

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

SCHOOL CITY OF WHITING
LAKE COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
03/27/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	11
Notes to Financial Statement	12-18
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	21-30
Schedule of Payables and Receivables	31
Schedule of Leases and Debt	32
Schedule of Capital Assets.....	33
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance	36-37
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	40-41
Notes to Schedule of Expenditures of Federal Awards	42
Schedule of Findings and Questioned Costs	43-45
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	48-51
Corrective Action Plan	52-53
Other Reports.....	54

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kim Pusateri	07-01-16 to 06-30-19
Superintendent of Schools	Cynthia Scroggins	07-01-16 to 06-30-19
President of the School Board	Kathy Murzyn Jeremiah Moynihan Nicole Davenport	07-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-19



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the School City of Whiting (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free 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, 2016 to June 30, 2018.

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, 2016 to June 30, 2018, 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 February 25, 2019, 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

February 25, 2019



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the School City of Whiting (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2016 to June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated February 25, 2019, 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

February 25, 2019

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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SCHOOL CITY OF WHITING
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2017 and 2018

Fund	Cash and Investments 07-01-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-18
General	\$ 2,314,003	\$ 8,251,229	\$ 8,546,516	\$ 22,164	\$ 2,040,880	\$ 8,450,101	\$ 8,417,610	\$ 15,859	\$ 2,089,230
Debt Service	379,002	559,864	625,823	(16,005)	297,038	640,468	669,579	(26,526)	241,401
Exempt Debt	78,888	-	-	-	78,888	-	-	-	78,888
Capital Projects	1,175,081	1,227,477	1,220,608	9,780	1,191,730	1,288,124	1,044,902	(337,507)	1,097,445
School Transportation	256,284	516,206	349,118	-	423,372	549,110	338,009	(200,000)	434,473
School Bus Replacement	458,103	56,896	98,599	-	416,400	61,538	158,796	-	319,142
Rainy Day	3,997,749	-	-	-	3,997,749	-	342,836	550,000	4,204,913
Post-Retirement/Severance Future Benefits	3,332,254	-	98,777	-	3,233,477	-	209,265	-	3,024,212
GO Bond 2015	264,392	-	151,282	-	113,110	-	113,110	-	-
School Lunch	68,362	633,490	602,696	-	99,156	652,936	585,869	-	166,223
Textbook Rental	(48,967)	395,039	501,458	16,005	(139,381)	557,148	443,228	26,526	1,065
Self-Insurance	667,130	1,797,787	1,539,724	-	925,193	1,942,602	2,564,917	-	302,878
Levy Excess	144	-	-	-	144	-	-	-	144
School Intervention and Career Counseling	-	30,000	11,629	-	18,371	-	18,371	-	-
Recreational Activities	-	-	-	-	-	-	-	-	-
Drama Grant - City	829	-	829	-	-	-	-	-	-
Stem Grant B.P.	2,742	15,000	7,754	-	9,988	15,000	3,944	-	21,044
Technology Grant - City	20,555	50,000	-	-	70,555	50,000	9,546	-	111,009
Welfare Activities	-	100	-	-	100	-	-	-	100
Weight Room	-	-	-	-	-	2,100	-	-	2,100
Buckley Wall of Fame	59	75	-	-	134	-	-	-	134
Top Ten	-	385	175	-	210	565	775	-	-
Instructional Support	-	4,885	2,858	-	2,027	4,354	4,114	-	2,267
Formative Assessment	-	12,042	-	(9,780)	2,262	11,547	4,182	(9,627)	-
Instruction Support	3,417	29,141	26,138	-	6,420	29,295	29,371	-	6,344
Economic Education Mini Grant	-	-	-	-	-	1,200	485	-	715
Computer Consortium/Ed Tech Advance	-	217,886	217,886	-	-	114,700	151,619	-	(36,919)
Medicaid Reimbursement	1,194	24,383	-	(22,164)	3,413	15,501	-	(15,859)	3,055
Secured Schools Safety Grant	(22,253)	39,098	53,798	-	(36,953)	36,953	15,201	-	(15,201)
Extra-Curricular Activities	-	1,307	1,307	-	-	792	792	-	-
Non-English Speaking Programs	1,378	27,956	28,788	-	546	31,105	26,833	-	4,818
School Technology	1,164	6,308	6,301	-	1,171	7,770	6,547	-	2,394
Technology Grants [IC 20-40-15]	-	12,426	12,426	-	-	8,773	5,096	(2,866)	811
21st Century Scholars	-	-	-	-	-	-	240	-	(240)
Miscellaneous Programs	-	10,000	-	-	10,000	12,336	14,881	-	7,455
Innovation Plan	-	-	5,907	-	(5,907)	30,000	24,093	-	-
Title I	(6,657)	186,925	180,755	-	(487)	167,553	194,716	-	(27,650)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	(9,811)	239,255	255,109	-	(25,665)	244,710	244,656	-	(25,611)
Title IV, Part A	-	-	-	-	-	-	769	-	(769)
Medicaid Reimbursement - Federal	21,706	55,180	46,634	-	30,252	39,119	44,104	-	25,267
Improving Teacher Quality, No Child Left, Title II, Part A	(825)	18,394	20,583	-	(3,014)	42,505	56,227	-	(16,736)
Title III - English Proficiency Migrant	(1,544)	20,587	22,896	-	(3,853)	16,218	14,632	-	(2,267)
Payroll Withholdings	-	1,875,924	1,875,924	-	-	1,895,619	1,895,619	-	-
Prepaid Lunch	2,366	6,921	5,836	-	3,451	5,288	4,241	-	4,498
Totals	\$ 12,956,745	\$ 16,322,166	\$ 16,518,134	\$ -	\$ 12,760,777	\$ 16,925,030	\$ 17,659,175	\$ -	\$ 12,026,632

