

**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, 2015 to June 30, 2017



**FILED**  
05/11/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Theophilus Boone, Jr.	07-01-15 to 06-30-18
Superintendent of Schools	Dr. Walter J. Watkins	07-01-15 to 06-30-18
President of the School Board	Deborah M. White	07-01-15 to 06-30-18



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

### ***Management's Responsibility for the Financial Statement***

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

### ***Auditor's Responsibility***

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis, Schedule of 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 24, 2018, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

April 24, 2018



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

TO: THE OFFICIALS OF THE 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, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated April 24, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 24, 2018

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 4,145,145	\$ 96,545,685	\$ 102,118,338	\$ 3,602,962	\$ 2,175,454	\$ 98,909,027	\$ 104,423,712	\$ 3,744,635	\$ 405,404
Debt Service	513,994	3,473,396	3,263,542	(142,621)	581,227	3,362,592	3,244,221	-	699,598
Exempt Debt	14,075,037	29,658,814	32,184,148	-	11,549,703	30,018,100	27,960,097	(3,000,000)	10,607,706
Exempt Pension Debt	149,841	683,743	601,319	-	232,265	581,740	599,326	-	214,679
Capital Projects	750,163	8,918,742	10,811,729	-	(1,142,824)	6,977,897	6,038,683	-	(203,610)
School Transportation	1,685,530	8,559,912	8,136,071	-	2,109,371	8,264,885	7,705,253	-	2,669,003
School Bus Replacement	663,337	93,749	256,800	-	500,286	122,581	294,649	-	328,218
Retirement/Severance Bond	1,110,900	1,026	208,618	-	903,308	863	115,011	-	789,160
Construction	-	360,265	360,352	-	(87)	12,458,814	4,104,852	-	8,353,875
2008 Construction	1,667	-	-	-	1,667	-	-	-	1,667
Radio/TV Academy Construction	154,653	-	140,904	-	13,749	-	13,749	-	-
Performing Arts Academy Construction	47,183	-	-	-	47,183	-	-	-	47,183
Roofing Projects Bid B	40,492	-	-	-	40,492	-	-	-	40,492
School Lunch	6,172,257	9,318,922	9,592,490	-	5,898,689	7,311,858	10,471,323	-	2,739,224
Textbook Rental	(4,376,225)	1,000,012	2,447,232	142,621	(5,680,824)	905,706	722,130	-	(5,497,248)
Repair and Replacement	165,533	171,391	105,288	-	231,636	185,750	129,522	-	287,864
Self-Insurance	3,642,487	25,539,105	21,958,686	(3,500,000)	3,722,906	24,897,954	24,359,143	-	4,261,717
Levy Excess	-	2,944	-	(2,944)	-	-	-	-	-
Group Work Camps	9,000	31,470	40,470	-	-	38,941	38,941	-	-
Alternative Education	9,516	-	-	-	9,516	-	-	-	9,516
SAFE School Haven	342	-	-	-	342	-	40	-	302
Early Intervention Grant	812	-	-	-	812	-	324	-	488
Lily Grant	-	-	-	-	-	50,000	16,222	-	33,778
Donations/Immunization Clinic	5,242	-	-	-	5,242	-	-	-	5,242
Headstart Donations	4,357	-	-	-	4,357	-	-	-	4,357
Instructional Support	532,228	414,275	454,651	(100,002)	391,850	396,677	428,067	(100,000)	260,460
Young Authors Program	493	1,400	1,247	-	646	350	668	-	328
RTI Professional Development	6,851	1,565	4,200	-	4,216	660	2,167	-	2,709
Art Lenders	4,359	-	-	-	4,359	-	-	-	4,359
High Ability	5,895	1,000	3,518	-	3,377	350	2,584	-	1,143
Adult and Continuing Education	31,228	249,982	237,321	-	43,889	226,316	233,190	-	37,015
Extra-Curricular Activities	12,710	2,725	1,736	-	13,699	2,075	1,935	-	13,839
Robotics	69,896	44,713	15,855	-	98,754	38,258	39,645	-	97,367
Junior Robotics	6,577	1,175	1,225	-	6,527	1,502	2,963	-	5,066
Survive Alive	588	3,635	2,971	-	1,252	5,722	5,659	-	1,315
PLTW Competitions	193	-	-	-	193	-	-	-	193
United Way Summer Camp	90	17,438	17,528	-	-	15,366	15,366	-	-
Adult Education Combo	47,509	255,406	256,641	(175)	46,099	163,038	222,552	-	(13,415)
Scholarships and Awards	-	-	-	-	-	3,325	419	-	2,906
Maywood Testing Supplies	260	-	-	-	260	-	-	-	260
Construction, Remodeling, and Equipping Buildings	549	-	-	-	549	-	-	-	549

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, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
Miscellaneous Programs	1,615	33,977	21,129	(16)	14,447	-	14,447	-	-
Lever Environment & Cargill Inc - Franklin	4,089	4,375	7,189	-	1,275	4,528	4,528	(1,275)	-
Instructional Activities	12,133	9,758	10,734	-	11,157	14,634	11,364	-	14,427
Expanded Studies Program	29,679	9,685	41	-	39,323	8,000	6,067	-	41,256
Remediation	3,633	-	186	-	3,447	-	2,818	-	629
Formative Assessment	-	140,556	140,556	-	-	174,769	173,980	-	789
Instruction Support	200	-	-	-	200	2,000	1,605	-	595
Computer Consortium/Ed Tech Advance	(1,099)	2,841,200	2,840,103	-	(2)	2,575,206	2,586,058	-	(10,854)
Early Childhood Intervention (First Steps)	32,717	80,387	48,926	-	64,178	81,492	73,638	-	72,032
Medicaid Reimbursement	332,965	136,559	-	-	469,524	187,810	-	(546,107)	111,227
Secured Schools Safety Grant	-	-	-	-	-	-	50,000	-	-
Extra-Curricular Activities	(14,297)	49,578	48,972	-	(13,691)	51,205	51,040	-	(13,526)
Professional Development 04-05 to 06-07	31,261	-	14,778	-	16,483	-	5,618	-	10,865
Non-English Speaking Programs	53,752	386,244	269,542	-	170,454	354,818	399,422	-	125,850
School Technology	-	1,620	1,620	-	-	4,772	1,704	-	3,068
Technology Plan Buddy	358,926	109,437	127,312	-	341,051	52,509	130,247	-	263,313
Career and Technical Performance Grant	-	-	-	-	-	15,674	13,086	-	2,588
Performance Based Awards	9,679	633,286	642,965	-	-	339,737	339,737	-	-
Indiana School Academic Improvement Program (ISAIP)	-	-	128,437	-	(128,437)	136,785	5,775	-	2,573
Miscellaneous Programs	9,012	-	9,002	-	10	-	-	(10)	-
Professional Development 07-10	34,726	-	125	-	34,601	-	8,041	-	26,560
Title I 1003(g) School Improvement HHS	(21,600)	206,418	184,818	-	-	62,584	62,584	-	-
Title I	(290,718)	6,215,128	6,163,414	-	(239,004)	5,990,261	6,189,321	-	(438,064)
Stewart Homeless Assistance Act	(2,242)	40,352	48,903	-	(10,793)	62,164	53,549	-	(2,178)
Preschool Handicap	(125,159)	3,294,761	3,278,085	-	(108,483)	3,267,587	3,284,026	-	(124,922)
Adult Basic Education	(13,822)	58,190	64,820	175	(20,277)	136,171	135,906	-	(20,012)
Technology Related Assistance for Individuals With Disabilities	-	3,577	3,577	-	-	-	-	-	-
Carl Perkins	(46,261)	511,291	505,395	-	(40,365)	614,168	612,024	-	(38,221)
Medicaid Reimbursement - Federal	512,529	360,231	443,603	-	429,157	480,550	473,963	-	435,744
Other Federal Programs	17,147	97,243	-	-	114,390	-	-	(97,243)	17,147
Improving Teacher Quality, No Child Left, Title II, Part A	(59,152)	625,805	595,288	-	(28,635)	568,333	564,769	-	(25,071)
Title III - English Proficiency Migrant	(14,389)	407,451	402,598	-	(9,536)	300,331	302,060	-	(11,265)
Title II Part B Math and Science Partnership	-	3,100	2,919	-	181	4,130	4,311	-	-
Teacher Incentive/TAP	(18,108)	323,115	305,007	-	-	-	-	-	-
Headstart	(185,974)	1,216,430	1,211,728	-	(181,272)	1,275,646	1,283,890	-	(189,516)
Prepaid Food	13,272	470,661	429,683	-	54,250	440,644	393,483	-	101,411
Payroll Deductions	205,752	81,853,385	81,860,193	-	198,944	81,694,056	81,767,393	-	125,607
Totals	\$ 30,560,955	\$ 285,476,290	\$ 293,034,528	\$ -	\$ 23,002,717	\$ 293,890,911	\$ 290,198,867	\$ -	\$ 26,694,761

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, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

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

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

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

*Temporary loans.* Amounts 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.* Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

*E. Disbursements*

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

*Instruction.* Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

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

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

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

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

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

*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)

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

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

**G. Fund Accounting**

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

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

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

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

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

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

*Funding Policy and Annual Pension Cost*

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

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. 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, 2016 and 2017. The School Corporation is complying with the reimbursement procedure as mandated by the Indiana Department of Education. The 2016 Capital Projects fund (CPF) was in the red primarily due to the loss of property tax revenue caused by the property tax circuit breaker. Also, the School Corporation was denied insurance coverage in 2016 to replace the failed boilers at Morton High School and Gavit Middle/High School at a cost of \$2.2 million dollars. Consequently, all 2017 CPF expenses were transferred to the General fund which helped place the CPF back in the black. The School Corporation anticipates this matter will not reoccur because next year, by state law, the CPF, School Transportation fund, School Bus Replacement fund and portions of the General fund, will be combined into a new operating fund.

