

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

PORTAGE TOWNSHIP SCHOOLS
PORTER COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED
03/26/2024



STATE OF INDIANA
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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

March 26, 2024

To: The Officials of the Portage Township Schools
Portage Township Schools
Porter County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Portage Township 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 36 through 46. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 47 through 52.

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

In addition to the report presented herein, a Supplemental Report for Portage Township Schools was prepared in accordance with the guidelines established by the 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, flowing style.

Tammy R. White, CPA
Deputy State Examiner

PORTAGE TOWNSHIP SCHOOLS
Porter County, Indiana

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

PORTAGE TOWNSHIP 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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PORTAGE TOWNSHIP 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	Nicholas Gron	07-01-21 to 06-30-23
Superintendent of Schools	Dr. Amanda Alaniz	07-01-21 to 06-30-23
President of the School Board	Andrew Maletta	07-01-21 to 06-30-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Portage Township 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 Portage Township 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 March 20, 2024 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
March 20, 2024

PORTAGE TOWNSHIP 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

<u>Fund</u>	<u>Cash and Investments 07-01-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>
Education	\$ 9,639,300	\$ 54,408,011	\$ 48,097,871	\$ (6,900,000)	\$ 9,049,440	\$ 55,158,138	\$ 49,797,242	\$ (6,700,000)	\$ 7,710,336
Debt Service	3,863,013	7,258,947	7,530,959	(67,576)	3,523,425	8,121,511	8,579,373	(54,306)	3,011,257
Retirement / Severance Bond Debt Service	390,064	661,678	661,988	-	389,754	666,024	663,439	-	392,339
Operations	12,727,522	12,037,994	18,121,039	7,076,882	13,721,359	13,496,944	21,454,340	7,026,686	12,790,649
Rainy Day	10,911,844	-	57,490	-	10,854,354	-	-	-	10,854,354
Retirement / Severance Bond	2,326,967	117	-	-	2,327,084	113	169,806	-	2,157,391
Post Retirement/Severance Future Benefit	1,985,421	97	95,368	-	1,890,150	91	101,200	-	1,789,041
Construction	11,932	-	-	-	11,932	-	-	-	11,932
Construction 0702	182,736	-	182,736	-	-	-	-	-	-
Construction 0703	1,369,352	-	645,244	-	724,108	-	673,069	-	51,039
Construction 0704	5,815,446	4,611	2,344,526	-	3,475,531	21,113	1,294,540	-	2,202,104
Construction 0705	-	-	-	-	-	-	655,852	5,813,489	5,157,637
School Lunch	1,566,350	4,580,134	4,106,810	-	2,039,674	4,954,105	4,329,953	-	2,663,826
Curricular Materials Rental	2,249,097	818,171	564,574	67,576	2,570,270	812,536	1,229,179	54,306	2,207,933
Self - Insurance	7,376,385	8,446,080	9,034,735	-	6,787,730	7,150,647	7,603,315	-	6,335,062
Excess Tax Levy	1,444	-	-	-	1,444	-	-	-	1,444
Other Local Funds	-	-	39,110	-	(39,110)	-	57,297	-	(96,407)
Donations Gifts And Trusts	25,748	326	3,517	-	22,557	54,094	44,377	-	32,274
PLTW Biomed	487	-	-	-	487	-	-	-	487
PLTW Engineering	3,706	1,200	-	-	4,906	-	-	-	4,906
Wellness Program	-	-	-	-	-	50,000	-	-	50,000
Home Economics	1,031	-	-	-	1,031	-	1,031	-	-
Culinary Scholarship	593	-	-	-	593	-	-	-	593
Scholarship And Awards	29,000	-	1,500	-	27,500	-	3,000	-	24,500
Formative Assessment	-	91,378	68,503	-	22,875	87,165	72,042	-	37,998
Special Education Excess Costs	52,817	177,763	-	-	230,580	266,693	-	-	497,273
Medicaid Reimbursement	10,638	41,740	-	-	52,378	57,947	-	-	110,325
Secured Schools Safety Grant	(50,000)	150,000	125,000	-	(25,000)	51,225	35,727	-	(9,502)
Alternative Education	20,105	1	-	-	20,106	-	-	-	20,106

(Continued)

