

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

VALPARAISO COMMUNITY SCHOOLS
PORTER COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED
03/25/2024



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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March 25, 2024

To: The Officials of the Valparaiso Community Schools
Valparaiso Community Schools
Porter County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Valparaiso Community Schools. 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 38 through 41. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on page 42.

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 the Valparaiso Community Schools 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

VALPARAISO COMMUNITY SCHOOLS
Porter County, Indiana

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

VALPARAISO COMMUNITY SCHOOLS
Porter 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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VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2021 through June 30, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Gabrielle Jaremczuk	07-01-21 to 08-25-21
	Sharon Qulakenbush	08-26-21 to 06-30-22
	Jim Holifield	07-01-22 to 06-30-23
Superintendent of Schools	Dr. Jim McCall	07-01-21 to 06-30-23
President of the School Board	Karl Cender	07-01-21 to 06-30-22
	Jennifer Bognar	07-01-22 to 06-30-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Valparaiso Community Schools
Porter 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 Valparaiso Community Schools (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 dated February 13, 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

Indianapolis, Indiana
February 13, 2024

VALPARAISO COMMUNITY SCHOOLS
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			Other Financing		Cash and Investments			Other Financing		Cash and Investments	
	07-01-2021	Receipts	Disbursements	Sources (Uses)	06-30-2022	Receipts	Disbursements	Sources (Uses)	06-30-2023			
Education	\$ 9,369,338	\$ 47,216,184	\$ 38,795,113	\$ (6,336,000)	\$ 11,454,409	\$ 50,025,700	\$ 41,277,789	\$ (7,048,000)	\$ 13,154,320			
Referendum Operating	4,808,644	5,821,983	5,549,643	-	5,080,984	5,277,137	5,726,568	-	4,631,553			
Debt Service	2,453,908	4,120,572	4,135,701	(97,017)	2,341,762	3,899,355	3,844,929	-	2,396,188			
Pension Debt	1,047,851	1,932,421	1,910,838	-	1,069,434	1,900,886	1,859,742	-	1,110,578			
Referendum Debt -Exempt	2,341,002	11,445,822	11,368,000	-	2,418,824	11,474,672	11,368,500	-	2,524,996			
Operations	12,291,215	10,811,543	18,352,491	6,455,501	11,205,768	11,856,669	18,470,459	7,090,798	11,682,776			
Rainy Day	8,368,031	500,000	450,000	-	8,418,031	450,000	400,000	-	8,468,031			
Retirement/ Severance	5,721,126	19,840	628,091	-	5,112,875	44,629	398,574	-	4,758,930			
Post Retirement/ Severance	11,373	-	-	-	11,373	-	-	-	11,373			
Food Service	1,278,590	4,002,888	2,943,819	-	2,337,659	4,233,117	3,470,193	32,000	3,132,583			
Curricular Materials	1,734,947	578,528	917,242	97,017	1,493,250	749,879	550,724	-	1,692,405			
Self Insurance	5,954,286	7,816,857	7,849,914	-	5,921,229	8,125,552	9,188,317	-	4,858,464			
Donations/Gifts	150,711	100,150	110,429	-	140,432	85,555	85,362	-	140,625			
Rdc Art Donation	1,683	-	641	-	1,042	-	1,036	-	6			
National Spanish Grant	4,785	-	4,785	-	-	-	-	-	-			
Walmart - Music Grant	3	-	-	-	3	-	3	-	-			
No Kid Hungry Grant	1,450	-	1,450	-	-	-	-	-	-			
Donation - Building Corp	129,180	-	-	-	129,180	-	55,450	-	73,730			
Vsf Heavilin Reads Grant	-	2,500	2,500	-	-	-	-	-	-			
Substance Abuse Prevention	4,228	-	2,168	-	2,060	-	-	-	2,060			
Culture & Student Services	29,068	-	11,339	-	17,729	-	12,524	-	5,205			
Legacy Walk Donation	-	61,690	-	-	61,690	-	3,882	-	57,808			
Rdc Grant 2021	-	431,356	431,356	-	-	-	-	-	-			
Rdc Grant 2022	-	443,509	-	-	443,509	-	443,509	-	-			
Wellness	4,018	5,408	4,719	-	4,707	5,721	5,500	-	4,928			
Vale Grant	574	1,000	678	-	896	-	59	-	837			
Vale Tcu Foundation Grant	2,500	-	616	-	1,884	-	954	-	930			
John W Anderson Foundation	5,674	7,500	13,084	-	90	7,500	7,346	-	244			
Scholarships	1,000	-	1,000	-	-	-	-	-	-			
Dual Immersion Pilot Program	-	17,000	17,000	-	-	-	-	-	-			
Formative Assessment Grant	-	86,030	46,849	-	39,181	81,570	120,751	-	-			
In Secured School Safety Grant	(45,000)	75,000	42,500	-	(12,500)	50,000	50,000	-	(12,500)			
Alternative Education Grant	47,452	46,125	26,573	-	67,004	46,875	43,578	-	70,301			
Early Intervention 2020-2021	8,494	-	8,494	-	-	-	-	-	-			
Early Intervention 2021-2022	-	18,129	16,429	-	1,700	-	1,700	-	-			
Early Intervention 2022-2023	-	-	-	-	-	13,648	10,648	-	3,000			
Nesp 2020-2021	2,703	-	2,703	-	-	-	-	-	-			

(Continued)

