	150,000	80,000	-	70,000	
Community Partnership PBL 101 Buck Ins	12,535	19,500	6,789	-	25,246	-	2,070	-	23,176	
Whitley Forward Stem Grant	10,066	-	7,601	-	2,465	-	-	-	2,465	
DEKKO Technology Project	23,301	-	3,066	-	20,235	-	-	-	20,235	
Wal-Mart Foundation Grant	4	-	-	-	4	-	-	-	4	
High Ability Grant FY 11-12	20,033	-	20,033	-	-	-	-	-	-	
High Ability Grant FY 12-13	-	35,532	5,503	-	30,029	-	30,029	-	-	
High Ability Grant FY 13-14	-	-	-	-	-	36,115	7,045	-	29,070	
Petty Cash	300	-	-	-	300	-	-	-	300	
Non-English Speaking Programs FY 12-13	-	1,603	1,603	-	-	-	-	-	-	
Non-English Speaking Programs FY 13-14	-	-	-	-	-	1,363	1,363	-	-	
School Technology	1,889	7,971	7,762	-	2,098	8,489	8,362	-	2,225	
Technology Grants	7,148	33,551	38,745	-	1,954	37,955	39,909	-	-	
Learn More In-College Success	3,218	-	2,300	-	918	-	-	-	918	
Title I FY 11-12	(20,614)	20,614	-	-	-	-	-	-	-	
Title I FY 12-13	-	307,378	318,398	-	(11,020)	11,020	-	-	-	
Title I FY 13-14	-	-	-	-	-	282,921	287,489	-	(4,568)	
IDEA	-	-	-	-	-	490,476	523,219	-	(32,743)	
IDEA Part B FY 11-12	(14,372)	246,020	231,648	-	-	51,517	51,517	-	-	
IDEA Part B FY 12-13	-	497,600	515,287	-	(17,687)	190,999	174,156	-	(844)	
IDEA Technical Assistance	-	-	-	-	-	3,022	3,022	-	-	
IDEA Part B Preschool FY 11-12	(1,503)	1,503	-	-	-	-	-	-	-	
IDEA Part B Preschool FY 12-13	-	30,970	31,508	-	(538)	538	-	-	-	
IDEA Part B Preschool FY 13-14	-	-	-	-	-	30,409	30,409	-	-	
Other Federal Programs	43	-	-	-	43	-	-	-	43	
Improving Teaching Quality, Title II, Part A	(4,913)	47,379	46,960	-	(4,494)	36,358	31,864	-	-	
Title II, Part A FY12-13	-	-	-	-	-	42,738	74,403	-	(31,665)	
Title II, Part A FY13-14	-	-	-	-	-	-	1,404	-	(1,404)	
Title III - Language Instruction	1,163	-	1,163	-	-	-	-	-	-	
New Technology Grants	26,436	-	23,218	-	3,218	-	2,656	-	562	
Education Jobs	(7,436)	362,229	354,793	-	-	-	-	-	-	
Clearing Account	945,698	16,112,099	16,088,688	-	969,109	15,923,199	15,932,310	-	959,998	
Fringe Benefit Clearing	-	7,177	-	-	-	8,895	8,895	-	-	
Totals	\$ 9,104,935	\$ 51,572,237	\$ 51,932,624	\$ 14,281	\$ 8,758,829	\$ 51,417,794	\$ 51,283,221	\$ 2,112	\$ 8,895,514	

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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 may 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.

WHITLEY COUNTY CONSOLIDATED SCHOOLS
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 temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancements 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 may 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:

WHITLEY COUNTY CONSOLIDATED SCHOOLS
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.

WHITLEY COUNTY CONSOLIDATED SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

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.

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Note 7. Cash Balance Deficits

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The School Corporation has entered into capital leases with Whitley County Multi 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 fiscal years 2012-2013 and 2013-2014 totaled \$4,124,422 and \$4,195,336, respectively.

Note 9. *Subsequent Events*

The School Corporation has issued a \$2,000,000 bond issue through the Holding Corporation for the purpose of technology and infrastructure.

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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.

