

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

SPRINGS VALLEY COMMUNITY
SCHOOL CORPORATION
ORANGE COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED
03/25/2024



STATE OF INDIANA
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March 25, 2024

To: The Officials of the Springs Valley Community School Corporation
Springs Valley Community School Corporation
Orange County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Springs Valley Community School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2021 to June 30, 2023. 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, 2023, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2021 to June 30, 2023, 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 43. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 44 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 for Springs Valley 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.

A handwritten signature in black ink that reads "Tammy R. White". The signature is written in a cursive style.

Tammy R. White, CPA
Deputy State Examiner

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
Orange County, Indiana

FINANCIAL STATEMENT
As of June 30, 2023, and for the
period of July 1, 2021 through June 30, 2023

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
Orange County, Indiana

FINANCIAL STATEMENT
As of June 30, 2023, and for the
period of July 1, 2021 through June 30, 2023

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SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2021 through June 30, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kathy Allstott	07-01-21 to 07-01-22
	Felicia Wolfington	07-02-22 to 06-30-23
Superintendent of Schools	Dr. Trevor Apple	07-01-21 to 06-30-23
President of the School Board	Justin R Wininger	07-01-21 to 12-31-21
	Chris Burton	01-01-22 to 06-30-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Springs Valley Community School Corporation
Orange 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 Springs Valley Community School Corporation (the School Corporation) as of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023, 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, 2023, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2021 through June 30, 2023 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 paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2023, or changes in net position for the period of July 1, 2021 through June 30, 2023.

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 described in Note 1 to the financial statement, the financial statement is prepared by the School Corporation 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.

(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 opinions. 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.

(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, 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 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report February 16, 2024 on 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
February 16, 2024

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

Fund	Cash and Investments 07-01-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023
Education	\$ 11,036	\$ 6,180,128	\$ 5,712,956	\$ (478,205)	\$ 3	\$ 6,591,331	\$ 5,733,008	\$ (573,947)	\$ 284,379
Debt Service	540,870	789,439	800,500	14,039	543,848	803,038	813,000	12,273	546,159
Retirement/Severance Bond Debt Service	11,586	59,752	111,883	65,216	24,671	62,627	116,030	57,014	28,282
Operations	1,043,192	2,243,074	2,734,706	420,105	971,665	2,281,364	2,743,134	499,463	1,009,358
Local Rainy Day	524,759	-	244,408	-	280,351	-	124,759	-	155,592
School Lunch	19,381	554,545	457,225	-	116,701	589,407	566,920	-	139,188
Curricular Materials Rental	332,823	136,719	67,154	-	402,388	106,606	21,358	-	487,636
Self-Insurance	65,670	877,084	880,072	-	62,682	783,057	779,827	-	65,912
Casino Revenue	1,926,577	363,690	224,164	(25,232)	2,040,871	346,502	320,270	(21,157)	2,045,946
Chromebook Insurance	1,471	2,640	3,938	-	173	2,670	7,232	4,389	-
After School Teen Program	13,433	2,199	1,706	-	13,926	1,850	955	-	14,821
After School Teen Operating	-	-	19,000	19,000	-	-	21,476	23,000	1,524
A1 Community Drugfree	1,255	-	848	-	407	-	345	-	62
Educational License Plates	6,357	130	-	-	6,487	75	3,977	-	2,585
Early Intervention Grant	-	2,541	2,541	-	-	2,088	2,088	-	-
Believe In Reading	1,000	-	1,000	-	-	1,000	1,000	-	-
Scholarships And Awards	-	500	500	-	-	1,000	1,000	-	-
Formative Assessment	-	6,441	6,441	-	-	8,355	8,355	-	-
Indiana Preschool Grants	(4,799)	4,799	-	-	-	-	-	-	-
Secured Schools Safety Grant	(17,475)	56,219	43,049	-	(4,305)	37,638	50,000	-	(16,667)
Non-English Speaking Program	236	703	939	-	-	759	759	-	-
Career And Technical Performance Grant	5,512	-	1	-	5,511	495	1,900	-	4,106
Teacher Appreciation Grant	-	30,413	30,413	-	-	31,270	31,270	-	-
High Ability Students	4,128	24,926	27,189	-	1,865	22,804	22,804	-	1,865
State Connectivity Grant	8,900	7,500	3,800	-	12,600	4,560	3,600	-	13,560
Project Lead The Way	(2,400)	8,000	5,600	-	-	-	-	-	-
Preschool Build Learn Grow	-	200,277	66,020	-	134,257	-	134,257	-	-
Title I 2021-22	-	179,202	189,870	-	(10,668)	29,481	18,813	-	-
Title I 2022-23	-	-	-	-	-	171,012	190,940	-	(19,928)
Title I 2020-21	(12,369)	57,972	45,603	-	-	-	-	-	-
Federal Part B Special Ed	(7,468)	58,113	58,721	-	(8,076)	86,931	86,246	-	(7,391)
Student Support Title Iv	-	17,801	17,801	-	-	15,653	15,653	-	-
Icap Expanding Access For Well-Rounded C	-	-	-	-	-	8,875	31,990	-	(23,115)