VALPARAISO COMMUNITY SCHOOLS
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			Other Financing		Cash and Investments			Other Financing		Cash and Investments	
	07-01-2021	Receipts	Disbursements	Sources (Uses)	06-30-2022	Receipts	Disbursements	Sources (Uses)	06-30-2023			
Nesp 2021-2022	\$ -	\$ 53,894	\$ 38,727	\$ -	\$ 15,167	\$ -	\$ 15,167	\$ -	\$ -			
Nesp 2022-2023	-	-	-	-	-	44,679	44,679	-	-			
Career & Tech Performance Grnt	12,609	-	-	-	12,609	843	12,609	-	843			
2021 Teacher Appreciation Gran	-	238,446	238,446	-	-	239,331	239,331	-	-			
High Ability	35,437	58,875	60,805	-	33,507	53,726	63,856	-	23,377			
State Connectivity Grant	93,774	12,760	-	-	106,534	62,422	-	-	168,956			
Project Lead The Way	-	153,000	81,077	-	71,923	80,000	85,789	-	66,134			
Youth Risk Behavior Survey	484	-	484	-	-	550	55	-	495			
Title I Part A 2020-2021 Close	(84,025)	272,587	188,562	-	-	-	-	-	-			
Title I Part A 2021-2022	-	414,376	455,414	-	(41,038)	131,074	90,036	-	-			
Title I Part A 2022-2023	-	-	-	-	-	522,045	572,439	-	(50,394)			
Title I Part D 2020-2021 Close	(2,959)	30,496	27,537	-	-	-	-	-	-			
Title I Part D 2021-2022	-	17,900	21,052	-	(3,152)	17,025	13,873	-	-			
Title I Part D 2022-2023	-	-	-	-	-	8,509	8,509	-	-			
Title Iv Fy19 2019-2021	(4,340)	15,469	11,179	-	(50)	50	-	-	-			
Title Iv Fy 20 2020-2022	-	36,570	37,369	-	(799)	857	58	-	-			
Title Iv Fy 21 2021-2023	-	9,392	15,133	-	(5,741)	38,621	33,080	-	(200)			
Title Iv Fy 22 2022-2024	-	-	-	-	-	26,458	31,705	-	(5,247)			
Title Ii 2019-2021	(18,030)	83,566	65,536	-	-	314	314	-	-			
Title Ii Ffy 2020-2022	(568)	136,581	138,978	-	(2,965)	11,993	9,028	-	-			
Title Iia Ffy 2021-2023	-	-	3,795	-	(3,795)	96,102	92,307	-	-			
Title Iia Ffy 2022-2024	-	-	-	-	-	31,989	46,491	-	(14,502)			
Title Iii 2019-2021	(679)	35,045	34,366	-	-	805	805	-	-			
Title Iii 2020 - 2022	-	670	699	-	(29)	16,350	16,321	-	-			
Title Iii 2021-2023	-	-	-	-	-	2,800	2,982	-	(182)			
Title Iii 2022-2024	-	-	-	-	-	2,551	2,762	-	(211)			
Dual Immersion Pilot Program	-	-	-	-	-	10,225	13,756	-	(3,531)			
Arp Homeless Children & Youth	-	-	-	-	-	5,356	9,144	-	(3,788)			
Emergency Connectivity	-	417,843	417,843	-	-	-	-	-	-			
ESSER III/ARP	-	710,208	838,789	-	(128,581)	838,882	733,415	-	(23,114)			
ESSER II	-	567,546	634,574	-	(67,028)	817,401	875,001	-	(124,628)			
ESSER I	(12,675)	118,183	111,937	-	(6,429)	30,002	23,573	-	-			
Other Federal Stimulus - Fema	-	118,142	-	(118,142)	-	-	-	-	-			
FS Prepaid Food	147,632	365,358	384,200	-	128,790	1,560,698	1,577,825	-	111,663			
Payroll Clearing	10,982	22,746,847	22,634,613	-	123,216	24,178,638	24,186,022	-	115,832			
Totals	\$ 55,906,476	\$ 122,175,789	\$ 120,087,280	\$ 1,359	\$ 57,996,344	\$ 127,158,761	\$ 126,199,029	\$ 74,798	\$ 59,030,874			

See notes to financial statement.

VALPARAISO COMMUNITY SCHOOLS
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)

VALPARAISO COMMUNITY SCHOOLS
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)

VALPARAISO COMMUNITY SCHOOLS
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)

VALPARAISO COMMUNITY SCHOOLS
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 Valparaiso Middle School Building Corp and the Valparaiso Multi Schools Building Corp (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 \$3,740,000. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$3,740,000.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

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

(Continued)

VALPARAISO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 8 - PENSION PLANS (Continued)

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.

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.

(Continued)

VALPARAISO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 8 - PENSION PLANS (Continued)

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)

VALPARAISO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2023, and for the period of
July 1, 2021 through June 30, 2023

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

A. Postemployment Benefits

The School Corporation allows eligible retirees and their spouses to enroll in health and dental insurances with the retiree paying the full premium. These benefits pose a potential liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

B. Early Retirement Plan - Bridge to Social Security

Teachers who leave the service of the School Corporation and who qualify under the terms of the General Severance Pay-Bridge to Social Security will receive severance pay and may also qualify to receive bridges to Social Security. The Early Retirement Plan-Bridge to Social Security for Teachers includes the following features: (a) There is a maximum five year bridge; (b) The benefit is tied to the full Social Security age of the retiree; (c) The annual bridge payments may be paid through the School Corporation Section 125 plan; (d) The benefit contributions are tied to severance calculations that are based on the years of experience in the School Corporation, as well as the accumulative sick leave, final base salary, and the number of contract days.

To qualify for the plan, the retiree must meet all of the following criteria: (a) The retiree must be 55 years of age at the time of retirement with ten years of teaching and/or administrative experience in the School District. (b) The teacher must be employed on a regular teachers' contract; (c) The teacher must have been employed by the School Corporation on a regular teachers' contract prior to January 1, 1998; (d) The teacher must have attained permanent teacher status with the School Corporation by September 30, 1998 and have been employed under a regular teachers' contract with the School Corporation during the 1997-98 school year. Severance pays and Bridge to Social Security calculation details are included in the current Master Contract Agreement.

A teacher who is not yet 55, but who meets all of the above experience requirements, and who has a total of 55 years of experience with each year in the School Corporation counting as 2 years, shall receive Severance Pay but no Bridge to full Social Security.

