

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 HAMMOND
LAKE COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED
07/01/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Theophilus Boone, Jr.	07-01-13 to 06-30-16
Superintendent of Schools	Dr. Walter J. Watkins	07-01-13 to 06-30-16
President of the School Board	Deborah M. White	07-01-13 to 06-30-16



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the School City of Hammond (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, 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

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, 2013 to June 30, 2015.

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, 2013 to June 30, 2015, 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 April 6, 2016, 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

April 6, 2016



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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 HAMMOND, 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 Hammond (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated April 6, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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*.

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

April 6, 2016

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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.

SCHOOL CITY OF HAMMOND
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments			Other Financing		Cash and Investments			Other Financing		Cash and Investments
	07-01-13	Receipts	Disbursements	Sources (Uses)	06-30-14	Receipts	Disbursements	Sources (Uses)	06-30-15		
General	\$ 5,778,832	\$ 96,074,525	\$ 97,675,074	\$ (273,491)	\$ 3,904,792	\$ 101,842,626	\$ 105,715,729	\$ 4,113,456	\$ 4,145,145		
Debt Service	1,190,175	2,861,540	3,439,631	(430,601)	181,483	3,645,281	3,312,770	-	513,994		
Exempt Debt	12,587,041	27,817,886	30,126,449	-	10,278,478	31,175,649	27,379,090	-	14,075,037		
Exempt Retirement/Severance Bond Debt Service	126,547	570,931	603,162	-	94,316	658,602	603,077	-	149,841		
Capital Projects	1,754,219	8,309,763	9,325,292	-	738,690	8,833,327	8,821,854	-	750,163		
School Transportation	1,730,886	8,388,629	8,606,246	-	1,513,269	8,372,757	8,200,496	-	1,685,530		
School Bus Replacement	630,179	307,167	273,772	-	663,574	196,825	197,062	-	663,337		
Retirement/Severance Bond	1,786,295	2,469	365,574	-	1,423,190	1,453	313,743	-	1,110,900		
2008 Construction	(222,778)	-	-	224,445	1,667	-	-	-	1,667		
Radio/TV Academy Construction	249,732	-	46,764	-	202,968	-	48,315	-	154,653		
Performing Arts Academy Construction	47,183	-	-	-	47,183	-	-	-	47,183		
K of C/Eggers Construction	(114,630)	-	-	114,630	-	-	-	-	-		
Roofing Projects Bid B	40,492	-	-	-	40,492	-	-	-	40,492		
School Lunch	5,977,755	7,655,038	7,738,164	-	5,894,629	8,171,280	7,893,652	-	6,172,257		
Textbook Rental	(3,160,344)	868,482	2,032,175	430,601	(3,893,436)	982,226	1,465,015	-	(4,376,225)		
Vocational Capital Equipment	261,985	154,500	275,934	-	140,551	137,250	112,268	-	165,533		
Self-Insurance	4,582,678	25,785,203	22,024,269	-	8,343,612	22,795,663	23,383,353	(4,113,435)	3,642,487		
Group Work Camps	-	-	-	-	-	42,893	33,893	-	9,000		
Alternative Education	11,304	-	1,664	-	9,640	-	124	-	9,516		
Lafayette Early Intrvnr/Rap/ASCL	1,369	-	1,027	-	342	-	-	-	342		
Jefferson/Hess Early Intervention Grant	11,315	-	10,221	-	1,094	-	282	-	812		
Donations/Immunization Clinic	5,242	-	-	-	5,242	-	-	-	5,242		
Headstart Donations	4,357	-	-	-	4,357	-	-	-	4,357		
Instruction Support	207,941	429,362	231,186	-	406,117	383,147	257,036	-	532,228		
Young Authors Program	-	3,371	1,798	-	1,573	600	1,680	-	493		
RTI Professional Development	16,989	565	1,575	-	15,979	700	9,828	-	6,851		
Art Lenders	2,812	2,028	1,094	-	3,746	1,190	577	-	4,359		
High Ability	26,220	168	2,735	-	23,653	-	17,758	-	5,895		
Job Link 2000	3,643	240,696	230,274	-	14,065	256,114	238,951	-	31,228		
Urban Teachers UTEP	504	-	504	-	-	-	-	-	-		
Science Awards	11,242	2,700	1,485	-	12,457	2,100	1,847	-	12,710		
Robotics	85,915	7,361	23,675	-	69,601	45,013	44,718	-	69,896		
Junior Robotics	5,261	1,625	1,186	-	5,700	1,450	573	-	6,577		
Survive Alive	(1,769)	3,063	6,670	10,000	4,624	3,464	7,500	-	588		
PLTW Competitions	193	-	-	-	193	-	-	-	193		
United Way Summer Camp	(11,524)	12,356	12,289	-	(11,457)	17,362	5,815	-	90		
Adult Education Combo	43,239	280,604	297,502	(1,298)	25,043	344,687	322,221	-	47,509		
Scholarships and Awards	-	10,000	-	-	10,000	-	10,000	-	-		
Maywood Testing Supplies	260	-	-	-	260	-	-	-	260		
Gaming Money From City of Hammond	90,899	-	-	-	90,899	-	90,350	-	549		
Hammond Community Grants/Gifted/Talented	3,792	28,310	21,647	(11)	10,444	30,270	39,078	(21)	1,615		

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

SCHOOL CITY OF HAMMOND
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015
(Continued)

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
Lever Environment & Cargill Inc - Franklin	9,870	11,000	10,186	-	10,684	1,000	7,595	-	4,089
Instructional Activities	9,263	9,880	4,570	-	14,573	7,376	9,816	-	12,133
Expanded Studies Program	35,268	10,297	18,389	-	27,176	8,900	6,397	-	29,679
Remediation	292,410	-	80,813	(111,418)	100,179	-	96,546	-	3,633
Instruction Support	-	-	-	-	-	200	-	-	200
Education Technology	(18,741)	2,633,729	2,648,151	-	(33,163)	2,593,614	2,561,550	-	(1,099)
Early Childhood Intervention (First Steps)	43,106	77,397	59,972	-	60,531	79,666	107,480	-	32,717
Medicaid Reimbursement	181,000	77,897	-	-	258,897	74,068	-	-	332,965
Adult Ed General (Office)	(278,636)	3,979	-	274,657	-	-	-	-	-
Extra-Curricular Activities	(23,269)	51,620	42,449	-	(14,098)	55,452	55,651	-	(14,297)
Professional Development 04-05 to 06-07	33,951	-	(235)	-	34,186	-	2,925	-	31,261
Non-English Speaking Programs P.L. 273-1999	55,759	196,668	217,546	21,501	56,382	198,519	201,149	-	53,752
School Technology/Network Fund	413,188	90,169	118,729	-	384,628	100,746	126,448	-	358,926
Performance Based Awards	-	-	-	-	-	404,355	394,676	-	9,679
Non-English Speaking 07-08	206	-	-	(206)	-	-	-	-	-
Miscellaneous Programs	-	1,100	1,100	-	-	21,442	12,430	-	9,012
Professional Development 07-10	51,802	-	-	-	51,802	-	17,076	-	34,726
Title I 1003(g) School Improvement HHS	(39,572)	659,307	619,735	-	-	26,461	48,061	-	(21,600)
Title I	(542,864)	6,335,517	6,149,213	-	(356,560)	6,511,387	6,445,545	-	(290,718)
Summer Migrant 2010/2011	(78,968)	-	-	78,968	-	-	-	-	-
McKinney - Vento Education for Homeless	(3,712)	64,872	63,262	-	(2,102)	55,547	55,687	-	(2,242)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	69,532	69,532	-	-	-	-	-	-
Federal Assistance Educational Preschool Handicapped	(155,932)	3,143,658	3,112,260	-	(124,534)	3,330,178	3,330,803	-	(125,159)
Adult Education and Family Literacy, Title II	(51,974)	196,201	145,525	1,298	-	72,406	86,228	-	(13,822)
Technology Related Assistance for Individuals With Disabilities	-	59,141	60,341	-	(1,200)	14,433	13,233	-	-
Carl Perkins	(58,094)	574,072	545,839	-	(29,861)	529,434	545,834	-	(46,261)
Medicaid Reimbursement - Federal	586,963	386,699	299,529	-	674,133	266,324	427,928	-	512,529
Headstart	(172,869)	1,091,130	1,105,340	-	(187,079)	1,237,122	1,236,017	-	(185,974)
Small Learning Community Grant	(63,742)	352,341	260,943	-	27,656	-	10,509	-	17,147
HSTW - Clark, Morton, HHS	977	-	977	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(15,119)	696,475	713,114	-	(31,758)	698,073	725,467	-	(59,152)
Title III - Language Instruction	(21,965)	389,248	379,048	-	(11,765)	489,612	492,236	-	(14,389)
Title II Part B Math and Science Partnership	-	-	-	-	-	5,600	5,600	-	-
Teacher Incentive/TAP	(213)	748,899	749,591	-	(905)	754,416	771,619	-	(18,108)
Prepaid Food	-	-	-	-	-	13,272	-	-	13,272
Payroll Deductions	84,362	77,041,306	76,950,918	-	174,750	82,797,278	82,766,276	-	205,752
Totals	\$ 34,037,906	\$ 274,790,476	\$ 277,805,875	\$ 339,075	\$ 31,361,582	\$ 288,288,810	\$ 289,089,437	\$ -	\$ 30,560,955

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

SCHOOL CITY OF HAMMOND
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 HAMMOND
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

SCHOOL CITY OF HAMMOND
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.