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 524,159	\$ 2,425,979	\$ 292,531	\$ 1,387,198	\$ 532,916	\$ 216,541	\$ 1,978,572	\$ 491,687	\$ 92,005
Receipts:									
Local sources	395,326	4,428,926	632,737	2,995,966	1,702,888	389,409	-	649,520	188,272
Intermediate sources	20	-	-	-	-	-	-	-	-
State sources	21,289,630	-	-	-	-	-	-	20,990	87,432
Federal sources	-	-	-	-	-	-	-	690,308	-
Temporary loans	-	-	-	100,083	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>21,684,976</u>	<u>4,428,926</u>	<u>632,737</u>	<u>3,096,049</u>	<u>1,702,888</u>	<u>389,409</u>	<u>-</u>	<u>1,360,818</u>	<u>275,704</u>
Disbursements:									
Current:									
Instruction	14,713,932	-	-	-	-	-	-	-	-
Support services	6,547,113	-	-	2,111,884	1,694,066	339,698	-	1,763	385,631
Noninstructional services	347,413	-	-	-	-	-	-	1,351,682	-
Facilities acquisition and construction	-	-	-	1,431,888	-	-	-	82,890	-
Debt services	-	4,328,627	615,639	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	30,000	-
Total disbursements	<u>21,608,458</u>	<u>4,328,627</u>	<u>615,639</u>	<u>3,543,772</u>	<u>1,694,066</u>	<u>339,698</u>	<u>-</u>	<u>1,466,335</u>	<u>385,631</u>
Excess (deficiency) of receipts over disbursements	<u>76,518</u>	<u>100,299</u>	<u>17,098</u>	<u>(447,723)</u>	<u>8,822</u>	<u>49,711</u>	<u>-</u>	<u>(105,517)</u>	<u>(109,927)</u>
Other financing sources (uses):									
Sale of capital assets	2,945	-	-	11,039	-	-	-	297	-
Transfers in	-	-	-	-	99,730	-	-	-	26,412
Transfers out	-	(26,412)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,945</u>	<u>(26,412)</u>	<u>-</u>	<u>11,039</u>	<u>99,730</u>	<u>-</u>	<u>-</u>	<u>297</u>	<u>26,412</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>79,463</u>	<u>73,887</u>	<u>17,098</u>	<u>(436,684)</u>	<u>108,552</u>	<u>49,711</u>	<u>-</u>	<u>(105,220)</u>	<u>(83,515)</u>
Cash and investments - ending	<u>\$ 603,622</u>	<u>\$ 2,499,866</u>	<u>\$ 309,629</u>	<u>\$ 950,514</u>	<u>\$ 641,468</u>	<u>\$ 266,252</u>	<u>\$ 1,978,572</u>	<u>\$ 386,467</u>	<u>\$ 8,490</u>

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Repair and Replacement	Levy Excess	Educational License Plates	Alternative Education	DEKKO Kindergarten	Miscellaneous Grants	Miscellaneous Grants Substitutes	Teaching Excellence	Student Counseling Assistance Program
Cash and investments - beginning	\$ -	\$ 68,245	\$ 13,856	\$ -	\$ 12,674	\$ 20,698	\$ -	\$ 1,042	\$ 899
Receipts:									
Local sources	-	-	-	-	-	17,807	1,367	-	-
Intermediate sources	-	-	225	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	37,637	31,485	-	-	-	-	-	-	-
Total receipts	37,637	31,485	225	-	-	17,807	1,367	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	16,866	-	-	-
Support services	34,600	-	-	-	9,517	7,190	1,292	-	225
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	34,600	-	-	-	9,517	24,056	1,292	-	225
Excess (deficiency) of receipts over disbursements	3,037	31,485	225	-	(9,517)	(6,249)	75	-	(225)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(99,730)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(99,730)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,037	(68,245)	225	-	(9,517)	(6,249)	75	-	(225)
Cash and investments - ending	\$ 3,037	\$ -	\$ 14,081	\$ -	\$ 3,157	\$ 14,449	\$ 75	\$ 1,042	\$ 674