Classified employees who were actively employed by the School Corporation prior to January 1, 1998, and who completed five consecutive years of employment with the School Corporation and were employed by the School Corporation during the 1997-1998 school year may be eligible to receive Severance Pay. Classified employees meeting this criterion are eligible to receive severance pay if at the time of retirement, the classified employee was at least 55 years of age, had at least ten years of experience in the School Corporation, and is currently employed with the School Corporation.

OTHER INFORMATION (Unaudited)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Education	Referendum Operating	Debt Service	Pension Debt	Referendum Debt -Exempt	Operations	Rainy Day	Retirement/ Severance	Post Retirement/ Severance	Food Service	Curricular Materials	Self Insurance	Donations/Gifts
Cash and investments - beginning	\$ 9,369,338	\$ 4,808,644	\$ 2,453,908	\$ 1,047,851	\$ 2,341,002	\$12,291,215	\$ 8,368,031	\$ 5,721,126	\$ 11,373	\$ 1,278,590	\$ 1,734,947	\$ 5,954,286	\$ 150,711
Receipts:													
Local sources	1,280,637	5,821,983	4,120,572	1,482,421	11,445,822	10,693,058	-	19,840	-	410,734	419,072	7,816,857	100,150
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	45,928,090	-	-	-	-	-	-	-	-	29,987	159,456	-	-
Federal sources	7,457	-	-	-	-	-	-	-	-	3,562,167	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	450,000	-	-	500,000	-	-	-	-	-	-
Other receipts	-	-	-	-	-	118,485	-	-	-	-	-	-	-
Total receipts	47,216,184	5,821,983	4,120,572	1,932,421	11,445,822	10,811,543	500,000	19,840	-	4,002,888	578,528	7,816,857	100,150
Disbursements:													
Instruction	30,864,649	3,449,502	-	-	-	-	-	-	-	-	-	-	17,934
Support services	7,009,758	2,092,468	-	-	-	16,390,065	-	628,091	-	8,024	917,242	4,516	77,200
Noninstructional services	920,706	7,673	-	-	-	263,958	-	-	-	2,935,795	-	-	12,470
Facilities acquisition and construction	-	-	-	-	-	1,698,468	-	-	-	-	-	-	2,825
Debt services	-	-	4,135,701	1,410,838	11,368,000	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	7,845,398	-
Interfund loans	-	-	-	500,000	-	-	450,000	-	-	-	-	-	-
Total disbursements	38,795,113	5,549,643	4,135,701	1,910,838	11,368,000	18,352,491	450,000	628,091	-	2,943,819	917,242	7,849,914	110,429
Excess (deficiency) of receipts over disbursements	8,421,071	272,340	(15,129)	21,583	77,822	(7,540,948)	50,000	(608,251)	-	1,059,069	(338,714)	(33,057)	(10,279)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	1,359	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	6,454,142	-	-	-	-	97,017	-	-
Transfers out	(6,336,000)	-	(97,017)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(6,336,000)	-	(97,017)	-	-	6,455,501	-	-	-	-	97,017	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,085,071	272,340	(112,146)	21,583	77,822	(1,085,447)	50,000	(608,251)	-	1,059,069	(241,697)	(33,057)	(10,279)
Cash and investments - ending	\$ 11,454,409	\$ 5,080,984	\$ 2,341,762	\$ 1,069,434	\$ 2,418,824	\$11,205,768	\$ 8,418,031	\$ 5,112,875	\$ 11,373	\$ 2,337,659	\$ 1,493,250	\$ 5,921,229	\$ 140,432

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Rdc Art Donation	National Spanish Grant	Walmart - Music Grant	No Kid Hungry Grant	Donation - Building Corp	Vsf Heavilin Reads Grant	Substance Abuse Prevention	Culture & Student Services	Legacy Walk Donation	Rdc Grant 2021	Rdc Grant 2022	Wellness	Vale Grant
Cash and investments - beginning	\$ 1,683	\$ 4,785	\$ 3	\$ 1,450	\$ 129,180	\$ -	\$ 4,228	\$ 29,068	\$ -	\$ -	\$ -	\$ 4,018	\$ 574
Receipts:													
Local sources	-	-	-	-	-	2,500	-	-	61,690	431,356	443,509	5,408	1,000
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	2,500	-	-	61,690	431,356	443,509	5,408	1,000
Disbursements:													
Instruction	641	4,785	-	-	-	2,500	-	-	-	43,395	-	-	678
Support services	-	-	-	-	-	-	2,168	11,339	-	387,961	-	-	-
Noninstructional services	-	-	-	1,450	-	-	-	-	-	-	-	4,719	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	641	4,785	-	1,450	-	2,500	2,168	11,339	-	431,356	-	4,719	678
Excess (deficiency) of receipts over disbursements	(641)	(4,785)	-	(1,450)	-	-	(2,168)	(11,339)	61,690	-	443,509	689	322
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	(641)	(4,785)	-	(1,450)	-	-	(2,168)	(11,339)	61,690	-	443,509	689	322
Cash and investments - ending	\$ 1,042	\$ -	\$ 3	\$ -	\$ 129,180	\$ -	\$ 2,060	\$ 17,729	\$ 61,690	\$ -	\$ 443,509	\$ 4,707	\$ 896

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Vale Tcu Foundation Grant	John W Anderson Foundation	Scholarships	Dual Immersion Pilot Program	Formative Assessment Grant	In Secured School Safety Grant	Alternative Education Grant	Early Intervention 2020-2021	Early Intervention 2021-2022	Nesp 2020-2021	Nesp 2021-2022	Career & Tech Performance Grnt	2021 Teacher Appreciation Gran
Cash and investments - beginning	\$ 2,500	\$ 5,674	\$ 1,000	\$ -	\$ -	\$ (45,000)	\$ 47,452	\$ 8,494	\$ -	\$ 2,703	\$ -	\$ 12,609	\$ -
Receipts:													
Local sources	-	7,500	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	17,000	86,030	75,000	46,125	-	18,129	-	53,894	-	238,446
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	7,500	-	17,000	86,030	75,000	46,125	-	18,129	-	53,894	-	238,446
Disbursements:													
Instruction	-	-	-	1,200	-	-	26,573	-	-	2,703	38,727	-	238,446
Support services	-	-	-	15,800	46,849	42,500	-	8,494	16,429	-	-	-	-
Noninstructional services	616	13,084	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	1,000	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	616	13,084	1,000	17,000	46,849	42,500	26,573	8,494	16,429	2,703	38,727	-	238,446
Excess (deficiency) of receipts over disbursements	(616)	(5,584)	(1,000)	-	39,181	32,500	19,552	(8,494)	1,700	(2,703)	15,167	-	-
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	(616)	(5,584)	(1,000)	-	39,181	32,500	19,552	(8,494)	1,700	(2,703)	15,167	-	-
Cash and investments - ending	\$ 1,884	\$ 90	\$ -	\$ -	\$ 39,181	\$ (12,500)	\$ 67,004	\$ -	\$ 1,700	\$ -	\$ 15,167	\$ 12,609	\$ -

