

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

**Paul D. Joyce, CPA  
State Examiner**

FINANCIAL STATEMENT AND  
FEDERAL COMPLIANCE AUDIT REPORT  
OF  
NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
VERMILLION COUNTY, INDIANA  
July 1, 2022 to June 30, 2024



**FILED**

03/25/2025



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

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March 25, 2025

To: The Officials of the North Vermillion Community School Corporation  
North Vermillion Community School Corporation  
Vermillion County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of North Vermillion Community School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 to June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 35 through 41. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 42 through 46.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report of North Vermillion Community School Corporation was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner

**NORTH VERMILLION COMMUNITY SCHOOL CORPORATION**  
Vermillion County, Indiana

**FINANCIAL STATEMENT**  
As of June 30, 2024, and for the  
period of July 1, 2022 through June 30, 2024

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
Vermillion County, Indiana

FINANCIAL STATEMENT  
As of June 30, 2024, and for the  
period of July 1, 2022 through June 30, 2024

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NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period July 1, 2022 through June 30, 2024

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michele Harrison	07-01-22 to 06-30-24
Superintendent of Schools	Daniel Nelson	07-01-22 to 06-30-24
President of the School Board	John I Bean	01-01-22 to 12-31-24



## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
North Vermillion Community School Corporation  
Vermillion County, Indiana

### **Report on the Audit of the Financial Statement**

#### ***Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the North Vermillion Community School Corporation (the School Corporation) as of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024, and the related notes to the financial statement.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2024, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2022 through June 30, 2024 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

#### ***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 section of our report, 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 of the School Corporation as of June 30, 2024, or changes in net position for the period of July 1, 2022 through June 30, 2024.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***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.

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(Continued)

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 and pervasive.

### ***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of the 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) as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statement.

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(Continued)

The Schedule of Expenditures of Federal Awards 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 themselves, 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 as a whole.

### ***Other Information***

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report March 7, 2025, our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 7, 2025

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Education	\$ 1,175,874	\$ 5,248,114	\$ 4,209,321	\$ (553,140)	\$ 1,661,527	\$ 5,448,723	\$ 4,779,829	\$ (556,133)	\$ 1,774,288
Debt Service	450,906	1,440,239	1,298,525	(106,855)	485,765	1,374,367	1,298,325	(103,867)	457,940
Operations	984,361	2,179,199	2,833,374	663,412	993,598	2,250,602	2,885,026	660,000	1,019,174
Local Rainy Day	854,779	-	-	-	854,779	-	89,801	-	764,978
Elementary Construction 2013	37,161	16	-	-	37,177	17	37,191	-	3
Water Project	75	-	-	-	75	-	-	-	75
2015 Go Bond Construction	2,219	-	750	-	1,469	-	750	-	719
Nvcsc Construction Project	10,958,673	3,547	5,570,867	-	5,391,353	1,287	5,161,979	-	230,661
School Lunch	156,965	527,194	473,708	-	210,451	441,033	510,796	-	140,688
Curricular Materials Rental	94,187	86,106	60,157	-	120,136	134,169	99,450	-	154,855
Wrssc - Life Skills 2021-2022	8,783	-	8,205	(578)	-	-	-	-	-
Wrssc - Life Skills 2022-2023	-	93,587	84,406	578	9,759	-	8,623	(1,136)	-
Wrssc-Life Skills 23-24	-	-	-	-	-	133,477	121,885	1,136	12,728
Wrcte - Robotics 21-22	9,549	-	9,459	(90)	-	-	-	-	-
Wrcte - Ems 21-22	730	-	244	(486)	-	-	-	-	-
Wrcte - Robotics 22-23	-	64,672	56,749	90	8,013	125	7,958	(180)	-
Wrcte - Ems 22-23	-	15,458	14,185	486	1,759	150	212	(1,697)	-
Wrcte - Robotics 23-24	-	-	-	-	-	53,075	50,268	180	2,987
Wrcte - Ems 23-24	-	-	-	-	-	25,153	26,153	1,697	697
Local Wellness	5	-	-	-	5	-	-	-	5
Adai-Dairy Optimization Grant	66	-	-	-	66	-	-	-	66
Vc Health Department Mou Fund	-	-	-	-	-	11,887	11,753	-	134
Educational License Plates	2,794	94	-	-	2,888	-	-	-	2,888
Donations Gifts And Trusts	688	-	-	-	688	-	-	-	688
I. Paper Greenhouse Grant	50,000	-	-	-	50,000	-	-	-	50,000
Formative Assessment	3,513	7,395	10,908	-	-	8,056	8,056	-	-
E. Literacy Achievement 2023	-	-	-	-	-	10,657	10,657	-	-
Medicaid Reimbursement	-	6,072	-	-	6,072	10,384	-	-	16,456
Secured Schools Safety Grant	54,739	25,231	35,221	-	44,749	55,629	47,407	-	52,971