PORTAGE TOWNSHIP 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 07-01-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2023
Early Intervention Grant 3400	\$ 67	\$ -	\$ 134	\$ -	\$ (67)	\$ 67	\$ -	\$ -	\$ -
Early Intervention Grant 3401	19,529	-	19,529	-	-	-	-	-	-
Early Intervention Grant 3402	-	22,141	22,141	-	-	-	-	-	-
Early Intervention Grant 3403	-	-	-	-	-	18,061	-	-	18,061
Non English Speaking Program 3722	47,875	-	47,875	-	-	-	-	-	-
Non English Speaking Program 3723	-	87,112	41,449	-	45,663	-	45,663	-	-
Non English Speaking Program 3724	-	-	-	-	-	82,233	59,631	-	22,602
Career And Tech Performance	20,820	-	-	-	20,820	2,640	-	-	23,460
Teacher Appreciation Grant	-	261,592	261,592	-	-	-	-	-	-
Teacher Appreciation Grant	-	-	-	-	-	253,523	253,523	-	-
High Ability Students	34,539	61,242	69,961	-	25,820	56,192	70,088	-	11,924
State Connectivity Grant	-	12,760	-	-	12,760	22,800	-	-	35,560
Project Lead The Way	2,200	-	1,500	-	700	-	-	-	700
Title I 4161	(167,751)	614,451	446,700	-	-	-	-	-	-
Title I 4162	-	1,014,161	1,126,273	-	(112,112)	393,277	381,165	100,000	-
Title I 4163	-	-	-	-	-	1,033,789	1,209,612	-	(175,823)
Title IV 5872	(12,629)	112,671	100,585	-	(543)	711	168	-	-
Title IV 5873	-	21,568	41,509	-	(19,941)	66,061	46,120	-	-
Title IV 5874	-	-	22,475	-	(22,475)	91,607	72,599	-	(3,467)
Title IV 5875	-	-	-	-	-	-	1,019	-	(1,019)
School Technology	80,922	-	36,840	-	44,082	-	334,075	-	(289,993)
Title II 6841	(87,957)	153,922	65,965	-	-	-	-	-	-
Title II 6842	-	149,278	164,095	-	(14,817)	125,610	110,793	-	-
Title II 6843	-	7,556	7,867	-	(311)	4,311	4,000	-	-
Title II 6844	-	-	-	-	-	165,548	67,439	(100,000)	(1,891)
Title III 6881	1,394	1,083	2,477	-	-	-	-	-	-
Title III 6882	(5,803)	21,281	15,478	-	-	2,837	2,837	-	-
Title III 6883	-	-	4,843	-	(4,843)	25,461	21,789	-	(1,171)
Title III 6884	-	-	-	-	-	2,000	2,000	-	-

(Continued)

PORTAGE TOWNSHIP 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

<u>Fund</u>	<u>Cash and Investments 07-01-2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Other Financing Sources (Uses)</u>	<u>Cash and Investments 06-30-2023</u>
ESSER III	\$ -	\$ 2,499,271	\$ 2,816,530	\$ -	\$ (317,259)	\$ 1,919,476	\$ 1,765,319	\$ -	\$ (163,102)
ESSER II	(63,478)	1,980,472	3,836,983	-	(1,919,989)	2,874,610	954,621	-	-
GEER I	(38,200)	54,722	67,975	-	(51,453)	52,075	622	-	-
ESSER I	(267,935)	737,344	497,449	-	(28,040)	28,040	-	-	-
Prepaid School Lunch Accounts	110,891	71,051	79,458	-	102,484	789,091	830,617	-	60,958
Payroll Clearing Control	<u>1,042,671</u>	<u>29,127,789</u>	<u>29,006,229</u>	<u>-</u>	<u>1,164,231</u>	<u>28,382,819</u>	<u>28,090,785</u>	<u>-</u>	<u>1,456,265</u>
Totals	<u>\$ 61,228,153</u>	<u>\$ 125,689,715</u>	<u>\$ 130,484,882</u>	<u>\$ 176,882</u>	<u>\$ 56,609,868</u>	<u>\$ 127,341,185</u>	<u>\$ 131,089,267</u>	<u>\$ 6,140,175</u>	<u>\$ 59,001,961</u>

See notes to financial statement.

PORTAGE TOWNSHIP 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)

PORTAGE TOWNSHIP 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)

PORTAGE TOWNSHIP 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)

PORTAGE TOWNSHIP 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 Portage Township Multi-School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2021 through June 30, 2022 totaled \$5,034,500. Lease payments for the period July 1, 2022 through June 30, 2023 totaled \$5,732,500.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

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

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

(Continued)

PORTAGE TOWNSHIP 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)

Financial Report

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

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

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

(Continued)

PORTAGE TOWNSHIP 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)

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.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

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

OTHER INFORMATION (Unaudited)