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	High Ability	State Connectivity Grant	Project Lead The Way	Youth Risk Behavior Survey	Title I Part A 2020-2021 Close	Title I Part A 2021-2022	Title I Part D 2020-2021 Close	Title I Part D 2021-2022	Title Iv Fy19 2019-2021	Title Iv Fy 20 2020-2022	Title Iv Fy 21 2021-2023	Title li 2019- 2021	Title li Ffy 2020- 2022
Cash and investments - beginning	\$ 35,437	\$ 93,774	\$ -	\$ 484	\$ (84,025)	\$ -	\$ (2,959)	\$ -	\$ (4,340)	\$ -	\$ -	\$ (18,030)	\$ (568)
Receipts:													
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	58,875	12,760	153,000	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	272,587	414,376	30,496	17,900	15,469	36,570	9,392	83,566	136,581
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	58,875	12,760	153,000	-	272,587	414,376	30,496	17,900	15,469	36,570	9,392	83,566	136,581
Disbursements:													
Instruction	59,371	-	79,877	-	179,476	440,700	26,107	19,167	-	799	233	-	-
Support services	1,434	-	1,200	484	1,599	13,521	1,430	1,885	11,179	36,570	14,900	65,536	138,978
Noninstructional services	-	-	-	-	-	1,193	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	7,487	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	60,805	-	81,077	484	188,562	455,414	27,537	21,052	11,179	37,369	15,133	65,536	138,978
Excess (deficiency) of receipts over disbursements	(1,930)	12,760	71,923	(484)	84,025	(41,038)	2,959	(3,152)	4,290	(799)	(5,741)	18,030	(2,397)
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	(1,930)	12,760	71,923	(484)	84,025	(41,038)	2,959	(3,152)	4,290	(799)	(5,741)	18,030	(2,397)
Cash and investments - ending	\$ 33,507	\$ 106,534	\$ 71,923	\$ -	\$ -	\$ (41,038)	\$ -	\$ (3,152)	\$ (50)	\$ (799)	\$ (5,741)	\$ -	\$ (2,965)

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2022

	Title Iia Ffy 2021- 2023	Title Iii 2019- 2021	Title Iii 2020 - 2022	Emergency Connectivity	Esser Iii/Arp	Esser Ii	Esser 2021 Cfda 84.425D	Other Federal Stimulus - Fema	Fs Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ (679)	\$ -	\$ -	\$ -	\$ -	\$ (12,675)	\$ -	\$ 147,632	\$ 10,982	\$ 55,906,476
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	44,564,109
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	46,876,792
Federal sources	-	35,045	670	417,843	710,208	567,546	118,183	118,142	-	-	6,554,198
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	950,000
Other receipts	-	-	-	-	-	-	-	-	365,358	22,746,847	23,230,690
Total receipts	-	35,045	670	417,843	710,208	567,546	118,183	118,142	365,358	22,746,847	122,175,789
Disbursements:											
Instruction	-	34,366	699	417,843	716,021	430,478	-	-	-	-	37,096,870
Support services	3,795	-	-	-	122,768	29,497	94,872	-	-	-	28,198,552
Noninstructional services	-	-	-	-	-	48,334	17,065	-	-	-	4,227,063
Facilities acquisition and construction	-	-	-	-	-	126,265	-	-	-	-	1,827,558
Debt services	-	-	-	-	-	-	-	-	-	-	16,914,539
Nonprogrammed charges	-	-	-	-	-	-	-	-	384,200	22,634,613	30,872,698
Interfund loans	-	-	-	-	-	-	-	-	-	-	950,000
Total disbursements	3,795	34,366	699	417,843	838,789	634,574	111,937	-	384,200	22,634,613	120,087,280
Excess (deficiency) of receipts over disbursements	(3,795)	679	(29)	-	(128,581)	(67,028)	6,246	118,142	(18,842)	112,234	2,088,509
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	1,359
Transfers in	-	-	-	-	-	-	-	-	-	-	6,551,159
Transfers out	-	-	-	-	-	-	-	(118,142)	-	-	(6,551,159)
Total other financing sources (uses)	-	-	-	-	-	-	-	(118,142)	-	-	1,359
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,795)	679	(29)	-	(128,581)	(67,028)	6,246	-	(18,842)	112,234	2,089,868
Cash and investments - ending	\$ (3,795)	\$ -	\$ (29)	\$ -	\$ (128,581)	\$ (67,028)	\$ (6,429)	\$ -	\$ 128,790	\$ 123,216	\$ 57,996,344