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Project Lead The Way	Schwab Foundation	Community Partnership New Tech Tops	Community Partnership PBL 101 Buck Ins	Whitley Forward Stem Grant	DEKKO Technology Project	Wal-Mart Foundation Grant	High Ability Grant FY 11-12	High Ability Grant FY 12-13
Cash and investments - beginning	\$ 42,937	\$ -	\$ -	\$ 12,535	\$ 10,066	\$ 23,301	\$ 4	\$ 20,033	\$ -
Receipts:									
Local sources	-	-	117,500	-	-	-	-	-	-
Intermediate sources	30,583	33,000	-	19,500	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	35,532
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	30,583	33,000	117,500	19,500	-	-	-	-	35,532
Disbursements:									
Current:									
Instruction	50,966	-	-	-	7,601	-	-	20,033	5,503
Support services	-	-	117,500	6,789	-	3,066	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	50,966	-	117,500	6,789	7,601	3,066	-	20,033	5,503
Excess (deficiency) of receipts over disbursements	(20,383)	33,000	-	12,711	(7,601)	(3,066)	-	(20,033)	30,029
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	(20,383)	33,000	-	12,711	(7,601)	(3,066)	-	(20,033)	30,029
Cash and investments - ending	\$ 22,554	\$ 33,000	\$ -	\$ 25,246	\$ 2,465	\$ 20,235	\$ 4	\$ -	\$ 30,029

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	High Ability Grant FY 13-14	Petty Cash	Non-English Speaking Programs FY 12-13	Non-English Speaking Programs FY 13-14	School Technology	Technology Grants	Learn More In-College Success	Title I FY 11-12	Title I FY 12-13
Cash and investments - beginning	\$ -	\$ 300	\$ -	\$ -	\$ 1,889	\$ 7,148	\$ 3,218	\$ (20,614)	\$ -
Receipts:									
Local sources	-	-	-	-	-	33,551	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	1,603	-	7,971	-	-	-	-
Federal sources	-	-	-	-	-	-	-	20,614	307,378
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	1,603	-	7,971	33,551	-	20,614	307,378
Disbursements:									
Current:									
Instruction	-	-	1,603	-	-	-	-	-	317,184
Support services	-	-	-	-	7,762	38,745	-	-	209
Noninstructional services	-	-	-	-	-	-	2,300	-	1,005
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,603	-	7,762	38,745	2,300	-	318,398
Excess (deficiency) of receipts over disbursements	-	-	-	-	209	(5,194)	(2,300)	20,614	(11,020)
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	-	-	-	-	209	(5,194)	(2,300)	20,614	(11,020)
Cash and investments - ending	\$ -	\$ 300	\$ -	\$ -	\$ 2,098	\$ 1,954	\$ 918	\$ -	\$ (11,020)

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Title I FY 13-14	IDEA	IDEA Part B FY 11-12	IDEA Part B FY 12-13	IDEA Technical Assistance	IDEA Part B Preschool FY 11-12	IDEA Part B Preschool FY 12-13	IDEA Part B Preschool FY 13-14	Other Federal Programs
Cash and investments - beginning	\$ -	\$ -	\$ (14,372)	\$ -	\$ -	\$ (1,503)	\$ -	\$ -	\$ 43
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	246,020	497,600	-	1,503	30,970	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	246,020	497,600	-	1,503	30,970	-	-
Disbursements:									
Current:									
Instruction	-	-	16,365	189,629	-	-	31,508	-	-
Support services	-	-	215,283	325,658	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	231,648	515,287	-	-	31,508	-	-
Excess (deficiency) of receipts over disbursements	-	-	14,372	(17,687)	-	1,503	(538)	-	-
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	-	-	14,372	(17,687)	-	1,503	(538)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (17,687)	\$ -	\$ -	\$ (538)	\$ -	\$ 43

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Improving Teaching Quality, Title II, Part A	Title II, Part A FY 12-13	Title II, Part A FY 13-14	Title III - Language Instruction	New Technology Grants	Education Jobs	Clearing Account	Fringe Benefit Clearing	Totals
Cash and investments - beginning	\$ (4,913)	\$ -	\$ -	\$ 1,163	\$ 26,436	\$ (7,436)	\$ 945,698	\$ -	\$ 9,104,935
Receipts:									
Local sources	-	-	-	-	-	-	-	-	11,553,269
Intermediate sources	-	-	-	-	-	-	-	-	83,328
State sources	-	-	-	-	-	-	-	-	21,443,158
Federal sources	47,379	-	-	-	-	362,229	-	-	2,204,001
Temporary loans	-	-	-	-	-	-	-	-	100,083
Other	-	-	-	-	-	-	16,112,099	7,177	16,188,398
Total receipts	47,379	-	-	-	-	362,229	16,112,099	7,177	51,572,237
Disbursements:									
Current:									
Instruction	-	-	-	1,163	18,058	110,588	-	-	15,500,999
Support services	46,960	-	-	-	5,160	244,205	-	-	12,144,316
Noninstructional services	-	-	-	-	-	-	-	-	1,702,400
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,514,778
Debt services	-	-	-	-	-	-	-	-	4,944,266
Nonprogrammed charges	-	-	-	-	-	-	16,088,688	7,177	16,125,865
Total disbursements	46,960	-	-	1,163	23,218	354,793	16,088,688	7,177	51,932,624
Excess (deficiency) of receipts over disbursements	419	-	-	(1,163)	(23,218)	7,436	23,411	-	(360,387)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	14,281
Transfers in	-	-	-	-	-	-	-	-	126,142
Transfers out	-	-	-	-	-	-	-	-	(126,142)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	14,281
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	419	-	-	(1,163)	(23,218)	7,436	23,411	-	(346,106)
Cash and investments - ending	\$ (4,494)	\$ -	\$ -	\$ -	\$ 3,218	\$ -	\$ 969,109	\$ -	\$ 8,758,829