SCHOOL CITY OF HAMMOND  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. 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 years ended June 30, 2016 and 2017, totaled \$17,936,000 and \$17,474,000, respectively.

**Note 9. Subsequent Events**

*Operating Referendum*

A special election of the voters of the School Corporation was held on Tuesday, November 7, 2017, to consider a public question "For the seven (7) calendar year or years immediately following the holding of the referendum, shall the School City of Hammond impose a property tax rate that does not exceed forty-four cents (\$0.44) on each one hundred dollars (\$100) of assessed valuation and that is in addition to all other property taxes imposed by the school corporation for the purpose of funding teaching positions, staff positions, and educational programming?" which was approved.

Funds from this referendum will be first received in late June 2018.

*Capital Referendum*

A special election of the voters of the School Corporation was held on Tuesday, November 7, 2017, to consider a public question "Shall the School City of Hammond issue bonds or enter into a lease to finance the construction of a new high school and comprehensive renovation, improvements and safety upgrades to various School Corporation facilities, including the equipping thereof, which estimated to cost not more than \$110,625,000 and is estimated to increase the property tax rate for debt service by \$0.3598 per \$100 of assessed valuation?" which was approved.

Funds from this referendum will be first received the end of July 2018.

As part of the School Corporation's ongoing effort to reduce the total debt expenses for the district, the administration recommended that the 2006 series bond be refinanced as authorized by INDIANA Code 5-1-5. This would result in a substantial savings (\$1,500,000) and reduction in interest costs and would also permit a reduction in the annual lease rental payments. This matter was approved on April 17, 2018, by the School Board.

**Note 10. Other Postemployment Benefits**

The School Corporation provides to eligible retirees and their spouses the following benefits: medical, dental, and vision insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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#### OTHER INFORMATION - UNAUDITED

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

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

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

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, 2016

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Capital Projects	School Transportation	School Bus Replacement	Retirement/Severance Bond
Cash and investments - beginning	\$ 4,145,145	\$ 513,994	\$ 14,075,037	\$ 149,841	\$ 750,163	\$ 1,685,530	\$ 663,337	\$ 1,110,900
Receipts:								
Local sources	1,556,562	3,473,396	18,418,414	683,743	4,825,741	4,742,412	93,749	1,026
Intermediate sources	271,381	-	-	-	-	-	-	-
State sources	94,664,998	-	-	-	-	-	-	-
Federal sources	38,580	-	-	-	-	-	-	-
Temporary loans	-	-	11,240,400	-	4,052,200	3,817,500	-	-
Other receipts	14,164	-	-	-	40,801	-	-	-
Total receipts	96,545,685	3,473,396	29,658,814	683,743	8,918,742	8,559,912	93,749	1,026
Disbursements:								
Instruction	61,736,139	-	-	-	-	-	-	-
Support services	38,958,687	-	-	-	4,091,377	4,374,886	256,800	208,618
Noninstructional services	1,273,984	-	-	-	-	-	-	-
Facilities acquisition and construction	149,528	-	-	-	1,970,952	185	-	-
Debt services	-	3,263,542	32,184,148	601,319	4,749,400	3,761,000	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	102,118,338	3,263,542	32,184,148	601,319	10,811,729	8,136,071	256,800	208,618
Excess (deficiency) of receipts over disbursements	(5,572,653)	209,854	(2,525,334)	82,424	(1,892,987)	423,841	(163,051)	(207,592)
Other financing sources (uses):								
Transfers in	3,602,962	-	-	-	-	-	-	-
Transfers out	-	(142,621)	-	-	-	-	-	-
Total other financing sources (uses)	3,602,962	(142,621)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,969,691)	67,233	(2,525,334)	82,424	(1,892,987)	423,841	(163,051)	(207,592)
Cash and investments - ending	\$ 2,175,454	\$ 581,227	\$ 11,549,703	\$ 232,265	\$ (1,142,824)	\$ 2,109,371	\$ 500,286	\$ 903,308

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, 2016

	Construction	2008 Construction	Radio/TV Academy Construction	Performing Arts Academy Construction	Roofing Projects Bid B	School Lunch	Textbook Rental	Repair and Replacement
Cash and investments - beginning	\$ -	\$ 1,667	\$ 154,653	\$ 47,183	\$ 40,492	\$ 6,172,257	\$ (4,376,225)	\$ 165,533
Receipts:								
Local sources	360,265	-	-	-	-	570,084	146,786	171,391
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	22,517	853,226	-
Federal sources	-	-	-	-	-	8,726,321	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	360,265	-	-	-	-	9,318,922	1,000,012	171,391
Disbursements:								
Instruction	-	-	-	-	-	-	-	29,929
Support services	-	-	33,223	-	-	60,640	2,447,232	372
Noninstructional services	-	-	-	-	-	9,201,954	-	-
Facilities acquisition and construction	360,352	-	107,681	-	-	23,088	-	74,987
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	306,808	-	-
Total disbursements	360,352	-	140,904	-	-	9,592,490	2,447,232	105,288
Excess (deficiency) of receipts over disbursements	(87)	-	(140,904)	-	-	(273,568)	(1,447,220)	66,103
Other financing sources (uses):								
Transfers in	-	-	69,076	-	-	-	142,621	-
Transfers out	-	-	(69,076)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	142,621	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(87)	-	(140,904)	-	-	(273,568)	(1,304,599)	66,103
Cash and investments - ending	\$ (87)	\$ 1,667	\$ 13,749	\$ 47,183	\$ 40,492	\$ 5,898,689	\$ (5,680,824)	\$ 231,636

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, 2016

	Self- Insurance	Levy Excess	Group Work Camps	Alternative Education	SAFE School Haven	Early Intervention Grant	Lily Grant	Donations/ Immunization Clinic
Cash and investments - beginning	\$ 3,642,487	\$ -	\$ 9,000	\$ 9,516	\$ 342	\$ 812	\$ -	\$ 5,242
Receipts:								
Local sources	25,539,105	2,944	31,470	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	25,539,105	2,944	31,470	-	-	-	-	-
Disbursements:								
Instruction	-	-	-	-	-	-	-	-
Support services	7,195	-	20,215	-	-	-	-	-
Noninstructional services	-	-	20,255	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	21,951,491	-	-	-	-	-	-	-
Total disbursements	21,958,686	-	40,470	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	3,580,419	2,944	(9,000)	-	-	-	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(3,500,000)	(2,944)	-	-	-	-	-	-
Total other financing sources (uses)	(3,500,000)	(2,944)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	80,419	-	(9,000)	-	-	-	-	-
Cash and investments - ending	\$ 3,722,906	\$ -	\$ -	\$ 9,516	\$ 342	\$ 812	\$ -	\$ 5,242

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, 2016

	Headstart Donations	Instructional Support	Young Authors Program	RTI Professional Development	Art Lenders	High Ability	Adult and Continuing Education	Extra- Curricular Activities
Cash and investments - beginning	\$ 4,357	\$ 532,228	\$ 493	\$ 6,851	\$ 4,359	\$ 5,895	\$ 31,228	\$ 12,710
Receipts:								
Local sources	-	414,275	1,400	1,565	-	1,000	249,982	2,725
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	414,275	1,400	1,565	-	1,000	249,982	2,725
Disbursements:								
Instruction	-	331,412	1,247	-	-	-	237,321	1,736
Support services	-	123,239	-	4,200	-	3,518	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	454,651	1,247	4,200	-	3,518	237,321	1,736
Excess (deficiency) of receipts over disbursements	-	(40,376)	153	(2,635)	-	(2,518)	12,661	989
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(100,002)	-	-	-	-	-	-
Total other financing sources (uses)	-	(100,002)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(140,378)	153	(2,635)	-	(2,518)	12,661	989
Cash and investments - ending	\$ 4,357	\$ 391,850	\$ 646	\$ 4,216	\$ 4,359	\$ 3,377	\$ 43,889	\$ 13,699

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, 2016

	Robotics	Junior Robotics	Survive Alive	PLTW Competitions	United Way Summer Camp	Adult Education Combo	Scholarships and Awards	Maywood Testing Supplies
Cash and investments - beginning	\$ 69,896	\$ 6,577	\$ 588	\$ 193	\$ 90	\$ 47,509	\$ -	\$ 260
Receipts:								
Local sources	44,713	1,175	3,635	-	17,438	10,134	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	245,272	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	44,713	1,175	3,635	-	17,438	255,406	-	-
Disbursements:								
Instruction	15,855	1,225	2,971	-	17,528	211,604	-	-
Support services	-	-	-	-	-	45,037	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	15,855	1,225	2,971	-	17,528	256,641	-	-
Excess (deficiency) of receipts over disbursements	28,858	(50)	664	-	(90)	(1,235)	-	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	(175)	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(175)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	28,858	(50)	664	-	(90)	(1,410)	-	-
Cash and investments - ending	\$ 98,754	\$ 6,527	\$ 1,252	\$ 193	\$ -	\$ 46,099	\$ -	\$ 260

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	Construction, Remodeling, and Equipping Buildings	Miscellaneous Programs	Lever Environment & Cargill Inc - Franklin	Instructional Activities	Expanded Studies Program	Remediation	Formative Assessment	Instruction Support
Cash and investments - beginning	\$ 549	\$ 1,615	\$ 4,089	\$ 12,133	\$ 29,679	\$ 3,633	\$ -	\$ 200
Receipts:								
Local sources	-	33,977	4,375	9,758	9,685	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	140,556	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	33,977	4,375	9,758	9,685	-	140,556	-
Disbursements:								
Instruction	-	20,530	2,814	10,734	41	186	140,556	-
Support services	-	599	4,375	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	21,129	7,189	10,734	41	186	140,556	-
Excess (deficiency) of receipts over disbursements	-	12,848	(2,814)	(976)	9,644	(186)	-	-
Other financing sources (uses):								
Transfers in	-	(16)	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(16)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	12,832	(2,814)	(976)	9,644	(186)	-	-
Cash and investments - ending	\$ 549	\$ 14,447	\$ 1,275	\$ 11,157	\$ 39,323	\$ 3,447	\$ -	\$ 200