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

	Education	Referendum Operating	Debt Service	Pension Debt	Referendum Debt -Exempt	Operations	Rainy Day	Retirement/ Severance	Post Retirement/ Severance	Food Service	Curricular Materials	Self Insurance	Donations/Gifts
Cash and investments - beginning	\$ 11,454,409	\$ 5,080,984	\$ 2,341,762	\$ 1,069,434	\$ 2,418,824	\$ 11,205,768	\$ 8,418,031	\$ 5,112,875	\$ 11,373	\$ 2,337,659	\$ 1,493,250	\$ 5,921,229	\$ 140,432
Receipts:													
Local sources	1,727,040	5,277,137	3,899,355	1,500,886	11,474,672	11,851,549	-	44,629	-	1,749,120	592,346	8,125,552	85,555
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	48,289,814	-	-	-	-	-	-	-	-	30,735	157,533	-	-
Federal sources	8,846	-	-	-	-	-	-	-	-	2,453,262	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	400,000	-	-	450,000	-	-	-	-	-	-
Other receipts	-	-	-	-	-	5,120	-	-	-	-	-	-	-
Total receipts	50,025,700	5,277,137	3,899,355	1,900,886	11,474,672	11,856,669	450,000	44,629	-	4,233,117	749,879	8,125,552	85,555
Disbursements:													
Instruction	33,207,737	3,368,694	-	-	-	-	-	-	-	-	-	-	9,689
Support services	7,027,476	2,349,387	-	-	-	16,377,394	-	398,574	-	8,891	550,724	4,798	68,491
Noninstructional services	1,042,576	8,487	-	-	-	229,522	-	-	-	3,461,027	-	-	6,207
Facilities acquisition and construction	-	-	-	-	-	1,863,543	-	-	-	-	-	-	-
Debt services	-	-	3,844,929	1,409,742	11,368,500	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	275	-	9,183,519	975
Interfund loans	-	-	-	450,000	-	-	400,000	-	-	-	-	-	-
Total disbursements	41,277,789	5,726,568	3,844,929	1,859,742	11,368,500	18,470,459	400,000	398,574	-	3,470,193	550,724	9,188,317	85,362
Excess (deficiency) of receipts over disbursements	8,747,911	(449,431)	54,426	41,144	106,172	(6,613,790)	50,000	(353,945)	-	762,924	199,155	(1,062,765)	193
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	42,798	-	-	-	32,000	-	-	-
Transfers in	-	-	-	-	-	7,048,000	-	-	-	-	-	-	-
Transfers out	(7,048,000)	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(7,048,000)	-	-	-	-	7,090,798	-	-	-	32,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,699,911	(449,431)	54,426	41,144	106,172	477,008	50,000	(353,945)	-	794,924	199,155	(1,062,765)	193
Cash and investments - ending	\$ 13,154,320	\$ 4,631,553	\$ 2,396,188	\$ 1,110,578	\$ 2,524,996	\$ 11,682,776	\$ 8,468,031	\$ 4,758,930	\$ 11,373	\$ 3,132,583	\$ 1,692,405	\$ 4,858,464	\$ 140,625

(Continued)

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

	Rdc Art Donation	Walmart - Music Grant	Donation - Building Corp	Substance Abuse Prevention	Culture & Student Services	Legacy Walk Donation	Rdc Grant 2022	Wellness	Vale Grant	Vale Tcu Foundation Grant	John W Anderson Foundation	Formative Assessment Grant	In Secured School Safety Grant
Cash and investments - beginning	\$ 1,042	\$ 3	\$ 129,180	\$ 2,060	\$ 17,729	\$ 61,690	\$ 443,509	\$ 4,707	\$ 896	\$ 1,884	\$ 90	\$ 39,181	\$ (12,500)
Receipts:													
Local sources	-	-	-	-	-	-	-	5,721	-	-	7,500	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	81,570	50,000
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	-	-	5,721	-	-	7,500	81,570	50,000
Disbursements:													
Instruction	1,036	3	-	-	-	-	-	-	59	-	-	-	-
Support services	-	-	55,450	-	12,524	-	443,509	-	-	-	-	120,751	50,000
Noninstructional services	-	-	-	-	-	3,882	-	5,500	-	954	7,346	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,036	3	55,450	-	12,524	3,882	443,509	5,500	59	954	7,346	120,751	50,000
Excess (deficiency) of receipts over disbursements	(1,036)	(3)	(55,450)	-	(12,524)	(3,882)	(443,509)	221	(59)	(954)	154	(39,181)	-
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	(1,036)	(3)	(55,450)	-	(12,524)	(3,882)	(443,509)	221	(59)	(954)	154	(39,181)	-
Cash and investments - ending	\$ 6	\$ -	\$ 73,730	\$ 2,060	\$ 5,205	\$ 57,808	\$ -	\$ 4,928	\$ 837	\$ 930	\$ 244	\$ -	\$ (12,500)

(Continued)

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

	Alternative Education Grant	Early Intervention 2021-2022	Early Intervention 2022-2023	Nesp 2021-2022	Nesp 2022-2023	Career & Tech Performance Grnt	2021 Teacher Appreciation Gran	High Ability	State Connectivity Grant	Project Lead The Way	Youth Risk Behavior Survey	Title I Part A 2021-2022
Cash and investments - beginning	\$ 67,004	\$ 1,700	\$ -	\$ 15,167	\$ -	\$ 12,609	\$ -	\$ 33,507	\$ 106,534	\$ 71,923	\$ -	\$ (41,038)
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	46,875	-	13,648	-	44,679	843	239,331	53,726	62,422	80,000	550	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	131,074
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	46,875	-	13,648	-	44,679	843	239,331	53,726	62,422	80,000	550	131,074
Disbursements:												
Instruction	43,578	-	-	14,838	44,679	12,609	239,331	63,739	-	85,789	-	88,178
Support services	-	1,700	10,648	329	-	-	-	117	-	-	55	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-	1,858
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	43,578	1,700	10,648	15,167	44,679	12,609	239,331	63,856	-	85,789	55	90,036
Excess (deficiency) of receipts over disbursements	3,297	(1,700)	3,000	(15,167)	-	(11,766)	-	(10,130)	62,422	(5,789)	495	41,038
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	3,297	(1,700)	3,000	(15,167)	-	(11,766)	-	(10,130)	62,422	(5,789)	495	41,038
Cash and investments - ending	\$ 70,301	\$ -	\$ 3,000	\$ -	\$ -	\$ 843	\$ -	\$ 23,377	\$ 168,956	\$ 66,134	\$ 495	\$ -