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 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	Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 603,622	\$ 2,499,866	\$ 309,629	\$ 950,514	\$ 641,468	\$ 266,252	\$ 1,978,572	\$ 386,467	\$ 8,490
Receipts:									
Local sources	395,893	4,739,977	618,889	3,179,623	1,809,312	401,724	-	606,252	195,235
Intermediate sources	44	-	-	-	-	-	-	-	-
State sources	21,111,230	-	-	-	-	-	-	21,816	88,319
Federal sources	-	-	-	-	-	-	-	714,356	-
Other	-	43,960	-	-	-	-	-	-	-
Total receipts	21,507,167	4,783,937	618,889	3,179,623	1,809,312	401,724	-	1,342,424	283,554
Disbursements:									
Current:									
Instruction	14,368,734	-	-	-	-	-	-	-	-
Support services	6,685,686	-	-	2,489,365	1,993,543	428,646	6,045	1,548	96,242
Noninstructional services	334,516	-	-	-	-	-	-	1,320,295	-
Facilities acquisition and construction	-	-	-	942,906	-	-	-	50,138	-
Debt services	-	4,554,704	617,351	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	30,000	-
Total disbursements	21,388,936	4,554,704	617,351	3,432,271	1,993,543	428,646	6,045	1,401,981	96,242
Excess (deficiency) of receipts over disbursements	118,231	229,233	1,538	(252,648)	(184,231)	(26,922)	(6,045)	(59,557)	187,312
Other financing sources (uses):									
Sale of capital assets	2,112	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	27,023
Transfers out	-	(27,023)	-	-	-	-	-	-	-
Total other financing sources (uses)	2,112	(27,023)	-	-	-	-	-	-	27,023
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	120,343	202,210	1,538	(252,648)	(184,231)	(26,922)	(6,045)	(59,557)	214,335
Cash and investments - ending	\$ 723,965	\$ 2,702,076	\$ 311,167	\$ 697,866	\$ 457,237	\$ 239,330	\$ 1,972,527	\$ 326,910	\$ 222,825

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Repair and Replacement	Levy Excess	Educational License Plates	Alternative Education	DEKKO Kindergarten	Miscellaneous Grants	Miscellaneous Grants Substitutes	Teaching Excellence	Student Counseling Assistance Program
Cash and investments - beginning	\$ 3,037	\$ -	\$ 14,081	\$ -	\$ 3,157	\$ 14,449	\$ 75	\$ 1,042	\$ 674
Receipts:									
Local sources	-	-	-	-	-	4,080	684	-	-
Intermediate sources	-	-	188	-	-	-	-	-	-
State sources	-	-	-	1,058	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	148,135	-	-	-	-	-	-	-	-
Total receipts	148,135	-	188	1,058	-	4,080	684	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	3,595	-	-	-
Support services	39,216	-	-	-	2,316	1,643	684	-	674
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	39,216	-	-	-	2,316	5,238	684	-	674
Excess (deficiency) of receipts over disbursements	108,919	-	188	1,058	(2,316)	(1,158)	-	-	(674)
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	108,919	-	188	1,058	(2,316)	(1,158)	-	-	(674)
Cash and investments - ending	\$ 111,956	\$ -	\$ 14,269	\$ 1,058	\$ 841	\$ 13,291	\$ 75	\$ 1,042	\$ -