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	Computer Consortium/ Ed Tech Advance	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Secured Schools Safety Grant	Extra-Curricular Activities	Professional Development 04-05 to 06-07	Non-English Speaking Programs	School Technology
Cash and investments - beginning	\$ (1,099)	\$ 32,717	\$ 332,965	\$ -	\$ (14,297)	\$ 31,261	\$ 53,752	\$ -
Receipts:								
Local sources	2,841,200	-	-	-	49,578	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	80,387	-	-	-	-	386,244	1,620
Federal sources	-	-	136,559	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	2,841,200	80,387	136,559	-	49,578	-	386,244	1,620
Disbursements:								
Instruction	-	47,794	-	-	-	-	26	-
Support services	2,840,103	1,132	-	-	14,538	14,778	268,975	1,620
Noninstructional services	-	-	-	-	34,434	-	541	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	2,840,103	48,926	-	-	48,972	14,778	269,542	1,620
Excess (deficiency) of receipts over disbursements	1,097	31,461	136,559	-	606	(14,778)	116,702	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,097	31,461	136,559	-	606	(14,778)	116,702	-
Cash and investments - ending	\$ (2)	\$ 64,178	\$ 469,524	\$ -	\$ (13,691)	\$ 16,483	\$ 170,454	\$ -

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	Technology Plan Buddy	Career and Technical Performance Grant	Performance Based Awards	Indiana School Academic Improvement Program (ISAIP)	Miscellaneous Programs	Professional Development 07-10	Title I 1003(g) School Improvement HHS	Title I
Cash and investments - beginning	\$ 358,926	\$ -	\$ 9,679	\$ -	\$ 9,012	\$ 34,726	\$ (21,600)	\$ (290,718)
Receipts:								
Local sources	109,437	-	223,733	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	409,553	-	-	-	-	-
Federal sources	-	-	-	-	-	-	206,418	6,215,128
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	109,437	-	633,286	-	-	-	206,418	6,215,128
Disbursements:								
Instruction	-	-	642,965	84,801	-	125	-	2,996,896
Support services	127,312	-	-	24,175	-	-	184,818	2,733,478
Noninstructional services	-	-	-	19,461	9,002	-	-	345,342
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	87,698
Total disbursements	127,312	-	642,965	128,437	9,002	125	184,818	6,163,414
Excess (deficiency) of receipts over disbursements	(17,875)	-	(9,679)	(128,437)	(9,002)	(125)	21,600	51,714
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,875)	-	(9,679)	(128,437)	(9,002)	(125)	21,600	51,714
Cash and investments - ending	\$ 341,051	\$ -	\$ -	\$ (128,437)	\$ 10	\$ 34,601	\$ -	\$ (239,004)

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2016

	Stewart Homeless Assistance Act	Preschool Handicap	Adult Basic Education	Technology Related Assistance for Individuals With Disabilities	Carl Perkins	Medicaid Reimbursement - Federal	Other Federal Programs	Improving Teacher Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ (2,242)	\$ (125,159)	\$ (13,822)	\$ -	\$ (46,261)	\$ 512,529	\$ 17,147	\$ (59,152)
Receipts:								
Local sources	-	-	-	-	5,493	88,907	97,243	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	31,194	107,400	-	-	-	271,324	-	208,441
Federal sources	9,158	3,187,361	58,190	3,577	505,798	-	-	417,364
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	40,352	3,294,761	58,190	3,577	511,291	360,231	97,243	625,805
Disbursements:								
Instruction	48,903	2,496,504	56,563	3,577	503,394	214,906	-	-
Support services	-	737,602	8,257	-	-	228,697	-	586,281
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	43,979	-	-	2,001	-	-	9,007
Total disbursements	48,903	3,278,085	64,820	3,577	505,395	443,603	-	595,288
Excess (deficiency) of receipts over disbursements	(8,551)	16,676	(6,630)	-	5,896	(83,372)	97,243	30,517
Other financing sources (uses):								
Transfers in	-	-	175	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	175	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,551)	16,676	(6,455)	-	5,896	(83,372)	97,243	30,517
Cash and investments - ending	\$ (10,793)	\$ (108,483)	\$ (20,277)	\$ -	\$ (40,365)	\$ 429,157	\$ 114,390	\$ (28,635)

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, 2016

	Title III - English Proficiency Migrant	Title II Part B Math and Science Partnership	Teacher Incentive/ TAP	Headstart	Prepaid Food	Payroll Deductions	Totals
Cash and investments - beginning	\$ (14,389)	\$ -	\$ (18,108)	\$ (185,974)	\$ 13,272	\$ 205,752	\$ 30,560,955
Receipts:							
Local sources	-	3,100	(17)	-	-	-	64,841,599
Intermediate sources	-	-	-	-	-	-	271,381
State sources	348,053	-	-	-	-	-	97,525,513
Federal sources	59,398	-	323,132	1,216,430	-	-	21,348,686
Temporary loans	-	-	-	-	-	-	19,110,100
Other receipts	-	-	-	-	470,661	81,853,385	82,379,011
Total receipts	407,451	3,100	323,115	1,216,430	470,661	81,853,385	285,476,290
Disbursements:							
Instruction	-	-	68,221	1,169,008	-	-	71,095,511
Support services	398,432	2,919	236,786	26,767	-	-	59,076,883
Noninstructional services	-	-	-	-	-	-	10,904,973
Facilities acquisition and construction	-	-	-	15,953	-	-	2,702,726
Debt services	-	-	-	-	-	-	44,559,409
Nonprogrammed charges	4,166	-	-	-	429,683	81,860,193	104,695,026
Total disbursements	402,598	2,919	305,007	1,211,728	429,683	81,860,193	293,034,528
Excess (deficiency) of receipts over disbursements	4,853	181	18,108	4,702	40,978	(6,808)	(7,558,238)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	3,814,643
Transfers out	-	-	-	-	-	-	(3,814,643)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,853	181	18,108	4,702	40,978	(6,808)	(7,558,238)
Cash and investments - ending	\$ (9,536)	\$ 181	\$ -	\$ (181,272)	\$ 54,250	\$ 198,944	\$ 23,002,717

SCHOOL CITY OF HAMMOND  
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 OTHER FINANCING SOURCES (USES), AND CASH AND  
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 For the Year Ended June 30, 2017

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Capital Projects	School Transportation	School Bus Replacement	Retirement/Severance Bond
Cash and investments - beginning	\$ 2,175,454	\$ 581,227	\$ 11,549,703	\$ 232,265	\$ (1,142,824)	\$ 2,109,371	\$ 500,286	\$ 903,308
Receipts:								
Local sources	2,368,670	3,362,592	18,018,100	581,740	3,428,808	4,714,747	122,581	863
Intermediate sources	473,103	-	-	-	-	-	-	-
State sources	96,040,067	-	-	-	-	-	-	-
Federal sources	28,384	-	-	-	-	-	-	-
Temporary loans	-	-	12,000,000	-	3,500,000	3,500,000	-	-
Other receipts	(1,197)	-	-	-	49,089	50,138	-	-
Total receipts	98,909,027	3,362,592	30,018,100	581,740	6,977,897	8,264,885	122,581	863
Disbursements:								
Instruction	60,862,010	-	-	-	-	-	-	-
Support services	41,846,324	-	-	-	1,431,804	4,291,053	294,649	115,011
Noninstructional services	1,302,938	-	-	-	-	-	-	-
Facilities acquisition and construction	412,440	-	-	-	1,092,979	-	-	-
Debt services	-	3,244,221	27,960,097	599,326	3,513,900	3,414,200	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	104,423,712	3,244,221	27,960,097	599,326	6,038,683	7,705,253	294,649	115,011
Excess (deficiency) of receipts over disbursements	(5,514,685)	118,371	2,058,003	(17,586)	939,214	559,632	(172,068)	(114,148)
Other financing sources (uses):								
Transfers in	3,744,635	-	-	-	-	-	-	-
Transfers out	-	-	(3,000,000)	-	-	-	-	-
Total other financing sources (uses)	3,744,635	-	(3,000,000)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,770,050)	118,371	(941,997)	(17,586)	939,214	559,632	(172,068)	(114,148)
Cash and investments - ending	\$ 405,404	\$ 699,598	\$ 10,607,706	\$ 214,679	\$ (203,610)	\$ 2,669,003	\$ 328,218	\$ 789,160

SCHOOL CITY OF HAMMOND  
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 OTHER FINANCING SOURCES (USES), AND CASH AND  
 INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2017

	Construction	2008 Construction	Radio/TV Academy Construction	Performing Arts Academy Construction	Roofing Projects Bid B	School Lunch	Textbook Rental	Repair and Replacement
Cash and investments - beginning	\$ (87)	\$ 1,667	\$ 13,749	\$ 47,183	\$ 40,492	\$ 5,898,689	\$ (5,680,824)	\$ 231,636
Receipts:								
Local sources	12,458,814	-	-	-	-	495,909	94,810	185,750
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	23,014	810,896	-
Federal sources	-	-	-	-	-	6,792,265	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	670	-	-
Total receipts	12,458,814	-	-	-	-	7,311,858	905,706	185,750
Disbursements:								
Instruction	-	-	-	-	-	-	-	79,435
Support services	45,959	-	-	-	-	52,097	722,130	-
Noninstructional services	-	-	-	-	-	9,340,598	-	-
Facilities acquisition and construction	4,033,287	-	13,749	-	-	20,235	-	50,087
Debt services	25,606	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,058,393	-	-
Total disbursements	4,104,852	-	13,749	-	-	10,471,323	722,130	129,522
Excess (deficiency) of receipts over disbursements	8,353,962	-	(13,749)	-	-	(3,159,465)	183,576	56,228
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,353,962	-	(13,749)	-	-	(3,159,465)	183,576	56,228
Cash and investments - ending	\$ 8,353,875	\$ 1,667	\$ -	\$ 47,183	\$ 40,492	\$ 2,739,224	\$ (5,497,248)	\$ 287,864