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

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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 WHITING
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.

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

Other receipts. 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 service. 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.

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

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Other Financing Sources and Uses

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

Transfers in. 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.

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation to invest in securities including, but not limited to, 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

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. Most of these are a result of the funds being set up for reimbursable grants. The Textbook Rental fund deficit is a result of the timing of the state textbook reimbursement. The reimbursement for expenditures made by the School Corporation were not received by June 30, 2017 and 2018.

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. Holding Corporation

The School Corporation has entered into a capital lease with the School City of Whiting 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 2017 and 2018 totaled \$66,000 each year.

Note 9. Other Postemployment Benefits

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

Retirees - Teachers with a minimum of 15 years of employment at age 50 will receive severance pay - Plan A \$100 per day times unused sick days, or Plan B \$150 for each full year of full-time service. Upon retiring, the \$50,000 term life insurance policy shall be converted to a term policy with a face value of 25 percent the original amount. For retirees who retire on or before June 30, 2017, with 15 years of service, the School Board will provide single plan health insurance coverage at no cost until the retiree becomes eligible for Medicare. Or, if the retiree so chooses, a family plan may be purchased by the retiree paying the difference between the single and family plan. For retirees who retired after July 1, 2017, the School Board will provide to the retiree who qualifies for a full pension under Indiana Teachers' Retirement Fund, and who has a minimum of 15 years of service in the School Corporation, single plan health insurance coverage until the retiree becomes eligible for Medicare. The School Corporation will pay 80 percent of the single plan coverage and each retiree insured will pay 20 percent of the premium. If the retiree chooses a family plan, the retiree will pay the full additional cost difference between the single plan and the family plan.

Early Retirement - An individual teacher may qualify for early retirement benefits from age 50 until the day they are eligible for reduced Social Security benefits. To qualify, he/she must have a minimum of 15 years of service in the School Corporation. Upon retiring, the teacher will receive \$10,000 per year in biweekly payments for two consecutive years, or until the date the retiree is eligible for reduced Social Security benefits. The same single insurance benefits apply for early retirees that normal retirees receive as listed above.

A. Twelve-Month Employees:

1. An employee shall be eligible for severance pay if he or she has:
 - a. A minimum of 10 consecutive years of experience in the School Corporation;
 - b. Attained the age of 55;
 - c. Resigned while in good standing;
 - d. Given the Superintendent advance notice in writing by May 1 of the year preceding the resignation including the reason for this resignation/severance.
 - e. Been categorized as a 12 month or contracted employee.
2. An employee shall be ineligible for severance if he or she:
 - a. Is discharged for cause;

SCHOOL CITY OF WHITING
NOTES TO FINANCIAL STATEMENT
(Continued)

- b. Fails to return to work on schedule following a leave of absence or vacation.
- 3. Severance pay shall be calculated at the rate of \$155 per year of service in the School Corporation, up to a maximum of 30 years. In addition, \$30 will be paid to the employee for each day of sick leave the employee has accumulated at retirement up to a maximum of 300 days.
- 4. The School Corporation will pay the single premium of health insurance for any support staff employee who retires at or after the age of 62 prior to June 30, 2017. For eligible support staff who retire at or after the age of 62 after July 1, 2017, the School Corporation will provide a single plan health insurance plan with an 80 percent and 20 percent split. The School Corporation will pay 80 percent of the single premium and the insured retiree will pay 20 percent of his/her premium. This benefit will terminate when the employee is eligible for Medicare. This benefit only applies to employees who have worked a minimum of 10 consecutive years with the School Corporation and must have been previously covered under the school health plan at the time of retirement.
- 5. Also, at the time of retirement, if an employee is eligible for severance (contracted or twelve-month support employee who meets the criteria listed above), the School Corporation will pay the premium on a \$5,000 term life insurance policy for the duration of the employee's life.
- 6. Employee will be paid out any remaining leave time on their last paycheck.