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NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Stem Integration Grant 23-24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,097	\$ 23,097	\$ -	\$ -
K-12 Robotics Comp Grant 23-24	-	-	-	-	-	2,311	9,244	-	(6,933)
Early Intervention Grant 2021-2022	16	-	16	-	-	-	-	-	-
Early Intervention Grant 2022-2023	-	1,492	1,492	-	-	-	-	-	-
Non-English Speaking Program	1,405	-	1,405	-	-	-	-	-	-
Career And Technical Performance Grant	14,875	238	-	-	15,113	82	-	-	15,195
Teacher Appreciation Grant	-	24,956	24,956	-	-	-	-	-	-
Tag 2023-2024	-	-	-	-	-	24,547	24,547	-	-
Science Of Reading Grant 23-24	-	-	-	-	-	105,591	109,232	-	(3,641)
High Ability Students	14,436	22,164	15,804	-	20,796	27,825	32,646	-	15,975
State Connectivity Grant	23,698	8,400	-	-	32,098	8,400	-	-	40,498
Title I 2021-2022	(29,346)	41,527	12,181	-	-	-	-	-	-
Title I 2022-2023	-	109,703	118,526	-	(8,823)	22,686	13,863	-	-
Title I 2023-2024	-	-	-	-	-	109,580	117,726	-	(8,146)
Reg Sp Ed (611) Fy 2021	(457)	2,335	1,878	-	-	-	-	-	-
Reg Sp Ed (611) Fy 2022	-	135,580	146,865	-	(11,285)	43,753	32,468	-	-
Reg Sp Ed (611) Fy 2023	-	-	-	-	-	111,231	126,731	-	(15,500)
Ps Handicap Fy 2022	-	-	-	-	-	11,675	11,675	-	-
Ps Handicap Fy 2023	-	-	-	-	-	11,784	11,784	-	-
Student Support Title Iv	-	10,000	10,000	-	-	-	-	-	-
Title Iv-A Fy 21	-	-	-	-	-	12,680	12,680	-	-
Title Iv-A Fy 22	-	-	-	-	-	12,166	12,166	-	-
Medicaid Reimbursement-Federal	-	15,286	-	-	15,286	20,209	-	-	35,495
Title li-A Fy 2020	(322)	17,288	16,966	-	-	-	-	-	-
Title li-A Fy 2021	-	22,192	24,500	-	(2,308)	4,643	2,335	-	-
Title li-A Fy 22	-	-	-	-	-	14,915	14,915	-	-
Rural Schools And Low Income Program	-	19,222	19,222	-	-	-	-	-	-
Arp 611 Fy 2022	-	-	-	-	-	40,252	40,252	-	-
Arp 619 Fy 2022	-	-	-	-	-	3,004	3,004	-	-

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NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),  
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
As of June 30, 2024 and for the period of July 1, 2022 through June 30, 2024

<u>Fund</u>	<u>Cash and Investments 07-01-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2024</u>
Emergency Connectivity	\$ 162,000	\$ -	\$ 162,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ESSER III	-	-	111,145	-	(111,145)	-	358,270	-	(469,415)
ESSER II	(89)	168,660	319,501	-	(150,930)	292,129	141,199	-	-
ESSER I	-	8,259	8,259	-	-	-	-	-	-
Prepaid School Lunch Accounts	6,746	157,089	157,065	-	6,770	153,439	153,339	-	6,870
Payroll Withholdings	12,562	1,266,160	1,267,809	-	10,913	1,398,921	1,395,029	-	14,805
<b>Totals</b>	<b>\$ 15,051,591</b>	<b>\$ 11,727,475</b>	<b>\$ 17,085,669</b>	<b>\$ 3,417</b>	<b>\$ 9,696,814</b>	<b>\$ 12,413,711</b>	<b>\$ 17,802,321</b>	<b>\$ -</b>	<b>\$ 4,308,204</b>

See notes to financial statement.

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

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 basis of accounting also requires presentation of certain information as Other Information.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

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.

*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.

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*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.

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.

*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 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:

*Proceeds of long-term debt.* Amounts received in relation to the issuance of bonds or other long-term debt issues.

*Sale of capital assets.* Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

*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.

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 School Corporation 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 December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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 Depositary 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.

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation did not hold investments for the period under audit.

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**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.

The School Corporation has purchased insurance to address the risks described above.

**NOTE 6 - CASH BALANCE DEFICITS**

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2023, and 2024.

**NOTE 7 - HOLDING CORPORATIONS**

The School Corporation has entered into a series of capital leases with the North Vermillion Community 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 for the period July 1, 2022 through June 30, 2023 totaled \$1,047,500. Lease payments for the period July 1, 2023 through June 30, 2024 totaled \$1,046,000.

**NOTE 8 - PENSION PLANS**

**Public Employees Retirement Fund**

*Plan Description*

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the School Corporation authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 8 - PENSION PLANS** (Continued)

*Financial Report*

INPRS 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. (844) 464-6777

*Contributions*

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

**Teachers' Retirement Fund**

*Plan Descriptions*

The Indiana Teachers' Hybrid Plan (TRF Hybrid) consists of two components: Indiana Teachers' Pre-1996 Defined Benefit Account (Teachers' Pre-1996 DB) or Indiana Teachers' 1996 Defined Benefit Account (Teachers' 1996 DB) the monthly employer-funded defined benefit components, along with the Indiana Teachers' Defined Contribution Account (TRF DC), the defined contribution component. Generally, members hired before 1996 participate in the Teachers' Pre-1996 DB and members hired after 1995 participate in the Teachers' 1996 DB.

The Teachers' 1996 DB is a cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. All legally qualified and regularly employed licensed teachers serving in State of Indiana public schools are eligible to participate in the Teachers' 1996 DB.

The Teachers' Pre-1996 DB is a pay-as-you-go, cost-sharing multiple-employer defined benefit pension plan and provides retirement, disability, and survivor benefits to plan members. Membership in the Teachers' Pre-1996 DB is closed to new entrants.

The TRF DC is a multiple-employer defined contribution plan providing supplemental retirement benefits to Teachers' 1996 DB and Teachers' Pre-1996 DB members.

The Retirement Savings Plan for Public Teachers (My Choice) is a multiple-employer defined contribution plan. New employees hired after June 30, 2019, have a one-time election to join either the TRF Hybrid plan that is not closed to new entrants or the My Choice plan.

All these plans are administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3, and IC 5-10.4) and administrative code (35 IAC 14), which govern most requirements of the system and give the School Corporation authority to contribute to the plan when applicable.

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2024, and for the period of  
July 1, 2022 through June 30, 2024

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**NOTE 8 - PENSION PLANS** (Continued)

*Financial Report*

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. (844) 464-6777

*Contributions*

The School Corporation contributes the employer's share to Teachers' 1996 DB 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. These contributions are determined by the INPRS Board based on actuarial valuation. 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 (Teachers' Pre-1996 DB) is an obligation of, and is paid by, the State of Indiana.