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Project Lead The Way	Schwab Foundation	Community Partnership New Tech Tops	Community Partnership PBL 101 Buck Ins	Whitley Forward Stem Grant	DEKKO Technology Project	Wal-Mart Foundation Grant	High Ability Grant FY 11-12	High Ability Grant FY 12-13
Cash and investments - beginning	\$ 22,554	\$ 33,000	\$ -	\$ 25,246	\$ 2,465	\$ 20,235	\$ 4	\$ -	\$ 30,029
Receipts:									
Local sources	422	-	150,000	-	-	-	-	-	-
Intermediate sources	30,583	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	31,005	-	150,000	-	-	-	-	-	-
Disbursements:									
Current:									
Instruction	8,224	-	-	-	-	-	-	-	30,029
Support services	-	17,028	80,000	2,070	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	8,224	17,028	80,000	2,070	-	-	-	-	30,029
Excess (deficiency) of receipts over disbursements	22,781	(17,028)	70,000	(2,070)	-	-	-	-	(30,029)
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	22,781	(17,028)	70,000	(2,070)	-	-	-	-	(30,029)
Cash and investments - ending	\$ 45,335	\$ 15,972	\$ 70,000	\$ 23,176	\$ 2,465	\$ 20,235	\$ 4	\$ -	\$ -

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	High Ability Grant FY 13-14	Petty Cash	Non-English Speaking Programs FY 12-13	Non-English Speaking Programs FY 13-14	School Technology	Technology Grants	Learn More In-College Success	Title I FY 11-12	Title I FY 12-13
Cash and investments - beginning	\$ -	\$ 300	\$ -	\$ -	\$ 2,098	\$ 1,954	\$ 918	\$ -	\$ (11,020)
Receipts:									
Local sources	-	-	-	-	-	37,955	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	36,115	-	-	1,363	8,489	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	11,020
Other	-	-	-	-	-	-	-	-	-
Total receipts	36,115	-	-	1,363	8,489	37,955	-	-	11,020
Disbursements:									
Current:									
Instruction	7,045	-	-	1,363	-	-	-	-	-
Support services	-	-	-	-	8,362	39,909	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	7,045	-	-	1,363	8,362	39,909	-	-	-
Excess (deficiency) of receipts over disbursements	29,070	-	-	-	127	(1,954)	-	-	11,020
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	29,070	-	-	-	127	(1,954)	-	-	11,020
Cash and investments - ending	\$ 29,070	\$ 300	\$ -	\$ -	\$ 2,225	\$ -	\$ 918	\$ -	\$ -

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Title I FY 13-14	IDEA	IDEA Part B FY 11-12	IDEA Part B FY 12-13	IDEA Technical Assistance	IDEA Part B Preschool FY 11-12	IDEA Part B Preschool FY 12-13	IDEA Part B Preschool FY 13-14	Other Federal Programs
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (17,687)	\$ -	\$ -	\$ (538)	\$ -	\$ 43
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	282,921	490,476	51,517	190,999	3,022	-	538	30,409	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	282,921	490,476	51,517	190,999	3,022	-	538	30,409	-
Disbursements:									
Current:									
Instruction	286,268	172,474	23,644	40,337	3,022	-	-	30,409	-
Support services	215	350,745	27,873	133,819	-	-	-	-	-
Noninstructional services	1,006	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	287,489	523,219	51,517	174,156	3,022	-	-	30,409	-
Excess (deficiency) of receipts over disbursements	(4,568)	(32,743)	-	16,843	-	-	538	-	-
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	(4,568)	(32,743)	-	16,843	-	-	538	-	-
Cash and investments - ending	\$ (4,568)	\$ (32,743)	\$ -	\$ (844)	\$ -	\$ -	\$ -	\$ -	\$ 43