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2023 and for the period of July 1, 2021 through June 30, 2023

Fund	Cash and Investments 07-01-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023
Medicaid Reimb-Federal	\$ 14,300	\$ 9,366	\$ 13,775	\$ (3,063)	6,828	\$ 2,936	\$ 895	\$ (1,035)	7,834
Title II Part A	(1,710)	34,004	32,294	-	-	-	-	-	-
ESSER III Relief Learning Loss	-	-	-	-	-	8,950	11,200	-	(2,250)
IDEA ARP 611 Grant	-	-	-	-	-	39,819	43,611	-	(3,792)
IDEA ARP 619 Grant	-	-	-	-	-	3,507	3,507	-	-
Emergency Connectivity	-	-	800	-	(800)	800	-	-	-
ESSER III	(2,404)	1,231,292	1,226,706	(7,310)	(5,128)	395,851	402,148	-	(11,425)
ESSER II	(2,560)	85,196	91,288	-	(8,652)	62,042	53,473	-	(83)
GEER I	(1,417)	16,681	25,386	-	(10,122)	6,564	(3,558)	-	-
ESSER I	(850)	5,405	4,555	-	-	-	-	-	-
Yapa Youth Adol Phys Activity	-	-	8,000	-	(8,000)	8,000	-	-	-
Prepaid Food	1,210	20,966	20,421	-	1,755	78,710	80,098	-	367
Federal Withholdings	-	363,373	363,373	-	-	373,306	373,306	-	-
Social Security	-	365,858	365,858	-	-	379,125	379,125	-	-
State Taxes	-	152,745	152,745	-	-	154,848	143,181	-	11,667
County Taxes	-	76,500	76,500	-	-	80,028	73,979	-	6,049
Trf Optional	-	8,799	8,799	-	-	13,590	13,590	-	-
Public Employees Retirement	-	65,015	65,015	-	-	67,358	67,358	-	-
Insurance Non 125	463	21,757	22,044	-	176	19,902	19,731	-	347
Annuities	-	45,611	45,611	-	-	30,486	30,486	-	-
Dues Ganishments	-	4,134	4,134	-	-	4,336	4,336	-	-
Health/125	-	242,358	241,589	-	769	229,588	230,246	-	111
Dental/125	-	45,928	45,806	-	122	38,424	38,073	-	473
Cancer/125	-	22,861	22,861	-	-	21,871	21,898	-	(27)
Health Savings Account Sect 125	-	125,005	125,005	-	-	108,391	108,391	-	-
Aflac Group Sect 125 Accident	-	19,712	19,712	-	-	19,200	18,059	-	1,141
Aflac Group Non-125 C Illness	-	11,412	11,412	-	-	10,474	9,856	-	618
Elem Eca Athletics Pay	-	143	-	-	143	61	61	-	143
High School Eca Other Payroll	-	166	-	-	166	-	-	-	166
High School Eca Athletics Pay	-	3,212	3,521	-	(309)	1,261	1,261	-	(309)
Fringe Benefits	-	13,950	13,950	-	-	735	735	-	-
Totals	\$ 4,480,707	\$ 14,856,256	\$ 14,769,208	\$ 4,550	\$ 4,572,305	\$ 14,150,611	\$ 13,978,012	\$ -	\$ 4,744,904

See notes to financial statement.

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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.

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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.

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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 Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

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

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.

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

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, 2022, and 2023.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Springs Valley 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, 2021 through June 30, 2022 totaled \$805,000. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$813,000.

NOTE 8 - RELATED PARTY TRANSACTIONS

During the audit period, the School Corporation, under a contract, paid a company that employs a relative of one of the School Corporation's board members for student outreach services. The board member was elected in 2023. Payments for the period July 1, 2022 to June 30, 2023 totaled \$30,000.

NOTE 9 - 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.

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 9 - PENSION PLANS (Continued)

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.

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.

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 9 - PENSION PLANS (Continued)

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.

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.

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

The School Corporation provides to eligible retirees and their spouses the following benefits: dental, vision, life insurance, and post-separation 403(b) Bridge to Social Security Benefit. 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.

NOTE 11 - SUBSEQUENT EVENTS

In September 2023, the School Corporation issued debt in the amount of \$1,500,000 as part of the General Obligation Bonds Series 2023.

OTHER INFORMATION (Unaudited)