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS**

The School Corporation provides health insurance benefits to eligible retirees and their spouses. 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)**

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	Education	Debt Service	Operations	Local Rainy Day	Elementary Construction 2013	Water Project	2015 Go Bond Construction	Nvsc Construction Project	School Lunch	Curricular Materials Rental	Wrssc - Life Skills 2021-2022	Wrssc - Life Skills 2022-2023
Cash and investments - beginning	\$ 1,175,874	\$ 450,906	\$ 984,361	\$ 854,779	\$ 37,161	\$ 75	\$ 2,219	\$ 10,958,673	\$ 156,965	\$ 94,187	\$ 8,783	\$ -
Receipts:												
Local sources	120,181	1,440,239	2,177,759	-	16	-	-	3,547	157,070	57,777	-	93,587
Intermediate sources	-	-	370	-	-	-	-	-	-	-	-	-
State sources	5,127,728	-	-	-	-	-	-	-	3,401	28,329	-	-
Federal sources	-	-	-	-	-	-	-	-	363,628	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	205	-	1,070	-	-	-	-	-	3,095	-	-	-
Total receipts	5,248,114	1,440,239	2,179,199	-	16	-	-	3,547	527,194	86,106	-	93,587
Disbursements:												
Instruction	3,275,307	-	-	-	-	-	-	-	-	-	8,205	84,406
Support services	771,018	-	2,506,530	-	-	-	750	1,000	11,577	60,157	-	-
Noninstructional services	162,996	-	-	-	-	-	-	-	462,131	-	-	-
Facilities acquisition and construction	-	-	270,890	-	-	-	-	5,569,867	-	-	-	-
Debt services	-	1,298,525	55,954	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,209,321	1,298,525	2,833,374	-	-	-	750	5,570,867	473,708	60,157	8,205	84,406
Excess (deficiency) of receipts over disbursements	1,038,793	141,714	(654,175)	-	16	-	(750)	(5,567,320)	53,486	25,949	(8,205)	9,181
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	5	-	3,412	-	-	-	-	-	-	-	-	-
Transfers in	106,855	-	660,000	-	-	-	-	-	-	-	-	578
Transfers out	(660,000)	(106,855)	-	-	-	-	-	-	-	-	(578)	-
Total other financing sources (uses)	(553,140)	(106,855)	663,412	-	-	-	-	-	-	-	(578)	578
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	485,653	34,859	9,237	-	16	-	(750)	(5,567,320)	53,486	25,949	(8,783)	9,759
Cash and investments - ending	\$ 1,661,527	\$ 485,765	\$ 993,598	\$ 854,779	\$ 37,177	\$ 75	\$ 1,469	\$ 5,391,353	\$ 210,451	\$ 120,136	\$ -	\$ 9,759

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	Wrcte - Robotics 21- 22	Wrcte - Ems 21-22	Wrcte - Robotics 22- 23	Wrcte - Ems 22-23	Local Wellness	Adai-Dairy Optimization Grant	Educational License Plates	Donations Gifts And Trusts	I. Paper Greenhouse Grant	Formative Assessment	Medicaid Reimbursement	Secured Schools Safety Grant
Cash and investments - beginning	\$ 9,549	\$ 730	\$ -	\$ -	\$ 5	\$ 66	\$ 2,794	\$ 688	\$ 50,000	\$ 3,513	\$ -	\$ 54,739
Receipts:												
Local sources	-	-	51,815	14,273	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	94	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	7,395	6,072	25,231
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	12,857	1,185	-	-	-	-	-	-	-	-
Total receipts	-	-	64,672	15,458	-	-	94	-	-	7,395	6,072	25,231
Disbursements:												
Instruction	9,418	-	56,749	14,185	-	-	-	-	-	-	-	-
Support services	41	244	-	-	-	-	-	-	-	10,908	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	35,221
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,459	244	56,749	14,185	-	-	-	-	-	10,908	-	35,221
Excess (deficiency) of receipts over disbursements	(9,459)	(244)	7,923	1,273	-	-	94	-	-	(3,513)	6,072	(9,990)
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	90	486	-	-	-	-	-	-	-	-
Transfers out	(90)	(486)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(90)	(486)	90	486	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,549)	(730)	8,013	1,759	-	-	94	-	-	(3,513)	6,072	(9,990)
Cash and investments - ending	\$ -	\$ -	\$ 8,013	\$ 1,759	\$ 5	\$ 66	\$ 2,888	\$ 688	\$ 50,000	\$ -	\$ 6,072	\$ 44,749

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	Early Intervention Grant 2021- 2022	Early Intervention Grant 2022- 2023	Non-English Speaking Program	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I 2021- 2022	Title I 2022- 2023	Reg Sp Ed (611) Fy 2021	Reg Sp Ed (611) Fy 2022	Student Support Title Iv
Cash and investments - beginning	\$ 16	\$ -	\$ 1,405	\$ 14,875	\$ -	\$ 14,436	\$ 23,698	\$ (29,346)	\$ -	\$ (457)	\$ -	\$ -
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	1,492	-	238	24,956	22,164	8,400	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	41,527	109,703	2,335	135,580	10,000
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,492	-	238	24,956	22,164	8,400	41,527	109,703	2,335	135,580	10,000
Disbursements:												
Instruction	16	1,492	-	-	24,956	14,196	-	12,181	118,526	1,878	146,865	9,800
Support services	-	-	1,405	-	-	1,608	-	-	-	-	-	200
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	16	1,492	1,405	-	24,956	15,804	-	12,181	118,526	1,878	146,865	10,000
Excess (deficiency) of receipts over disbursements	(16)	-	(1,405)	238	-	6,360	8,400	29,346	(8,823)	457	(11,285)	-
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16)	-	(1,405)	238	-	6,360	8,400	29,346	(8,823)	457	(11,285)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 15,113	\$ -	\$ 20,796	\$ 32,098	\$ -	\$ (8,823)	\$ -	\$ (11,285)	\$ -