SCHOOL CITY OF HAMMOND
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:

SCHOOL CITY OF HAMMOND
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Note 7. Negative Receipts and Disbursements

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

SCHOOL CITY OF HAMMOND
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. The Textbook Rental fund deficit arose primarily from disbursements exceeding receipts due to years of low collection from parents. This deficit is to be repaid from future receipts. The other fund deficits are from reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014 and 2015. The School Corporation is complying with the reimbursement procedure as mandated by the Indiana Department of Education.

Note 9. Holding Corporation

The School Corporation has entered into capital leases with the Hammond 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 calendar years 2014 and 2015 totaled \$17,492,000 and \$18,289,000, respectively.

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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.

SCHOOL CITY OF HAMMOND
 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	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Retirement/ Severance Bond	2008 Construction
Cash and investments - beginning	\$ 5,778,832	\$ 1,190,175	\$ 12,587,041	\$ 126,547	\$ 1,754,219	\$ 1,730,886	\$ 630,179	\$ 1,786,295	\$ (222,778)
Receipts:									
Local sources	1,715,842	2,861,540	15,817,886	570,931	4,154,852	4,388,209	307,167	2,469	-
Intermediate sources	194,929	-	-	-	154,911	-	-	-	-
State sources	94,106,061	-	-	-	-	-	-	-	-
Federal sources	23,937	-	-	-	-	-	-	-	-
Temporary loans	-	-	12,000,000	-	4,000,000	4,000,000	-	-	-
Other	33,756	-	-	-	-	420	-	-	-
Total receipts	96,074,525	2,861,540	27,817,886	570,931	8,309,763	8,388,629	307,167	2,469	-
Disbursements:									
Current:									
Instruction	58,150,913	-	-	-	-	-	-	-	-
Support services	38,031,138	-	-	-	3,547,819	4,393,046	273,772	365,574	-
Noninstructional services	1,237,680	-	-	-	-	-	-	-	-
Facilities acquisition and construction	255,343	-	-	-	1,787,273	-	-	-	-
Debt services	-	3,439,631	30,126,449	603,162	3,990,200	4,213,200	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	97,675,074	3,439,631	30,126,449	603,162	9,325,292	8,606,246	273,772	365,574	-
Excess (deficiency) of receipts over disbursements	(1,600,549)	(578,091)	(2,308,563)	(32,231)	(1,015,529)	(217,617)	33,395	(363,105)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	224,445
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(273,491)	(430,601)	-	-	-	-	-	-	-
Total other financing sources (uses)	(273,491)	(430,601)	-	-	-	-	-	-	224,445
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,874,040)	(1,008,692)	(2,308,563)	(32,231)	(1,015,529)	(217,617)	33,395	(363,105)	224,445
Cash and investments - ending	\$ 3,904,792	\$ 181,483	\$ 10,278,478	\$ 94,316	\$ 738,690	\$ 1,513,269	\$ 663,574	\$ 1,423,190	\$ 1,667

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

	Radio/TV Academy Construction	Performing Arts Academy Construction	K of C/Eggers Construction	Roofing Projects Bid B	School Lunch	Textbook Rental	Vocational Capital Equipment	Self- Insurance	Group Work Camps
Cash and investments - beginning	\$ 249,732	\$ 47,183	\$ (114,630)	\$ 40,492	\$ 5,977,755	\$ (3,160,344)	\$ 261,985	\$ 4,582,678	\$ -
Receipts:									
Local sources	-	-	-	-	1,028,242	124,789	154,500	25,785,203	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	16,040	743,693	-	-	-
Federal sources	-	-	-	-	6,609,956	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	800	-	-	-	-
Total receipts	-	-	-	-	7,655,038	868,482	154,500	25,785,203	-
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	75,094	-	-
Support services	45,756	-	-	-	37,278	2,032,175	170,175	10,358,209	-
Noninstructional services	-	-	-	-	7,685,376	-	-	-	-
Facilities acquisition and construction	1,008	-	-	-	15,510	-	30,665	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	11,666,060	-
Total disbursements	46,764	-	-	-	7,738,164	2,032,175	275,934	22,024,269	-
Excess (deficiency) of receipts over disbursements	(46,764)	-	-	-	(83,126)	(1,163,693)	(121,434)	3,760,934	-
Other financing sources (uses):									
Sale of capital assets	-	-	114,630	-	-	-	-	-	-
Transfers in	-	-	-	-	-	430,601	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	114,630	-	-	430,601	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(46,764)	-	114,630	-	(83,126)	(733,092)	(121,434)	3,760,934	-
Cash and investments - ending	\$ 202,968	\$ 47,183	\$ -	\$ 40,492	\$ 5,894,629	\$ (3,893,436)	\$ 140,551	\$ 8,343,612	\$ -

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

	Alternative Education	Lafayette Early Intrvn/ Rap/ASCL	Jefferson/Hess Early Intervention Grant	Donations/ Immunization Clinic	Headstart Donations	Instruction Support	Young Authors Program	RTI Professional Development	Art Lenders
Cash and investments - beginning	\$ 11,304	\$ 1,369	\$ 11,315	\$ 5,242	\$ 4,357	\$ 207,941	\$ -	\$ 16,989	\$ 2,812
Receipts:									
Local sources	-	-	-	-	-	429,362	3,371	565	2,028
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	429,362	3,371	565	2,028
Disbursements:									
Current:									
Instruction	1,664	-	10,221	-	-	223,108	1,798	-	1,094
Support services	-	-	-	-	-	8,078	-	1,575	-
Noninstructional services	-	1,027	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	1,664	1,027	10,221	-	-	231,186	1,798	1,575	1,094
Excess (deficiency) of receipts over disbursements	(1,664)	(1,027)	(10,221)	-	-	198,176	1,573	(1,010)	934
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,664)	(1,027)	(10,221)	-	-	198,176	1,573	(1,010)	934
Cash and investments - ending	\$ 9,640	\$ 342	\$ 1,094	\$ 5,242	\$ 4,357	\$ 406,117	\$ 1,573	\$ 15,979	\$ 3,746

SCHOOL CITY OF HAMMOND
 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	Job Link 2000	Urban Teachers UTEP	Science Awards	Robotics	Junior Robotics	Survive Alive	PLTW Competitions	United Way Summer Camp
Cash and investments - beginning	\$ 26,220	\$ 3,643	\$ 504	\$ 11,242	\$ 85,915	\$ 5,261	\$ (1,769)	\$ 193	\$ (11,524)
Receipts:									
Local sources	168	240,696	-	2,700	7,361	1,625	3,063	-	12,356
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>168</u>	<u>240,696</u>	<u>-</u>	<u>2,700</u>	<u>7,361</u>	<u>1,625</u>	<u>3,063</u>	<u>-</u>	<u>12,356</u>
Disbursements:									
Current:									
Instruction	-	230,274	-	1,485	23,675	1,186	7,820	-	12,289
Support services	2,735	-	504	-	-	-	(1,150)	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>2,735</u>	<u>230,274</u>	<u>504</u>	<u>1,485</u>	<u>23,675</u>	<u>1,186</u>	<u>6,670</u>	<u>-</u>	<u>12,289</u>
Excess (deficiency) of receipts over disbursements	<u>(2,567)</u>	<u>10,422</u>	<u>(504)</u>	<u>1,215</u>	<u>(16,314)</u>	<u>439</u>	<u>(3,607)</u>	<u>-</u>	<u>67</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	10,000	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,567)</u>	<u>10,422</u>	<u>(504)</u>	<u>1,215</u>	<u>(16,314)</u>	<u>439</u>	<u>6,393</u>	<u>-</u>	<u>67</u>
Cash and investments - ending	<u>\$ 23,653</u>	<u>\$ 14,065</u>	<u>\$ -</u>	<u>\$ 12,457</u>	<u>\$ 69,601</u>	<u>\$ 5,700</u>	<u>\$ 4,624</u>	<u>\$ 193</u>	<u>\$ (11,457)</u>