SPRINGS VALLEY 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, 2022

	Education	Debt Service	Retirement/ Severance Bond Debt Service	Operations	Local Rainy Day	School Lunch	Curricular Materials Rental	Self- Insurance	Casino Revenue	Chromebook Insurance	After School Teen Program	After School Teen Operating	A1 Community Drugfree	Educational License Plates	Early Intervention Grant
Cash and investments - beginning	\$ 11,036	\$ 540,870	\$ 11,586	\$ 1,043,192	\$ 524,759	\$ 19,381	\$ 332,823	\$ 65,670	\$ 1,926,577	\$ 1,471	\$ 13,433	\$ -	\$ 1,255	\$ 6,357	\$ -
Receipts:															
Local sources	210,842	789,439	59,752	2,138,741	-	-	6,263	877,084	49,166	2,640	2,199	-	-	-	-
Intermediate sources	77	-	-	83,333	-	-	-	-	314,524	-	-	-	-	130	-
State sources	5,969,209	-	-	-	-	-	130,456	-	-	-	-	-	-	-	2,541
Federal sources	-	-	-	-	-	554,545	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	21,000	-	-	-	-	-	-	-	-	-	-	-
Total receipts	6,180,128	789,439	59,752	2,243,074	-	554,545	136,719	877,084	363,690	2,640	2,199	-	-	130	2,541
Disbursements:															
Instruction	4,393,447	-	-	-	236,392	-	-	-	80,974	-	1,706	19,000	-	-	2,541
Support services	1,185,102	-	-	2,566,300	8,016	457,225	67,154	1,472	77,565	3,938	-	-	848	-	-
Noninstructional services	134,407	-	-	5,227	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	163,179	-	-	-	-	65,460	-	-	-	-	-	-
Debt services	-	800,500	111,883	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	878,600	165	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,712,956	800,500	111,883	2,734,706	244,408	457,225	67,154	880,072	224,164	3,938	1,706	19,000	848	-	2,541
Excess (deficiency) of receipts over disbursements	467,172	(11,061)	(52,131)	(491,632)	(244,408)	97,320	69,565	(2,988)	139,526	(1,298)	493	(19,000)	(848)	130	-
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	4,550	-	-	-	-	-	-	-	-	-	-	-
Transfers in	9,295	14,039	65,216	494,810	-	-	-	-	-	-	-	19,000	-	-	-
Transfers out	(487,500)	-	-	(79,255)	-	-	-	-	(25,232)	-	-	-	-	-	-
Total other financing sources (uses)	(478,205)	14,039	65,216	420,105	-	-	-	-	(25,232)	-	-	19,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(11,033)	2,978	13,085	(71,527)	(244,408)	97,320	69,565	(2,988)	114,294	(1,298)	493	-	(848)	130	-
Cash and investments - ending	\$ 3	\$ 543,848	\$ 24,671	\$ 971,665	\$ 280,351	\$ 116,701	\$ 402,388	\$ 62,682	\$ 2,040,871	\$ 173	\$ 13,926	\$ -	\$ 407	\$ 6,487	\$ -

(Continued)

SPRINGS VALLEY 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, 2022

	Believe In Reading	Scholarships And Awards	Formative Assessment	Indiana Preschool Grants	Secured Schools Safety Grant	Non-English Speaking Program	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Preschool Build Learn Grow	Title I 2021-22	Title I 2020-21	Federal Part B Special Ed
Cash and investments - beginning	\$ 1,000	\$ -	\$ -	\$ (4,799)	\$ (17,475)	\$ 236	\$ 5,512	\$ -	\$ 4,128	\$ 8,900	\$ (2,400)	\$ -	\$ -	\$ (12,369)	\$ (7,468)
Receipts:															
Local sources	-	500	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	6,441	4,799	56,219	703	-	30,413	24,926	7,500	8,000	200,277	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	179,202	57,972	58,113
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	500	6,441	4,799	56,219	703	-	30,413	24,926	7,500	8,000	200,277	179,202	57,972	58,113
Disbursements:															
Instruction	1,000	-	-	-	-	254	1	30,413	27,189	-	-	66,020	189,870	45,603	58,721
Support services	-	-	6,441	-	43,049	685	-	-	-	3,800	5,600	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	500	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,000	500	6,441	-	43,049	939	1	30,413	27,189	3,800	5,600	66,020	189,870	45,603	58,721
Excess (deficiency) of receipts over disbursements	(1,000)	-	-	4,799	13,170	(236)	(1)	-	(2,263)	3,700	2,400	134,257	(10,668)	12,369	(608)
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	(1,000)	-	-	4,799	13,170	(236)	(1)	-	(2,263)	3,700	2,400	134,257	(10,668)	12,369	(608)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (4,305)	\$ -	\$ 5,511	\$ -	\$ 1,865	\$ 12,600	\$ -	\$ 134,257	\$ (10,668)	\$ -	\$ (8,076)

(Continued)

SPRINGS VALLEY 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, 2022

	Student Support Title Iv	Medicaid Reimb- Federal	Title II Part A	Emergency Connectivity	ESSER III	ESSER II	GEER I	ESSER I	Yapa Youth Adol Phys Activity	Prepaid Food	Federal Withholdings	Social Security	State Taxes	County Taxes	Trf Optional
Cash and investments - beginning	\$ -	\$ 14,300	\$ (1,710)	\$ -	\$ (2,404)	\$ (2,560)	\$ (1,417)	\$ (850)	\$ -	\$ 1,210	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	20,966	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	17,801	9,366	34,004	-	1,231,292	85,196	16,681	5,405	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	363,373	365,858	152,745	76,500	8,799
Total receipts	17,801	9,366	34,004	-	1,231,292	85,196	16,681	5,405	-	20,966	363,373	365,858	152,745	76,500	8,799
Disbursements:															
Instruction	3,990	-	32,294	-	267,489	67,331	25,386	-	8,000	20,421	-	-	-	-	-
Support services	13,811	13,775	-	800	149,445	23,957	-	4,555	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	809,772	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	363,373	365,858	152,745	76,500	8,799
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	17,801	13,775	32,294	800	1,226,706	91,288	25,386	4,555	8,000	20,421	363,373	365,858	152,745	76,500	8,799
Excess (deficiency) of receipts over disbursements	-	(4,409)	1,710	(800)	4,586	(6,092)	(8,705)	850	(8,000)	545	-	-	-	-	-
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(3,063)	-	-	(7,310)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(3,063)	-	-	(7,310)	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(7,472)	1,710	(800)	(2,724)	(6,092)	(8,705)	850	(8,000)	545	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 6,828	\$ -	\$ (800)	\$ (5,128)	\$ (8,652)	\$ (10,122)	\$ -	\$ (8,000)	\$ 1,755	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