PORTAGE TOWNSHIP 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	Debt Service	Retirement / Severance Bond Debt Service	Operations	Rainy Day	Retirement / Severance Bond	Post Retirement/Sever ance Future Benefit	Construction	Construction 0702	Construction 0703	Construction 0704	School Lunch	Curricular Materials Rental
Cash and investments - beginning	\$ 9,639,300	\$ 3,863,013	\$ 390,064	\$ 12,727,522	\$ 10,911,844	\$ 2,326,967	\$ 1,985,421	\$ 11,932	\$ 182,736	\$ 1,369,352	\$ 5,815,446	\$ 1,566,350	\$ 2,249,097
Receipts:													
Local sources	631,121	7,258,412	661,629	11,996,699	-	117	97	-	-	-	4,611	121,691	510,414
Intermediate sources	-	535	49	954	-	-	-	-	-	-	-	-	-
State sources	53,747,682	-	-	29,260	-	-	-	-	-	-	-	31,138	307,757
Federal sources	-	-	-	-	-	-	-	-	-	-	-	4,427,305	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	29,208	-	-	11,081	-	-	-	-	-	-	-	-	-
Total receipts	54,408,011	7,258,947	661,678	12,037,994	-	117	97	-	-	-	4,611	4,580,134	818,171
Disbursements:													
Instruction	39,233,241	-	-	-	-	-	-	-	-	-	-	-	-
Support services	8,230,254	-	-	17,472,784	-	-	95,368	-	182,736	126,387	11,757	41,316	564,574
Noninstructional services	634,376	-	-	33,190	-	-	-	-	-	-	-	4,065,494	-
Facilities acquisition and construction	-	-	-	615,065	57,490	-	-	-	-	518,857	2,332,769	-	-
Debt services	-	7,530,959	661,988	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	48,097,871	7,530,959	661,988	18,121,039	57,490	-	95,368	-	182,736	645,244	2,344,526	4,106,810	564,574
Excess (deficiency) of receipts over disbursements	6,310,140	(272,012)	(310)	(6,083,045)	(57,490)	117	(95,271)	-	(182,736)	(645,244)	(2,339,915)	473,324	253,597
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	15,000	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	161,882	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	6,900,000	-	-	-	-	-	-	-	-	67,576
Transfers out	(6,900,000)	(67,576)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(6,900,000)	(67,576)	-	7,076,882	-	-	-	-	-	-	-	-	67,576
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(589,860)	(339,588)	(310)	993,837	(57,490)	117	(95,271)	-	(182,736)	(645,244)	(2,339,915)	473,324	321,173
Cash and investments - ending	\$ 9,049,440	\$ 3,523,425	\$ 389,754	\$ 13,721,359	\$ 10,854,354	\$ 2,327,084	\$ 1,890,150	\$ 11,932	\$ -	\$ 724,108	\$ 3,475,531	\$ 2,039,674	\$ 2,570,270

(Continued)

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

	Self - Insurance	Excess Tax Levy	Other Local Funds	Donations Gifts And Trusts	PLTW Biomed	PLTW Engineering	Home Economics	Culinary Scholarship	Scholarship And Awards	Formative Assessment	Special Education Excess Costs	Medicaid Reimbursement	Secured Schools Safety Grant	Alternative Education
Cash and investments - beginning	\$ 7,376,385	\$ 1,444	\$ -	\$ 25,748	\$ 487	\$ 3,706	\$ 1,031	\$ 593	\$ 29,000	\$ -	\$ 52,817	\$ 10,638	\$ (50,000)	\$ 20,105
Receipts:														
Local sources	7,716,073	-	-	326	-	1,200	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	91,378	177,763	-	150,000	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	41,740	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	730,007	-	-	-	-	-	-	-	-	-	-	-	-	1
Total receipts	8,446,080	-	-	326	-	1,200	-	-	-	91,378	177,763	41,740	150,000	1
Disbursements:														
Instruction	15,983	-	39,110	147	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	68,503	-	-	125,000	-
Noninstructional services	-	-	-	3,370	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	9,018,752	-	-	-	-	-	-	-	1,500	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,034,735	-	39,110	3,517	-	-	-	-	1,500	68,503	-	-	125,000	-
Excess (deficiency) of receipts over disbursements	(588,655)	-	(39,110)	(3,191)	-	1,200	-	-	(1,500)	22,875	177,763	41,740	25,000	1
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	(588,655)	-	(39,110)	(3,191)	-	1,200	-	-	(1,500)	22,875	177,763	41,740	25,000	1
Cash and investments - ending	\$ 6,787,730	\$ 1,444	\$ (39,110)	\$ 22,557	\$ 487	\$ 4,906	\$ 1,031	\$ 593	\$ 27,500	\$ 22,875	\$ 230,580	\$ 52,378	\$ (25,000)	\$ 20,106

(Continued)