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

	Adult Education Combo	Scholarships and Awards	Maywood Testing Supplies	Gaming Money From City of Hammond	Hammond Community Grants/ Gifted/Talented	Lever Environment & Cargill Inc - Franklin	Instructional Activities	Expanded Studies Program	Remediation
Cash and investments - beginning	\$ 43,239	\$ -	\$ 260	\$ 90,899	\$ 3,792	\$ 9,870	\$ 9,263	\$ 35,268	\$ 292,410
Receipts:									
Local sources	27,012	10,000	-	-	28,310	11,000	9,880	10,297	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	87,514	-	-	-	-	-	-	-	-
Federal sources	166,078	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>280,604</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>28,310</u>	<u>11,000</u>	<u>9,880</u>	<u>10,297</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	268,395	-	-	-	20,263	4,186	4,570	18,389	80,813
Support services	29,107	-	-	-	1,384	6,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>297,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,647</u>	<u>10,186</u>	<u>4,570</u>	<u>18,389</u>	<u>80,813</u>
Excess (deficiency) of receipts over disbursements	<u>(16,898)</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>6,663</u>	<u>814</u>	<u>5,310</u>	<u>(8,092)</u>	<u>(80,813)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(1,298)	-	-	-	(11)	-	-	-	(111,418)
Total other financing sources (uses)	<u>(1,298)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(111,418)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(18,196)</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>6,652</u>	<u>814</u>	<u>5,310</u>	<u>(8,092)</u>	<u>(192,231)</u>
Cash and investments - ending	<u>\$ 25,043</u>	<u>\$ 10,000</u>	<u>\$ 260</u>	<u>\$ 90,899</u>	<u>\$ 10,444</u>	<u>\$ 10,684</u>	<u>\$ 14,573</u>	<u>\$ 27,176</u>	<u>\$ 100,179</u>

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

	Instruction Support	Education Technology	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Adult Ed General (Office)	Extra- Curricular Activities	Professional Development 04-05 to 06-07	Non-English Speaking Programs P.L. 273-1999	School Technology/ Network Fund
Cash and investments - beginning	\$ -	\$ (18,741)	\$ 43,106	\$ 181,000	\$ (278,636)	\$ (23,269)	\$ 33,951	\$ 55,759	\$ 413,188
Receipts:									
Local sources	-	2,633,729	77,397	-	3,979	51,620	-	-	90,169
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	196,668	-
Federal sources	-	-	-	77,897	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	2,633,729	77,397	77,897	3,979	51,620	-	196,668	90,169
Disbursements:									
Current:									
Instruction	-	-	58,368	-	-	(3,157)	(235)	-	-
Support services	-	2,648,151	1,604	-	-	11,610	-	217,367	118,729
Noninstructional services	-	-	-	-	-	33,996	-	179	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,648,151	59,972	-	-	42,449	(235)	217,546	118,729
Excess (deficiency) of receipts over disbursements	-	(14,422)	17,425	77,897	3,979	9,171	235	(20,878)	(28,560)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	274,657	-	-	21,501	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	274,657	-	-	21,501	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(14,422)	17,425	77,897	278,636	9,171	235	623	(28,560)
Cash and investments - ending	\$ -	\$ (33,163)	\$ 60,531	\$ 258,897	\$ -	\$ (14,098)	\$ 34,186	\$ 56,382	\$ 384,628

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

	Performance Based Awards	Non-English Speaking 07-08	Miscellaneous Programs	Professional Development 07-10	Title I 1003(g) School Improvement HHS	Title I	Summer Migrant 2010/2011	McKinney - Vento Education for Homeless
Cash and investments - beginning	\$ -	\$ 206	\$ -	\$ 51,802	\$ (39,572)	\$ (542,864)	\$ (78,968)	\$ (3,712)
Receipts:								
Local sources	-	-	1,100	-	1,212	4,600	-	260
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	64,612
Federal sources	-	-	-	-	658,095	6,330,917	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	1,100	-	659,307	6,335,517	-	64,872
Disbursements:								
Current:								
Instruction	-	-	-	-	327,721	3,833,800	-	60,436
Support services	-	-	1,100	-	246,661	2,049,554	-	2,430
Noninstructional services	-	-	-	-	28,261	265,859	-	396
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	17,092	-	-	-
Total disbursements	-	-	1,100	-	619,735	6,149,213	-	63,262
Excess (deficiency) of receipts over disbursements	-	-	-	-	39,572	186,304	-	1,610
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	78,968	-
Transfers out	-	(206)	-	-	-	-	-	-
Total other financing sources (uses)	-	(206)	-	-	-	-	78,968	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(206)	-	-	39,572	186,304	78,968	1,610
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 51,802	\$ -	\$ (356,560)	\$ -	\$ (2,102)

SCHOOL CITY OF HAMMOND
 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	Federal Assistance Educational Preschool Handicapped	Adult Education and Family Literacy, Title II	Technology Related Assistance for Individuals with Disabilities	Carl Perkins	Medicaid Reimbursement - Federal	Headstart	Small Learning Community Grant
Cash and investments - beginning	\$ -	\$ (155,932)	\$ (51,974)	\$ -	\$ (58,094)	\$ 586,963	\$ (172,869)	\$ (63,742)
Receipts:								
Local sources	-	-	-	-	-	228,878	-	352,341
Intermediate sources	-	-	-	-	-	-	-	-
State sources	62,950	-	-	-	-	157,821	-	-
Federal sources	6,582	3,143,658	196,201	59,141	574,072	-	1,091,130	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	69,532	3,143,658	196,201	59,141	574,072	386,699	1,091,130	352,341
Disbursements:								
Current:								
Instruction	62,950	2,650,967	105,946	60,341	536,072	144,139	1,083,461	174,946
Support services	6,582	461,293	39,579	-	-	155,390	21,804	85,997
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	75	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	9,767	-	-	-
Total disbursements	69,532	3,112,260	145,525	60,341	545,839	299,529	1,105,340	260,943
Excess (deficiency) of receipts over disbursements	-	31,398	50,676	(1,200)	28,233	87,170	(14,210)	91,398
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	1,298	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	1,298	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	31,398	51,974	(1,200)	28,233	87,170	(14,210)	91,398
Cash and investments - ending	\$ -	\$ (124,534)	\$ -	\$ (1,200)	\$ (29,861)	\$ 674,133	\$ (187,079)	\$ 27,656

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

	HSTW - Clark, Morton, HHS	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	Title II Part B Math and Science Partnership	Teacher Incentive/ TAP	Prepaid Food	Payroll Deductions	Totals
Cash and investments - beginning	\$ 977	\$ (15,119)	\$ (21,965)	\$ -	\$ (213)	\$ -	\$ 84,362	\$ 34,037,906
Receipts:								
Local sources	-	-	-	-	-	-	-	61,156,709
Intermediate sources	-	-	-	-	-	-	-	349,840
State sources	-	-	389,248	-	-	-	-	95,824,607
Federal sources	-	696,475	-	-	748,899	-	-	20,383,038
Temporary loans	-	-	-	-	-	-	-	20,000,000
Other	-	-	-	-	-	-	77,041,306	77,076,282
Total receipts	-	696,475	389,248	-	748,899	-	77,041,306	274,790,476
Disbursements:								
Current:								
Instruction	977	-	46,859	-	248,095	-	-	68,528,923
Support services	-	713,114	332,189	-	501,496	-	-	66,917,825
Noninstructional services	-	-	-	-	-	-	-	9,252,774
Facilities acquisition and construction	-	-	-	-	-	-	-	2,089,874
Debt services	-	-	-	-	-	-	-	42,372,642
Nonprogrammed charges	-	-	-	-	-	-	76,950,918	88,643,837
Total disbursements	977	713,114	379,048	-	749,591	-	76,950,918	277,805,875
Excess (deficiency) of receipts over disbursements	(977)	(16,639)	10,200	-	(692)	-	90,388	(3,015,399)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	339,075
Transfers in	-	-	-	-	-	-	-	817,025
Transfers out	-	-	-	-	-	-	-	(817,025)
Total other financing sources (uses)	-	-	-	-	-	-	-	339,075
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(977)	(16,639)	10,200	-	(692)	-	90,388	(2,676,324)
Cash and investments - ending	\$ -	\$ (31,758)	\$ (11,765)	\$ -	\$ (905)	\$ -	\$ 174,750	\$ 31,361,582