SPRINGS VALLEY 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, 2022

	Public Employees Retirement	Insurance Non 125	Annuities	Dues Ganishments	Health/125	Dental/125	Cancer/125	Health Savings Account Sect 125	Aflac Group Sect 125 Accident	Aflac Group Non-125 C Illness	Elem Eca Athletics Pay	High School Eca Other Payroll	High School Eca Athletics Pay	Fringe Benefits	Totals
Cash and investments - beginning	\$ -	\$ 463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,480,707
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,157,592
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	398,064
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,441,484
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,249,577
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	65,015	21,757	45,611	4,134	242,358	45,928	22,861	125,005	19,712	11,412	143	166	3,212	13,950	1,609,539
Total receipts	65,015	21,757	45,611	4,134	242,358	45,928	22,861	125,005	19,712	11,412	143	166	3,212	13,950	14,856,256
Disbursements:															
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,578,042
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,633,538
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	139,634
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,038,411
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	912,383
Nonprogrammed charges	65,015	22,044	45,611	4,134	241,589	45,806	22,861	125,005	19,712	11,412	-	-	3,521	13,950	2,467,200
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	65,015	22,044	45,611	4,134	241,589	45,806	22,861	125,005	19,712	11,412	-	-	3,521	13,950	14,769,208
Excess (deficiency) of receipts over disbursements	-	(287)	-	-	769	122	-	-	-	-	143	166	(309)	-	87,048
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,550
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	602,360
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(602,360)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,550
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(287)	-	-	769	122	-	-	-	-	143	166	(309)	-	91,598
Cash and investments - ending	\$ -	\$ 176	\$ -	\$ -	\$ 769	\$ 122	\$ -	\$ -	\$ -	\$ -	\$ 143	\$ 166	\$ (309)	\$ -	\$ 4,572,305

SPRINGS VALLEY 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	Retirement/ Severance Bond Debt Service	Operations	Local Rainy Day	School Lunch	Curricular Materials Rental	Self- Insurance	Casino Revenue	Chromebook Insurance	After School Teen Program	After School Teen Operating	A1 Community Drugfree	Educational License Plates	Early Intervention Grant
Cash and investments - beginning	\$ 3	\$ 543,848	\$ 24,671	\$ 971,665	\$ 280,351	\$ 116,701	\$ 402,388	\$ 62,682	\$ 2,040,871	\$ 173	\$ 13,926	\$ -	\$ 407	\$ 6,487	\$ -
Receipts:															
Local sources	208,858	803,038	62,627	2,198,031	-	-	8,225	783,057	-	2,670	1,850	-	-	-	-
Intermediate sources	76	-	-	83,333	-	-	-	-	346,502	-	-	-	-	75	-
State sources	6,382,397	-	-	-	-	-	98,381	-	-	-	-	-	-	-	2,088
Federal sources	-	-	-	-	-	589,407	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	6,591,331	803,038	62,627	2,281,364	-	589,407	106,606	783,057	346,502	2,670	1,850	-	-	75	2,088
Disbursements:															
Instruction	4,387,865	-	-	-	124,759	-	-	-	282,904	-	955	21,476	-	-	2,088
Support services	1,216,555	-	-	2,599,143	-	566,920	21,358	2,462	37,366	7,232	-	-	345	-	-
Noninstructional services	128,588	-	-	18,723	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	125,268	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	813,000	116,030	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	777,365	-	-	-	-	-	3,977	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	5,733,008	813,000	116,030	2,743,134	124,759	566,920	21,358	779,827	320,270	7,232	955	21,476	345	3,977	2,088
Excess (deficiency) of receipts over disbursements	858,323	(9,962)	(53,403)	(461,770)	(124,759)	22,487	85,248	3,230	26,232	(4,562)	895	(21,476)	(345)	(3,902)	-
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	1,035	12,273	57,014	568,750	-	-	-	-	6,232	4,389	-	23,000	-	-	-
Transfers out	(574,982)	-	-	(69,287)	-	-	-	-	(27,389)	-	-	-	-	-	-
Total other financing sources (uses)	(573,947)	12,273	57,014	499,463	-	-	-	-	(21,157)	4,389	-	23,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	284,376	2,311	3,611	37,693	(124,759)	22,487	85,248	3,230	5,075	(173)	895	1,524	(345)	(3,902)	-
Cash and investments - ending	\$ 284,379	\$ 546,159	\$ 28,282	\$ 1,009,358	\$ 155,592	\$ 139,188	\$ 487,636	\$ 65,912	\$ 2,045,946	\$ -	\$ 14,821	\$ 1,524	\$ 62	\$ 2,585	\$ -