B. Nine-Month Employees:

Nine-month employees will be recognized by the School Corporation when retiring or resigning from the School Corporation. The employee must have a minimum of 10 years, attained the age of 55, and resign in good standing.

These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://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.

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

	General	Debt Service	Exempt Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/Severance Future Benefits	GO Bond 2015
Cash and investments - beginning	\$ 2,314,003	\$ 379,002	\$ 78,888	\$ 1,175,081	\$ 256,284	\$ 458,103	\$ 3,997,749	\$ 3,332,254	\$ 264,392
Receipts:									
Local sources	102,533	559,864	-	1,226,795	516,206	56,896	-	-	-
Intermediate sources	28,662	-	-	-	-	-	-	-	-
State sources	7,883,709	-	-	682	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	236,000	-	-	-	-	-	-	-	-
Other receipts	325	-	-	-	-	-	-	-	-
Total receipts	8,251,229	559,864	-	1,227,477	516,206	56,896	-	-	-
Disbursements:									
Instruction	4,998,466.00	-	-	-	-	-	-	-	-
Support services	3,092,719	-	-	695,306	347,969	98,599	-	98,777	5,912
Noninstructional services	219,331	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	525,302	1,149	-	-	-	145,370
Debt service	-	625,823	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	236,000	-	-	-	-	-	-	-	-
Total disbursements	8,546,516	625,823	-	1,220,608	349,118	98,599	-	98,777	151,282
Excess (deficiency) of receipts over disbursements	(295,287)	(65,959)	-	6,869	167,088	(41,703)	-	(98,777)	(151,282)
Other financing sources (uses):									
Transfers in	22,164	-	-	9,780	-	-	-	-	-
Transfers out	-	(16,005)	-	-	-	-	-	-	-
Total other financing sources (uses)	22,164	(16,005)	-	9,780	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(273,123)	(81,964)	-	16,649	167,088	(41,703)	-	(98,777)	(151,282)
Cash and investments - ending	\$ 2,040,880	\$ 297,038	\$ 78,888	\$ 1,191,730	\$ 423,372	\$ 416,400	\$ 3,997,749	\$ 3,233,477	\$ 113,110

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

	School Lunch	Textbook Rental	Self-Insurance	Levy Excess	School Intervention and Career Counseling	Recreational Activities	Drama Grant - City	Stem Grant B.P.	Technology Grant - City
Cash and investments - beginning	\$ 68,362	\$ (48,967)	\$ 667,130	\$ 144	\$ -	\$ -	\$ 829	\$ 2,742	\$ 20,555
Receipts:									
Local sources	196,282	101,497	1,797,787	-	30,000	-	-	15,000	50,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	3,802	57,542	-	-	-	-	-	-	-
Federal sources	433,068	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	236,000	-	-	-	-	-	-	-
Other receipts	338	-	-	-	-	-	-	-	-
Total receipts	633,490	395,039	1,797,787	-	30,000	-	-	15,000	50,000
Disbursements:									
Instruction	-	212,276	-	-	-	-	-	-	-
Support services	10,775	53,182	-	-	11,629	-	829	7,754	-
Noninstructional services	591,617	-	-	-	-	-	-	-	-
Facilities acquisition and construction	304	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,539,724	-	-	-	-	-	-
Interfund loans	-	236,000	-	-	-	-	-	-	-
Total disbursements	602,696	501,458	1,539,724	-	11,629	-	829	7,754	-
Excess (deficiency) of receipts over disbursements	30,794	(106,419)	258,063	-	18,371	-	(829)	7,246	50,000
Other financing sources (uses):									
Transfers in	-	16,005	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	16,005	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	30,794	(90,414)	258,063	-	18,371	-	(829)	7,246	50,000
Cash and investments - ending	\$ 99,156	\$ (139,381)	\$ 925,193	\$ 144	\$ 18,371	\$ -	\$ -	\$ 9,988	\$ 70,555