SCHOOL CITY OF HAMMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Exempt Debt	Exempt Retirement/ Severance Bond Debt Service	Capital Projects	School Transportation	School Bus Replacement	Retirement/ Severance Bond	2008 Construction
Cash and investments - beginning	\$ 3,904,792	\$ 181,483	\$ 10,278,478	\$ 94,316	\$ 738,690	\$ 1,513,269	\$ 663,574	\$ 1,423,190	\$ 1,667
Receipts:									
Local sources	4,692,368	3,350,281	19,175,649	658,602	4,533,327	4,672,757	196,825	1,453	-
Intermediate sources	406,690	295,000	-	-	-	-	-	-	-
State sources	96,714,519	-	-	-	-	-	-	-	-
Federal sources	26,357	-	-	-	-	-	-	-	-
Temporary loans	-	-	12,000,000	-	4,300,000	3,700,000	-	-	-
Other	2,692	-	-	-	-	-	-	-	-
Total receipts	101,842,626	3,645,281	31,175,649	658,602	8,833,327	8,372,757	196,825	1,453	-
Disbursements:									
Current:									
Instruction	61,070,792	-	-	-	-	1,715	-	-	-
Support services	43,304,894	-	8,792	-	3,382,230	4,550,281	197,062	313,743	-
Noninstructional services	1,185,988	-	-	-	-	-	-	-	-
Facilities acquisition and construction	154,055	-	-	-	1,619,724	-	-	-	-
Debt services	-	3,312,770	27,370,298	603,077	3,819,900	3,648,500	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	105,715,729	3,312,770	27,379,090	603,077	8,821,854	8,200,496	197,062	313,743	-
Excess (deficiency) of receipts over disbursements	(3,873,103)	332,511	3,796,559	55,525	11,473	172,261	(237)	(312,290)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	4,113,456	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	4,113,456	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	240,353	332,511	3,796,559	55,525	11,473	172,261	(237)	(312,290)	-
Cash and investments - ending	\$ 4,145,145	\$ 513,994	\$ 14,075,037	\$ 149,841	\$ 750,163	\$ 1,685,530	\$ 663,337	\$ 1,110,900	\$ 1,667

SCHOOL CITY OF HAMMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Radio/TV Academy Construction	Performing Arts Academy Construction	K of C/Eggers Construction	Roofing Projects Bid B	School Lunch	Textbook Rental	Vocational Capital Equipment	Self- Insurance	Group Work Camps
Cash and investments - beginning	\$ 202,968	\$ 47,183	\$ -	\$ 40,492	\$ 5,894,629	\$ (3,893,436)	\$ 140,551	\$ 8,343,612	\$ -
Receipts:									
Local sources	-	-	-	-	584,447	134,900	137,250	22,795,663	42,893
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	17,152	847,326	-	-	-
Federal sources	-	-	-	-	7,569,661	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	20	-	-	-	-
Total receipts	-	-	-	-	8,171,280	982,226	137,250	22,795,663	42,893
Disbursements:									
Current:									
Instruction	-	-	-	-	-	-	54,597	-	-
Support services	6,195	-	-	-	46,878	1,465,015	-	11,631,352	10,157
Noninstructional services	-	-	-	-	7,837,311	-	-	-	23,736
Facilities acquisition and construction	42,120	-	-	-	9,463	-	57,671	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	11,752,001	-
Total disbursements	48,315	-	-	-	7,893,652	1,465,015	112,268	23,383,353	33,893
Excess (deficiency) of receipts over disbursements	(48,315)	-	-	-	277,628	(482,789)	24,982	(587,690)	9,000
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(4,113,435)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(4,113,435)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(48,315)	-	-	-	277,628	(482,789)	24,982	(4,701,125)	9,000
Cash and investments - ending	\$ 154,653	\$ 47,183	\$ -	\$ 40,492	\$ 6,172,257	\$ (4,376,225)	\$ 165,533	\$ 3,642,487	\$ 9,000

SCHOOL CITY OF HAMMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Alternative Education	Lafayette Early Intrvn/ Rap/ASCL	Jefferson/Hess Early Intervention Grant	Donations/ Immunization Clinic	Headstart Donations	Instruction Support	Young Authors Program	RTI Professional Development	Art Lenders
Cash and investments - beginning	\$ 9,640	\$ 342	\$ 1,094	\$ 5,242	\$ 4,357	\$ 406,117	\$ 1,573	\$ 15,979	\$ 3,746
Receipts:									
Local sources	-	-	-	-	-	383,147	600	700	1,190
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	383,147	600	700	1,190
Disbursements:									
Current:									
Instruction	124	-	282	-	-	244,957	1,680	-	577
Support services	-	-	-	-	-	12,079	-	9,828	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	124	-	282	-	-	257,036	1,680	9,828	577
Excess (deficiency) of receipts over disbursements	(124)	-	(282)	-	-	126,111	(1,080)	(9,128)	613
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	(124)	-	(282)	-	-	126,111	(1,080)	(9,128)	613
Cash and investments - ending	\$ 9,516	\$ 342	\$ 812	\$ 5,242	\$ 4,357	\$ 532,228	\$ 493	\$ 6,851	\$ 4,359

SCHOOL CITY OF HAMMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	High Ability	Job Link 2000	Urban Teachers UTEP	Science Awards	Robotics	Junior Robotics	Survive Alive	PLTW Competitions	United Way Summer Camp
Cash and investments - beginning	\$ 23,653	\$ 14,065	\$ -	\$ 12,457	\$ 69,601	\$ 5,700	\$ 4,624	\$ 193	\$ (11,457)
Receipts:									
Local sources	-	256,114	-	2,100	45,013	1,450	3,464	-	17,362
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	256,114	-	2,100	45,013	1,450	3,464	-	17,362
Disbursements:									
Current:									
Instruction	-	238,951	-	1,847	44,718	573	7,500	-	5,815
Support services	17,758	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	17,758	238,951	-	1,847	44,718	573	7,500	-	5,815
Excess (deficiency) of receipts over disbursements	(17,758)	17,163	-	253	295	877	(4,036)	-	11,547
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	(17,758)	17,163	-	253	295	877	(4,036)	-	11,547
Cash and investments - ending	<u>\$ 5,895</u>	<u>\$ 31,228</u>	<u>\$ -</u>	<u>\$ 12,710</u>	<u>\$ 69,896</u>	<u>\$ 6,577</u>	<u>\$ 588</u>	<u>\$ 193</u>	<u>\$ 90</u>

SCHOOL CITY OF HAMMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Adult Education Combo	Scholarships and Awards	Maywood Testing Supplies	Gaming Money From City of Hammond	Hammond Community Grants/ Gifted/Talented	Lever Environment & Cargill Inc - Franklin	Instructional Activities	Expanded Studies Program	Remediation
Cash and investments - beginning	\$ 25,043	\$ 10,000	\$ 260	\$ 90,899	\$ 10,444	\$ 10,684	\$ 14,573	\$ 27,176	\$ 100,179
Receipts:									
Local sources	14,623	-	-	-	30,270	1,000	7,376	8,900	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	330,064	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	<u>344,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,270</u>	<u>1,000</u>	<u>7,376</u>	<u>8,900</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	281,254	10,000	-	-	35,799	2,595	9,816	6,397	96,546
Support services	40,967	-	-	90,350	3,279	5,000	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>322,221</u>	<u>10,000</u>	<u>-</u>	<u>90,350</u>	<u>39,078</u>	<u>7,595</u>	<u>9,816</u>	<u>6,397</u>	<u>96,546</u>
Excess (deficiency) of receipts over disbursements	<u>22,466</u>	<u>(10,000)</u>	<u>-</u>	<u>(90,350)</u>	<u>(8,808)</u>	<u>(6,595)</u>	<u>(2,440)</u>	<u>2,503</u>	<u>(96,546)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(21)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>22,466</u>	<u>(10,000)</u>	<u>-</u>	<u>(90,350)</u>	<u>(8,829)</u>	<u>(6,595)</u>	<u>(2,440)</u>	<u>2,503</u>	<u>(96,546)</u>
Cash and investments - ending	<u>\$ 47,509</u>	<u>\$ -</u>	<u>\$ 260</u>	<u>\$ 549</u>	<u>\$ 1,615</u>	<u>\$ 4,089</u>	<u>\$ 12,133</u>	<u>\$ 29,679</u>	<u>\$ 3,633</u>

SCHOOL CITY OF HAMMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Instruction Support	Education Technology	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Adult Ed General (Office)	Extra- Curricular Activities	Professional Development 04-05 to 06-07	Non-English Speaking Programs P.L. 273-1999	School Technology/ Network Fund
Cash and investments - beginning	\$ -	\$ (33,163)	\$ 60,531	\$ 258,897	\$ -	\$ (14,098)	\$ 34,186	\$ 56,382	\$ 384,628
Receipts:									
Local sources	200	2,593,614	79,666	-	-	55,452	-	-	100,746
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	198,519	-
Federal sources	-	-	-	74,068	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	200	2,593,614	79,666	74,068	-	55,452	-	198,519	100,746
Disbursements:									
Current:									
Instruction	-	-	107,480	-	-	-	125	500	-
Support services	-	2,561,550	-	-	-	20,593	2,800	199,830	126,448
Noninstructional services	-	-	-	-	-	35,058	-	819	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	2,561,550	107,480	-	-	55,651	2,925	201,149	126,448
Excess (deficiency) of receipts over disbursements	200	32,064	(27,814)	74,068	-	(199)	(2,925)	(2,630)	(25,702)
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	200	32,064	(27,814)	74,068	-	(199)	(2,925)	(2,630)	(25,702)
Cash and investments - ending	\$ 200	\$ (1,099)	\$ 32,717	\$ 332,965	\$ -	\$ (14,297)	\$ 31,261	\$ 53,752	\$ 358,926