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

	Early Intervention Grant 3400	Early Intervention Grant 3401	Early Intervention Grant 3402	Non English Speaking Program 3722	Non English Speaking Program 3723	Career And Tech Performance	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Title I 4161	Title I 4162	Title IV 5872	Title IV 5873	Title IV 5874
Cash and investments - beginning	\$ 67	\$ 19,529	\$ -	\$ 47,875	\$ -	\$ 20,820	\$ -	\$ 34,539	\$ -	\$ 2,200	\$(167,751)	\$ -	\$(12,629)	\$ -	\$ -
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	22,141	-	87,112	-	261,592	61,242	12,760	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	614,451	1,014,161	112,671	21,568	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	22,141	-	87,112	-	261,592	61,242	12,760	-	614,451	1,014,161	112,671	21,568	-
Disbursements:															
Instruction	134	19,529	22,141	46,560	40,598	-	261,592	69,961	-	1,500	289,506	999,277	57,599	38,248	22,475
Support services	-	-	-	1,315	468	-	-	-	-	-	142,553	120,772	42,986	3,261	-
Noninstructional services	-	-	-	-	383	-	-	-	-	-	14,641	6,224	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	134	19,529	22,141	47,875	41,449	-	261,592	69,961	-	1,500	446,700	1,126,273	100,585	41,509	22,475
Excess (deficiency) of receipts over disbursements	(134)	(19,529)	-	(47,875)	45,663	-	-	(8,719)	12,760	(1,500)	167,751	(112,112)	12,086	(19,941)	(22,475)
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	(134)	(19,529)	-	(47,875)	45,663	-	-	(8,719)	12,760	(1,500)	167,751	(112,112)	12,086	(19,941)	(22,475)
Cash and investments - ending	\$ (67)	\$ -	\$ -	\$ -	\$ 45,663	\$ 20,820	\$ -	\$ 25,820	\$ 12,760	\$ 700	\$ -	\$ (112,112)	\$ (543)	\$ (19,941)	\$ (22,475)

(Continued)

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

	School Technology	Title II 6841	Title II 6842	Title II 6843	Title III 6881	Title III 6882	Title III 6883	ESSER III	ESSER II	GEER I	ESSER I	Prepaid School Lunch Accounts	Payroll Clearing Control	Totals
Cash and investments - beginning	\$ 80,922	\$ (87,957)	\$ -	\$ -	\$ 1,394	\$ (5,803)	\$ -	\$ -	\$ (63,478)	\$ (38,200)	\$ (267,935)	\$ 110,891	\$ 1,042,671	\$ 61,228,153
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	71,051	-	28,973,441
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	1,538
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	54,979,825
Federal sources	-	153,922	149,278	7,556	1,083	21,281	-	2,499,271	1,980,472	54,722	737,344	-	-	11,836,825
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	29,127,789	29,898,086
Total receipts	-	153,922	149,278	7,556	1,083	21,281	-	2,499,271	1,980,472	54,722	737,344	71,051	29,127,789	125,689,715
Disbursements:														
Instruction	-	-	-	-	-	10,816	3,924	2,028,929	2,008,028	67,975	422,156	-	-	45,699,429
Support services	36,840	65,965	164,095	7,867	1,894	3,390	-	787,601	360,494	-	75,293	-	-	28,733,473
Noninstructional services	-	-	-	-	583	1,272	919	-	-	-	-	79,458	-	4,839,910
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,468,461	-	-	-	-	4,992,642
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	8,192,947
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	29,006,229	38,026,481
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	36,840	65,965	164,095	7,867	2,477	15,478	4,843	2,816,530	3,836,983	67,975	497,449	79,458	29,006,229	130,484,882
Excess (deficiency) of receipts over disbursements	(36,840)	87,957	(14,817)	(311)	(1,394)	5,803	(4,843)	(317,259)	(1,856,511)	(13,253)	239,895	(8,407)	121,560	(4,795,167)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	161,882
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	6,967,576
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,967,576)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	176,882
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(36,840)	87,957	(14,817)	(311)	(1,394)	5,803	(4,843)	(317,259)	(1,856,511)	(13,253)	239,895	(8,407)	121,560	(4,618,285)
Cash and investments - ending	\$ 44,082	\$ -	\$ (14,817)	\$ (311)	\$ -	\$ -	\$ (4,843)	\$ (317,259)	\$ (1,919,989)	\$ (51,453)	\$ (28,040)	\$ 102,484	\$ 1,164,231	\$ 56,609,868