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

	Welfare Activities	Weight Room	Buckley Wall of Fame	Top Ten	Instructional Support	Formative Assessment	Instruction Support	Economic Education Mini Grant	Computer Consortium/ Ed Tech Advance
Cash and investments - beginning	\$ -	\$ -	\$ 59	\$ -	\$ -	\$ -	\$ 3,417	\$ -	\$ -
Receipts:									
Local sources	100	-	75	385	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	4,885	12,042	29,141	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	217,886
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	100	-	75	385	4,885	12,042	29,141	-	217,886
Disbursements:									
Instruction	-	-	-	175	2,858	-	-	-	-
Support services	-	-	-	-	-	-	26,138	-	217,886
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	175	2,858	-	26,138	-	217,886
Excess (deficiency) of receipts over disbursements	100	-	75	210	2,027	12,042	3,003	-	-
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(9,780)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(9,780)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	100	-	75	210	2,027	2,262	3,003	-	-
Cash and investments - ending	\$ 100	\$ -	\$ 134	\$ 210	\$ 2,027	\$ 2,262	\$ 6,420	\$ -	\$ -

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

	Medicaid Reimbursement	Secured Schools Safety Grant	Extra- Curricular Activities	Non-English Speaking Programs	School Technology	Technology Grants [IC 20-40-15]	21st Century Scholars	Miscellaneous Programs	Innovation Plan
Cash and investments - beginning	\$ 1,194	\$ (22,253)	\$ -	\$ 1,378	\$ 1,164	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	1,307	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	10,000	-
State sources	24,383	39,098	-	27,956	6,308	-	-	-	-
Federal sources	-	-	-	-	-	12,426	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	24,383	39,098	1,307	27,956	6,308	12,426	-	10,000	-
Disbursements:									
Instruction	-	-	-	28,788	-	12,426	-	-	-
Support services	-	53,798	75	-	6,301	-	-	-	5,907
Noninstructional services	-	-	1,232	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	53,798	1,307	28,788	6,301	12,426	-	-	5,907
Excess (deficiency) of receipts over disbursements	24,383	(14,700)	-	(832)	7	-	-	10,000	(5,907)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(22,164)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(22,164)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,219	(14,700)	-	(832)	7	-	-	10,000	(5,907)
Cash and investments - ending	\$ 3,413	\$ (36,953)	\$ -	\$ 546	\$ 1,171	\$ -	\$ -	\$ 10,000	\$ (5,907)

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

	Title I	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Title IV, Part A	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - English Proficiency Migrant	Payroll Withholdings	Prepaid Lunch	Totals
Cash and investments - beginning	\$ (6,657)	\$ (9,811)	\$ -	\$ 21,706	\$ (825)	\$ (1,544)	\$ -	\$ 2,366	\$ 12,956,745
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,654,727
Intermediate sources	-	-	-	-	-	-	-	-	38,662
State sources	-	-	-	-	-	-	-	-	8,089,548
Federal sources	186,925	239,255	-	55,180	18,394	20,587	-	-	965,835
Temporary loans	-	-	-	-	-	-	-	-	217,886
Interfund loans	-	-	-	-	-	-	-	-	472,000
Other receipts	-	-	-	-	-	-	1,875,924	6,921	1,883,508
Total receipts	186,925	239,255	-	55,180	18,394	20,587	1,875,924	6,921	16,322,166
Disbursements:									
Instruction	108,815	255,109	-	28,197	-	22,896	-	-	5,670,006
Support services	71,940	-	-	18,437	20,583	-	-	-	4,844,516
Noninstructional services	-	-	-	-	-	-	-	-	812,180
Facilities acquisition and construction	-	-	-	-	-	-	-	-	672,125
Debt service	-	-	-	-	-	-	-	-	625,823
Nonprogrammed charges	-	-	-	-	-	-	1,875,924	5,836	3,421,484
Interfund loans	-	-	-	-	-	-	-	-	472,000
Total disbursements	180,755	255,109	-	46,634	20,583	22,896	1,875,924	5,836	16,518,134
Excess (deficiency) of receipts over disbursements	6,170	(15,854)	-	8,546	(2,189)	(2,309)	-	1,085	(195,968)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	47,949
Transfers out	-	-	-	-	-	-	-	-	(47,949)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,170	(15,854)	-	8,546	(2,189)	(2,309)	-	1,085	(195,968)
Cash and investments - ending	\$ (487)	\$ (25,665)	\$ -	\$ 30,252	\$ (3,014)	\$ (3,853)	\$ -	\$ 3,451	\$ 12,760,777