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

	Title I Part A 2022-2023	Title I Part D 2021-2022	Title I Part D 2022-2023	Title Iv Fy19 2019-2021	Title Iv Fy 20 2020-2022	Title Iv Fy 21 2021-2023	Title Iv Fy 22 2022-2024	Title Ii 2019- 2021	Title Ii Ffy 2020- 2022	Title Iia Ffy 2021- 2023	Title Iia Ffy 2022- 2024
Cash and investments - beginning	\$ -	\$ (3,152)	\$ -	\$ (50)	\$ (799)	\$ (5,741)	\$ -	\$ -	\$ (2,965)	\$ (3,795)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	522,045	17,025	8,509	50	857	38,621	26,458	314	11,993	96,102	31,989
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	522,045	17,025	8,509	50	857	38,621	26,458	314	11,993	96,102	31,989
Disbursements:											
Instruction	549,583	13,288	8,509	-	58	28	-	-	-	-	-
Support services	19,246	585	-	-	-	33,052	31,705	314	9,028	92,307	46,491
Noninstructional services	3,610	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	572,439	13,873	8,509	-	58	33,080	31,705	314	9,028	92,307	46,491
Excess (deficiency) of receipts over disbursements	(50,394)	3,152	-	50	799	5,541	(5,247)	-	2,965	3,795	(14,502)
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	(50,394)	3,152	-	50	799	5,541	(5,247)	-	2,965	3,795	(14,502)
Cash and investments - ending	\$ (50,394)	\$ -	\$ -	\$ -	\$ -	\$ (200)	\$ (5,247)	\$ -	\$ -	\$ -	\$ (14,502)

(Continued)

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

	Title Iii 2019- 2021	Title Iii 2020 - 2022	Title Iii 2021- 2023	Title Iii 2022- 2024	Dual Immersion Pilot Program	Arp Homeless Children & Youth	Esser Iii/Arp	Esser Ii	Esser 2021 Cfda 84.425D	Fs Prepaid Food	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ (29)	\$ -	\$ -	\$ -	\$ -	\$ (128,581)	\$ (67,028)	\$ (6,429)	\$ 128,790	\$ 123,216	\$ 57,996,344
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	-	-	46,341,062
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-	49,151,726
Federal sources	805	16,350	2,800	2,551	10,225	5,356	838,882	817,401	30,002	-	-	5,071,517
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	850,000
Other receipts	-	-	-	-	-	-	-	-	-	1,560,698	24,178,638	25,744,456
Total receipts	805	16,350	2,800	2,551	10,225	5,356	838,882	817,401	30,002	1,560,698	24,178,638	127,158,761
Disbursements:												
Instruction	805	16,321	2,982	2,265	12,753	2,724	522,326	765,283	22,016	-	-	39,098,900
Support services	-	-	-	497	1,003	2,061	211,089	35,367	1,396	-	-	27,964,959
Noninstructional services	-	-	-	-	-	4,359	-	34,073	108	-	-	4,809,509
Facilities acquisition and construction	-	-	-	-	-	-	-	40,278	-	-	-	1,903,821
Debt services	-	-	-	-	-	-	-	-	-	-	-	16,623,171
Nonprogrammed charges	-	-	-	-	-	-	-	-	53	1,577,825	24,186,022	34,948,669
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	850,000
Total disbursements	805	16,321	2,982	2,762	13,756	9,144	733,415	875,001	23,573	1,577,825	24,186,022	126,199,029
Excess (deficiency) of receipts over disbursements	-	29	(182)	(211)	(3,531)	(3,788)	105,467	(57,600)	6,429	(17,127)	(7,384)	959,732
Other financing sources (uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	74,798
Transfers in	-	-	-	-	-	-	-	-	-	-	-	7,048,000
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(7,048,000)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	74,798
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	29	(182)	(211)	(3,531)	(3,788)	105,467	(57,600)	6,429	(17,127)	(7,384)	1,034,530
Cash and investments - ending	\$ -	\$ -	\$ (182)	\$ (211)	\$ (3,531)	\$ (3,788)	\$ (23,114)	\$ (124,628)	\$ -	\$ 111,663	\$ 115,832	\$ 59,030,874

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 916,747	\$ 480,225

VALPARAISO COMMUNITY SCHOOLS
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:				
Pulse Technology	Copier Lease - Aquatics	\$ 1,755	3/8/2021	3/8/2026
Pulse Technology	Copier Lease-District	67,356	12/1/2018	12/1/2023
Pulse Technology	Copier Lease-Service Center	1,490	4/1/2020	4/1/2025
Quadient	Postage Machine-VHS	1,770	11/12/2018	11/11/2023
Quadient	Postage Machine	2,459	7/11/2018	10/10/2021
Valparaiso Middle School Building Corp	Holding Corporation Lease Rental	3,740,000	1/5/2013	1/5/2027
Valparaiso Multi Schools Bld Corp	Capital Referendum Bonds Series 2015 and 2016	11,364,525	12/31/2015	12/30/2035
Xerox	Copier Lease-School Nutrition	<u>4,603</u>	9/26/2014	9/25/2019
Total governmental activities		<u>15,183,958</u>		
Total of annual lease payments		<u>\$ 15,183,958</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	Pension Bonds	\$ 4,182,397	\$ 1,365,000
Notes and Loans Payable	Common School Loans	<u>384,876</u>	<u>203,971</u>
Total governmental activities		<u>4,567,273</u>	<u>1,568,971</u>
Totals		<u>\$ 4,567,273</u>	<u>\$ 1,568,971</u>

VALPARAISO COMMUNITY SCHOOLS
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	\$ 8,124,875
Buildings	267,032,925
Improvements other than buildings	10,043,531
Machinery, equipment, and vehicles	<u>25,858,261</u>
Total governmental activities	<u>311,059,592</u>
Total capital assets	<u>\$ 311,059,592</u>

VALPARAISO COMMUNITY SCHOOLS
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.