PORTAGE TOWNSHIP 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	Debt Service	Retirement / Severance Bond Debt Service	Operations	Rainy Day	Retirement / Severance Bond	Post Retirement/Sever ance Future Benefit	Construction	Construction 0703	Construction 0704	Construction 0705	School Lunch	Curricular Materials Rental
Cash and investments - beginning	\$ 9,049,440	\$ 3,523,425	\$ 389,754	\$ 13,721,359	\$ 10,854,354	\$ 2,327,084	\$ 1,890,150	\$ 11,932	\$ 724,108	\$ 3,475,531	\$ -	\$ 2,039,674	\$ 2,570,270
Receipts:													
Local sources	720,773	8,120,384	665,923	13,485,876	-	113	91	-	-	21,113	-	920,959	488,236
Intermediate sources	-	1,127	101	2,055	-	-	-	-	-	-	-	-	-
State sources	54,408,647	-	-	-	-	-	-	-	-	-	-	-	324,300
Federal sources	-	-	-	-	-	-	-	-	-	-	-	4,033,146	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	28,718	-	-	9,013	-	-	-	-	-	-	-	-	-
Total receipts	55,158,138	8,121,511	666,024	13,496,944	-	113	91	-	-	21,113	-	4,954,105	812,536
Disbursements:													
Instruction	40,294,925	-	-	-	-	-	-	-	108,643	-	-	-	-
Support services	8,721,724	-	-	20,074,882	-	169,806	101,200	-	5,146	729,198	-	43,406	1,229,179
Noninstructional services	780,593	-	-	59,086	-	-	-	-	-	-	-	4,286,547	-
Facilities acquisition and construction	-	-	-	1,320,372	-	-	-	-	559,280	565,342	655,852	-	-
Debt services	-	8,579,373	663,439	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	49,797,242	8,579,373	663,439	21,454,340	-	169,806	101,200	-	673,069	1,294,540	655,852	4,329,953	1,229,179
Excess (deficiency) of receipts over disbursements	5,360,896	(457,862)	2,585	(7,957,396)	-	(169,693)	(101,109)	-	(673,069)	(1,273,427)	(655,852)	624,152	(416,643)
Other financing sources (uses):													
Proceeds of long-term debt	-	-	-	274,089	-	-	-	-	-	-	5,813,489	-	-
Sale of capital assets	-	-	-	52,597	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	6,700,000	-	-	-	-	-	-	-	-	54,306
Transfers out	(6,700,000)	(54,306)	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(6,700,000)	(54,306)	-	7,026,686	-	-	-	-	-	-	5,813,489	-	54,306
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,339,104)	(512,168)	2,585	(930,710)	-	(169,693)	(101,109)	-	(673,069)	(1,273,427)	5,157,637	624,152	(362,337)
Cash and investments - ending	\$ 7,710,336	\$ 3,011,257	\$ 392,339	\$ 12,790,649	\$ 10,854,354	\$ 2,157,391	\$ 1,789,041	\$ 11,932	\$ 51,039	\$ 2,202,104	\$ 5,157,637	\$ 2,663,826	\$ 2,207,933

(Continued)

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

	Self - Insurance	Excess Tax Levy	Other Local Funds	Donations Gifts And Trusts	PLTW Biomed	PLTW Engineering	Wellness Program	Home Economics	Culinary Scholarship	Scholarship And Awards	Formative Assessment	Special Education Excess Costs	Medicaid Reimbursement	Secured Schools Safety Grant	Alternative Education
Cash and investments - beginning	\$ 6,787,730	\$ 1,444	\$ (39,110)	\$ 22,557	\$ 487	\$ 4,906	\$ -	\$ 1,031	\$ 593	\$ 27,500	\$ 22,875	\$ 230,580	\$ 52,378	\$ (25,000)	\$ 20,106
Receipts:															
Local sources	7,138,741	-	-	54,094	-	-	50,000	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	87,165	266,693	-	51,225	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-	-	57,947	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	11,906	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	7,150,647	-	-	54,094	-	-	50,000	-	-	-	87,165	266,693	57,947	51,225	-
Disbursements:															
Instruction	-	-	57,297	3,060	-	-	-	-	-	-	-	-	-	-	-
Support services	-	-	-	495	-	-	-	1,031	-	-	72,042	-	-	35,727	-
Noninstructional services	-	-	-	822	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	40,000	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	7,603,315	-	-	-	-	-	-	-	-	3,000	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,603,315	-	57,297	44,377	-	-	-	1,031	-	3,000	72,042	-	-	35,727	-
Excess (deficiency) of receipts over disbursements	(452,668)	-	(57,297)	9,717	-	-	50,000	(1,031)	-	(3,000)	15,123	266,693	57,947	15,498	-
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	(452,668)	-	(57,297)	9,717	-	-	50,000	(1,031)	-	(3,000)	15,123	266,693	57,947	15,498	-
Cash and investments - ending	\$ 6,335,062	\$ 1,444	\$ (96,407)	\$ 32,274	\$ 487	\$ 4,906	\$ 50,000	\$ -	\$ 593	\$ 24,500	\$ 37,998	\$ 497,273	\$ 110,325	\$ (9,502)	\$ 20,106

(Continued)

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

	Early Intervention Grant 3400	Early Intervention Grant 3403	Non English Speaking Program 3723	Non English Speaking Program 3724	Career And Tech Performance	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Project Lead The Way	Title I 4162	Title I 4163	Title IV 5872	Title IV 5873	Title IV 5874	Title IV 5875
Cash and investments - beginning	\$ (67)	\$ -	\$ 45,663	\$ -	\$ 20,820	\$ -	\$ 25,820	\$ 12,760	\$ 700	\$ (112,112)	\$ -	\$ (543)	\$ (19,941)	\$ (22,475)	\$ -
Receipts:															
Local sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State sources	-	18,061	-	82,233	2,640	253,523	56,192	22,800	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	393,277	1,033,789	711	66,061	91,607	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	67	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	67	18,061	-	82,233	2,640	253,523	56,192	22,800	-	393,277	1,033,789	711	66,061	91,607	-
Disbursements:															
Instruction	-	-	30,434	57,055	-	253,523	70,088	-	-	328,890	1,068,404	168	46,120	57,427	1,019
Support services	-	-	14,876	2,059	-	-	-	-	-	41,398	122,354	-	-	15,172	-
Noninstructional services	-	-	353	517	-	-	-	-	-	10,877	18,854	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	45,663	59,631	-	253,523	70,088	-	-	381,165	1,209,612	168	46,120	72,599	1,019
Excess (deficiency) of receipts over disbursements	67	18,061	(45,663)	22,602	2,640	-	(13,896)	22,800	-	12,112	(175,823)	543	19,941	19,008	(1,019)
Other financing sources (uses):															
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	100,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	100,000	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	67	18,061	(45,663)	22,602	2,640	-	(13,896)	22,800	-	112,112	(175,823)	543	19,941	19,008	(1,019)
Cash and investments - ending	\$ -	\$ 18,061	\$ -	\$ 22,602	\$ 23,460	\$ -	\$ 11,924	\$ 35,560	\$ 700	\$ -	\$ (175,823)	\$ -	\$ -	\$ (3,467)	\$ (1,019)