SCHOOL CITY OF HAMMOND  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,  
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 For the Year Ended June 30, 2017

	Self- Insurance	Levy Excess	Group Work Camps	Alternative Education	SAFE School Haven	Early Intervention Grant	Lily Grant	Donations/ Immunization Clinic
Cash and investments - beginning	\$ 3,722,906	\$ -	\$ -	\$ 9,516	\$ 342	\$ 812	\$ -	\$ 5,242
Receipts:								
Local sources	24,897,954	-	38,941	-	-	-	50,000	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	24,897,954	-	38,941	-	-	-	50,000	-
Disbursements:								
Instruction	-	-	-	-	-	324	-	-
Support services	7,099	-	17,832	-	-	-	16,222	-
Noninstructional services	-	-	21,109	-	40	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	24,352,044	-	-	-	-	-	-	-
Total disbursements	24,359,143	-	38,941	-	40	324	16,222	-
Excess (deficiency) of receipts over disbursements	538,811	-	-	-	(40)	(324)	33,778	-
Other financing sources (uses):								
Transfers in	1,971,935	-	-	-	-	-	-	-
Transfers out	(1,971,935)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	538,811	-	-	-	(40)	(324)	33,778	-
Cash and investments - ending	\$ 4,261,717	\$ -	\$ -	\$ 9,516	\$ 302	\$ 488	\$ 33,778	\$ 5,242

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, 2017

	Headstart Donations	Instructional Support	Young Authors Program	RTI Professional Development	Art Lenders	High Ability	Adult and Continuing Education	Extra- Curricular Activities
Cash and investments - beginning	\$ 4,357	\$ 391,850	\$ 646	\$ 4,216	\$ 4,359	\$ 3,377	\$ 43,889	\$ 13,699
Receipts:								
Local sources	-	396,677	350	660	-	350	226,316	2,075
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	396,677	350	660	-	350	226,316	2,075
Disbursements:								
Instruction	-	286,006	668	-	-	-	233,190	1,935
Support services	-	142,061	-	2,167	-	2,584	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	428,067	668	2,167	-	2,584	233,190	1,935
Excess (deficiency) of receipts over disbursements	-	(31,390)	(318)	(1,507)	-	(2,234)	(6,874)	140
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	32,916	-
Transfers out	-	(100,000)	-	-	-	-	(32,916)	-
Total other financing sources (uses)	-	(100,000)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(131,390)	(318)	(1,507)	-	(2,234)	(6,874)	140
Cash and investments - ending	\$ 4,357	\$ 260,460	\$ 328	\$ 2,709	\$ 4,359	\$ 1,143	\$ 37,015	\$ 13,839

SCHOOL CITY OF HAMMOND  
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 For the Year Ended June 30, 2017

	Robotics	Junior Robotics	Survive Alive	PLTW Competitions	United Way Summer Camp	Adult Education Combo	Scholarships and Awards	Maywood Testing Supplies
Cash and investments - beginning	\$ 98,754	\$ 6,527	\$ 1,252	\$ 193	\$ -	\$ 46,099	\$ -	\$ 260
Receipts:								
Local sources	38,258	1,502	5,722	-	15,366	9,069	3,325	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	153,969	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	38,258	1,502	5,722	-	15,366	163,038	3,325	-
Disbursements:								
Instruction	39,645	2,963	4,509	-	15,366	188,711	419	-
Support services	-	-	1,150	-	-	33,841	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	39,645	2,963	5,659	-	15,366	222,552	419	-
Excess (deficiency) of receipts over disbursements	(1,387)	(1,461)	63	-	-	(59,514)	2,906	-
Other financing sources (uses):								
Transfers in	-	-	-	-	-	40,266	-	-
Transfers out	-	-	-	-	-	(40,266)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,387)	(1,461)	63	-	-	(59,514)	2,906	-
Cash and investments - ending	\$ 97,367	\$ 5,066	\$ 1,315	\$ 193	\$ -	\$ (13,415)	\$ 2,906	\$ 260

SCHOOL CITY OF HAMMOND  
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 For the Year Ended June 30, 2017

	Construction, Remodeling, and Equipping Buildings	Miscellaneous Programs	Lever Environment & Cargill Inc - Franklin	Instructional Activities	Expanded Studies Program	Remediation	Formative Assessment	Instruction Support
Cash and investments - beginning	\$ 549	\$ 14,447	\$ 1,275	\$ 11,157	\$ 39,323	\$ 3,447	\$ -	\$ 200
Receipts:								
Local sources	-	-	4,528	14,634	8,000	-	-	2,000
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	174,769	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	4,528	14,634	8,000	-	174,769	2,000
Disbursements:								
Instruction	-	11,265	-	11,364	6,067	2,818	173,980	-
Support services	-	3,182	4,528	-	-	-	-	1,605
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	14,447	4,528	11,364	6,067	2,818	173,980	1,605
Excess (deficiency) of receipts over disbursements	-	(14,447)	-	3,270	1,933	(2,818)	789	395
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,275)	-	-	-	-	-
Total other financing sources (uses)	-	-	(1,275)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(14,447)	(1,275)	3,270	1,933	(2,818)	789	395
Cash and investments - ending	\$ 549	\$ -	\$ -	\$ 14,427	\$ 41,256	\$ 629	\$ 789	\$ 595

SCHOOL CITY OF HAMMOND  
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 For the Year Ended June 30, 2017

	Computer Consortium/ Ed Tech Advance	Early Childhood Intervention (First Steps)	Medicaid Reimbursement	Secured Schools Safety Grant	Extra- Curricular Activities	Professional Development 04-05 to 06-07	Non-English Speaking Programs	School Technology
Cash and investments - beginning	\$ (2)	\$ 64,178	\$ 469,524	\$ -	\$ (13,691)	\$ 16,483	\$ 170,454	\$ -
Receipts:								
Local sources	2,575,206	-	-	-	51,205	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	81,492	-	50,000	-	-	354,818	4,772
Federal sources	-	-	187,810	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	2,575,206	81,492	187,810	50,000	51,205	-	354,818	4,772
Disbursements:								
Instruction	-	71,560	-	-	-	-	-	-
Support services	2,586,058	2,078	-	50,000	14,020	5,618	394,349	1,704
Noninstructional services	-	-	-	-	37,020	-	5,073	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	2,586,058	73,638	-	50,000	51,040	5,618	399,422	1,704
Excess (deficiency) of receipts over disbursements	(10,852)	7,854	187,810	-	165	(5,618)	(44,604)	3,068
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(546,107)	-	-	-	-	-
Total other financing sources (uses)	-	-	(546,107)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,852)	7,854	(358,297)	-	165	(5,618)	(44,604)	3,068
Cash and investments - ending	\$ (10,854)	\$ 72,032	\$ 111,227	\$ -	\$ (13,526)	\$ 10,865	\$ 125,850	\$ 3,068

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	Technology Plan Buddy	Career and Technical Performance Grant	Performance Based Awards	Indiana School Academic Improvement Program (ISAIP)	Miscellaneous Programs	Professional Development 07-10	Title I 1003(g) School Improvement HHS	Title I
Cash and investments - beginning	\$ 341,051	\$ -	\$ -	\$ (128,437)	\$ 10	\$ 34,601	\$ -	\$ (239,004)
Receipts:								
Local sources	52,509	-	-	2,635	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	15,674	339,737	134,150	-	-	-	-
Federal sources	-	-	-	-	-	-	62,584	5,990,261
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	52,509	15,674	339,737	136,785	-	-	62,584	5,990,261
Disbursements:								
Instruction	-	13,086	339,737	(1)	-	-	48,608	3,102,094
Support services	130,247	-	-	5,549	-	8,041	13,734	2,624,811
Noninstructional services	-	-	-	227	-	-	-	374,540
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	242	87,876
Total disbursements	130,247	13,086	339,737	5,775	-	8,041	62,584	6,189,321
Excess (deficiency) of receipts over disbursements	(77,738)	2,588	-	131,010	-	(8,041)	-	(199,060)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(10)	-	-	-
Total other financing sources (uses)	-	-	-	-	(10)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(77,738)	2,588	-	131,010	(10)	(8,041)	-	(199,060)
Cash and investments - ending	\$ 263,313	\$ 2,588	\$ -	\$ 2,573	\$ -	\$ 26,560	\$ -	\$ (438,064)

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, 2017

	Stewart Homeless Assistance Act	Preschool Handicap	Adult Basic Education	Technology Related Assistance for Individuals With Disabilities	Carl Perkins	Medicaid Reimbursement - Federal	Other Federal Programs	Improving Teacher Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ (10,793)	\$ (108,483)	\$ (20,277)	\$ -	\$ (40,365)	\$ 429,157	\$ 114,390	\$ (28,635)
Receipts:								
Local sources	-	-	-	-	-	107,397	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	2,174	-	-	-	-	373,153	-	-
Federal sources	59,990	3,267,587	136,171	-	614,168	-	-	568,333
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	62,164	3,267,587	136,171	-	614,168	480,550	-	568,333
Disbursements:								
Instruction	53,549	2,469,949	116,510	-	612,024	258,522	-	-
Support services	-	767,035	19,396	-	-	215,441	-	555,402
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	47,042	-	-	-	-	-	9,367
Total disbursements	53,549	3,284,026	135,906	-	612,024	473,963	-	564,769
Excess (deficiency) of receipts over disbursements	8,615	(16,439)	265	-	2,144	6,587	-	3,564
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(97,243)	-
Total other financing sources (uses)	-	-	-	-	-	-	(97,243)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,615	(16,439)	265	-	2,144	6,587	(97,243)	3,564
Cash and investments - ending	\$ (2,178)	\$ (124,922)	\$ (20,012)	\$ -	\$ (38,221)	\$ 435,744	\$ 17,147	\$ (25,071)