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2023

	Medicaid Reimbursement- Federal	Title li-A Fy 2020	Title li-A Fy 2021	Rural Schools And Low Income Program	Emergency Connectivity	ESSER III	ESSER II	ESSER I	Prepaid School Lunch Accounts	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ (322)	\$ -	\$ -	\$ 162,000	\$ -	\$ (89)	\$ -	\$ 6,746	\$ 12,562	\$ 15,051,591
Receipts:											
Local sources	-	-	-	-	-	-	162,000	-	157,089	-	4,435,353
Intermediate sources	-	-	-	-	-	-	-	-	-	-	464
State sources	-	-	-	-	-	-	-	-	-	-	5,255,406
Federal sources	15,286	17,288	22,192	19,222	-	-	6,660	8,259	-	-	751,680
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	1,266,160	1,284,572
Total receipts	15,286	17,288	22,192	19,222	-	-	168,660	8,259	157,089	1,266,160	11,727,475
Disbursements:											
Instruction	-	16,966	22,000	19,222	162,000	80,489	74,534	3,259	-	-	4,156,650
Support services	-	-	2,500	-	-	16,117	164,789	5,000	-	-	3,553,844
Noninstructional services	-	-	-	-	-	-	-	-	157,065	-	782,192
Facilities acquisition and construction	-	-	-	-	-	14,539	80,178	-	-	-	5,970,695
Debt services	-	-	-	-	-	-	-	-	-	-	1,354,479
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	1,267,809	1,267,809
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	16,966	24,500	19,222	162,000	111,145	319,501	8,259	157,065	1,267,809	17,085,669
Excess (deficiency) of receipts over disbursements	15,286	322	(2,308)	-	(162,000)	(111,145)	(150,841)	-	24	(1,649)	(5,358,194)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	3,417
Transfers in	-	-	-	-	-	-	-	-	-	-	768,009
Transfers out	-	-	-	-	-	-	-	-	-	-	(768,009)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	3,417
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	15,286	322	(2,308)	-	(162,000)	(111,145)	(150,841)	-	24	(1,649)	(5,354,777)
Cash and investments - ending	\$ 15,286	\$ -	\$ (2,308)	\$ -	\$ -	\$ (111,145)	\$ (150,930)	\$ -	\$ 6,770	\$ 10,913	\$ 9,696,814

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2024

	Education	Debt Service	Operations	Local Rainy Day	Elementary Construction 2013	Water Project	2015 Go Bond Construction	Nvcsc Construction Project	School Lunch	Curricular Materials Rental	Wrssc - Life Skills 2022-2023	Wrssc-Life Skills 23-24
Cash and investments - beginning	\$ 1,661,527	\$ 485,765	\$ 993,598	\$ 854,779	\$ 37,177	\$ 75	\$ 1,469	\$ 5,391,353	\$ 210,451	\$ 120,136	\$ 9,759	\$ -
Receipts:												
Local sources	156,008	1,374,367	2,247,869	-	17	-	-	1,287	156,257	30,380	-	133,477
Intermediate sources	-	-	367	-	-	-	-	-	-	-	-	-
State sources	5,292,572	-	-	-	-	-	-	-	3,339	103,789	-	-
Federal sources	-	-	-	-	-	-	-	-	278,235	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	143	-	2,366	-	-	-	-	-	3,202	-	-	-
Total receipts	5,448,723	1,374,367	2,250,602	-	17	-	-	1,287	441,033	134,169	-	133,477
Disbursements:												
Instruction	3,742,463	-	-	-	-	-	-	-	-	-	8,623	121,885
Support services	873,306	-	2,302,799	-	-	-	750	1,250	7,992	99,450	-	-
Noninstructional services	164,060	-	13,160	-	-	-	-	-	502,804	-	-	-
Facilities acquisition and construction	-	-	569,067	89,801	37,191	-	-	5,160,729	-	-	-	-
Debt services	-	1,298,325	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,779,829	1,298,325	2,885,026	89,801	37,191	-	750	5,161,979	510,796	99,450	8,623	121,885
Excess (deficiency) of receipts over disbursements	668,894	76,042	(634,424)	(89,801)	(37,174)	-	(750)	(5,160,692)	(69,763)	34,719	(8,623)	11,592
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	103,867	-	660,000	-	-	-	-	-	-	-	-	1,136
Transfers out	(660,000)	(103,867)	-	-	-	-	-	-	-	-	(1,136)	-
Total other financing sources (uses)	(556,133)	(103,867)	660,000	-	-	-	-	-	-	-	(1,136)	1,136
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	112,761	(27,825)	25,576	(89,801)	(37,174)	-	(750)	(5,160,692)	(69,763)	34,719	(9,759)	12,728
Cash and investments - ending	\$ 1,774,288	\$ 457,940	\$ 1,019,174	\$ 764,978	\$ 3	\$ 75	\$ 719	\$ 230,661	\$ 140,688	\$ 154,855	\$ -	\$ 12,728

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2024

	Wrcte - Robotics 22-23	Wrcte - Ems 22-23	Wrcte - Robotics 23- 24	Wrcte - Ems 23-24	Local Wellness	Adai-Dairy Optimization Grant	Vc Health Department Mou Fund	Educational License Plates	Donations Gifts And Trusts	I. Paper Greenhouse Grant	Formative Assessment	E. Literacy Achievement 2023	Medicaid Reimbursement
Cash and investments - beginning	\$ 8,013	\$ 1,759	\$ -	\$ -	\$ 5	\$ 66	\$ -	\$ 2,888	\$ 688	\$ 50,000	\$ -	\$ -	\$ 6,072
Receipts:													
Local sources	125	150	53,075	25,153	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	11,887	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	8,056	10,657	10,384
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	125	150	53,075	25,153	-	-	11,887	-	-	-	8,056	10,657	10,384
Disbursements:													
Instruction	7,958	-	50,268	26,153	-	-	-	-	-	-	-	10,657	-
Support services	-	212	-	-	-	-	11,753	-	-	-	8,056	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,958	212	50,268	26,153	-	-	11,753	-	-	-	8,056	10,657	-
Excess (deficiency) of receipts over disbursements	(7,833)	(62)	2,807	(1,000)	-	-	134	-	-	-	-	-	10,384
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	180	1,697	-	-	-	-	-	-	-	-	-
Transfers out	(180)	(1,697)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(180)	(1,697)	180	1,697	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,013)	(1,759)	2,987	697	-	-	134	-	-	-	-	-	10,384
Cash and investments - ending	\$ -	\$ -	\$ 2,987	\$ 697	\$ 5	\$ 66	\$ 134	\$ 2,888	\$ 688	\$ 50,000	\$ -	\$ -	\$ 16,456