SCHOOL CITY OF WHITING
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	General	Debt Service	Exempt Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post-Retirement/Severance Future Benefits	GO Bond 2015
Cash and investments - beginning	\$ 2,040,880	\$ 297,038	\$ 78,888	\$ 1,191,730	\$ 423,372	\$ 416,400	\$ 3,997,749	\$ 3,233,477	\$ 113,110
Receipts:									
Local sources	111,586	640,468	-	1,288,124	549,110	61,538	-	-	-
Intermediate sources	23,900	-	-	-	-	-	-	-	-
State sources	8,054,116	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	258,000	-	-	-	-	-	-	-	-
Other receipts	2,499	-	-	-	-	-	-	-	-
Total receipts	8,450,101	640,468	-	1,288,124	549,110	61,538	-	-	-
Disbursements:									
Instruction	4,767,264	-	-	-	-	-	342,836	-	-
Support services	3,022,682	-	-	671,314	338,009	158,796	-	209,265	-
Noninstructional services	214,664	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	373,588	-	-	-	-	113,110
Debt service	-	669,579	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	413,000	-	-	-	-	-	-	-	-
Total disbursements	8,417,610	669,579	-	1,044,902	338,009	158,796	342,836	209,265	113,110
Excess (deficiency) of receipts over disbursements	32,491	(29,111)	-	243,222	211,101	(97,258)	(342,836)	(209,265)	(113,110)
Other financing sources (uses):									
Transfers in	15,859	-	-	12,493	-	-	550,000	-	-
Transfers out	-	(26,526)	-	(350,000)	(200,000)	-	-	-	-
Total other financing sources (uses)	15,859	(26,526)	-	(337,507)	(200,000)	-	550,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	48,350	(55,637)	-	(94,285)	11,101	(97,258)	207,164	(209,265)	(113,110)
Cash and investments - ending	\$ 2,089,230	\$ 241,401	\$ 78,888	\$ 1,097,445	\$ 434,473	\$ 319,142	\$ 4,204,913	\$ 3,024,212	\$ -

SCHOOL CITY OF WHITING
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	School Intervention and Career Counseling	Recreational Activities	Drama Grant - City	Stem Grant B.P.	Technology Grant - City
Cash and investments - beginning	\$ 99,156	\$ (139,381)	\$ 925,193	\$ 144	\$ 18,371	\$ -	\$ -	\$ 9,988	\$ 70,555
Receipts:									
Local sources	200,216	87,173	1,942,602	-	-	-	-	15,000	50,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	4,275	56,975	-	-	-	-	-	-	-
Federal sources	448,245	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	413,000	-	-	-	-	-	-	-
Other receipts	200	-	-	-	-	-	-	-	-
Total receipts	652,936	557,148	1,942,602	-	-	-	-	15,000	50,000
Disbursements:									
Instruction	-	150,945	-	-	-	-	-	-	-
Support services	14,456	34,283	-	-	18,371	-	-	3,944	9,546
Noninstructional services	571,413	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	2,564,917	-	-	-	-	-	-
Interfund loans	-	258,000	-	-	-	-	-	-	-
Total disbursements	585,869	443,228	2,564,917	-	18,371	-	-	3,944	9,546
Excess (deficiency) of receipts over disbursements	67,067	113,920	(622,315)	-	(18,371)	-	-	11,056	40,454
Other financing sources (uses):									
Transfers in	-	26,526	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	26,526	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	67,067	140,446	(622,315)	-	(18,371)	-	-	11,056	40,454
Cash and investments - ending	\$ 166,223	\$ 1,065	\$ 302,878	\$ 144	\$ -	\$ -	\$ -	\$ 21,044	\$ 111,009

SCHOOL CITY OF WHITING
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Welfare Activities	Weight Room	Buckley Wall of Fame	Top Ten	Instructional Support	Formative Assessment	Instruction Support	Economic Education Mini Grant	Computer Consortium/ Ed Tech Advance
Cash and investments - beginning	\$ 100	\$ -	\$ 134	\$ 210	\$ 2,027	\$ 2,262	\$ 6,420	\$ -	\$ -
Receipts:									
Local sources	-	2,100	-	565	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	1,200	-
State sources	-	-	-	-	4,354	11,547	29,295	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	114,700
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	2,100	-	565	4,354	11,547	29,295	1,200	114,700
Disbursements:									
Instruction	-	-	-	775	4,114	-	-	-	-
Support services	-	-	-	-	-	4,182	29,371	485	151,619
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	775	4,114	4,182	29,371	485	151,619
Excess (deficiency) of receipts over disbursements	-	2,100	-	(210)	240	7,365	(76)	715	(36,919)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(9,627)	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(9,627)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,100	-	(210)	240	(2,262)	(76)	715	(36,919)
Cash and investments - ending	\$ 100	\$ 2,100	\$ 134	\$ -	\$ 2,267	\$ -	\$ 6,344	\$ 715	\$ (36,919)