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, 2017

	Title III - English Proficiency Migrant	Title II Part B Math and Science Partnership	Teacher Incentive/ TAP	Headstart	Prepaid Food	Payroll Deductions	Totals
Cash and investments - beginning	\$ (9,536)	\$ 181	\$ -	\$ (181,272)	\$ 54,250	\$ 198,944	\$ 23,002,717
Receipts:							
Local sources	-	4,130	-	-	-	-	74,342,193
Intermediate sources	-	-	-	-	-	-	473,103
State sources	6,239	-	-	-	-	-	98,410,955
Federal sources	294,092	-	-	1,275,646	-	-	19,431,260
Temporary loans	-	-	-	-	-	-	19,000,000
Other receipts	-	-	-	-	440,644	81,694,056	82,233,400
Total receipts	300,331	4,130	-	1,275,646	440,644	81,694,056	293,890,911
Disbursements:							
Instruction	-	-	-	1,208,779	-	-	70,215,092
Support services	291,867	4,311	-	74,836	-	-	56,795,795
Noninstructional services	-	-	-	-	-	-	11,081,545
Facilities acquisition and construction	-	-	-	275	-	-	5,623,052
Debt services	-	-	-	-	-	-	38,757,350
Nonprogrammed charges	10,193	-	-	-	393,483	81,767,393	107,726,033
Total disbursements	302,060	4,311	-	1,283,890	393,483	81,767,393	290,198,867
Excess (deficiency) of receipts over disbursements	(1,729)	(181)	-	(8,244)	47,161	(73,337)	3,692,044
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	5,789,752
Transfers out	-	-	-	-	-	-	(5,789,752)
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,729)	(181)	-	(8,244)	47,161	(73,337)	3,692,044
Cash and investments - ending	\$ (11,265)	\$ -	\$ -	\$ (189,516)	\$ 101,411	\$ 125,607	\$ 26,694,761

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SCHOOL CITY OF HAMMOND  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,337,939</u>	<u>\$ 2,364,238</u>

SCHOOL CITY OF HAMMOND  
 SCHEDULE OF LEASES AND DEBT  
 June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Hammond Multi-School Building Corporation	Capital Projects/Improv (a2002 2003 2006)	\$ 6,869,000	01/15/2007	01/15/2027
Hammond Multi-School Building Corporation	Capital Projects/Improv (b 2007)	4,500,000	07/15/2007	07/15/2019
Hammond Multi-School Building Corporation	Capital Projects/Improv (c 2004)	4,000,000	07/15/2005	07/15/2031
Hammond Multi-School Building Corporation	Capital Projects/Improv (d 2014 Ref-2004)	1,383,000	01/15/2005	01/15/2018
Hammond Multi-School Building Corporation	Capital Projects/Improv (e 2010 a & b)	<u>717,000</u>	01/15/2011	01/15/2030
Total of annual lease payments		<u>\$ 17,469,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Tax anticipation warrants	Operating Cash Flow	\$ 13,288,000	\$ 13,568,801
Notes and loans payable	Retirement/Severence Bonds	3,002,866	597,100
Notes and loans payable	Common School Loan	15,023,551	3,256,871
General obligation bonds	Renovation and equipping of various schools	<u>9,500,000</u>	<u>127,837</u>
Totals		<u>\$ 40,814,417</u>	<u>\$ 17,550,609</u>

SCHOOL CITY OF HAMMOND  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2017

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 26,137,660
Infrastructure	8,435
Buildings	138,481,871
Improvements other than buildings	1,136,531
Machinery, equipment, and vehicles	<u>15,482,050</u>
Total capital assets	<u>\$ 181,246,547</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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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 *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Basis for Qualified Opinion on Child Nutrition Cluster***

As described in item 2017-001 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Procurement and Suspension and Debarment that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

***Basis for Qualified Opinion on Title I Grants to Local Educational Agencies***

As described in items 2017-002 and 2017-003 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Procurement and Suspension and Debarment and Special Tests and Provisions - Annual Report Card, High School Graduation Rate that are applicable to its Title I Grants to Local Educational Agencies. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

***Qualified Opinion on Child Nutrition Cluster***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2015 to June 30, 2017.

***Qualified Opinion on Title I Grants to Local Educational Agencies***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Title I Grants to Local Educational Agencies for the period of July 1, 2015 to June 30, 2017.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2015 to June 30, 2017.

***Other Matters***

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

***Report on Internal Control over Compliance***

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement

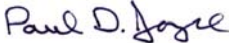
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001, 2017-002, 2017-003, 2017-004, and 2017-005, that we consider to be material weaknesses.

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

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

  
Paul D. Joyce, CPA  
State Examiner

April 24, 2018

#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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SCHOOL CITY OF HAMMOND  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<b>Department of Agriculture</b>							
Child Nutrition Cluster	Indiana Department of Education						
School Breakfast Program		10.553	FY 15-16 FY 16-17	\$ - -	\$ 2,062,011 -	\$ - -	\$ - 1,560,934
Total - School Breakfast Program				-	2,062,011	-	1,560,934
National School Lunch Program		10.555					
School Lunch			FY 2016	-	6,169,007	-	-
School Lunch			FY 2017	-	-	-	4,923,545
School Lunch - Commodities			FY 2016	-	486,094	-	-
School Lunch - Commodities			FY 2017	-	-	-	566,843
Total - National School Lunch Program				-	6,655,101	-	5,490,388
Summer Food Service Program for Children		10.559	FY 2016 FY 2017	- -	229,633 -	- -	- 117,556
Total - Summer Food Service Program for Children				-	229,633	-	117,556
Total - Child Nutrition Cluster				-	8,946,745	-	7,168,878
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2016 FY 2017	- -	130,187 -	- -	- 90,367
Total - Child and Adult Care Food Program				-	130,187	-	90,367
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582	FY 2016 FY 2017	- -	194,068 -	- -	- 149,282
Total - Fresh Fruit and Vegetable Program				-	194,068	-	149,282
Total - Department of Agriculture				-	9,271,000	-	7,408,527
<b>Department of Defense</b>							
Army Junior Reserve Officers' Training Corps (JROTC)	Army ROTC	12.000	FY 15-16 FY 16-17	- -	38,580 -	- -	- 28,384
Total - Army Junior Reserve Officers' Training Corps (JROTC)				-	38,580	-	28,384
Total - Department of Defense				-	38,580	-	28,384

SCHOOL CITY OF HAMMOND  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<b>Department of Education</b>							
Special Education Cluster (IDEA)	Indiana Department of Education	84.027	14214-026-PN01	-	164,361	-	-
Special Education_Grants to States			14215-026-PN01	-	2,399,286	-	3,658
			14216-024-PN01 H027A150084	-	-	-	2,630,556
			14216-026-PN01	-	622,667	-	-
			14217-024-PN01 H027A160084	-	-	-	519,344
			99914-26-TA01	-	3,577	-	-
Total - Special Education_Grants to States				-	3,189,891	-	3,153,558
Special Education_Preschool Grants		84.173	45716-024-PN01	-	108,447	-	-
			45717-024-PN01 H173A160104	-	-	-	114,029
Total - Special Education_Preschool Grants				-	108,447	-	114,029
Total - Special Education Cluster (IDEA)				-	3,298,338	-	3,267,587
Adult Education - Basic Grants to States	Center of Workforce Innovations	84.002	CWI-AE-02-PY15	-	14,074	-	136,171
			CWI-AE-4-01 PY14-15	-	44,291	-	-
Total - Adult Education - Basic Grants to States				-	58,365	-	136,171
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	15-4710	-	1,715,035	-	-
			16-4710	-	4,500,094	-	1,937,108
			FY 2015	-	189,618	-	-
			S010A150014	-	16,800	-	48,850
			S010A160014	-	-	-	4,053,152
			S010A160014 SIG	-	-	-	13,734
Total - Title I Grants to Local Educational Agencies				-	6,421,547	-	6,052,844
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048	15-4700-4710	-	173,947	-	-
			16-4700-4710	-	337,344	-	173,604
			17-4700-4710 V048A160014	-	-	-	440,564
Total - Career and Technical Education - Basic Grants to States				-	511,291	-	614,168
Education for Homeless Children and Youth	Indiana Department of Education	84.196	FY 14-15	-	12,427	-	-
			FY15-16	-	27,924	-	27,075
			S196A160015	-	-	-	35,090
Total - Education for Homeless Children and Youth				-	40,351	-	62,165
Fund for the Improvement of Education Small Learning Community Grant	Direct Grant	84.215	S215L080473-11	-	97,243	-	-
English Language Acquisition State Grants	Indiana Department of Education	84.365	01114-070-PN01	-	63,569	-	-
			01115-054-PN01	-	202,728	-	33,804
			01116-055-PN01	-	141,153	-	188,585
			01117-054-PN01 S365A160014	-	-	-	77,943
Total - English Language Acquisition State Grants				-	407,450	-	300,332

SCHOOL CITY OF HAMMOND  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Mathematics and Science Partnerships	Merrillville Community School Corporation	84.366	2013-15 2015-16	- -	2,600 500	- -	- 4,130
Total - Mathematics and Science Partnerships				-	3,100	-	4,130
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367	FFY 13-15 FFY 2014 FFY 2015 S367A150013	- - -	214,102 411,706 -	- - -	- 247,913 320,420
Total - Supporting Effective Instruction State Grants				-	625,808	-	568,333
Teacher and School Leader Incentive Grants	Indiana Department of Education	84.374	PY 14-15	-	323,115	-	-
Total - Department of Education				-	11,786,608	-	11,005,730
<b>Department of Health and Human Services</b>							
<b>Medicaid Cluster</b>							
Medical Assistance Program	Indiana Family and Social Services Administration	93.778	FY 2016 FY 2017	- -	360,231 -	- -	- 480,550
Total - Medicaid Cluster				-	360,231	-	480,550
Head Start	Geminus Corporation	93.600	2015 2016 2017	- - -	962,675 253,755 -	- - -	- 988,023 287,623
Total - Head Start				-	1,216,430	-	1,275,646
Total - Department of Health and Human Services				-	1,576,661	-	1,756,196
Total federal awards expended				\$ -	\$ 22,672,849	\$ -	\$ 20,198,837

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

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

**Note 2. Summary of Significant Accounting Policies**

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

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 weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

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

Dollar threshold used to distinguish between Type A and Type B programs: \$1,286,151

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 2017-001**

Subject: Child Nutrition Cluster - Procurement

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers or Years (or Other Identifying Numbers): FY 15-16, FY 16-17,  
FY 2016, FY 2017

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

*Condition*

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

The School Corporation did not have internal controls in place to ensure that the purchasing methods used complied with 2 CFR 200.320.