SCHOOL CITY OF HAMMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Performance Based Awards	Non-English Speaking 07-08	Miscellaneous Programs	Professional Development 07-10	Title I 1003(g) School Improvement HHS	Title I	Summer Migrant 2010/2011	McKinney - Vento Education for Homeless
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 51,802	\$ -	\$ (356,560)	\$ -	\$ (2,102)
Receipts:								
Local sources	281,522	-	8,674	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	55,547
Federal sources	122,833	-	12,768	-	26,461	6,511,387	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>404,355</u>	<u>-</u>	<u>21,442</u>	<u>-</u>	<u>26,461</u>	<u>6,511,387</u>	<u>-</u>	<u>55,547</u>
Disbursements:								
Current:								
Instruction	394,676	-	8,664	17,076	-	3,734,183	-	55,687
Support services	-	-	-	-	48,061	2,351,432	-	-
Noninstructional services	-	-	3,766	-	-	294,464	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	65,466	-	-
Total disbursements	<u>394,676</u>	<u>-</u>	<u>12,430</u>	<u>17,076</u>	<u>48,061</u>	<u>6,445,545</u>	<u>-</u>	<u>55,687</u>
Excess (deficiency) of receipts over disbursements	<u>9,679</u>	<u>-</u>	<u>9,012</u>	<u>(17,076)</u>	<u>(21,600)</u>	<u>65,842</u>	<u>-</u>	<u>(140)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>9,679</u>	<u>-</u>	<u>9,012</u>	<u>(17,076)</u>	<u>(21,600)</u>	<u>65,842</u>	<u>-</u>	<u>(140)</u>
Cash and investments - ending	<u>\$ 9,679</u>	<u>\$ -</u>	<u>\$ 9,012</u>	<u>\$ 34,726</u>	<u>\$ (21,600)</u>	<u>\$ (290,718)</u>	<u>\$ -</u>	<u>\$ (2,242)</u>

SCHOOL CITY OF HAMMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Federal Assistance Educational Preschool Handicapped	Adult Education and Family Literacy, Title II	Technology Related Assistance for Individuals with Disabilities	Carl Perkins	Medicaid Reimbursement - Federal	Headstart	Small Learning Community Grant
Cash and investments - beginning	\$ -	\$ (124,534)	\$ -	\$ (1,200)	\$ (29,861)	\$ 674,133	\$ (187,079)	\$ 27,656
Receipts:								
Local sources	-	-	-	-	-	101,269	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	159,622	-	-
Federal sources	-	3,330,178	72,406	14,433	529,434	5,433	1,237,122	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	3,330,178	72,406	14,433	529,434	266,324	1,237,122	-
Disbursements:								
Current:								
Instruction	-	2,661,955	71,009	13,233	535,794	264,276	1,211,777	5,509
Support services	-	668,848	15,219	-	-	163,652	24,040	5,000
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	200	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	10,040	-	-	-
Total disbursements	-	3,330,803	86,228	13,233	545,834	427,928	1,236,017	10,509
Excess (deficiency) of receipts over disbursements	-	(625)	(13,822)	1,200	(16,400)	(161,604)	1,105	(10,509)
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	-	(625)	(13,822)	1,200	(16,400)	(161,604)	1,105	(10,509)
Cash and investments - ending	\$ -	\$ (125,159)	\$ (13,822)	\$ -	\$ (46,261)	\$ 512,529	\$ (185,974)	\$ 17,147

SCHOOL CITY OF HAMMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	HSTW - Clark, Morton, HHS	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	Title II Part B Math and Science Partnership	Teacher Incentive/ TAP	Prepaid Food	Payroll Deductions	Totals
Cash and investments - beginning	\$ -	\$ (31,758)	\$ (11,765)	\$ -	\$ (905)	\$ -	\$ 174,750	\$ 31,361,582
Receipts:								
Local sources	-	-	-	5,600	17	13,272	-	64,989,756
Intermediate sources	-	-	-	-	-	-	-	701,690
State sources	-	46,670	489,612	-	-	-	-	98,528,967
Federal sources	-	651,403	-	-	754,399	-	-	21,268,407
Temporary loans	-	-	-	-	-	-	-	20,000,000
Other	-	-	-	-	-	-	82,797,278	82,799,990
Total receipts	-	698,073	489,612	5,600	754,416	13,272	82,797,278	288,288,810
Disbursements:								
Current:								
Instruction	-	-	42,477	-	249,805	-	-	71,490,761
Support services	-	725,467	445,218	5,600	521,814	-	-	72,981,432
Noninstructional services	-	-	-	-	-	-	-	9,381,142
Facilities acquisition and construction	-	-	-	-	-	-	-	1,883,233
Debt services	-	-	-	-	-	-	-	38,754,545
Nonprogrammed charges	-	-	4,541	-	-	-	82,766,276	94,598,324
Total disbursements	-	725,467	492,236	5,600	771,619	-	82,766,276	289,089,437
Excess (deficiency) of receipts over disbursements	-	(27,394)	(2,624)	-	(17,203)	13,272	31,002	(800,627)
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	4,113,456
Transfers out	-	-	-	-	-	-	-	(4,113,456)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(27,394)	(2,624)	-	(17,203)	13,272	31,002	(800,627)
Cash and investments - ending	\$ -	\$ (59,152)	\$ (14,389)	\$ -	\$ (18,108)	\$ 13,272	\$ 205,752	\$ 30,560,955

SCHOOL CITY OF HAMMOND
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 777,011</u>	<u>\$ 1,858,406</u>

SCHOOL CITY OF HAMMOND
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Hammond Multi-School Building Corporation	Capital Projects/Improv (a2002 2003 2006)	\$ 8,019,000	01/15/2007	01/15/2027
Hammond Multi-School Building Corporation	Capital Projects/Improv (b 2007)	3,810,000	07/15/2007	07/15/2019
Hammond Multi-School Building Corporation	Capital Projects/Improv (c 2004)	1,383,000	07/15/2005	07/15/2031
Hammond Multi-School Building Corporation	Capital Projects/Improv (d 2014 Ref-2004)	4,000,000	01/15/2005	01/15/2018
Hammond Multi-School Building Corporation	Capital Projects/Improv (e 2010 a & b)	<u>724,000</u>	01/15/2011	01/15/2030
Total of annual lease payments		<u>\$ 17,936,000</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Tax anticipation warrants	Operating Cash Flow	\$ 14,511,100	\$ 14,651,467
Notes and loans payable	Common School Loan	17,162,239	3,519,243
Notes and loans payable	Retirement/Severance Bonds	<u>4,032,866</u>	<u>601,319</u>
Totals		<u>\$ 35,706,205</u>	<u>\$ 18,772,029</u>

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SCHOOL CITY OF HAMMOND
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2015

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	\$ 26,137,660
Infrastructure	15,277
Buildings	266,964,525
Improvements other than buildings	6,857,986
Machinery, equipment, and vehicles	39,305,654
Total capital assets	\$ 339,281,102

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited the School City of Hammond'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, 2013 to June 30, 2015. 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, 2013 to June 30, 2015.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-004. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-003 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2015-002, 2015-004, and 2015-005 to be significant deficiencies.

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

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

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


Paul D. Joyce, CPA
State Examiner

April 6, 2016

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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SCHOOL CITY OF HAMMOND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

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 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2014 FY 2015	\$ 1,414,375 -	\$ - 1,711,827
Total - School Breakfast Program				1,414,375	1,711,827
National School Lunch Program		10.555	FY 2014 FY 2015	4,768,783 -	- 5,299,974
Total - National School Lunch Program				4,768,783	5,299,974
Summer Food Service Program for Children		10.559	FY 2014 FY 2015	251,343 -	- 231,706
Total - Summer Food Service Program for Children				251,343	231,706
Total - Child Nutrition Cluster				6,434,501	7,243,507
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2014 FY 2015	57,767 -	- 107,507
Total - Child and Adult Care Food Program				57,767	107,507
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582	FY 2014 FY 2015	175,456 -	- 216,792
Total - Fresh Fruit and Vegetable Program				175,456	216,792
Total - Department of Agriculture				6,667,724	7,567,806
<u>Department of Defense</u>					
Army Junior Reserve Officers' Training Corps (JROTC)	Army ROTC	12.000	FY 13-14 FY 14-15	23,937 -	- 26,357
Total - Army Junior Reserve Officers' Training Corps (JROTC)				23,937	26,357
Total - Department of Defense				23,937	26,357
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education - Grants to States	Indiana Department of Education	84.027	14212-026-PN01 14213-026-PN01 14214-026-PN01 14215-026-PN01 99914-26-TA01 HO27A110084	29,166 2,172,689 802,666 - 59,141 69,532	- 5,625 2,348,869 867,778 14,433 -
Total - Special Education - Grants to States				3,133,194	3,236,705