(Continued)

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

	School Technology	Title II 6842	Title II 6843	Title II 6844	Title III 6882	Title III 6883	Title III 6884	ESSER III	ESSER II	GEER I	ESSER I	Prepaid School Lunch Accounts	Payroll Clearing Control	Totals
Cash and investments - beginning	\$ 44,082	\$ (14,817)	\$ (311)	\$ -	\$ -	\$ (4,843)	\$ -	\$ (317,259)	\$ (1,919,989)	\$ (51,453)	\$ (28,040)	\$ 102,484	\$ 1,164,231	\$ 56,609,868
Receipts:														
Local sources	-	-	-	-	-	-	-	-	-	-	-	789,091	-	32,455,394
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-	-	3,283
State sources	-	-	-	-	-	-	-	-	-	-	-	-	-	55,573,479
Federal sources	-	125,610	4,311	165,548	2,837	25,461	2,000	1,919,476	2,874,610	52,075	28,040	-	-	10,876,506
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	28,382,819	28,432,523
Total receipts	-	125,610	4,311	165,548	2,837	25,461	2,000	1,919,476	2,874,610	52,075	28,040	789,091	28,382,819	127,341,185
Disbursements:														
Instruction	-	-	-	25,896	52	15,302	-	1,254,864	653,005	622	-	-	-	44,326,794
Support services	334,075	110,793	4,000	41,543	2,785	5,406	-	510,455	91,237	-	-	-	-	32,479,989
Noninstructional services	-	-	-	-	-	1,081	2,000	-	-	-	-	830,617	-	5,991,347
Facilities acquisition and construction	-	-	-	-	-	-	-	-	210,379	-	-	-	-	3,351,225
Debt services	-	-	-	-	-	-	-	-	-	-	-	-	-	9,242,812
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-	28,090,785	35,697,100
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	334,075	110,793	4,000	67,439	2,837	21,789	2,000	1,765,319	954,621	622	-	830,617	28,090,785	131,089,267
Excess (deficiency) of receipts over disbursements	(334,075)	14,817	311	98,109	-	3,672	-	154,157	1,919,989	51,453	28,040	(41,526)	292,034	(3,748,082)
Other financing sources (uses):														
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	6,087,578
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	52,597
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	6,854,306
Transfers out	-	-	-	(100,000)	-	-	-	-	-	-	-	-	-	(6,854,306)
Total other financing sources (uses)	-	-	-	(100,000)	-	-	-	-	-	-	-	-	-	6,140,175
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(334,075)	14,817	311	(1,891)	-	3,672	-	154,157	1,919,989	51,453	28,040	(41,526)	292,034	2,392,093
Cash and investments - ending	\$ (289,993)	\$ -	\$ -	\$ (1,891)	\$ -	\$ (1,171)	\$ -	\$ (163,102)	\$ -	\$ -	\$ -	\$ 60,958	\$ 1,456,265	\$ 59,001,961

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 1,137,743	\$ 742,457

PORTAGE TOWNSHIP 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:				
Portage Township Multi-School Building Corporation	2017 Refund	\$ 2,536,000	5/17/2017	12/31/2028
Portage Township Multi-School Building Corporation	Refund 2016 B	595,700	12/1/2016	12/31/2027
Portage Township Multi-School Building Corporation	2021 Lease Mortgage	1,268,200	6/16/2021	12/31/2033
Portage Township Multi-School Building Corporation	2006 CAB	<u>1,320,000</u>	10/1/2006	1/15/2025
Total governmental activities		<u>5,719,900</u>		
Total of annual lease payments		<u>\$ 5,719,900</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	General Obligation Bonds 2019	\$ 1,025,000	\$ 400,000
General Obligation Bonds	General Obligation Bonds 2020	4,035,000	190,000
General Obligation Bonds	General Obligation Bonds 2022	4,940,000	1,865,000
General Obligation Bonds	Pension Bond Series 2006	2,240,000	540,000
Notes and Loans Payable	Common School Loans	<u>1,384,762</u>	<u>708,474</u>
Total governmental activities		<u>13,624,762</u>	<u>3,703,474</u>
Totals		<u>\$ 13,624,762</u>	<u>\$ 3,703,474</u>

PORTAGE TOWNSHIP 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	\$ 38,636,500
Buildings	136,464,412
Improvements other than buildings	13,578,625
Machinery, equipment, and vehicles	36,443,544
Construction in progress	<u>5,664,381</u>
Total governmental activities	<u>230,787,462</u>
Total capital assets	<u>\$ 230,787,462</u>

PORTAGE TOWNSHIP 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.