WHITLEY COUNTY CONSOLIDATED SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Improving Teaching Quality, Title II, Part A	Title II, Part A FY 12-13	Title II, Part A FY 13-14	Title III - Language Instruction	New Technology Grants	Education Jobs	Clearing Account	Fringe Benefit Clearing	Totals
Cash and investments - beginning	\$ (4,494)	\$ -	\$ -	\$ -	\$ 3,218	\$ -	\$ 969,109	\$ -	\$ 8,758,829
Receipts:									
Local sources	-	-	-	-	-	-	-	-	12,140,046
Intermediate sources	-	-	-	-	-	-	-	-	30,815
State sources	-	-	-	-	-	-	-	-	21,268,390
Federal sources	36,358	42,738	-	-	-	-	-	-	1,854,354
Other	-	-	-	-	-	-	15,923,199	8,895	16,124,189
Total receipts	36,358	42,738	-	-	-	-	15,923,199	8,895	51,417,794
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	-	-	14,975,144
Support services	31,864	74,403	1,404	-	2,656	-	-	-	12,515,956
Noninstructional services	-	-	-	-	-	-	-	-	1,655,817
Facilities acquisition and construction	-	-	-	-	-	-	-	-	993,044
Debt services	-	-	-	-	-	-	-	-	5,172,055
Nonprogrammed charges	-	-	-	-	-	-	15,932,310	8,895	15,971,205
Total disbursements	31,864	74,403	1,404	-	2,656	-	15,932,310	8,895	51,283,221
Excess (deficiency) of receipts over disbursements	4,494	(31,665)	(1,404)	-	(2,656)	-	(9,111)	-	134,573
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	2,112
Transfers in	-	-	-	-	-	-	-	-	27,023
Transfers out	-	-	-	-	-	-	-	-	(27,023)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	2,112
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,494	(31,665)	(1,404)	-	(2,656)	-	(9,111)	-	136,685
Cash and investments - ending	\$ -	\$ (31,665)	\$ (1,404)	\$ -	\$ 562	\$ -	\$ 959,998	\$ -	\$ 8,895,514

WHITLEY COUNTY CONSOLIDATED SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 466,259</u>	<u>\$ 71,224</u>

WHITLEY COUNTY CONSOLIDATED SCHOOLS
SCHEDULE OF LEASES AND DEBT
June 30, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Providence Capital Network, LLC	Laptop Lease for New Tech	\$ 121,880	6/7/2012	6/1/2015
Whitley County Multi School Building Corporation - Regions Bank	Refunding Bldg Constr/Remodel Debt	2,112,000	1/15/2008	1/15/2021
Siemens Public	Energy Savings Contract	308,326	6/15/2006	12/15/2015
Whitley County Multi School Building Corporation - US Bank	Refunding Bldg Constr/Remodel Debt	1,859,000	7/15/2008	1/15/2015
Whitley County Multi School Building Corporation - Regions Bank	QSCB for New Tech Renovations - 2009	150,000	7/16/2010	1/16/2026
Whitley County Multi School Building Corporation - Regions Bank	QSCB for New Tech Renovations - 2010	<u>217,777</u>	7/15/2011	1/15/2026
Total of annual lease payments		<u>\$ 4,768,983</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Refinancing severance obligations due to retiring employees		\$ 1,676,406	\$ 353,349
General obligation bonds	Severance obligation due to retiring employees		<u>1,990,000</u>	<u>223,031</u>
Totals			<u>\$ 3,666,406</u>	<u>\$ 576,380</u>

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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 WHITLEY COUNTY CONSOLIDATED SCHOOLS, WHITLEY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Whitley County Consolidated Schools' (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 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.

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

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

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

January 8, 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.

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WHITLEY COUNTY CONSOLIDATED SCHOOLS
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
Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 12-13/13-14	\$ 122,871	\$ 127,864
National School Lunch Program	Indiana Department of Education	10.555	FY 12-13/13-14	663,431	680,616
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 12-13/13-14	18,918	12,409
Total - Child Nutrition Cluster				805,220	820,889
Total - Department of Agriculture				805,220	820,889
Department of Education					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027			
FY2012 Part B Section 611 for Special Education			14212-020-PN01	246,019	51,517
FY2013 Part B Section 611 for Special Education			14213-020-PN01	497,600	190,999
FY2014 IDEA Part B Section 611 for Special Education			14214-020-PN01	-	490,476
FY2014 Part B 611 Technical Assistance for Special Education			99914-020-PN01	-	3,022
Total - Special Education - Grants to States				743,619	736,014
Special Education - Preschool Grants	Indiana Department of Education	84.173			
FY2012 Part B Section 619 for Special Education			45712-020-PN01	1,502	-
FY2013 Part B Section 619 for Special Education			45713-020-PN01	30,970	538
FY2014 Part B Section 619 for Special Education			45714-020-PN01	-	30,409
Total - Special Education - Preschool Grants				32,472	30,947
Total - Special Education Cluster (IDEA)				776,091	766,961
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
ESEA 2011-12 Title I			12-8665	20,615	-
ESEA 2012-13 Title I			13-8665	307,377	11,020
ESEA 2013-14 Title I			14-8665	-	282,921
Total - Title I Grants to Local Educational Agencies				327,992	293,941
Total - Title I, Part A Cluster				327,992	293,941
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
FY2010 Title II Part A Improving Teacher Quality			10-8665	1,890	-
FY2011 Title II Part A Improving Teacher Quality			11-8665	45,489	36,358
FY2012 Title II Part A Improving Teacher Quality			12-8665	-	42,738
Total - Improving Teacher Quality State Grants				47,379	79,096
State Fiscal Stabilization Fund Cluster					
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	University of Indianapolis	84.397			
New Tech School Grant			FY 12-13/13-14	23,218	2,656
Education Jobs Fund	Indiana Department of Education	84.410	FY 12-13	362,229	-
Total - Department of Education				1,536,909	1,142,654
Total federal awards expended				\$ 2,342,129	\$ 1,963,543