SCHOOL CITY OF WHITING
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Medicaid Reimbursement	Secured Schools Safety Grant	Extra- Curricular Activities	Non-English Speaking Programs	School Technology	Technology Grants [IC 20-40-15]	21st Century Scholars	Miscellaneous Programs	Innovation Plan
Cash and investments - beginning	\$ 3,413	\$ (36,953)	\$ -	\$ 546	\$ 1,171	\$ -	\$ -	\$ 10,000	\$ (5,907)
Receipts:									
Local sources	-	-	792	-	-	-	-	2,336	-
Intermediate sources	-	-	-	-	-	-	-	10,000	-
State sources	15,501	36,953	-	31,105	7,770	8,773	-	-	30,000
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	15,501	36,953	792	31,105	7,770	8,773	-	12,336	30,000
Disbursements:									
Instruction	-	-	-	26,833	-	5,096	-	6,462	-
Support services	-	15,201	75	-	6,547	-	240	8,419	24,093
Noninstructional services	-	-	717	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	15,201	792	26,833	6,547	5,096	240	14,881	24,093
Excess (deficiency) of receipts over disbursements	15,501	21,752	-	4,272	1,223	3,677	(240)	(2,545)	5,907
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(15,859)	-	-	-	-	(2,866)	-	-	-
Total other financing sources (uses)	(15,859)	-	-	-	-	(2,866)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(358)	21,752	-	4,272	1,223	811	(240)	(2,545)	5,907
Cash and investments - ending	\$ 3,055	\$ (15,201)	\$ -	\$ 4,818	\$ 2,394	\$ 811	\$ (240)	\$ 7,455	\$ -

SCHOOL CITY OF WHITING
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2018

	Title I	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Title IV, Part A	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title III - English Proficiency Migrant	Payroll Withholdings	Prepaid Lunch	Totals
Cash and investments - beginning	\$ (487)	\$ (25,665)	\$ -	\$ 30,252	\$ (3,014)	\$ (3,853)	\$ -	\$ 3,451	\$ 12,760,777
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,951,610
Intermediate sources	-	-	-	-	-	-	-	-	35,100
State sources	-	-	-	-	-	-	-	-	8,290,664
Federal sources	167,553	244,710	-	39,119	42,505	16,218	-	-	958,350
Temporary loans	-	-	-	-	-	-	-	-	114,700
Interfund loans	-	-	-	-	-	-	-	-	671,000
Other receipts	-	-	-	-	-	-	1,895,619	5,288	1,903,606
Total receipts	167,553	244,710	-	39,119	42,505	16,218	1,895,619	5,288	16,925,030
Disbursements:									
Instruction	111,684	244,656	769	28,416	2,954	14,632	-	-	5,707,436
Support services	83,032	-	-	15,688	53,273	-	-	-	4,872,891
Noninstructional services	-	-	-	-	-	-	-	-	786,794
Facilities acquisition and construction	-	-	-	-	-	-	-	-	486,698
Debt service	-	-	-	-	-	-	-	-	669,579
Nonprogrammed charges	-	-	-	-	-	-	1,895,619	4,241	4,464,777
Interfund loans	-	-	-	-	-	-	-	-	671,000
Total disbursements	194,716	244,656	769	44,104	56,227	14,632	1,895,619	4,241	17,659,175
Excess (deficiency) of receipts over disbursements	(27,163)	54	(769)	(4,985)	(13,722)	1,586	-	1,047	(734,145)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	604,878
Transfers out	-	-	-	-	-	-	-	-	(604,878)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(27,163)	54	(769)	(4,985)	(13,722)	1,586	-	1,047	(734,145)
Cash and investments - ending	\$ (27,650)	\$ (25,611)	\$ (769)	\$ 25,267	\$ (16,736)	\$ (2,267)	\$ -	\$ 4,498	\$ 12,026,632

SCHOOL CITY OF WHITING
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 834,599</u>	<u>\$ -</u>

SCHOOL CITY OF WHITING
SCHEDULE OF LEASES AND DEBT
June 30, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: School City of Whiting Building Corporation	Whiting High School Renovations	\$ 65,000	12/31/2013	12/31/2024

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	GO Bond 2012 Energy	\$ 545,000	\$ 367,828
General obligation bonds	GO Bond 2015	1,080,000	35,900
Notes and loans payable	Common School Loan Technology A1720	30,480	20,574
Notes and loans payable	Common School Loan Technology A1701	10,190	10,241
Notes and loans payable	Common School Loan Technology A1801	40,640	20,676
Notes and loans payable	Common School Loan Technology A1858	53,350	21,820
Notes and loans payable	Common School Loan Technology A1907	55,000	22,495
Notes and loans payable	Common School Loan Technology A1963	75,985	22,416
Notes and loans payable	Common School Loan Technology A2838	86,800	22,514
Notes and loans payable	Common School Loan Technology A2870	98,447	22,807
Notes and loans payable	Common School Loan Technology A2965	114,700	12,249
Totals		<u>\$ 2,190,592</u>	<u>\$ 579,520</u>

SCHOOL CITY OF WHITING
SCHEDULE OF CAPITAL ASSETS
June 30, 2018

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	\$ 446,368
Buildings	30,329,782
Improvements other than buildings	7,533,557
Machinery, equipment, and vehicles	<u>4,269,498</u>
Total capital assets	<u>\$ 42,579,205</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for the Major Federal Program

We have audited the School City of Whiting'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 its major federal program for the period of July 1, 2016 to June 30, 2018. The School Corporation's major federal program is 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 the School Corporation's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on the Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the period of July 1, 2016 to June 30, 2018.