(Continued)

SPRINGS VALLEY 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

	Believe In Reading	Scholarships And Awards	Formative Assessment	Secured Schools Safety Grant	Non- English Speaking Program	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Preschool Build Learn Grow	Title I 2021-22	Title I 2022-23	Federal Part B Special Ed	Student Support Title Iv
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (4,305)	\$ -	\$ 5,511	\$ -	\$ 1,865	\$ 12,600	\$ 134,257	\$ (10,668)	\$ -	\$ (8,076)	\$ -
Receipts:														
Local sources	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	8,355	37,638	759	495	31,270	22,804	4,560	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	29,481	171,012	86,931	15,653
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	1,000	1,000	8,355	37,638	759	495	31,270	22,804	4,560	-	29,481	171,012	86,931	15,653
Disbursements:														
Instruction	1,000	-	-	-	-	1,900	31,270	22,804	-	134,257	18,813	190,940	86,246	4,629
Support services	-	-	8,355	50,000	759	-	-	-	3,600	-	-	-	-	11,024
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	1,000	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,000	1,000	8,355	50,000	759	1,900	31,270	22,804	3,600	134,257	18,813	190,940	86,246	15,653
Excess (deficiency) of receipts over disbursements	-	-	-	(12,362)	-	(1,405)	-	-	960	(134,257)	10,668	(19,928)	685	-
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	-	-	-	(12,362)	-	(1,405)	-	-	960	(134,257)	10,668	(19,928)	685	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (16,667)	\$ -	\$ 4,106	\$ -	\$ 1,865	\$ 13,560	\$ -	\$ -	\$ (19,928)	\$ (7,391)	\$ -

(Continued)

SPRINGS VALLEY 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

	Icap Expanding Access For Well- Rounded C	Medicaid Reimb- Federal	ESSER III Relief Learning Loss	IDEA ARP 611 Grant	IDEA ARP 619 Grant	Emergency Connectivity	ESSER III	ESSER II	GEER I	Yapa Youth Adol Phys Activity	Prepaid Food	Federal Withholdings	Social Security	State Taxes	County Taxes	Trf Optional
Cash and investments - beginning	\$ -	\$ 6,828	\$ -	\$ -	\$ -	\$ (800)	\$ (5,128)	\$ (8,652)	\$ (10,122)	\$ (8,000)	\$ 1,755	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:																
Local sources	-	-	-	-	-	-	-	-	-	-	78,710	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	8,875	2,936	8,950	39,819	3,507	800	395,851	62,042	6,564	8,000	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	373,306	379,125	154,848	80,028	13,590
Total receipts	8,875	2,936	8,950	39,819	3,507	800	395,851	62,042	6,564	8,000	78,710	373,306	379,125	154,848	80,028	13,590
Disbursements:																
Instruction	31,990	-	11,200	43,611	-	-	128,658	12,430	(10,122)	-	-	-	-	-	-	-
Support services	-	895	-	-	3,507	-	123,795	41,043	-	-	80,098	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	149,695	-	6,564	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	373,306	379,125	143,181	73,979	13,590
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	31,990	895	11,200	43,611	3,507	-	402,148	53,473	(3,558)	-	80,098	373,306	379,125	143,181	73,979	13,590
Excess (deficiency) of receipts over disbursements	(23,115)	2,041	(2,250)	(3,792)	-	800	(6,297)	8,569	10,122	8,000	(1,388)	-	-	11,667	6,049	-
Other financing sources (uses):																
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(1,035)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,035)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(23,115)	1,006	(2,250)	(3,792)	-	800	(6,297)	8,569	10,122	8,000	(1,388)	-	-	11,667	6,049	-
Cash and investments - ending	\$ (23,115)	\$ 7,834	\$ (2,250)	\$ (3,792)	\$ -	\$ -	\$ (11,425)	\$ (83)	\$ -	\$ -	\$ 367	\$ -	\$ -	\$ 11,667	\$ 6,049	\$ -

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SPRINGS VALLEY 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