For the 2015-2016 and 2016-2017 fiscal years, the School Corporation extended contracts with vendors for food products, materials, and supplies that were originally awarded in prior years. The original contracts included wording for an option to extend the terms up to four years. The extensions of the contracts were not approved by the School Board.

The School Corporation did not always obtain price or rate quotes from an adequate number of sources for purchases of goods or services exceeding \$3,500, which fell under the small purchase procedures. The School Corporation also did not document the rationale for the method of procurement, especially when a noncompetitive proposal method was used.

*Context*

The lack of effective controls and the noncompliance were systemic issues throughout the audit period. Approximately 59 percent of the School Lunch fund disbursements were vendor procurements.

*Criteria*

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

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318 states in part:

"(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part. . . .

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

2 CFR 200.320 states in part:

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

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

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

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate."

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

7 CFR 3016.36(b) states: "*Procurement standards.* (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."

Indiana Code 20-26-4-8 states:

"Notwithstanding any other law, the president and secretary of the governing body of a school corporation are entitled, on behalf of the school corporation, to sign any contract, including employment contracts and contracts for goods and services. However, each contract must be approved by a majority of all members of the governing body. In the absence of either the president or secretary of the governing body, the vice president is entitled to sign the contracts with the officer who is present."

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the procurement requirements of the Procurement and Suspension and Debarment compliance requirement.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2017-002**

Subject: Title I Grants to Local Educational Agencies - Procurement

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 15-4710, 16-4710, FY 2015,  
S010A150014, S010A160014,  
S010A160014 SIG

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

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

*Condition*

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

The School Corporation did not have effective internal controls in place to ensure that the purchasing methods used complied with 2 CFR 200.320.

The School Corporation did not obtain price or rate quotes from an adequate number of sources for purchases of goods or services exceeding \$3,500, which fell under the small purchase procedures. The School Corporation also did not document the rationale for the method of procurement, especially when a noncompetitive proposal method was used.

*Context*

The lack of effective controls and the noncompliance were systemic issues throughout the audit period. Approximately 15 percent of the total grant fund disbursements were vendor procurements.

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.318(i) states:

"The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

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

2 CFR 200.320 states in part:

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

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

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

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate."

34 CFR 80.36(b) states in part:

*"Procurement standards.*

(1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.  
. . .

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the procurement requirements of the Procurement and Suspension and Debarment compliance requirement.

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2017-003**

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 15-4710, 16-4710, FY 2015,  
S010A150014, S010A160014,  
S010A160014 SIG

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Audit Findings: Material Weakness, Modified Opinion

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement. The School Corporation did not have effective controls to ensure that documentation regarding the reason for a student removed from the high school cohort graduation rate for mobility reasons was prepared, reviewed, and retained.

The School Corporation failed to comply with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate requirement which necessitated that for the students removed from the high school cohort graduation rate for mobility reasons there was written documentation that the student was enrolled in another school or in an educational program that culminated in the award of a high school diploma, or emigrated to another country, or was deceased.

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

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period. Of the 40 students tested, 28 were not supported by documentation that substantiated their removal from the cohort for mobility reasons.

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

34 CFR 200.19(b) states in part:

"*High schools*—

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

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

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

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

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

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

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

(2) *Transitional graduation rate.*

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

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

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

(A) 'Regular high school diploma' has the same meaning as in paragraph (b)(1)(iv) of this section;

(B) 'Standard number of years' means four years unless a high school begins after ninth grade, in which case the standard number of years is the number of grades in the school; and

(C) A dropout may not be counted as a transfer. . . ."

*Cause*

The School Corporation had not developed a system of internal controls to ensure compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

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

***FINDING 2017-004***

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Comparability  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 15-4710, 16-4710, FY 2015,  
S010A150014, S010A160014,  
S010A160014 SIG

Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Comparability  
Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

The Comparability Report was compiled and submitted by one individual without evidence of a proper system of oversight or review before submission.

*Context*

The lack of controls was a systemic issue throughout the audit period. The report is filed annually.

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

The School Corporation's management had not developed a system of internal controls to ensure compliance with the Special Tests and Provisions - Comparability compliance requirement.

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Special Tests and Provisions - Comparability compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2017-005**

Subject: Career and Technical Education - Basic Grants to States -  
Cash Management, Earmarking, Reporting  
Federal Agency: Department of Education  
Federal Program: Career and Technical Education - Basic Grants to States  
CFDA Number: 84.048  
Federal Award Numbers and Years (or Other Identifying Numbers): 15-4700-4710, 16-4700-4710,  
17-4700-4710 V048A160014  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management; Matching, Level of Effort, Earmarking; Reporting  
Audit Finding: Material Weakness

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Cash Management and Reporting compliance requirements, and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

*Cash Management and Reporting (Reimbursement Requests)*

The Request for Reimbursement forms were noted as prepared by the Career and Technical Education Specialist and approved by the Grant Director. Although the Reimbursement forms contained the certifications, the Grant Director indicated that the reports were not verified to the proper supporting documentation. Therefore, a proper system of oversight or review was not properly implemented.

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

*Earmarking*

The Career and Technical Education Specialist prepared the final expenditure report, which was reviewed by the Principal. However, evidence of the Principal's review was not documented.

*Context*

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

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

The School Corporation's management had not implemented a system of internal controls to ensure compliance with the grant agreement and the Cash Management; Matching, Level of Effort, Earmarking; and Reporting compliance requirements.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

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

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Cash Management; Matching, Level of Effort, Earmarking; and Reporting compliance requirements.

*Views of Responsible Officials*

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

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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.



Walter J. Watkins Ph.D., Superintendent

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

***FINDING 2015-001 – Cash Management***

**Fiscal year in which the finding initially occurred:** July 1 2013 – June 30 2015

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

**Contact Person Responsible for Corrective Action:** Christine Clarahan

**Contact Phone Number:** 219-933-2400 extension 1056

**Status of Audit Finding:**

Since the last audit the fund balance of the Department of Food and Nutrition has been drawn down from \$5,898,686.98 (July 1 2016) to \$2,739,221.44 (July 1 2017). As of December 31 2017 our fund balance is \$2,454,018.21 which is under our average three month expenditure threshold as required by 7 CFR 210.14(b).

The additional expense of Indirect Costs has increased our average monthly expenditures which has allowed our fund balance to fall into compliance. In FY 2016 the Department paid \$306,807.60 in Indirect Costs; In FY 2017 the Department paid \$1,058,393.11 in Indirect Costs.

The Department of Food and Nutrition also continues to follow the spend-down plan that was submitted by the former Director of Food and Nutrition during the last State Board of Accounts Audit.

- The final renovation costs for the Area Career Center were paid during the 2015-2016 school year
- During School Year 2015-2016 the Department spent \$1,747,561.64 on equipment
- During School Year 2016-2017 the Department spent \$1,734,612.11 on equipment
- In August 2017 the substitute pay rate in the department went from \$7.60 per hour to \$9.00 per hour
- There is a planned remodel (approximately \$140,000.00 for new equipment; \$100,000 for new tables and chairs in the cafeteria) for Wallace Elementary School this summer

  
(Signature)

Director of Food and Nutrition  
(Title)

2/21/2018  
(Date)

***Board of School Trustees***

Mrs. Deborah White  
Ms. Anna Mamala  
Mr. George Janiec  
Mrs. Marilyn Jones  
Mrs. Cindy Murphy

***Administration***

Mrs. Theresa Mayerik, *Assistant Superintendent for Academic Services*  
Mr. Kristopher Rivera, *Assistant to the Superintendent - Human Resources*  
Mr. Theophilus Boone, *Assistant Superintendent for Business Services-Chief Financial Officer*

# School City of Hammond

41 Williams Street • Hammond, IN 46320  
(219) 933-2400 • (219) 933-2495 FAX



Dr. Walter J. Watkins, Superintendent

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Fiscal year in which the finding initially occurred: July 1, 2013 – June 30 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE  
Contact Person Responsible for Corrective Action: Theresa A. Mayerik  
Contact Phone Number: 219-933-2400 x1041

Status of Audit Finding:

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

Theresa A. Mayerik, Assistant Superintendent for Academic Services  
219-933-2400 ext. 1041

“In the future the secretary in the Title II office will always include the administrator overseeing Title II (currently Mrs. Mayerik) on all email related to Title II.” This finding was immediately corrected in April of 2016 and continues to date.

“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.” The binders have been created and viewed in the Title II office.

“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.” This will also make it easier for the auditors to track. Evidence of this process now in place can be found in the binders in the Title II office.

One additional safeguard that has been put into place is a view only access to the substitute portal. This access has enabled our office to place an additional safeguard on the use of our substitute funds and helps us to ensure that only scheduled substitutes that Mrs. Mayerik has approved have been charged to the Title II account.