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

SCHOOL CITY OF HAMMOND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(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 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>					
<u>Special Education Cluster (IDEA) (continued)</u>					
Special Education - Preschool Grants		84.173	45713-026-PN01	28,913	-
			45714-026-PN01	110,223	-
			45715-026-PN01	-	107,906
Total - Special Education - Preschool Grants				<u>139,136</u>	<u>107,906</u>
Total - Special Education Cluster (IDEA)				<u>3,272,330</u>	<u>3,344,611</u>
<u>Teacher Incentive Fund Cluster</u>					
Teacher Incentive Fund	Indiana Department of Education	84.374	PY 12-13	459,749	-
			PY 13-14	289,151	470,796
			PY 14-15	-	283,603
Total - Teacher Incentive Fund Cluster				<u>748,900</u>	<u>754,399</u>
<u>School Improvement Grants Cluster</u>					
ARRA - School Improvement Grants, Recovery Act	Indiana Department of Education	84.388	FY 2013	658,095	-
Total - School Improvement Grants Cluster				<u>658,095</u>	<u>-</u>
<u>Fund for the Improvement of Education Small Learning Communities</u>					
	Direct Grant	84.215	S215L080473-11	352,341	-
<u>Title I Grants to Local Educational Agencies</u>					
	Indiana Department of Education	84.010	13-4710	2,035,163	-
			14-4710	4,295,753	1,826,650
			15-4710	-	4,684,737
			S010A130014	-	26,461
Total - Title I Grants to Local Educational Agencies				<u>6,330,916</u>	<u>6,537,848</u>
<u>Adult Education - Basic Grants to States</u>					
	Center of Workforce Innovations	84.002	CWI-AE-02-PY12	50,676	-
			CWI-AE-02-PY13	145,525	-
			CWI-AE-02-PY14	-	72,406
Total - Adult Education - Basic Grants to States				<u>196,201</u>	<u>72,406</u>
<u>Career and Technical Education - Basic Grants to States</u>					
	Indiana Department of Education	84.048	13-4700-4710	121,854	-
			14-4700-4710	452,218	143,315
			15-4700-4710	-	386,119
Total - Career and Technical Education - Basic Grants to States				<u>574,072</u>	<u>529,434</u>
<u>Education for Homeless Children and Youth</u>					
	Indiana Department of Education	84.196	FY 12-13	29,347	-
			FY 13-14	35,526	7,974
			FY 14-15	-	47,573
Total - Education for Homeless Children and Youth				<u>64,873</u>	<u>55,547</u>

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

SCHOOL CITY OF HAMMOND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015
(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 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Education (continued)</u>					
English Language Acquisition State Grants	Indiana Department of Education	84.365	01112-099-PN01	209,218	-
			01113-051-PN01	130,505	152,432
			01113-099-FLUX	2,889	-
			01114-070-PN01	46,636	207,803
			01115-054-PN01	-	129,378
Total - English Language Acquisition State Grants				<u>389,248</u>	<u>489,613</u>
Mathematics & Science Partnerships	Merrillville Community School Corporation	84.366	2013-15	-	5,600
Total - Mathematics & Science Partnerships				<u>-</u>	<u>5,600</u>
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	FFY 11-13	240,040	-
			FFY 12-14	456,435	263,860
			FFY 13-15	-	434,213
Total - Improving Teacher Quality State Grants				<u>696,475</u>	<u>698,073</u>
Total - Department of Education				<u>13,283,451</u>	<u>12,487,531</u>
<u>Department of Health and Human Services</u>					
Head Start	Geminus Corporation	93.600	2013	849,994	-
			2014	241,137	979,522
			2015	-	257,599
Total - Head Start				<u>1,091,131</u>	<u>1,237,121</u>
Medicaid Cluster					
Medical Assistance Program	Indiana Family and Social Services Administration	93.778	FY 2014 & 2015	386,708	266,315
Total - Medicaid Cluster				<u>386,708</u>	<u>266,315</u>
Total - Department of Health and Human Services				<u>1,477,839</u>	<u>1,503,436</u>
Total federal awards expended				<u>\$ 21,452,951</u>	<u>\$ 21,585,130</u>

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

SCHOOL CITY OF HAMMOND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation 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. Subrecipients

Of the federal expenditures presented in the SEFA, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2014 and 2015:

Program Title	Federal CFDA Number	2014	2015
Fund for the Improvement of Education	84.215	\$ 165,285	\$ -

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2014 and 2015. This noncash assistance is also included in the federal expenditures presented in the SEFA.

Program Title	Federal CFDA Number	2014	2015
National School Lunch Program	10.555	\$ 437,286	\$ 461,357

SCHOOL CITY OF HAMMOND
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?	no
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?	yes
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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
	Special Education Cluster (IDEA)
	Teacher Incentive Fund Cluster
84.367	Improving Teacher Quality State Grants
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs: \$1,291,142

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

Section II - Financial Statement Findings

No matters are reportable.

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-001 - CASH MANAGEMENT

Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Years: FY 2014, FY 2015
Pass-Through Entity: Indiana Department of Education

The School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the compliance requirements for Cash Management.

The School Corporation has not designed or implemented adequate policies and procedures to ensure that the School Lunch fund monthly cash balances are limited to average expenditures for three months in compliance with Cash Management requirements. There is no oversight, review, or monitoring of the cash balances.

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 type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the 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.

The School Corporation maintained School Lunch fund cash balances in excess of average expenditures for three months during the audit period. The average cash balances of the School Lunch fund for the school years 2013-2014 and 2014-2015 were \$5,784,718 and \$6,043,904, respectively. For the same school years, the average expenditures for three months were \$2,321,448 and \$2,368,095, respectively. The School Corporation indicated that they will purchase equipment with the excess cash balances; however, there is not a formal plan to spend down the excess cash balances.

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."

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

7 CFR 210.14(b) states in part:

"Net cash resources. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

The failure to establish internal controls enabled material noncompliance to go undetected. Failure to comply with the Cash Management provisions of the grant could result in sanctions from the pass-through agency.

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Cash Management requirements of the programs.

FINDING 2015-002 - ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES, PERIOD OF AVAILABILITY

Federal Agency: Department of Education
Federal Program: Improving Teacher Quality State Grant
CFDA Number: 84.367
Federal Award Years: FFY 11-13, FFY 12-14, FFY 13-15
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation has not established an effective internal control system, related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Availability requirements. 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.

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

The School Corporation has not properly implemented policies and procedures to ensure compliance with the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Availability compliance requirements of the program. Evidence of procedures to ensure that the disbursements for substitute teachers related to professional development were only for allowable activities, allowable costs, and within the period of availability were not consistently documented. An adequate oversight, review, or approval process has not been established.

An internal control system 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.

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."

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

The failure to properly implement internal controls could enable noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

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

FINDING 2015-003 - SPECIAL TESTS AND PROVISIONS - VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS AND PAID LUNCH EQUITY

Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Years: FY 2014, FY 2015
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 Special Tests and Provisions - Verification of Free and Reduced Price Applications and Paid Lunch Equity compliance requirements.

Verification of Free and Reduced Price Applications

The School Corporation has not designed or implemented adequate policies or procedures to ensure compliance with the Special Tests and Provisions - Verification of Free and Reduced Price applications. One employee was solely responsible for completing the verification process. An oversight or review process has not been established to document the monitoring of the verification process.

Paid Lunch Equity

The School Corporation has not designed or implemented adequate policies or procedures to ensure compliance with the Special Tests and Provisions - Paid Lunch Equity. The Food Service Director was solely responsible for the calculations to determine whether the paid lunch prices required adjustment. An oversight or review process has not been established to document the monitoring of the paid lunch equity calculation.

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 type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the 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.

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

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

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

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

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

FINDING 2015-004 - EQUIPMENT AND REAL PROPERTY MANAGEMENT

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Years: FY 2014, FY 2015

Pass-Through Entity: Indiana Department of Education

The School Corporation has not implemented adequate policies and procedures to ensure that equipment purchased with federal program funds was properly recorded in the capital asset records, or maintained in property records. An oversight, review, or approval process has not been established.

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 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.

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."

During the audit period, several pieces of equipment valued \$5,000 or more were purchased with School Lunch funds. Of the 20 items tested, 6 could not be located in the School Corporation's asset management system or property records. In addition, the School Corporation performed a physical inventory during our audit period; however, the discrepancies between the physical inventory and the asset records were not reconciled until we questioned the disposition of the items during the audit.

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

7 CFR 3016.32 states in part:

"(b) *States.* A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section. . . .

(d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated."