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2024

	Secured Schools Safety Grant	Stem Integration Grant 23-24	K-12 Robotics Comp Grant 23- 24	Career And Technical Performance Grant	Tag 2023- 2024	Science Of Reading Grant 23-24	High Ability Students	State Connectivity Grant	Title I 2022- 2023	Title I 2023- 2024	Reg Sp Ed (611) Fy 2022	Reg Sp Ed (611) Fy 2023	Ps Handicap Fy 2022
Cash and investments - beginning	\$ 44,749	\$ -	\$ -	\$ 15,113	\$ -	\$ -	\$ 20,796	\$ 32,098	\$ (8,823)	\$ -	\$ (11,285)	\$ -	\$ -
Receipts:													
Local sources	30,000	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	25,629	23,097	2,311	82	24,547	105,591	27,825	8,400	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	22,686	109,580	43,753	111,231	11,675
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	55,629	23,097	2,311	82	24,547	105,591	27,825	8,400	22,686	109,580	43,753	111,231	11,675
Disbursements:													
Instruction	-	23,097	9,244	-	24,547	109,232	31,946	-	11,364	117,726	32,468	126,731	11,675
Support services	5,643	-	-	-	-	-	700	-	2,499	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	41,764	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	47,407	23,097	9,244	-	24,547	109,232	32,646	-	13,863	117,726	32,468	126,731	11,675
Excess (deficiency) of receipts over disbursements	8,222	-	(6,933)	82	-	(3,641)	(4,821)	8,400	8,823	(8,146)	11,285	(15,500)	-
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,222	-	(6,933)	82	-	(3,641)	(4,821)	8,400	8,823	(8,146)	11,285	(15,500)	-
Cash and investments - ending	\$ 52,971	\$ -	\$ (6,933)	\$ 15,195	\$ -	\$ (3,641)	\$ 15,975	\$ 40,498	\$ -	\$ (8,146)	\$ -	\$ (15,500)	\$ -

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2024

	Ps Handicap Fy 2023	Title Iv-A Fy 21	Title Iv-A Fy 22	Medicaid Reimbursement- Federal	Title li-A Fy 2021	Title li-A Fy 22	Arp 611 Fy 2022	Arp 619 Fy 2022	ESSER III	ESSER II	Prepaid School Lunch Accounts	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 15,286	\$ (2,308)	\$ -	\$ -	\$ -	\$ (111,145)	\$ (150,930)	\$ 6,770	\$ 10,913	\$ 9,696,814
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	153,439	-	4,361,604
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	12,254
State sources	-	-	-	-	-	-	-	-	-	-	-	-	5,646,279
Federal sources	11,784	12,680	12,166	20,209	4,643	14,915	40,252	3,004	-	292,129	-	-	988,942
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	1,398,921	1,404,632
Total receipts	11,784	12,680	12,166	20,209	4,643	14,915	40,252	3,004	-	292,129	153,439	1,398,921	12,413,711
Disbursements:													
Instruction	11,784	12,430	11,926	-	-	810	40,252	3,004	112,526	-	-	-	4,658,769
Support services	-	250	240	-	2,335	14,105	-	-	24,632	686	-	-	3,356,658
Noninstructional services	-	-	-	-	-	-	-	-	-	-	153,339	-	833,363
Facilities acquisition and construction	-	-	-	-	-	-	-	-	221,112	140,513	-	-	6,260,177
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	1,298,325
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	1,395,029	1,395,029
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	11,784	12,680	12,166	-	2,335	14,915	40,252	3,004	358,270	141,199	153,339	1,395,029	17,802,321
Excess (deficiency) of receipts over disbursements	-	-	-	20,209	2,308	-	-	-	(358,270)	150,930	100	3,892	(5,388,610)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	766,880
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	(766,880)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	20,209	2,308	-	-	-	(358,270)	150,930	100	3,892	(5,388,610)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 35,495	\$ -	\$ -	\$ -	\$ -	\$ (469,415)	\$ -	\$ 6,870	\$ 14,805	\$ 4,308,204

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2024

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 739,100	\$ 503,636

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2024

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<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities: North Vermillion Community School Building Corporation	Renovation/upgrade of buildings and campus	<u>\$ 1,046,500</u>	12/15/2020	12/31/2039
Total of annual lease payments		<u>\$ 1,046,500</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities: General Obligation Bonds Notes and Loans Payable	Taxable GO Bonds of 2015 Upgrading/renovating North Vermillion Jr.-Sr. High School	\$ 490,000	\$ 240,000
		<u>672,517</u>	<u>74,724</u>
Total governmental activities		<u>1,162,517</u>	<u>314,724</u>
Totals		<u>\$ 1,162,517</u>	<u>\$ 314,724</u>

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NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2024

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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	\$ 52,500
Buildings	79,372,275
Improvements other than buildings	10,006,093
Machinery, equipment, and vehicles	1,902,666
Construction in progress	<u>7,078,848</u>
Total governmental activities	<u>98,412,382</u>
Total capital assets	<u>\$ 98,412,382</u>

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
STATE REPORTING INFORMATION  
July 1, 2022 - June 30, 2024

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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.

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/>.