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

Federal Grantor Agency <u>Cluster Title/Program Title/Project Title</u>	<u>Pass-Through Entity or Direct Grant</u>	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended <u>06-30-22</u>	Total Federal Awards Expended <u>06-30-23</u>	Total Federal Awards 06-01-2021 to <u>06-30-23</u>
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
School Breakfast Program		10.553	FY2022, FY2023	\$ 772	\$ -	\$ 772
National School Lunch Program		10.555	FY2022, FY2023	4,299,378	3,998,039	8,297,417
Commodities		10.555	FY2022, FY2023	454,958	264,455	719,413
Summer Food Service Program for Children		10.559	FY2022, FY2023	124,089	-	124,089
Total - Child Nutrition Cluster				<u>4,879,197</u>	<u>4,262,494</u>	<u>9,141,691</u>
Pandemic EBT Administrative Costs						
Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY2022, FY2023	3,063	3,135	6,198
Total - Department of Agriculture				<u>4,882,260</u>	<u>4,265,629</u>	<u>9,147,889</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grant to States						
	Indiana Department of Education					
IDEA, Part B		84.027	20611-046-PN01	17,608	-	17,608
IDEA, Part B		84.027	21611-046-PN01	531,475	49,738	581,213
IDEA, Part B		84.027	22611-046-PN01	1,207,008	502,734	1,709,742
IDEA, Part B, COVID-19		84.027X	22611-046-ARP	-	51,815	51,815
IDEA, Part B		84.027	23611-046-PN01	-	1,129,711	1,129,711
Total - Special Education Grants to States				<u>1,756,091</u>	<u>1,733,998</u>	<u>3,490,089</u>
Special Education Preschool Grants						
IDEA, Preschool		84.173	21619-046-PN01	3,054	-	3,054
IDEA, Preschool		84.173	22619-046-PN01	45,535	2,536	48,071
IDEA, Preschool COVID-19		84.173X	23619-046-PN01	-	47,278	47,278
Total - Special Education Preschool Grants				<u>48,589</u>	<u>49,814</u>	<u>98,403</u>
Total - Special Education Cluster(IDEA)				<u>1,804,680</u>	<u>1,783,812</u>	<u>3,588,492</u>
Title I Grants to Local Educational Agencies						
	Indiana Department of Education					
Title I , Part A		84.010A	S010A200014	614,450	-	614,450
Title I , Part A		84.010A	S010A210014	1,014,161	387,459	1,401,620
Title I , Part A		84.010A	S010A220014	-	1,028,646	1,028,646
Total - Title I Grants to Local Educational Agencies				<u>1,628,611</u>	<u>1,416,105</u>	<u>3,044,716</u>

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2021 through June 30, 2023

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 06-30-23	Total Federal Awards 06-01-2021 to 06-30-23
Title III English Language Acquisition State Grants	Indiana Department of Education					
Title III, Part A		84.365	S365A190014	\$ 657	\$ -	\$ 657
Title III, Part A		84.365	S365A200014	21,282	2,837	24,119
Title III, Part A		84.365	S365A210014	-	25,461	25,461
Title III, Part A		84.365	S365A220014	-	2,000	2,000
Total - English Language Acquisition Grants				<u>21,939</u>	<u>30,298</u>	<u>52,237</u>
Supporting Effective Instruction Grants to States	Indiana Department of Education					
Title II, Part A		84.367A	S367A190013	153,921	-	153,921
Title II, Part A		84.367A	S367A200013	149,278	125,610	274,888
Title II, Part A		84.367A	S367A210013	7,556	4,311	11,867
Title II, Part A		84.367A	S367A220013	-	165,548	165,548
Total - Supporting Effective Instruction				<u>310,755</u>	<u>295,469</u>	<u>606,224</u>
Student Support and Academic Enrichment Grant	Indiana Department of Education					
Title IV, Part A		84.424	S424A190015	112,672	711	113,383
Title IV, Part A		84.424	S424A200015	21,567	66,061	87,628
Title IV, Part A		84.424	S424A210015	-	91,607	91,607
Total - Student Support and Academic Enrichment Program				<u>134,239</u>	<u>158,379</u>	<u>292,618</u>
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Governor's Emergency Education Relief(GEER)		84.425C	S425C200018	54,722	52,075	106,797
Elementary and Secondary School Education Emergency Relief (ESSER I)		84.425D	S425D200013	737,344	28,040	765,384
Elementary and Secondary School Education Emergency Relief (ESSER II)		84.425D	S425D210013	1,980,472	2,874,609	4,855,081
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U200013	2,499,271	1,919,476	4,418,747
Total - COVID-19 Education Stabilization Fund				<u>5,271,809</u>	<u>4,874,200</u>	<u>10,146,009</u>
Total - Department of Education				<u>9,172,033</u>	<u>8,558,263</u>	<u>17,730,296</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Indiana Department of Education					
Medical Assistance Program		93.778	FY2022, FY2023	90,756	72,410	163,166
Total - Department of Health and Human Services				<u>90,756</u>	<u>72,410</u>	<u>163,166</u>