	Public Employees Retirement	Insurance Non 125	Annuities	Dues Ganishments	Health/125	Dental/125	Cancer/125	Health Savings Account Sect 125	Aflac Group Sect 125 Accident	Aflac Group Non-125 C Illness	Elem Eca Athletics Pay	High School Eca Other Payroll	High School Eca Athletics Pay	Fringe Benefits	Totals
Cash and investments - beginning	\$ -	\$ 176	\$ -	\$ -	\$ 769	\$ 122	\$ -	\$ -	\$ -	\$ -	\$ 143	\$ 166	\$ (309)	\$ -	\$ 4,572,305
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,149,066
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	429,986
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,588,747
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,429,828
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	67,358	19,902	30,486	4,336	229,588	38,424	21,871	108,391	19,200	10,474	61	-	1,261	735	1,552,984
Total receipts	67,358	19,902	30,486	4,336	229,588	38,424	21,871	108,391	19,200	10,474	61	-	1,261	735	14,150,611
Disbursements:															
Instruction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,529,673
Support services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,774,457
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	147,311
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	281,527
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	929,030
Nonprogrammed charges	67,358	19,731	30,486	4,336	230,246	38,073	21,898	108,391	18,059	9,856	61	-	1,261	735	2,316,014
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	67,358	19,731	30,486	4,336	230,246	38,073	21,898	108,391	18,059	9,856	61	-	1,261	735	13,978,012
Excess (deficiency) of receipts over disbursements	-	171	-	-	(658)	351	(27)	-	1,141	618	-	-	-	-	172,599
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	672,693
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(672,693)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	171	-	-	(658)	351	(27)	-	1,141	618	-	-	-	-	172,599
Cash and investments - ending	\$ -	\$ 347	\$ -	\$ -	\$ 111	\$ 473	\$ (27)	\$ -	\$ 1,141	\$ 618	\$ 143	\$ 166	\$ (309)	\$ -	\$ 4,744,904

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 1,045,768	\$ 1,324,368

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2023

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities: Springs Valley School Building Corporation	First Mortgage Refunding Bor	\$ 824,500	6/30/2014	12/31/2028
Total of annual lease payments		<u>\$ 824,500</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	General Obligation Bonds Series 2023	\$ 1,500,000	\$ 160,000
General Obligation Bonds	Retirement/Severance Bonds	<u>175,000</u>	<u>115,000</u>
Total governmental activities		<u>1,675,000</u>	<u>275,000</u>
Totals		<u>\$ 1,675,000</u>	<u>\$ 275,000</u>

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2023

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	\$ 351,012
Buildings	20,598,783
Improvements other than buildings	1,822,957
Machinery, equipment, and vehicles	<u>3,495,279</u>
Total governmental activities	<u>26,268,031</u>
Total capital assets	<u>\$ 26,268,031</u>

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2021 - June 30, 2023

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.

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

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 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 7-01-2021 to 06-30-23
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2022, FY2023	\$ 98,944	\$ 94,003	\$ 192,947
National School Lunch Program		10.555	FY2022, FY2023	385,629	359,128	744,757
Commodities		10.555	FY2022, FY2023	54,968	33,584	88,552
Total - Child Nutrition Cluster				<u>539,541</u>	<u>486,715</u>	<u>1,026,256</u>
Pandemic EBT Administrative Costs	Indiana Department of Education					
National School Lunch Program		10.649	FY2022, FY2023	614	628	1,242
Total - Department of Agriculture				<u>540,155</u>	<u>487,343</u>	<u>1,027,498</u>
<u>Federal Communications Commission</u>						
Federal Communications Commission	Direct Award					
Emergency Connectivity Fund (ARP)		32.009	ECF202105071	-	800	800
Total - Federal Communications Commission				<u>-</u>	<u>800</u>	<u>800</u>
<u>Department of Education</u>						
Special Education Cluster						
Special Education Grants to States	Indiana Department of Education					
IDEA- Part B		84.027	20611-52-PN01	159	-	159
IDEA- Part B		84.027	21611-52-PN01	115,172	2,245	117,417
IDEA- Part B		84.027X	22611-52-ARP	-	36,027	36,027
IDEA- Part B		84.027	22611-52-PN01	108,500	126,670	235,170
IDEA- Part B		84.027	23611-52-PN01	-	117,968	117,968
Total - Special Education Grants to States				<u>223,831</u>	<u>282,910</u>	<u>506,741</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA- Preschool		84.173	20619-52-PN01	31	-	31
IDEA- Preschool		84.173	21619-052-PN01	4,662	138	4,800
IDEA- Preschool		84.173X	22619-052-ARP	-	3,507	3,507
IDEA- Preschool		84.173	22619-52-PN01	10,954	2,018	12,972
IDEA- Preschool		84.173	23619-52-PN01	-	10,803	10,803
Total - Special Education Preschool Grants				<u>15,647</u>	<u>16,466</u>	<u>32,113</u>
Total - Special Education Cluster				<u>239,478</u>	<u>299,376</u>	<u>538,854</u>