*Indiana Department of Education Reporting:*

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 on the IDOE website and on the Indiana Gateway for Government Units presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2023, FY2024	\$ 100,084	\$ 79,482	\$ 179,566
Child Nutrition School Lunch		10.555	FY2023, FY2024	262,916	198,753	461,669
Commodities		10.555	FY2023, FY2024	27,399	33,206	60,605
Total - Child Nutrition Cluster				<u>390,399</u>	<u>311,441</u>	<u>701,840</u>
Pandemic EBT Administrative Costs	Indiana Department of Education					
P-EBT		10.649	FY2023	628	-	628
Total - Department of Agriculture				<u>391,027</u>	<u>311,441</u>	<u>702,468</u>
<u>Federal Communications Commission</u>						
Emergency Connectivity Fund Program	Direct Award					
Emergency Connectivity Fund		32.009	ECF202101330	162,000	-	162,000
Total - Federal Communications Commission				<u>162,000</u>	<u>-</u>	<u>162,000</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	21611-084-PN01	2,335	-	2,335
IDEA, Part B		84.027	23611-084-PN01	-	111,231	111,231
IDEA, Part B		84.027	22611-084-PN01	135,580	43,753	179,333
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-084-ARP	-	40,252	40,252
Total - Special Education Grants to States				<u>137,915</u>	<u>195,236</u>	<u>333,151</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	23619-084-PN01	-	11,784	11,784
IDEA, Preschool		84.173	22619-084-PN01	-	11,675	11,675
COVID-19 - Supplemental Funding - IDEA, Preschool		84.173X	22619-084-ARP	-	3,004	3,004
Total - Special Education Preschool Grants				<u>-</u>	<u>26,463</u>	<u>26,463</u>
Total - Special Education Cluster(IDEA)				<u>137,915</u>	<u>221,699</u>	<u>359,614</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010A	S010A210014	41,527	-	41,527
Title I, Part A		84.010A	S010A220014	109,703	22,686	132,389
Title I, Part A		84.010A	S010A230014	-	109,580	109,580
Total - Title I Grants to Local Educational Agencies				<u>151,230</u>	<u>132,266</u>	<u>283,496</u>

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 06-30-24	Total Federal Awards Expended 07-01-22 to 06-30-24
Rural Education Rural & Low Income	Indiana Department of Education	84.358	S424A210015	\$ 19,222	\$ -	\$ 19,222
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A200013	17,288	-	17,288
Title II, Part A		84.367A	S367A210013	22,192	4,643	26,835
Title II, Part A		84.367A	S367A220013	-	14,915	14,915
Total - Supporting Effective Instruction State Grants				<u>39,480</u>	<u>19,558</u>	<u>59,038</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A200015	10,000	-	10,000
Title IV, Part A		84.424	S424A210015	-	12,680	12,680
Title IV, Part A		84.424	S424A220015	-	12,166	12,166
Total - Student Support and Academic Enrichment Program				<u>10,000</u>	<u>24,846</u>	<u>34,846</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	8,259	-	8,259
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	6,660	292,129	298,789
Total - COVID-19 - Education Stabilization Fund				<u>14,919</u>	<u>292,129</u>	<u>307,048</u>
Total - Department of Education				<u>372,766</u>	<u>690,498</u>	<u>1,063,264</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program	Family and Social Services Administration					
Medicaid		93.778	FY2023, FY2024	15,286	20,209	35,495
Total - Department of Health and Human Services				<u>15,286</u>	<u>20,209</u>	<u>35,495</u>
Total federal awards expended				<u>\$ 941,079</u>	<u>\$ 1,022,148</u>	<u>\$ 1,963,227</u>

See accompanying notes to the schedule of expenditure of federal awards.

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period of July 1, 2022 through June 30, 2024

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**NOTE 1 - BASIS OF PRESENTATION**

*A. 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 period of July 1, 2022 through June 30, 2024. 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.

*B. Other Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in 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.

**NOTE 2 - INDIRECT COST RATE**

The School Corporation has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 - OTHER INFORMATION**

The School Corporation did not have any subrecipient activity for the period of July 1, 2022 through June 30, 2024.

**NOTE 4 - NON-CASH PROGRAMS (COMMODITIES)**

Commodities donated to the School Corporation by the U.S. Department of Agriculture (USDA) of \$60,605 are valued based on the USDA's donated commodity price list. These are shown as part of the National School Lunch Program (10.555).

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

Those Charged with Governance  
North Vermillion Community School Corporation  
Vermillion County, Indiana

We have audited, in accordance with the 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 North Vermillion Community School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2024 and for the period July 1, 2022 through June 30, 2024 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 7, 2025.

#### **Report on 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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as item 2024-001, that we consider to be a material weakness.

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(Continued)

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## School Corporation's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Crowe LLP

Indianapolis, Indiana  
March 7, 2025



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

Those Charged with Governance  
North Vermillion Community School Corporation  
Vermillion County, Indiana

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the North Vermillion Community School Corporation's (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School Corporation's major federal programs for the period of July 1, 2022 through June 30, 2024. 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.

In our opinion, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 through June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

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(Continued)

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003, 2024-004, and 2024-005 to be material weaknesses.

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(Continued)

*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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 7, 2025

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 July 1, 2022 through June 30, 2024

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**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(es) identified?	<u>  X  </u>	Yes	_____	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u>  X  </u>	None Reported

Noncompliance material to financial statement noted?	_____	Yes	<u>  X  </u>	No
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***Federal Awards***

Internal control over major programs:

Material weakness(es) identified?	<u>  X  </u>	Yes	_____	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u>  X  </u>	None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u>  X  </u>	Yes	_____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.425D	COVID-19 - Education Stabilization Fund

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

Auditee qualified as low-risk auditee?	_____	Yes	<u>  X  </u>	No
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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section II – Financial Statement Findings**

**FINDING 2024-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness

**Criteria:** The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section II – Financial Statement Findings** (Continued)

**FINDING 2024-001** (Continued)

(3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

**Condition:** The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

**Cause:** Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

**Context:** The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net overstatement on the SEFA of \$125,877 for the period July 1, 2022, through June 30, 2024:

- The Pandemic EBT Administrative Costs (10.649) expenditures were understated by \$628
- The Education Stabilization Fund (84.425D) expenditures were overstated by \$162,000
- The Medicaid Cluster (93.778) expenditures were understated by \$35,495

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

**Effect:** Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the Context section.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the SEFA agree to the supporting federal receipt fund ledger detail.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs**

**FINDING 2024-002**

**Information on the federal program:**

Subject: Child Nutrition Cluster - Internal Controls  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
Assistance Listing Number: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY2023, FY2024  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles  
Audit Finding: Material Weakness

**Criteria:** 2 CFR section 200.303 states in part: "The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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). . . ."

**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 activities allowed or unallowed and allowable costs/cost principle compliance requirements.

**Cause:** The School Corporation's management had not developed a system of internal controls to ensure compliance with 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. 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 programs.