The failure to establish internal controls enabled noncompliance to go undetected. The failure to comply with the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Equipment and Real Property Management requirements of the programs.

FINDING 2015-005 - MATCHING, EARMARKING, AND REPORTING

Federal Agency: Department of Health and Human Services
Federal Program: Head Start
CFDA Number: 93.600
Federal Award Years: 2013, 2014, 2015
Pass-Through Entity: Geminus Corporation

Management of the School Corporation has not established an effective internal control system related to the grant agreement and the Matching, Earmarking, and Reporting compliance requirements. 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.

In-Kind Match and Reporting

The School Corporation has not designed or implemented adequate policies and procedures to ensure that the In-Kind Match was properly calculated and reported. There are no procedures to verify that there is documentation to support in-kind volunteer hours claimed at the various school sites for part of the required local match. An oversight or review process has not been established.

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

Administrative Earmarking

The School Corporation has not designed or implemented adequate policies and procedures to ensure compliance with the Administrative Earmarking requirements. Administrative expenses may not exceed 15 percent of the annual total program costs, including the required non-Federal in-kind match costs. An oversight or review process has not been established.

An internal control system 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.

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 noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

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

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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 Hammond

Food Service Department

41 Williams Street • Hammond, IN 46320 • (219) 933-2400

Fax (219) 554-4502



School City of Hammond

Walter J. Watkins Ph.D., Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-1 -INTERNAL CONTROLS AND COMPLIANCE OVER SUSPENSION AND DEBARMENT REQUIREMENTS RELATED TO THE CHILD NUTRITION CLUSTER PROGRAMS

Original Assigned SBA Audit Report Number: B43745

Report Period: July 1, 2011 – June 30, 2013

Pass-Through Entity or Federal Grantor Agency: IDOE – School and Community Nutrition Department

Contact Person Responsible for Corrective Action: Julie Boettger

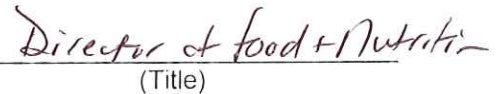
Contact Phone Number: 219-933-2400 x 1056

Status:

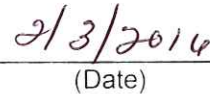
This finding was fully corrected immediately upon request. School City of Hammond now complies by looking up all vendors in EPLS in SAM.gov annually.



(Signature)



(Title)



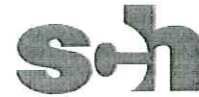
(Date)

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School City of Hammond

Walter J. Watkins Ph.D., Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-2 - INTERNAL CONTROLS AND COMPLIANCE OVER REPORTING REQUIREMENTS RELATED TO THE CHILD NUTRITION CLUSTER

Original Assigned SBA Audit Report Number: B43745

Report Period: July 1, 2011 – June 30, 2013

Pass-Through Entity or Federal Grantor Agency: IDOE – School and Community Nutrition Department

Contact Person Responsible for Corrective Action: Julie Boettger

Contact Phone Number: 219-933-2400 x 1056

Status:

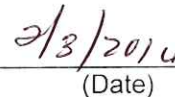
This finding was implemented immediately upon request. The monthly claims are reviewed and a print screen of the submission is signed by the director before the claim is submitted. The Chief Administrator for Business Services signs a print screen of the Annual Financial Report prior to submission.



(Signature)



(Title)



(Date)

School City of Hammond

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Dr. Walter J. Watkins, Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-3 – INTERNAL CONTROLS AND COMPLIANCE OVER ALLOWABLE COSTS REQUIREMENTS RELATED TO THE FUND FOR THE IMPROVEMENT OF EDUCATION

Original Assigned SBA Audit Report Number: B43745

Report Period: July 1, 2011 to June 30, 2013

Pass-Through Entity or Federal Grantor Agency: Fund for the Improvement of Education

Contact Person Responsible for Corrective Action: Ed Schoenfelt

Contact Phone Number: 219 926-5555, ext. #7

Status of Audit Finding:

The Improvement of Education was a four year grant that was extended for the 2013-14 school year. The grant funding period has expired. There were no salaried employees paid from the carryover. All stipend forms are retained in the payroll department for audit. Grant Directors are required to keep track of time and effort logs for employees paid with federal funds. Semi-annual reminders are sent to grant administrators. The Business Office does request copies of the Semi-Annual Certifications and Personnel Activity Report (PAR) at the close of the six month period.

(Signature)

Director of Business Services/Grant Management
(Title)

February 3, 2016
(Date)

Board of School Trustees

George T. Janiec
Marilyn Jones
Anna Mamala
Cindy Murphy
Deborah White

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Dr. Walter J. Watkins, Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-4 – INTERNAL CONTROLS AND COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO FUND FOR THE IMPROVEMENT OF EDUCATION

Original Assigned SBA Audit Report Number: B43745
Report Period: July 1, 2011 to June 30, 2013
Pass-Through Entity or Federal Grantor Agency: Fund for the Improvement of Education
Contact Person Responsible for Corrective Action: Ed Schoenfelt
Contact Phone Number: 219 926-5555, ext. #7

Status of Audit Finding:

Cash Management

Currently, the district does not have any grants that require direct drawdowns. In the future, the Director of Business Services or CFO will sign-off on all hard copies of the ledger (supporting documentation) prior to submission by the receipts clerk.

Reporting

The Improvement of Education was a four year grant that was extended for the 2013-14 school year. The grant funding period has expired. The financial information was compiled by the Business Office and reviewed by the Director of Business Services prior to submission to the Project Director. In the future, a final sign-off will be initialed by the Director of Business Services or CFO prior to submission.


(Signature)

Director of Business Services/Grant Management
(Title)

February 3, 2016
(Date)

Board of School Trustees

George T. Janiec
Marilyn Jones
Anna Mamala
Cindy Murphy
Deborah White

School City of Hammond

Food Service Department

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Fax (219) 554-4502



School City of Hammond

Walter J. Watkins Ph.D., Superintendent

CORRECTIVE ACTION PLAN

FINDING 2015-001 – Cash Management

Contact Person Responsible for Corrective Action: Julie Boettger

Contact Phone Number: 219-933-2400 x 1056

Description of Corrective Action Plan:

In 2013-14 and 2014-15 the State Department of Education, Community and School Nutrition asked for and approved our plan for spending the fund balance in excess of three months operating expense as called for in the National School Lunch Program regulations as cited below (see attached emails).

210.19 (1) ...The State agency shall ensure compliance with the requirements to limit net cash resources **and shall provide for approval of net cash resources in excess of three months' average expenditures**. Each State agency shall monitor, through review or audit or by other means, the net cash resources of the nonprofit school food service in each of the school food authority participating in the Program. In the event that net cash resources exceed 3 months' average expenditures for the school food authority's nonprofit school food service or such other amount as **may be approved in accordance with this paragraph**, the State agency may require the school food authority to reduce the price children are charged for lunches, improve food quality or take other action designed to improve the nonprofit school food service.

A plan will be provided to IDOE each year when the Annual Financial Report indicates that the fund balance exceeds three months' average expenditures.

Anticipated Completion Date: September 2016

Attachments

Email Thread re: Excess Fund Balance 2013-14

From: Christina Herzog [<mailto:cherzog@doe.in.gov>]

Sent: Wednesday, December 03, 2014 1:57 PM

To: Boettger, Julie A

Subject: RE: Fund Balance for School City of Hammond

Hi Julie,

Thank you for the information. I made a note and approved your AFR so you should now be able to submit your October claim. Let me know if you need anything else.

Tina

School City of Hammond

Food Service Department

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School City of Hammond

Walter J. Watkins Ph.D., Superintendent

From: Boettger, Julie A [<mailto:JABoettger@hammond.k12.in.us>]

Sent: Wednesday, December 03, 2014 12:59 PM

To: Christina Herzog

Subject: Fund Balance for School City of Hammond

Hi Tina,

Our fund balance is high but we are using it on an on-going basis to replace equipment that is 15-20 yrs old. We will also be using a large portion to remodel our Area Career Center kitchen and dining room this spring/summer since they are adding a new grade group of students each year for the next 2 years as part of the Early College program. We are also expanding our employee training program.

Take care,

Julie

Julie Boettger, PhD, RD
Director of Food and Nutrition Services
School City of Hammond
219-933-2400 x 3056
219-671-0744 (cell)
jaboettger@hammond.k12.in.us

From: cherzog@doe.in.gov [<mailto:cherzog@doe.in.gov>]

Sent: Wednesday, September 16, 2015 8:48 AM

To: Boettger, Julie A

Cc: Franks, Tina M; bwine@doe.in.gov

Subject: NSLP AFR Needs Correction - ACTION REQUIRED

Julie Boettger
Hammond, School City of

You are receiving this message because your Annual Financial Report has a status of Needs Correction. You must log in to CNPweb under Program Year 2015 and click on the Claims/AFR tab and view the the AFR to see the message and corrective action. Once you make corrections you may contact me so I can review and approve it. Your AFR must be approved in order to submit your October and November claims. Feel free to contact me with any questions about your Annual Financial Report.