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

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 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards Expended 7-01-2021 to 06-30-23
Title I Grants to Local Educational Agencies						
Indiana Department of Education						
Title I, Part A		84.010A	S010A200014	\$ 57,972	\$ -	\$ 57,972
Title I, Part A		84.010A	S010A210014	179,202	29,481	208,683
Title I, Part A		84.010A	S010A220014	-	171,012	171,012
Total - Title I Grants to Local Educational Agencies				<u>237,174</u>	<u>200,493</u>	<u>437,667</u>
Supporting Effective Instruction State Grant						
Indiana Department of Education						
Title II, Part A		84.367A	S367A200013	34,003	-	34,003
Total - Supporting Effective Instruction State Grant				<u>34,003</u>	<u>-</u>	<u>34,003</u>
Student Support and Academic Enrichment Program						
Indiana Department of Education						
Title IV, Part A		84.424	S424A190015	17,801	-	17,801
Title IV, Part A		84.424	S424A220015	-	15,653	15,653
Title IV, Part A - iCAP		84.424	69059	-	8,875	8,875
Total - Student Support and Academic Enrichment Program				<u>17,801</u>	<u>24,528</u>	<u>42,329</u>
COVID-19 Education Stabilization Fund						
Indiana Department of Education						
Governor's Emergency Education Relief (GEER) Fund		84.425C	S425C200018	16,681	6,564	23,245
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	5,405	-	5,405
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D200013	85,196	62,042	147,238
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U200012	1,231,292	395,851	1,627,143
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	The Mind Trust, Inc.	84.425U	S425U200012	-	8,950	8,950
Total - Education Stabilization Fund				<u>1,338,574</u>	<u>473,407</u>	<u>1,811,981</u>
Total - Department of Education				<u>1,867,030</u>	<u>997,804</u>	<u>2,864,834</u>
<u>Department of Health and Human Services</u>						
Maternal and Child Health Services Block Grant to the States						
Indiana Department of Health and Human Services						
Health resources and Services Administration		93.994	B04MC30611	-	8,000	8,000
Total - Maternal and Child Health Services Block Grant to the States				<u>-</u>	<u>8,000</u>	<u>8,000</u>
Medicaid Cluster						
Indiana Department of Education						
Medicaid Cluster		93.778	FY2022, FY2023	6,790	2,104	8,895
Total - Department of Health and Human Services				<u>6,790</u>	<u>10,104</u>	<u>16,895</u>
Total federal awards expended				<u>\$ 2,413,975</u>	<u>\$ 1,496,051</u>	<u>3,910,027</u>

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

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2021 through June 30, 2023

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, 2021 through June 30, 2023. 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, 2021 through June 30, 2023.

NOTE 4 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.027X, 84.173, 84.173X)

The School Corporation is a member of the South Central Area Special Education Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, some of the activity for the Special Education Cluster (IDEA) that is presented as federal awards expended in the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

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
Springs Valley Community School Corporation
Orange 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 Springs Valley 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, 2023 and for the period July 1, 2021 through June 30, 2023 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated February 16, 2024.

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 2023-001 that we consider to be a material weakness.

(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 Findings

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
Crowe LLP

Indianapolis, Indiana
February 16, 2024

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

Those Charged with Governance
Springs Valley Community School Corporation
Orange, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Springs Valley Community School Corporation (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, 2021 through June 30, 2023. 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, 2021 through June 30, 2023.

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.

(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 and a significant deficiency.

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 2023-002, 2023-003, 2023-004, 2023-005, and 2023-006 to be material weaknesses.

(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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-007 to be a significant deficiency.

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 response.

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 16, 2024

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2021 through June 30, 2023

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

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?	<u> X </u>	Yes	_____ 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

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.425C, 84.425D, 84.425U	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)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings

FINDING 2023-001

Subject: Preparation of the Annual Financial Report
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, ..."

Condition: The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

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

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-001 (Continued)

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

- 1) For the period of July 1, 2021 to June 30, 2022, the receipt and disbursement, amounts were understated by \$669,224 and \$501,794 respectively. The beginning July 1, 2021 balance was understated by \$288,600. The net impact on the ending June 30, 2022 cash balance was an understatement of \$456,030.
- 2) For the period of July 1, 2022 to June 30, 2023, receipt and disbursement amounts were understated by \$733,865 and \$627,518 respectively. The beginning July 1, 2022 balance was understated by \$456,030. The net impact on the ending June 30, 2023 cash balance was an understatement of \$562,377.
- 3) The beginning July 1, 2021 cash balance was understated by \$4,095,000 which resulted in the ending June 30, 2022 and June 30, 2023 cash balances be understated by the same.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement to correct the errors noted above.

The errors noted in items 1 and 2 above related to the understatement of activity in the School Lunch, Textbook Rental, and School Lunch Prepaid Account funds.

The errors noted in item 3 and 4 relate to improperly including the investment subsidiary fund in the AFR. The subsidiary investment fund reports a negative balance for the ending cash balance of investments already reported in other funds. The negative balance in the subsidiary investment fund needs to be removed to report the correct ending cash balance.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the financial statement remained undetected. The financial statement 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 AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers. The School Corporation should establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

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

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section III – Federal Award Findings and Questioned Costs

FINDING 2023-002

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, Summer Food Program
Assistance Listing Number: 10.553, 10.555
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: There were no questioned costs identified.

Context: The School Corporation pays approximately ninety-five percent of its Child Nutrition Cluster funding to a Food Service Management Company. For the year ended June 30, 2022, the School Corporation paid the FMSC approximately \$412,000. For the year ended June 30, 2022, the School Corporation only reviewed a summary level invoice from the service provider which did not include the underlying support or detail of the reimbursable costs incurred by the service provider. The School Corporation received the underlying support of the costs incurred for the year ended June 30, 2023.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommend that the School Corporation establish a documented, primary review of all Child Nutrition Cluster account payable claims before they are paid.

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

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-003

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
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). . . ."

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 cash management compliance requirement.

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

Effect: The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with 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: \$20

Context: We noted that for two claims in a sample of four, the Food Service Director prepared the reimbursement claim without a secondary, documented review to ensure the accuracy of the reimbursement claim.