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

Report on Internal Control over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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 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 item 2018-001, that we consider to be a material weakness.

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

February 25, 2019

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

SCHOOL CITY OF WHITING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

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 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast			FY 16-17	\$ -	\$ 59,083	\$ -	\$ -
School Breakfast			FY 17-18	-	-	-	61,349
Total - School Breakfast Program				-	59,083	-	61,349
National School Lunch Program							
School Lunch	Indiana Department of Education	10.555					
School Lunch			FY 16-17	-	350,494	-	-
School Lunch			FY 17-18	-	-	-	360,868
School Lunch - Commodities			FY 16-17	-	48,685	-	-
School Lunch - Commodities			FY 17-18	-	-	-	48,197
Total - National School Lunch Program				-	399,179	-	409,065
Special Milk Program for Children							
Milk Program	Indiana Department of Education	10.556					
Milk Program			FY 16-17	-	1,134	-	-
Milk Program			FY 17-18	-	-	-	1,079
Total - Special Milk Program for Children				-	1,134	-	1,079
Summer Food Service Program for Children							
Summer Food	Indiana Department of Education	10.559					
Summer Food			FY 16-17	-	22,357	-	-
Summer Food			FY 17-18	-	-	-	24,949
Total - Summer Food Service Program for Children				-	22,357	-	24,949
Total - Child Nutrition Cluster				-	481,753	-	496,442
Total - Department of Agriculture				-	481,753	-	496,442
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education IDEA Part B 611			H027A150084	-	32,814	-	-
Special Education IDEA Part B 611			H027A160084	-	201,484	-	26,053
Special Education IDEA Part B 611			H027A170084	-	-	-	213,673
Total - Special Education Grants to States				-	234,298	-	239,726
Special Education Preschool Grants							
Special Education IDEA Part B 619	Indiana Department of Education	84.173					
Special Education IDEA Part B 619			H173A160104	-	4,957	-	-
Special Education IDEA Part B 619			H173A170104	-	-	-	4,984
Total - Special Education Preschool Grants				-	4,957	-	4,984
Total - Special Education Cluster				-	239,255	-	244,710

SCHOOL CITY OF WHITING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2017 and 2018

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 06-30-17	Total Federal Awards Expended 06-30-17	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I			S010A150014	-	8,254	-	-
Title I			S010A160014	-	178,670	-	5,235
Title I			S010A170014	-	-	-	162,318
Total - Title I Grants to Local Educational Agencies				-	186,924	-	167,553
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III			S365A150014	-	2,243	-	-
Title III			S365A160014	-	18,345	-	4,804
Title III			S365A170014	-	-	-	11,414
Total - English Language Acquisition State Grants				-	20,588	-	16,218
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A			S367A140013	-	2,909	-	-
Title II Part A			S367A150013	-	15,484	-	19,649
Title II Part A			S367A160013	-	-	-	22,856
Total - Supporting Effective Instruction State Grants				-	18,393	-	42,505
Total - Department of Education				-	465,160	-	470,986
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Direct Grant	93.778					
Medical Administrative Claiming			FY 16-17	-	11,448	-	-
Medical Administrative Claiming			FY 17-18	-	-	-	13,196
Total - Medical Assistance Program				-	11,448	-	13,196
Total - Medicaid Cluster				-	11,448	-	13,196
Total - Department of Health and Human Services				-	11,448	-	13,196
Total federal awards expended				\$ -	\$ 958,361	\$ -	\$ 980,624

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2017 and 2018. 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 WHITING
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2018-001

Subject: Child Nutrition Cluster - Internal Controls
 Federal Agency: Department of Agriculture
 Federal Programs: School Breakfast Program, National School Lunch Program
 CFDA Numbers: 10.553, 10.555
 Federal Award Numbers and Years (or Other Identifying Numbers): FY 16-17, FY 17-18
 Pass-Through Entity: Indiana Department of Education
 Compliance Requirements: Cash Management, Reporting
 Audit Finding: Material Weakness

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

Repeat Finding

This is a repeat of Finding 2016-001 from the immediately prior audit report regarding Reporting.

Condition

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirements:

Cash Management

The School Corporation had not established an effective internal control system to monitor the School Lunch fund to ensure that its monthly cash balance was limited to three months average expenditures. There was no documented oversight, review, or monitoring process over the cash balances.