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June, 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	Indiana Department of Education					
School Breakfast Program		10.553	FY2022, FY2023	\$ 481,451	\$ 322,493	\$ 803,944
National School Lunch Program		10.555	FY2022, FY2023	3,010,613	1,924,107	4,934,720
Commodities		10.555	FY2022, FY2023	269,324	189,082	458,406
Supply Chain Assistance Funds		10.555	FY2023	-	120,391	120,391
Summer Food Service Program		10.559	FY2022, FY2023	<u>67,040</u>	<u>62,976</u>	<u>130,016</u>
Total - Child Nutrition Cluster				<u>3,828,428</u>	<u>2,619,049</u>	<u>6,447,477</u>
Child Nutrition Discretionary Grants Limited Availability CNP School Meals Equipment Grant	Indiana Department of Education	10.579	FY2023	<u>-</u>	<u>20,160</u>	<u>20,160</u>
Pandemic-EBT Administrative Costs Pandemic-EBT Administrative Costs	Indiana Department of Education	10.649	FY2021, FY2023	<u>3,063</u>	<u>3,135</u>	<u>6,198</u>
Total - Department of Agriculture				<u>3,831,491</u>	<u>2,642,344</u>	<u>6,473,835</u>
<u>Federal Communications Commission</u>						
Emergency Connectivity Fund Program Emergency Connectivity Fund	Direct Award	32.009	ECF202108603	<u>417,843</u>	<u>-</u>	<u>417,843</u>
Total - Federal Communications Commission				<u>417,843</u>	<u>-</u>	<u>417,843</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Speical Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	20611-046-PN01	13,392	-	13,392
IDEA, Part B		84.027	21611-046-PN01	411,681	38,527	450,208
IDEA, Part B		84.027	22611-046-PN01	950,883	396,054	1,346,937
IDEA, Part B		84.027	23611-046-PN01	-	924,991	924,991
COVID-19 - Supplemental Funding - IDEA, Part B		84.027X	22611-046-ARP	<u>-</u>	<u>41,533</u>	<u>41,533</u>
Total - Special Education Grants to States				<u>1,375,956</u>	<u>1,401,105</u>	<u>2,777,061</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	21619-046-PN01	2,434	-	2,434
IDEA, Preschool		84.173	22619-046-PN01	36,638	2,041	38,679
IDEA, Preschool		84.173	23619-046-PN01	<u>-</u>	<u>38,915</u>	<u>38,915</u>
Total - Special Education Preschool Grants				<u>39,072</u>	<u>40,956</u>	<u>80,028</u>
Total - Special Education Cluster(IDEA)				<u>1,415,028</u>	<u>1,442,061</u>	<u>2,857,089</u>

(Continued)

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June, 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	\$ 272,587	\$ -	\$ 272,587
Title I, Part A		84.010A	S010A210014	414,376	131,074	545,450
Title I, Part A		84.010A	S010A220014	-	522,045	522,045
Total - Title I Grants to Local Educational Agencies				<u>686,963</u>	<u>653,119</u>	<u>1,340,082</u>
Title I State Agency Program for Neglected & Delinquent Children & Youth	Indiana Department of Education					
Title I Part D		84.013	S010A200014	30,495	-	30,495
Title I Part D		84.013	S010A210014	17,900	17,025	34,925
Title I Part D		84.013	S010A220014	-	8,509	8,509
Total - Title I State Agency Program for Neglected and Delinquent Children and Youth				<u>48,395</u>	<u>25,534</u>	<u>73,929</u>
Title III Part A; English Language Acquisition State Grants	Indiana Department of Education					
Title III, Part A		84.365	S365A190014	35,044	805	35,849
Title III, Part A		84.365	S365A200014	670	16,350	17,020
Title III, Part A		84.365	S365A210014	-	2,800	2,800
Title III, Part A		84.365	S365A220014	-	2,552	2,552
Total - Title III English Language Acquisition State Grants				<u>35,714</u>	<u>22,507</u>	<u>58,221</u>
Title II Part A; Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367A	S367A190013	83,565	314	83,879
Title II, Part A		84.367A	S367A200013	136,581	11,993	148,574
Title II, Part A		84.367A	S367A210013	-	96,102	96,102
Title II, Part A		84.367A	S367A220013	-	31,990	31,990
Total - Title II Supporting Effective Instruction State Grants				<u>220,146</u>	<u>140,399</u>	<u>360,545</u>
Title IV Part A; Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV Part A		84.424	S424A190015	15,470	50	15,520
Title IV Part A		84.424	S424A200015	36,570	857	37,427
Title IV Part A		84.424	S424A210015	9,392	38,621	48,013
Title IV Part A		84.424	S424A220015	-	26,458	26,458
Total - Title IV Student Support and Academic Enrichment Program				<u>61,432</u>	<u>65,986</u>	<u>127,418</u>

(Continued)

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June, 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
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Dual Language Immersion (DLI)		84.425D	68060	\$ -	\$ 10,226	\$ 10,226
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	118,184	30,003	148,187
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	567,546	817,400	1,384,946
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	710,207	838,882	1,549,089
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP HCY II) Homeless Children and Youth Grant		84.425W	S425W210015	-	5,357	5,357
Total - COVID-19- Education Stabilization Fund				<u>1,395,937</u>	<u>1,701,868</u>	<u>3,097,805</u>
Total - Department of Education				<u>3,863,615</u>	<u>4,051,474</u>	<u>7,915,089</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Medical Assistance Program		93.778	FY2022, FY2023	<u>76,699</u>	<u>96,309</u>	<u>173,008</u>
Total - Department of Health and Human Services				<u>76,699</u>	<u>96,309</u>	<u>173,008</u>
<u>Department of Homeland Security</u>						
Disaster Grants - Public Assistance (Presidentially Declared Disasters) FEMA/COVID-19	Indiana Department of Homeland Security	97.036	PA-05-IN-4515-PW-00323	<u>118,142</u>	-	<u>118,142</u>
Total - Department of Homeland Security				<u>118,142</u>	-	<u>118,142</u>
Total federal awards expended				<u>\$ 8,307,790</u>	<u>\$ 6,790,127</u>	<u>\$ 15,097,917</u>

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

VALPARAISO COMMUNITY SCHOOLS
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, 84.173)