**Questioned Costs:** None.

**Context:** We noted there was no secondary, documented formal review for the forty sample accounts payable vouchers. All the payroll vouchers selected were properly reviewed.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommend that the School Corporation establish a documented, formal review of all food service accounts payable vouchers before they are paid.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2024-003**

**Information on the federal program:**

Subject: Education Stabilization Fund - Internal Controls  
Federal Agency: Department of Education  
Federal Program: Education Stabilization Fund  
Assistance Listing Number: 84.425D  
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Activities Allowed or Unallowed, Allowable Costs/Cost Principles  
Audit Finding: Material Weakness

**Criteria:** 2 CFR section 200.303 states in part: "The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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). . . ."

**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 activities allowed or unallowed and allowable costs/cost principle compliance requirements.

**Cause:** The School Corporation's management had not developed a system of internal controls to ensure compliance with 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. 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 programs.

**Questioned Costs:** None.

**Context:** We noted there was no secondary, documented formal review for the seven sample accounts payable vouchers. All the payroll vouchers selected were properly reviewed.

**Identification as a repeat finding, if applicable:** No.

**Recommendation:** We recommend that the School Corporation establish a documented, secondary review of all accounts payable vouchers before they are paid.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**FINDING 2024-004**

**Information on the federal program:**

Subject: Education Stabilization Fund (ESSER) – Internal Controls  
Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425D  
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

**Criteria:** 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 Financial reporting . . . ."

34 CFR 76.722 states:

"A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

**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 Reporting compliance requirements.

**Cause:** The School Corporation's management had not developed a system of internal controls to ensure compliance with 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. 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 programs.

**Questioned Costs:** There were no questioned costs identified.

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2024-004** (Continued)

**Context:** The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the ESSER I and ESSER II amounts reported for the reports covering the FY22 time period (\$90,217 and \$238,439, respectively) did not agree to the underlying expenditure records (\$81,958 and \$400,439 respectively, for the period of July 1, 2021 through June 30, 2022).

**Identification as a repeat finding:** This is a repeat finding from the immediately prior audit. The prior finding number was 2022-002.

**Recommendation:** We recommend someone other than the preparer of the report perform a documented review prior to submission to validate the accuracy and completeness of the data submitted.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

**FINDING 2024-005**

**Information on the federal program:**

Subject: Education Stabilization Fund – Internal Controls  
Federal Agency: Department of Education  
Federal Program: COVID-19 – Education Stabilization Fund  
Assistance Listing Number: 84.425D  
Federal Award Numbers: S425D210013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: Material Weakness

**Criteria:** 2 CFR 200.313(d) states in part:

"Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

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

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(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2022 through June 30, 2024

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

**FINDING 2024-005** (Continued)

(4) Adequate maintenance procedures must be developed to keep the property in good condition.  
..."

**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 Equipment and Real Property Management Requirements compliance requirements.

**Cause:** The School Corporation's management had not developed a system of internal controls to ensure compliance with 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. 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 programs.

**Questioned Costs:** There were no questioned costs identified.

**Context:** For the 1 sample item tested, we noted the School Corporation expended \$500,000 on septic tank upgrades in the prior audit period which was charged to the ESSER III (84.425U) grant award. It was noted only \$311,614 of these capital asset acquisitions were reported on the capital asset listing for the School Corporation as of June 30, 2024.

**Identification as a repeat finding:** No.

**Recommendation:** We recommend the School Corporation update the capital asset listing at least annually to include all equipment and real property acquisitions and review for potential capital asset dispositions.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.

# North Vermillion Community School Corporation



5551 North Falcon Drive  
Cayuga, IN 47928

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Fax: 765-492-7001

Brian Byrum, Superintendent  
[bbyrum@nvc.k12.in.us](mailto:bbyrum@nvc.k12.in.us)

Michele Harrison, Treasurer  
[sharriso@nvc.k12.in.us](mailto:sharriso@nvc.k12.in.us)

Kristi Lamb, Deputy Treasurer  
[klamb@nvc.k12.in.us](mailto:klamb@nvc.k12.in.us)

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## CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

### **Finding 2024-001** – Preparation of the Schedule of Expenditures of Federal Awards

**Context:** The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the net overstatement on the SEFA of \$125,877 for the period July 1, 2022, through June 30, 2024:

- The Pandemic EBT Administrative Costs (10.649) expenditures were understated by \$628
- The Education Stabilization Fund (84.425D, 84.425U) expenditures were overstated by \$162,000
- The Medicaid Cluster (93.778) expenditures were understated by \$35,495

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA to correct the issues noted above.

**Contact Person Responsible for Corrective Action:** Michele Harrison / Corporation Treasurer  
Contact Phone Number: 765-492-5101

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** We worked with Crowe and corrected this action on the current audit. Audit adjustments were proposed, accepted by the school corporation, and made to the SEFA to correct the issues. The school corporations' management has established a formal review of the SEFA with the treasurer, deputy treasurer, and superintendent all being responsible for input and review of the required data.

**Anticipated Completion Date:** 3/7/2025

# North Vermillion Community School Corporation



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Cayuga, IN 47928

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Fax: 765-492-7001

Brian Byrum, Superintendent  
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Michele Harrison, Treasurer  
[sharriso@nvc.k12.in.us](mailto:sharriso@nvc.k12.in.us)

Kristi Lamb, Deputy Treasurer  
[klamb@nvc.k12.in.us](mailto:klamb@nvc.k12.in.us)

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## CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

**FINDING 2024-002** – Child Nutrition Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

**Context:** During testing over controls for eligibility, we noted there was no formal, secondary review for the applications entered in the food service software determining eligibility. Additionally, there was no documented annual review by School Corporation personnel of the income eligibility guidelines used by the food service software.

**Contact Person Responsible for Corrective Action:** Michele Harrison / Corporation treasurer  
Brian Byrum / Superintendent

Contact Phone Number: M. Harrison: 765-492-5101 B. Byrum: 765-492-5102

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** Prior to printing accounts payable checks, the corporation treasurer prints the AP voucher register for the superintendent to review and sign. After this internal control, the treasurer processes the checks. Once checks are printed, the voucher is paired with the invoice, initialed by the corporation treasurer and signed by the superintendent.