Thank you,

Tina Herzog
Claims and Reporting Specialist
Indiana Department of Education
School & Community Nutrition
115 W Washington St
South Tower, Suite 600
Indianapolis, IN 46204
PHONE: (317) 232-0872 or (800) 537-1142
FAX: (317) 232-0855
cherzog@doe.in.gov

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School City of Hammond

Walter J. Watkins Ph.D., Superintendent

Email thread re: Fund Balance 2014-15

From: Danyetta Powers [<mailto:dpowers@doe.in.gov>]

Sent: Tuesday, September 29, 2015 6:59 AM

To: Boettger, Julie A

Subject: RE: School City of Hammond Fund Balance

Julie,

I have approved your AFR.

Have a good day.

From: Boettger, Julie A [<mailto:JABoettger@hammond.k12.in.us>]

Sent: Monday, September 28, 2015 6:31 PM

To: Danyetta Powers

Subject: School City of Hammond Fund Balance

Hi Dani,

I am writing to give you an explanation of how we plan to spend down our fund balance. We spent over \$500,000 in renovations to dining rooms, serving areas, and kitchens (especially refrigeration and ovens) this summer however most of the invoices came in after July 1 and therefore will be reflected in the 2015-16 school year.

We plan additional renovations to upgrade kitchens refrigeration and cooking equipment in 2015-16. Many of our kitchens are now between 15-20 years old and equipment is reaching end of life so we are pro-actively replacing and standardizing equipment. Walk-ins are being evaluated to determine if the mechanicals need to be replaced and we have been adding energy-saving equipment that controls defrost cycles. Dish machines are also being evaluated and replaced as needed. We are also piloting testing alternative serving equipment (merchandisers) and packaging equipment with an eye to the future when labor is likely to be in short supply and expensive. If successful, we will be changing serving equipment to this style of service and possibly some centralized production.

Although we are trying to keep both labor and food costs within 80-85% of our total costs, our labor costs in the past were too low (33%) and so in January we raised our starting hourly rate \$1.00 per hour per hour in order to attract and keep qualified staff. We are also investing in training them to keep them efficient.

We are also focusing on our center of the plate items and trying to slowly add more whole muscle meat products and not solely rely on processed commodities. We shifted a good portion of our commodity dollars this year to DOD fresh to allow us to look at options.

We do not pay indirect costs but we do try to directly pay for services to other departments that we incur such as labor for maintenance and repairs of equipment, paint and painters when kitchens are painted, transportation of summer meals, etc. So any allowable expense that is related to the kitchen or dining room I try to pay from 0800. This includes upgrading to energy saving equipment since utility costs are one of the districts largest expenses. My business manager and I have determined that my expenses are incurred more by the CPF fund than the General Fund and if charged indirect costs the money would be going to a fund that is not incurring the actual expense. My department does our own payroll, accounts payable, and a good deal of the HR so we are a minimal expense to those departments.

Ironically some of the investments have also led to savings or increased revenue e.g., purchasing shoes for my employees has reduced the workman's comp from \$350,000 to nearly zero from a reduction in falls. Dining room improvements have increased participation. ☺ But of course those are good things!

I hope this helps explain our plans. I think it is important not to spend recklessly but to make investments that will last into the future.

School City of Hammond

Food Service Department

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School City of Hammond

Walter J. Watkins Ph.D., Superintendent

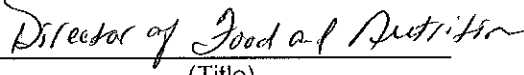
Take care,

Julie

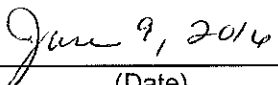
Julie Boettger, PhD, RD
Director of Food and Nutrition Services
School City of Hammond
219-933-2400 x 3056
219-671-0744 (cell)
jaboettger@hammond.k12.in.us



(Signature)



(Title)



(Date)

School City of Hammond

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Dr. Walter J. Watkins, Superintendent

CORRECTIVE ACTION PLAN

FINDING 2015-002 – Activities Allowed, Allowable Costs, Period of Availability

Contact Person Responsible for Corrective Action:
Theresa A. Mayerik, Chief Administrator of Academic Services

Contact Phone Number: 219-933-2400 ext. 1041

Description of Corrective Action Plan: In the future the secretary in the Title II office will always include the administrator overseeing Title II (currently Mrs. Mayerik) on all emails related to Title II. In addition, Mrs. Mayerik and Mrs. Kaminsky, the secretary in Title II have developed a separate binder to keep all in house professional development documentation separate from out of district professional development so that it is easier for the auditors to track in the future. Finally a new approval sheet for substitutes for in house professional development has been developed and will serve as the cover sheet for each in house professional development in the binder as further documentation of internal control.

Anticipated Completion Date: April 1, 2016

Theresa A Mayerik

(Signature)

Assistant Superintendent

(Title)

4-6-16

(Date)

Board of School Trustees

George T. Janiec
Marilyn Jones
Anna Mamala
Cindy Murphy
Deborah White

School City of Hammond

Food Service Department

41 Williams Street • Hammond, IN 46320 • (219) 933-2400

Fax (219) 554-4502



School City of Hammond

Walter J. Watkins Ph.D., Superintendent

FINDING 2015-003 – Special Tests and Provisions

Contact Person Responsible for Corrective Action: Julie Boettger

Contact Phone Number: 219-933-2400 x 1056

Description of Corrective Action Plan:

A second employee will be trained on the verification process. Because an automated system is used to calculate the status when income and household size is submitted, 10% of the verified applications will be reviewed by a second person before the parent/guardian is notified of the verification results.

The bookkeeper will be trained to complete and submit the Paid Lunch Equity Form or Waiver form each year. The Director of Food and Nutrition will sign off on a copy of the form or waiver prior to submission.

Anticipated Completion Date: November 2016

FINDING 2015-004 – Equipment Management

Contact Person Responsible for Corrective Action: Julie Boettger

Contact Phone Number: 219-933-2400 x 1056


Description of Corrective Action Plan:

The Food and Nutrition Department will work with the Building and Grounds Department (that receives equipment at the warehouse, enters items into the asset software, and conducts the physical inventory) to implement process improvements. The Food and Nutrition Department will also work with the Technology Department to ensure that items purchased with NSLP funds are entered into the technology inventory system with required information and annual reports are provided to the Department so that the information can be verified and any discrepancies reconciled.

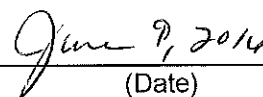
Anticipated Completion Date: June 2016



(Signature)



(Title)



(Date)

School City of Hammond

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(219) 933-2400 • (219) 933-2495 FAX



Dr. Walter J. Watkins, Superintendent

CORRECTIVE ACTION PLAN

FINDING 2015-005 – Matching, Earmarking and Reporting

Contact Person Responsible for Corrective Action: Barbara Gustin
Contact Phone Number: 219-989-7345, ext. 3570

Description of Corrective Action Plan:

In-Kind Match and Reporting

Procedures will be developed to provide a check and balance system to ensure accurate calculation and reporting of the in-kind match. The number of in-kind hours listed on each volunteer log will be calculated by the teaching staff person designated as responsible for in-kind. The calculations from each of the logs will be tabulated via spreadsheet. The spreadsheet will be printed, signed by the staff person and attached to the volunteer logs. The teaching staff will submit the completed logs and tabulation sheet to the Family Support staff person assigned to their classroom. The Family Support staff person will tabulate the hours via spreadsheet, sign the sheet and attach it to the volunteer logs which will then be filed by month. In the event that the two calculations do not match, the Family Support staff person will compare the two spreadsheets against the actual volunteer logs to determine and correct the discrepancy. The Family Services Coordinator will be informed regarding any discrepancy and will forward the information to the Program Director.

Administrative Earmarking

Administrative-related expenses will be tracked via payroll and ledger reports, P.O.s, tracking sheets (e.g. supply/equipment sign-out sheets) and codes (e.g. copy costs via use of designated code on copier).

A spreadsheet will be developed to track administrative expenses. The spreadsheet will include the calculation of monthly and year-to-date administrative expenses. The year-to-date total will be subtracted from the 15% allowable administrative expense on a monthly basis which will allow for compliance to be monitored in a timely manner.

Anticipated Completion Date:
In-Kind Match and Reporting
Completion Date: April 30, 2016

Administrative Earmarking
Completion Date: April 1, 2016

Barbara N. Gustin
(Signature)

Head Start Program Director

(Title)

3/29/2016

(Date)

Board of School Trustees

George T. Janlec
Marilyn Jones
Anna Mamala
Cindy Murphy
Deborah White

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/>.