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the 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	For the Year Ended June 30, 2013	For the Year Ended June 30, 2014
Child Nutrition Cluster:			
Food Commodities:			
National School Lunch Program	10.555	\$ 114,912	\$ 106,533

WHITLEY COUNTY CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
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?	no

Identification of Major Programs:

_____ Name of Federal Program or Cluster _____

Special Education Cluster (IDEA)
Title I, Part A Cluster

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 - INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

WHITLEY COUNTY CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the audit of the SEFA, we noted the School Corporation had omitted \$23,218 in expenditures for the FY 2012/2013 ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recover Act Program from their SEFA; and under reported \$114,912 in expenditures for the FY 2012/2013 National School Lunch Program. 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.
- (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.

WHITLEY COUNTY CONSOLIDATED SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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

No matters are reportable.

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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.



Whitley County Consolidated Schools

Dr. Patricia O'Connor
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDING

FINDING 2012-1 – EQUIPMENT AND REAL PROPERTY MANAGEMENT

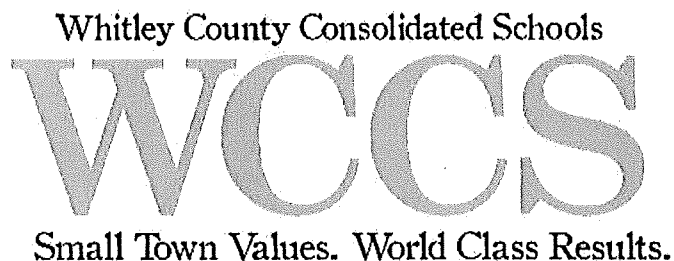
Federal Agency: U.S. Department of Education
Federal Program: ARRA – Special Education - Grants to States, Recovery Act
CFDA Number: 84.391
Federal Award Number and Year: 33310-029-SN01
Pass-Through Entity: Huntington County Community School Corporation

Status of Finding:

The Finding of 2011-2012 indicated that the Whitley County Consolidated Schools Special Education Department needed to provide a listing of capital assets from the grant. The Special Education Department remediated this finding by providing a listing of capital assets for the audit this year.

Respectfully,

Dr. Patricia O'Connor
Superintendent
Whitley County Consolidated Schools



CORRECTIVE ACTION PLAN

Finding 2014-001 Internal Controls over Preparation of Schedule of Expenditures of Federal Awards

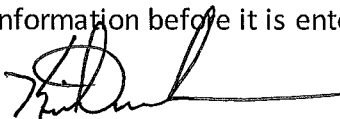
Auditee Contact Person: Kirk Doehrmann

Title of Contact Person: Director of Business and Operations

Phone Number: 260-244-5771

Expected Completion Date: December 30, 2014

Currently the Whitley County Consolidated Schools Deputy Treasurer quietuses in all of the EFT's notices of the Federal Grants and I, as the treasurer of the Corporation, process the information in Gateway. Starting with the 2014 Annual Report I will have my deputy verify all the information before it is entered into Gateway.



December 30, 2014

Kirk Doehrmann
Director of Business and Operations
Whitley County Consolidated Schools
107 North Walnut Street
Columbia City, IN
46725

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the School Corporation. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.