**Anticipated Completion Date:** 3/7/2025

# North Vermillion Community School Corporation



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Cayuga, IN 47928

Office: 765-492-4033  
Fax: 765-492-7001

Brian Byrum, Superintendent  
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Michele Harrison, Treasurer  
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Kristi Lamb, Deputy Treasurer  
[klamb@nvc.k12.in.us](mailto:klamb@nvc.k12.in.us)

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## CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

**FINDING 2024-003** – Education Stabilization Fund - Activities Allowed or Unallowed, Allowable Costs/Cost Principles

**Context:** We noted there was no secondary, documented formal review for the seven sample accounts payable vouchers. All the payroll vouchers selected were properly reviewed.

**Contact Person Responsible for Corrective Action:** Michele Harrison / Corporation treasurer  
Brian Byrum / Superintendent

Contact Phone Number: M. Harrison: 765-492-5101 B. Byrum: 765-492-5102

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** Prior to printing accounts payable checks, the corporation treasurer prints the AP voucher register for the superintendent to review and sign. After this internal control, the treasurer processes the checks. Once checks are printed, the voucher is paired with the invoice, initialed by the corporation treasurer and signed by the superintendent.

**Anticipated Completion Date:** 3/7/2025

# North Vermillion Community School Corporation



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Cayuga, IN 47928

Office: 765-492-4033  
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## CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

### **FINDING 2024-004** – Education Stabilization – Reporting

**Context:** The School Corporation was required to submit two Annual Data Reports to the Indiana Department of Education (IDOE) during the audit period to meet federal reporting requirements for ESSER grant awards. We noted that the ESSER I and ESSER II amounts reported for the reports covering the FY22 time period (\$90,217 and \$238,439, respectively) did not agree to the underlying expenditure records (\$81,958 and \$400,439 respectively, for the period of July 1, 2021 through June 30, 2022).

**Contact Person Responsible for Corrective Action:** Michele Harrison / Corporation treasurer  
Brian Byrum / Superintendent

Contact Phone Number: M. Harrison: 765-492-5101 B. Byrum: 765-492-5102

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** Our management team noted that the ESSER I and ESSER II spreadsheet submitted to the state was incorrect; however, the actual expenditures were correct every month. The spreadsheet was corrected in the following annual submission to the DOE (which is outside this audit window). The next Audit will show the corrected spreadsheet for ESSER I and ESSER II. It is also noted that the management team will implement more internal controls with regard to the preparer and reviewer being different personnel. For year 5 collection, the corporation treasurer will provide the expenditure reports, an outside consultant will prepare the spreadsheet, and have the current superintendent review before submitting.

**Anticipated Completion Date:** 3/7/2025

# North Vermillion Community School Corporation



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Cayuga, IN 47928

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## CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

### **FINDING 2024-005** – Education Stabilization – Equipment and Real Property Management

**Context:** For the 1 sample item tested, we noted the School Corporation expended \$500,000 on septic tank upgrades in the prior audit period which was charged to the ESSER III (84.425U) grant award. It was noted only \$311,614 of these capital asset acquisitions were reported on the capital asset listing for the School Corporation as of June 30, 2024.

**Contact Person Responsible for Corrective Action:** Michele Harrison / Corporation treasurer  
Brian Byrum / Superintendent

Contact Phone Number: M. Harrison: 765-492-5101 B. Byrum: 765-492-5102

**Views of Responsible Official:** We concur with the finding.

**Description of Corrective Action Plan:** Our capital asset inventory is contracted out through Brett Lewis from Adtech. The management team contacted Mr. Lewis with the finding. The correct amount will be added to the next capital asset inventory.

**Anticipated Completion Date:** 3/7/2025

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2022-001**

Subject: Child Nutrition Cluster - Procurement  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program,  
Assistance Listing Numbers: 10.533, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): 83-8010  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness

**Context:** Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold, which is set at \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold of \$150,000. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources.

The School Corporation did not follow procurement requirements for purchases of milk and dairy which fell under small purchase procedures. The School Corporation did not obtain price or rate quotes from an adequate number of qualified sources for the one vendor used for the purchase of milk and dairy during FY 2021.

*Status:* Resolved.

## **FINDING 2022-002**

Subject: COVID-19 Education Stabilization Fund - Reporting  
Federal Agency: Department of Education  
Federal Program: COVID-19 - Education Stabilization Fund  
Assistance Listing Numbers: 84.425D, 84.425U  
Federal Award Numbers and Years (or Other Identifying Numbers): S425D200013, S425D210013, S425U200013  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness

Although, the School Treasurer and the Superintendent worked independently to compile the information for the Elementary and Secondary School Emergency Relief (ESSER) annual data reports (Reports) reports and then reviewed each other's notes and prepared the annual date reports, the control was not effective and did not detect and allow correction of errors prior to submission.

Due to the lack of effective internal controls, the Reports contained the following errors:

-ESSER I, Annual Year 1 Report

The School Corporation did not file this report. According to the detailed disbursements, no ESSER funds were expended for the applicable date range. However, the full-time employee numbers should have been reported. These numbers were 117.5 at 3/13/20 and 113.5 at 9/30/20.

- ESSER I, Annual Year 2 Report

The School Corporation did not enter the correct amounts for the following categories:

- Addressing Physical Health & Safety - Personal Services - Salaries.

The appropriated amount of \$44,000 was reported instead of the actual disbursement of \$36,377.

- Meeting Student's Academic, Social, Emotional, and Other Needs - Supplies.

The appropriated amount of \$73,390 was reported instead of the actual disbursement of \$796.

- ESSER II, Annual Year 2 Report

The School Corporation did not enter the correct amount for the Meeting Student's Academic, Social, Emotional, and Other Needs – Supplies category. The appropriated amount of \$408,715 was report instead of the actual disbursement of \$400,439.

The lack of internal controls and noncompliance were systemic issues throughout the audit period.

Status: Not resolved, see finding 2024-004. The finding was not resolved due to the lack of detailed review of the reports submitted. To resolve the finding, The next Audit will show the corrected spreadsheet for ESSER I and ESSER II. It is also noted that the management team will implement more internal controls with regard to the preparer and reviewer being different personnel. For year 5 collection, the corporation treasurer will provide the expenditure reports, an outside consultant will prepare the spreadsheet, and have the current superintendent review before submitting.