Reporting

One person prepared and submitted the School Food Authority (SFA) Verification Collection Reports without evidence of oversight, review, or approval.

Context

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

Criteria

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 designed or implemented a system of internal control to ensure compliance with the grant agreement and the compliance requirements listed above.

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 listed above. 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, review, and approval over the activities of the programs.

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

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.

SCHOOL CITY OF WHITING

1500 CENTER STREET

WHITING, INDIANA 46394

(219) 659-0656 • (219) 473-4008 FAX

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BOARD OF SCHOOL TRUSTEES

Nicole L. Davenport, President
Kathy Murzyn, Vice President
Cecilia T. Peterson, Secretary
Christine Stribiak, Trustee
Amanda E. Perkins, Trustee

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: FY15, FY16
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Kim Pusateri
Contact Phone Number: 219-659-0656

Status of Audit Finding:

Eligibility

The free and reduced price meal applications are now reviewed by a second employee in the food service department. In order to ensure data was properly entered, patron eligibility reports from the point-of-sale system are generated monthly to be included in the Food Service records.

Reporting

The Food Service Director now submits the monthly Sponsor Claims (claim for reimbursement) to the Director of Finance for review; this procedure was implemented during the current audit period.

The School Food Authority (SFA) Verification Collection reports are to be reviewed by a second individual prior to submission to IDOE. Due to the timing of the prior audit, the Corporation was unable to fully implement these procedures during the current audit period.

Special Tests and Provisions – Verification of Free and Reduced Price Applications (NSLP)

Verifications of free and reduced price meal applications are now reviewed by a second employee in the food service department.

Kim Puatui
(Signature)

Director of Finance
(Title)

2-12-19
(Date)

SCHOOL CITY OF WHITING

1500 CENTER STREET

WHITING, INDIANA 46394

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Kathy Murzyn, Vice President
Cecilia T. Peterson, Secretary
Christine Striabiak, Trustee
Amanda E. Perkins, Trustee

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-002

Fiscal year in which the finding initially occurred: FY15, FY16
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Kim Pusateri
Contact Phone Number: 219-659-0656

Status of Audit Finding:

Bids recommended by the third-party service center are now formally approved by the School Board.

The Corporation's agreement with its third-party purchasing service is now formally approved by the School Board. Vendors are now checked on the Suspension and Debarment (SAM Exclusions) website.



(Signature)

Director of Finance

(Title)

2-12-19

(Date)

SCHOOL CITY OF WHITING

1500 CENTER STREET

WHITING, INDIANA 46394

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Cecilia T. Peterson, Secretary
Christine Stribiak, Trustee
Amanda E. Perkins, Trustee

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-003

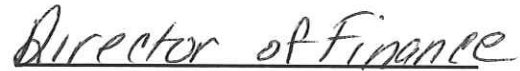
Fiscal year in which the finding initially occurred: FY15, FY16
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Kim Pusateri
Contact Phone Number: 219-659-0656

Status of Audit Finding:

The Paid Lunch Equity calculations are now being kept on file by the Food Service Director and sent to the Director of Finance for review. The Food Service Director ensures changes in meal prices are included in the agenda for board approval. Due to the timing of the prior audit, procedures were not fully implemented until FY18.



(Signature)



(Title)



(Date)

SCHOOL CITY OF WHITING

1500 CENTER STREET

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BOARD OF SCHOOL TRUSTEES

Nicole L. Davenport, President

Kathy Murzyn, Vice President

Cecilia T. Peterson, Secretary

Christine Stribiak, Trustee

Amanda E. Perkins, Trustee

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Kim Pusateri
Contact Phone Number: 219-659-0656

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Cash Management:

Internal Controls and procedures will be implemented to monitor the cash balance of the School Lunch fund. The Director of Finance currently prepares a monthly financial/expenditure spreadsheet for the Food Service Director and Board of School Trustees. We will implement a calculation on the spreadsheet to show that the average three month expenditure does not exceed our current monthly cash balance.

Please note that the Food Service Director does submit the Annual Cafeteria Financial Report each year to the IDOE and it has always been approved. We were not contacted by IDOE that our fund balance has ever been in excess of the three month expenditure average.

Reporting:

Internal Controls and procedures will be implemented to review the SFA Verification Collection Report. The Food Service Director will continue to prepare the SFA Verification Collection Report each fall. Prior to submission the Food Service Director will have the report reviewed by the Director of Finance. The Director of Finance will sign a copy of the report prior to submission.

Anticipated Completion Date: ***Cash Management:*** Immediately
Reporting: Fall of 2019 (next submission deadline November/December 2019)

Kim Pusateri
(Signature)

Director of Finance
(Title)

2-22-19
(Date)

OTHER REPORTS

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