Theresa A. Mayerik

(Signature)

Assistant Superintendent for Academic Services

(Title)

February 23, 2018

(Date)

Board of School Trustees

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

# School City of Hammond

41 Williams Street • Hammond, IN 46320  
(219) 933-2400 • (219) 933-2495 FAX



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Dr. Walter J. Watkins, Superintendent

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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*Board of School Trustees*

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



Walter J. Watkins Ph.D., Superintendent

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### *FINDING 2015-003 Special Tests and Provisions*

**Fiscal year in which the finding initially occurred:** July 1 2013 – June 30 2015

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

**Contact Person Responsible for Corrective Action:** Christine Clarahan

**Contact Phone Number:** 219-933-2400 extension 1056

Status of Audit Finding:

### *Verification of Free and Reduced Price Applications*

The following procedure was developed and implemented for the verification process of the Free and Reduced Applications:

1. The Department of Food and Nutrition Coordinator runs the verification process using NutriKids software. The NutriKids program calculates how many applications are needed and completes a random selection of Error-prone applications for verification.
2. Selected verification applications are first reviewed by the Department of Food and Nutrition Secretary to complete the confirmation review.
3. Selected applications are then looked up on the IDOE website for Direct Verification by the Coordinator.
4. Remaining applications not verified through Direct Verification are then sent letters to the homes requesting income verification.
5. Families that respond send their information to the Coordinator for manual income calculation and result letters are sent to the homes.
6. Second attempt letters are sent to the homes that haven't responded.
7. After completion, the Coordinator runs the verification summary report from NutriKids and verifies information.
8. The Coordinator enters the information into the CNPweb.
9. The final report is printed, verified and signed by the Director of Food and Nutrition and then submitted to the state.

#### *Board of School Trustees*

Mrs. Deborah White  
Ms. Anna Mamala  
Mr. George Janiec  
Mrs. Marilyn Jones  
Mrs. Cindy Murphy

#### *Administration*

Mrs. Theresa Mayerik, *Assistant Superintendent for Academic Services*  
Mr. Kristopher Rivera, *Assistant to the Superintendent - Human Resources*  
Mr. Theophilus Boone, *Assistant Superintendent for Business Services-Chief Financial Officer*



Walter J. Watkins Ph.D., Superintendent

*Paid Lunch Equity*

The following procedure was developed and implemented for the internal control system of the Paid Lunch Equity form that is submitted to IDOE – School and Community Nutrition.

1. The Director completes the Paid Lunch Equity spreadsheet
2. The information on the completed Paid Lunch Equity spreadsheet is verified by the Department of Food and Nutrition Coordinator and signs their initials on the last page
3. After the Coordinator verifies the information is correct the Director submits the Paid Lunch Equity spreadsheet (and exemption request if an exemption is desired) to the IDOE – School and Community Nutrition.

  
(Signature)

Director of Food and Nutrition  
(Title)

2/21/2018  
(Date)

*Board of School Trustees*

Mrs. Deborah White  
Ms. Anna Mamala  
Mr. George Janiec  
Mrs. Marilyn Jones  
Mrs. Cindy Murphy

*Administration*

Mrs. Theresa Mayerik, *Assistant Superintendent for Academic Services*  
Mr. Kristopher Rivera, *Assistant to the Superintendent - Human Resources*  
Mr. Theophilus Boone, *Assistant Superintendent for Business Services-Chief Financial Officer*



Walter J. Watkins Ph.D., Superintendent

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

***FINDING 2015-004 Equipment and Real Property Management***

**Fiscal year in which the finding initially occurred:** July 1 2013 – June 30 2015

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

**Contact Person Responsible for Corrective Action:** Christine Clarahan

**Contact Phone Number:** 219-933-2400 extension 1056

**Status of Audit Finding:**

The Department of Food and Nutrition works with Buildings and Grounds to track all equipment \$2,500 and over utilizing AssetMAXX software. A procedure was developed (attached) that is followed for any new equipment as well as when any equipment is transferred. Additionally the Department of Food and Nutrition’s secretary now annually reviews all the kitchen’s equipment (≥ \$2,500) and reconciles the asset tags on the equipment to the AssetMAXX database.

The Department of Food and Nutrition works with the Technology Department to track all technology purchases including tagging and inventory on an on-going basis.

A handwritten signature in black ink, appearing to read 'Christine Clarahan', written over a horizontal line.

(Signature)

Director of Food and Nutrition  
(Title)

2/21/2018  
(Date)

***Board of School Trustees***

Mrs. Deborah White  
Ms. Anna Mamala  
Mr. George Janiec  
Mrs. Marilyn Jones  
Mrs. Cindy Murphy

***Administration***

Mrs. Theresa Mayerik, *Assistant Superintendent for Academic Services*  
Mr. Kristopher Rivera, *Assistant to the Superintendent - Human Resources*  
Mr. Theophilus Boone, *Assistant Superintendent for Business Services-Chief Financial Officer*

# Warehouse Receiving & AssetMAXX Procedures for Food Service Equipment

## **NEW EQUIPMENT:**

1. Christine Clarahan will require vendors to provide 24-48 hours notice to the Teamsters (via email) for delivering food service equipment to the warehouse
2. After equipment is received by the Teamsters, the Teamsters will send Christine Clarahan an email alerting her of the successful delivery
3. Rocio Alcantar will prepare the Asset Information Form; Christine Clarahan will sign off on it and send over to Cindy Pramuk at the warehouse
4. Cindy Pramuk will enter the information into AssetMAXX and alert Larry Hardy the equipment is ready to be tagged.
5. Larry Hardy will place the Asset Tag number on the equipment and then email Rocio Alcantar the Asset Tag number he assigned to the equipment
6. After the equipment receives its Asset Tag number Christine Clarahan will put in a work order to have the equipment delivered and installed
7. Once the equipment is delivered, installed, and the work order is closed Christine Clarahan will be automatically alerted of the work order completion via the work order system

## **TRANSFERRING EQUIPMENT:**

1. Prior to any equipment being transferred an Asset Information Form must be filled out, signed by Christine Clarahan and submitted to Cindy Pramuk
2. After paperwork is received by Cindy Pramuk a work order to have the equipment moved will be placed for the Teamsters
3. Prior to moving equipment Teamsters will need to check with Cindy Pramuk to make sure that all the proper paperwork was filled out

*Note: In the summer weeks that Rocio Alcantar is not scheduled to work Christine Clarahan will take on her listed duties.*

**SCHOOL CITY OF HAMMOND  
ASSET INFORMATION  
\$2,500.00 AND OVER**

**PLEASE COMPLETE FORM FOR ALL NEW ACQUISITIONS, DISPOSALS OR TRANSFERS.  
FORWARD TO THE BUILDINGS AND GROUNDS DEPARTMENT.**

**NEW ACQUISITION**

**Please Circle Appropriate Box**

Purchase		Constructed		Donation		Other	
----------	--	-------------	--	----------	--	-------	--

Asset Tag # :	Acquisition Date :
---------------	--------------------

Fund #:	Description :
---------	---------------

P. O. #:	Vendor:
----------	---------

Purchase Price: \$	Manufacturer :
--------------------	----------------

Building :	Model # :
------------	-----------

Room/Area :	Serial # :
-------------	------------

**DISPOSAL**

**Please Circle Appropriate Box**

Auction		Scrap / Salvage		Donated		Other		Stolen		Trade-In		Sold		Vandalized	
---------	--	-----------------	--	---------	--	-------	--	--------	--	----------	--	------	--	------------	--

Asset Tag # :	Disposal Date:
---------------	----------------

Description :	Disposal Value :
---------------	------------------

**TRANSFER**

Asset Tag # :	Transfer Date:
---------------	----------------

Item Description :
--------------------

From Location :	To Location :
-----------------	---------------

**PLEASE SIGN AND DATE BELOW**

Comments (If Applicable) :
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Prepared by:	Date :
--------------	--------

Entered by:	Date :
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# School City of Hammond

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Dr. Walter J. Watkins, Superintendent

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2015-005 – Matching, Earmarking and Reporting***

Federal Award Years: 2013, 2014, 2015  
Pass-Through Entity: Geminus Corporation  
Contact Person Responsible for Corrective Action: Barbara Gustin  
Contact Phone Number: 219-989-7345, ext. 3570

#### Status of Audit Finding:

##### In-Kind Match and Reporting

A protocol was developed and implemented to provide a check and balance system to ensure accurate calculation and reporting of the in-kind match. The protocol was distributed and reviewed with all staff involved in the in-kind collection, recording and calculating process. Following implementation the process was reviewed and minor modifications were made to improve the process. (Protocol is attached.) In addition, a designated staff person has been randomly pulling monthly in-kind documentation and reviewing to ensure calculations have been accurate. Each classroom's monthly in-kind reports and the overall program totals are included in the monthly financial report submitted to SCH Business Services for review and signature.

##### Administrative Earmarking

Administrative-related expenses are being tracked via payroll and ledger reports, P.O.s, and tracking sheets/reports. A spreadsheet has been developed and implemented to track the administrative expenses on a monthly and year-to-date basis. The year-to-date total is subtracted on a monthly basis from the 15% allowable administrative expense, which allows for compliance to be monitored in real-time. The spreadsheet is included in the monthly financial report submitted to SCH Business Services for review and signature. (Spreadsheet for 2016-17 funding year is attached.)

*Barbara G. Gustin*

\_\_\_\_\_  
(Signature)

Head Start Program Director

\_\_\_\_\_  
(Title)

February 22, 2018

\_\_\_\_\_  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart

#### Board of School Trustees

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Dr. Walter J. Watkins, Superintendent

C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b.)