Additionally, the number of meals claimed on one of the four claims sampled did not agree to the supporting meal system reports. The net overstatement of meals claimed for the four claims sampled was 4 meals resulting in an over reimbursement amount of \$20.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and cash management compliance requirements.

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

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-004

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
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
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 in order to ensure compliance with requirements related to the grant agreement and the Eligibility 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: During testing of 60 students for eligibility, we noted 21 instances where there was no documented review by someone other than the individual making the eligibility determination. The lack of review was isolated to online applications.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and Eligibility compliance requirements.

Views of Responsible Officials and Planned Corrective Actions: For the views of the responsible officials, refer to the Corrective Action Plan that is part of this report.

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-005

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: 84.425C, 84.425D & 84.425U
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 in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs- Cost Principles 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: We noted that there was no primary, documented review for three of the nine sample vendor accounts payable vouchers.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation's management establish a documented, primary review of all accounts payable claims before they are paid.

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

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-006

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: 84.425C, 84.425D & 84.425U
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment
Audit Finding: Material Weakness

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

"The non-Federal entity must:

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

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 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: We noted that there was no inventory of the property and equipment owned by the School Corporation performed during the audit period.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the School Corporation perform a physical inventory as least once every two years and formally document the results of their inventory count.

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

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-007

Information on the federal program:

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements Federal
Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listing Number: 84.425U
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Significant Deficiency

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). . . ."

29 CFR 5.5 states in part:

a.The Agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in §5.1, the following clauses...

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

(3)(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency)

(Continued)

SPRINGS VALLEY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-007 (Continued)

2 CFR 200 Appendix II states in part:

In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . .”

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate 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. Noncompliance with the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirement could result in the loss of future federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation did not have an internal controls/procedure in place to ensure compliance with the Davis-Bacon requirement. For the 1 sample item selected for testing, the School Corporation did not include the wage-rate requirements in the contract. The School Corporation did receive the weekly payroll reports as required. The sample item cost \$869,637 to install energy conversation measures. The finding is isolated to the ESSER III grant (84.425U).

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation include Davis-Bacon wage requirements in vendor contracts which are federally funded.

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

Springs Valley Community Schools

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Mrs. Felicia Wolfington
Treasurer

Dr. Trevor Apple
Superintendent

Mrs. Peggy Simmons
Deputy Treasurer

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2023

Finding 2023-001 – Preparation of the Annual Financial Report

Contact Person Responsible for Corrective Action: Felicia Wolfington
Contact Phone Number: (812) 936-4474 x232

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: In the future, the Textbook Rental, School Lunch, and School Lunch Prepaid Account Funds will be reported on the AFR. In the future, the Investment Funds will be excluded from the AFR. The school corporation's management will establish a documented, secondary review to ensure the amounts reported on the financial statement agree to the supporting fund ledger detail.

Anticipated Completion Date: 02/16/2024

Finding 2023-002 – Child Nutrition Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Contact Person Responsible for Corrective Action: Felicia Wolfington/Sasha Robison
Contact Phone Number: (812) 936-4474 x232

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The school corporation's management will establish a documented, secondary review of all accounts payable claims to ensure the accuracy of the claims, and will ensure underlying support or details of the claims will be included.

Anticipated Completion Date: 02/16/2024

Finding 2023-003 – Child Nutrition Cluster – Reporting

Contact Person Responsible for Corrective Action: Felicia Wolfington/Sasha Robison
Contact Phone Number: (812) 936-4474 x232

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The school corporation's management will establish a documented, secondary review of the reporting to ensure they are meeting the grant agreement and cash management compliance requirements.

Anticipated Completion Date: 02/16/2024

Finding 2023-004 – Child Nutrition Cluster – Eligibility

Contact Person Responsible for Corrective Action: Felicia Wolfington/Sasha Robison
Contact Phone Number: (812) 936-4474 x232

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The school corporation's management will establish a documented, secondary review of eligibility determinations to ensure they meet the grant agreement and eligibility compliance requirements.

Anticipated Completion Date: 08/31/2024

Finding 2023-005 – Education Stabilization Fund - Activities Allowed or Unallowed, Allowable Costs- Cost Principles

Contact Person Responsible for Corrective Action: Felicia Wolfington
Contact Phone Number: (812) 936-4474 x232

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The school corporation's management will establish a documented, primary and secondary review of all federal accounts payable claims.

Anticipated Completion Date: 02/16/2024

Finding 2023-006 – Education Stabilization Fund – Equipment

Contact Person Responsible for Corrective Action: Felicia Wolfington
Contact Phone Number: (812) 936-4474 x232

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The school corporation will perform a documented, physical inventory of property at least once every two years and reconcile that with property records.

Anticipated Completion Date: 06/30/2024

Finding 2023-007 – Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements

Contact Person Responsible for Corrective Action: Felicia Wolfington
Contact Phone Number: (812) 936-4474 x232

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: In the future, the school corporation's management will ensure a clause will be added to all contractor's contracts stating they are following all Davis-Bacon wage laws when federal funds are being used to fund the project.

Anticipated Completion Date: 02/16/2024