The School Corporation is a member of the Porter County Education Interlocal Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on 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
Valparaiso Community Schools
Porter 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 Valparaiso Community Schools ("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 13, 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

Indianapolis, Indiana
February 13, 2024

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

Those Charged with Governance
Valparaiso Community Schools
Porter, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Valparaiso Community Schools' (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.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

(Continued)

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Government Auditing Standards requires the auditor to perform limited procedures on School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. School Corporation's response was 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 13, 2024

VALPARAISO COMMUNITY SCHOOLS
 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	<u> </u> No	
Significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported	
Noncompliance material to financial statement noted?	<u> </u> Yes	<u> X </u> No	

Federal Awards

Internal control over major programs			
Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No	
Significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported	
Type of auditor’s report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u> Yes	<u> </u> No	

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.425D, 84.425U, 84.425W	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?	<u> </u> Yes	<u> X </u> No
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VALPARAISO COMMUNITY SCHOOLS
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.

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) The beginning July 1, 2021 cash balance was overstated approximately by \$55.8M which resulted in the ending June 30, 2022 and June 30, 2023 ending cash balances being overstated by the same amount. The error was due to each fund being double counted in the AFR due to a funds ledger upload error.

(Continued)

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-001 (Continued)

- 2) For the period of July 1, 2021 to June 30, 2022, the School Corporation improperly excluded the Prepaid Payroll Clearing fund which understated receipt and disbursement amounts by \$22,634,613 and \$22,746,847. Ending cash as of June 30, 2022 in the clearing fund was understated by \$112,234.
- 3) For the period of July 1, 2022 to June 30, 2023, the School Corporation understated the receipt and disbursement amounts by \$576,411 and \$594,005. Ending cash as of June 30, 2023 was overstated by \$17,594.

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

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)

VALPARAISO COMMUNITY SCHOOLS
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: 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: 84.425D
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Material Weakness, Noncompliance

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)

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-002 (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. The School Corporation did not obtain the weekly payroll reports certifications from a construction company and its subcontractors for a building project.

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 design and implement an effective internal control system enabled material noncompliance to go undetected. 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 or receive the weekly payroll reports as required. The sample item cost \$32,029 to replace a drinking fountain.

Identification as a repeat finding: No.

Recommendation: We recommend the School Corporation include Davis-Bacon wage requirements in vendor contracts which are federally funded and implement a formal process to ensure the required weekly payroll report certifications are collected and reviewed by management to ensure compliance with the federal wage rate requirements.

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

None noted.

VALPARAISO COMMUNITY SCHOOLS



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Office of the Superintendent

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: Jim Holifield
Contact Phone Number: 219-531-3007

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Treasurer will prepare the Annual Financial Report. Prior to submission into Indiana Gateway by the Treasurer, the Deputy Treasurer will review for accuracy and sign-off; the Finance Department Specialist will then review for accuracy and sign-off, as well.

Anticipated Completion Date: February 8, 2024

Finding 2023-002 – Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements

Contact Person Responsible for Corrective Action: Jim Holifield
Contact Phone Number: 219-531-3007

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Davis-Bacon wage rate requirement language has been added to all bid packets and quote solicitations. The Educational Support Coordinator and Deputy Treasurer will work with VCS Department Directors to monitor all federally-funded construction projects for compliance with said language.

Anticipated Completion Date: February 1, 2024

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-001

Information on the federal program:

Subject: Special Education Cluster – Earmarking
Federal Agency: Department of Education
Federal Program: Special Education Grants to States, Special Education Preschool Grants
Assistance Listing Numbers: 84.027, 84.173
Federal Award Numbers and Years: 20611-046-PN01 and 20619-046-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Matching, Level of Effort, Earmarking
Audit Findings: Significant Deficiency

Context: The School Corporation is a member of the Porter County Education Inter-local (Cooperative). During fiscal year 2020-2021, the Cooperative operated the special education programs and spent the federal money on behalf of all its members. As the grant agreements were between the Indianan Department of Education (IDOE) and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative. However, there was inadequate oversight performed by the School Corporation in order to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the earmarking requirements. The Cooperative did not have adequate procedures in place to ensure that the required level of expenditures for non-public school students with disabilities was met for each member school. The Cooperative did not have effective internal controls to ensure non-public school expenditures were appropriately identified and reported.

The Non-Public Proportionate Share expenditures for the 20611-046-PN01 and 20619-046-ON01 grant awards could not be verified for the individual member schools. The non-public school share funds for all member schools were co-mingled and the aggregate amount of expenditures was then allocated to the member schools on a percentage basis. These allocations were the amounts reported to IDOE. As such, we were unable to identify which expenditures were for each school in order to verify the minimum amount per the grant award was expended and properly reported to IDOE as required.

The lack of internal controls and noncompliance was isolated to the 20611-46-ON01 and 20619-046-PN01 grant awards. The School Corporation's Non-Public Proportionate Share minimum requirements for these two grant awards totaled \$37,879.

Status: Resolved.

Finding 2021-002

Information on the federal program:

Subject: Education Stabilization Fund – Timely Report of Annual Data Report
Federal Agency: Department of Education
Federal Program: COVID-19 – Education Stabilization Fund
Assistance Listing Number: 84.425D
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Significant Deficiency

Context: The Annual Data Report for the period of March 13, 2020 to September 30, 2020 was due to the Indiana Department of Education (IDOE) by January 21, 2021. The School Corporation submitted the report on January 27, 2021. In addition, there was no documented review by someone other than the preparer of the report to ensure the information submitted was complete and accurate.

Status: Resolved.

Finding 2021-003

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies – Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Finding: Significant Deficiency

Context: Semiannual certifications are required by the pass-through agency. The required supporting documentation (Personnel Activity Reports, Semi-Annual Certifications, or equivalent documentation) for 7 of 40 payroll transactions selected for testing was not maintained properly.

The lack of controls was isolated to the 2019-2020 year. The School Corporation implemented semi-annual certifications for the period January 1, 2020 through June 30, 2021.

Status: Resolved