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## SCH Head Start In-Kind Protocol

This protocol has been developed to provide a check and balance system to ensure accurate calculation and reporting of In-kind. The teaching staff person responsible for in-kind will collect and complete Volunteer sheets received from the volunteers. At the end of each week the designated teaching staff person will calculate the number of in-kind hours listed on each sheet. The totals per Volunteer sheet will be entered into a weekly Excel spreadsheet. The hours input into the spreadsheet will be totaled and the totaled spreadsheet will be printed and signed by the staff person completing the spread sheet. The total number of hours from the spreadsheet also will be written on a weekly In-kind Verification sheet. The totaled spreadsheet and Verification sheet will be attached to the In-kind packet that will be delivered by a teaching staff person each Friday by 3:00 p.m. In the event the packet cannot be delivered due to a programmatic issue (i.e. classes in session on a Friday, staff training/professional development, holiday, cancellation of school/work) the packet will be delivered by the end of the day the following work day.

The packet will include in this order:

- Weekly In-kind Verification form signed by staff person completing the form (FSS documents date received)
- Excel spreadsheet with Volunteer Log totals
- Volunteer Logs collected and totaled for the week

Weekly submission of the In-kind packet is designed to allow accurate, real-time calculation of volunteer hours. In the event that a Volunteer Log(s) was not included in the weekly packet in which the volunteer time occurred, the Teacher will provide written documentation explaining why the omission occurred and what steps will be taken so an omission does not occur in the future. The written documentation will be attached to the packet in which the omission is being added and a copy submitted to the Program Director.

**The packet MUST BE stapled or binder clipped together. Paper clipped packets WILL NOT BE accepted.**

The completed weekly packet will be delivered to the Family Support Specialist (FSS) assigned to the classroom/session. The assigned FSS will count the totaled sheets and enter the totaled hours on an Excel spreadsheet. The Excel spreadsheet must have the name of the classroom at the top of each spreadsheet page. The totaled spreadsheet will be printed out and signed by the FSS staff person. The totaled number of hours also will be written on a monthly In-kind Verification sheet. The monthly In-kind Verification sheet and the monthly Excel spreadsheet will be submitted to the Family Services Coordinator by the 3rd of the following month (e.g. April totals submitted by May 3). **FSS staff will maintain their sites monthly packet using binder clips (each week binder clipped separately which will then be binder clipped by the month).** Each week's packet will be maintained with the weekly cover sheet and weekly Excel sheet as completed by teaching staff. FSS staff will put a copy of the monthly Excel spreadsheet and the monthly Verification sheet attached to the total packet. The packet will include in this order:

April 2016; Modified December 2016; Modified August 2017

- **Monthly In-kind Verification form signed by FSS staff person**
- **Monthly Excel spreadsheet with Volunteer Log totals**
- **Weekly Volunteer Log packets (binder clipped by week, then by month)**

**In the event that the two Excel spreadsheet calculations (teaching staff and FSS) 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.**

**The Volunteer Recruitment and Engagement Point Person will audit the monthly volunteer packets (completed by end of the third week of following month). The Family Services Coordinator will be informed regarding any discrepancies and will forward the information to the Program Director.**

**D and A Costs  
2016-17**

	16-Feb	16-Mar	16-Apr	16-May	16-Jun	16-Jul	16-Aug	16-Sep	16-Oct	16-Nov	16-Dec	17-Jan	17-Feb	17-Mar	17-Apr	Year to Date
Salary	\$ 5,041.90	\$ 5,122.18	\$ 5,041.90	\$ 5,122.18	\$ 5,095.42	\$ 4,988.38	\$ 4,988.38	\$ 8,522.68	\$ 5,239.52	\$ 5,116.94	\$ 5,185.04	\$ 5,776.19	\$ 3,675.78	\$ -	\$ -	\$ 68,916.49
Fringe	\$ 2,635.59	\$ 2,615.33	\$ 2,597.80	\$ 2,615.34	\$ 2,613.32	\$ 2,593.76	\$ 2,593.76	\$ 4,118.94	\$ 2,649.66	\$ 2,622.87	\$ 2,638.00	\$ 2,757.81	\$ 1,567.22	\$ -	\$ -	\$ 34,619.40
Travel	\$ -	\$ 42.56	\$ 450.92	\$ 48.18	\$ 224.28	\$ 92.55		\$ 122.77		\$ 139.94			\$ 147.19	\$ -	\$ -	\$ 1,268.39
Supplies								\$ 104.60	\$ 60.63				\$ 583.81	\$ 1,018.31	\$ -	\$ 749.04
Equipment													\$ 179.89	\$ -	\$ -	
Monthly Total	\$ 7,677.49	\$ 7,780.07	\$ 8,090.62	\$ 7,785.70	\$ 7,933.02	\$ 7,674.69	\$ 7,582.14	\$ 12,868.99	\$ 7,949.81	\$ 7,879.75	\$ 7,823.04	\$ 8,534.00	\$ 5,974.00	\$ 1,198.20	\$ -	\$ 106,751.52

	Year to Date	Available
Total Award	15% D&A Costs	D&A Balance
\$ 1,242,425.00	\$ 186,363.75	\$ 106,751.52
		\$ 79,612.23

September 2016 - Includes 3 pay periods and retroactive COLA (from February 1, 2016)

# School City of Hammond

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

FAX: (219) 554-4504 \* WEB: <http://hammond.k12.in.us>

Dr. Walter J. Watkins, Superintendent



## CORRECTIVE ACTION PLAN

### *FINDING 2017-001*

**Contact Person Responsible for Corrective Action:** Christine Clarahan

**Contact Phone Number:** 219-933-2400 extension 1056

All School Board approved contracts that meet the terms set forth in the original contract for one of the contract extension periods will be put before the School Board for approval.

This was not previously done as the original contract that the School Board approved contained language and terms for contract extension which the Director of Food and Nutrition would execute pending all terms and conditions were met.

Beginning in July 2017 the Director of Food and Nutrition has been keeping procurement binders with the type of procurement method used, the necessary quotes, as well as the decision rationale for department procurement.

**Anticipated Completion Date:** 4/23/2018

A handwritten signature in black ink, appearing to read 'Christine Clarahan', written over a horizontal line.

(Signature)

Director of Food and Nutrition

(Title)

4/23/2018

(Date)

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### *Board of School Trustees*

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Deborah White  
Cindy Murphy  
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Dr. Walter J. Watkins, Superintendent

## CORRECTIVE ACTION PLAN

### ***FINDING 2017-002***

Contact Person Responsible for Corrective Action: Catherine Danko  
Contact Phone Number: 219.933.2400 ext.1062

We concur with the finding.

Description of Corrective Action Plan:

1. Going forward, the Title One office will obtain price or rate quotes for purchases of goods or services exceeding \$3,500 from an adequate number of sources.
2. It will be noted on the purchase order requisition that quotes were obtained and are on file in the Title One office.
3. If there is only a single source provider available for the purchase of goods or services, that will be noted on the purchase order requisition as well.

Anticipated Completion Date: Effective immediately

Catherine Danko

Catherine Danko

Director of Title One

April 23, 2018

*Board of School Trustees*

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Dr. Walter J. Watkins, Superintendent

## CORRECTIVE ACTION PLAN

### ***FINDING 2017-003***

Contact Person Responsible for Corrective Action: Catherine Danko  
Contact Phone Number: 219.933.2400 ext.1062

We concur with the finding.

Description of Corrective Action Plan:

1. Per Dr. Watkins, Superintendent of Schools, Student Services will develop districtwide procedures for student withdrawals and a system of controls to ensure that all schools are in compliance with the districtwide withdrawal processes.

Anticipated Completion Date: May 25, 2018

Catherine Danko

Catherine Danko

Director of Title One

April 23, 2018

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Dr. Walter J. Watkins, Superintendent

## CORRECTIVE ACTION PLAN

### ***FINDING 2017-004***

Contact Person Responsible for Corrective Action: Catherine Danko  
Contact Phone Number: 219.933.2400 ext.1062

We concur with the finding.

Description of Corrective Action Plan:

1. After the Comparability Report is completed by Catherine Danko, she will then send it to either the Executive Director of Business Services or the Chief Financial Officer for review and signature.

Anticipated Completion Date: Effective immediately.

Catherine Danko

Catherine Danko

Director of Title One

April 23, 2018

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Dr. Walter J. Watkins, Superintendent

## CORRECTIVE ACTION PLAN

### **FINDING 2017-005**

Contact Person Responsible for Corrective Action:  
Scott E. Miller, CTE Director-District 2/Area Career Center Principal/Carl Perkins Administrator

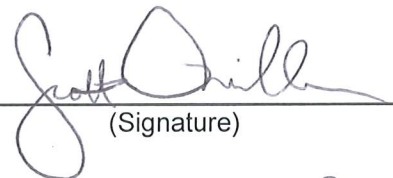
Contact Phone Number: (219) 933-2428 Ext.1910

Views of Responsible Official: The CTE Director/Carl Perkins Administrator concurs with the finding 2017-005 that the Final Expenditure Report did not have the written approval of the authorized Perkins Administrator and only had the written approval of the Superintendent of School City of Hammond, Dr. Watkins. The findings also indicate that the Perkins Administrator Reimbursement forms were not properly reviewed by the Perkins Grant Administrator.

Description of Corrective Action Plan: The CTE Director/Carl Perkins Administrator will indicate the review and approval of the Final Expenditure Report for the Carl Perkins Grant by his or her signature and date, in addition to the signature and date of the Superintendent of School City of Hammond. In addition, the Final Expenditure Report will be presented to the School City of Hammond Office of Business Services for their review.

Before signing the Perkins Reimbursement forms, the grant administrator will verify by his or her signature that the receipts match the Perkins Reimbursement form which also coincide with the Balance by Fund as indicated by the SCH financial system. In addition, this reimbursement will be presented to the School City of Hammond Office of Business Services for their review.

Anticipated Completion Date: 4/26/2018

  
\_\_\_\_\_  
(Signature)

CTE DIRECTOR, ACC PRINCIPAL, PERKINS ADMIN.  
\_\_\_\_\_  
(Title)

4/24/18  
\_\_\_\_\_  
(Date)

### *Board of School Trustees*

Anna Mamala  
Rebecca Ward  
Deborah White  
Cindy Murphy  
George T. Janiec

#### 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/>.