(Continued)

PORTAGE TOWNSHIP SCHOOLS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Period July 1, 2021 through June 30, 2023

Federal Grantor Agency <u>Cluster Title/Program Title/Project Title</u>	<u>Pass-Through Entity or Direct Grant</u>	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended <u>06-30-22</u>	Total Federal Awards Expended <u>06-30-23</u>	Total Federal Awards 06-01-2021 to <u>06-30-23</u>
<u>Department of Homeland Security</u>						
Disaster Grants - Public Assistance (Presidentially Declared Disasters) FEMA/COVID-19	Indiana Department of Homeland Security	97.036	385PA4515000000	\$ 29,260	\$ -	\$ 29,260
Total - Department of Homeland Security				<u>29,260</u>	<u>-</u>	<u>29,260</u>
Total federal awards expended				<u>\$ 14,174,309</u>	<u>\$ 12,896,302</u>	<u>\$ 27,070,611</u>

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

PORTAGE TOWNSHIP 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
Portage Township 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 Portage Township 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 March 20, 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 certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as items 2023-001 and 2023-002 that we consider to be material weaknesses.

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
March 20, 2024

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

Those Charged with Governance
Portage Township Schools
Porter County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Portage Township 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 and a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-2023-004 and 2023-005 to be material weaknesses.

(Continued)

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-003 and 2023-006 to be significant deficiencies.

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

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

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

Crowe LLP

Crowe LLP

Indianapolis, Indiana
March 20, 2024

PORTAGE TOWNSHIP 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	_____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u> None Reported
Noncompliance material to financial statement noted?	_____	Yes	<u> X </u> No

Federal Awards

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

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.027X, 84.173, 84.173X	Special Education Cluster
84.425C, 84.425D, 84.425U	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs \$ 812,118

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

PORTAGE TOWNSHIP 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.

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-001

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

- 1) For the period of July 1, 2021 to June 30, 2022, the School Corporation improperly reported activity in the Payroll Clearing Control fund which understated receipt and disbursement amounts by \$29,127,789 and \$1,930,295 respectively. The beginning July 1, 2021 balance of \$1,042,671 was incorrectly excluded from the AFR as well. The net impact on ending cash as of June 30, 2022 was \$28,240,165.
- 2) For the period of July 1, 2022 to June 30, 2023, the School Corporation improperly reported activity in the Payroll Clearing Control fund which understated receipt and disbursement amounts by \$28,382,819 and \$622,954 respectively. The beginning July 1, 2022 balance of \$1,164,231 was improperly excluded as well. The net impact on ending cash as of June 30, 2023 was \$28,924,096.

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.

FINDING 2023-002

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

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

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-002 (Continued)

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

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

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

. . .

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

2 CFR 200.510(b) states:

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

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

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

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

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

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-002 (Continued)

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

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

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

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was reviewed prior to submission. However, it was not reviewed in enough detail to prevent the following errors that resulted in the gross overstatement on the SEFA of \$105,817, the gross understatement of \$8,410,081, and the net understatement of the total federal awards expended on the SEFA by \$8,304,264 for the period July 1, 2021, through June 30, 2023:

- Child Nutrition Cluster (10.553, 10.555) expenditures were understated by \$8,297,417
- Pandemic EBT Administrative Costs expenditures were understated by \$6,198
- Title I Part A Cluster (84.010) expenditures were overstated by \$105,817
- Title IV Student Support and Academic Enrichment Grant (84.424) expenditures were understated by \$22,475
- Medicaid Cluster (93.778) expenditures were understated by \$54,730
- Disaster Grants - Public Assistance (Presidentially Declared Disasters 97.036) expenditures were understated by \$29,260

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

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

Identification as a repeat finding, if applicable: No.

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

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

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

Section III – Federal Award Findings and Questioned Costs

FINDING 2023-003

Information on the federal program:

Subject: Special Education Cluster (IDEA) – Internal Controls
Federal Agency: Department of Education
Federal Program: Special Education Grants to States, Special Education Preschool Grants
Assistance Listings Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 21611-046-PN01, 21619-046-PN01, 22619-046-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Earmarking
Audit Findings: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:...

(g) Be adequately documented. . . ."

2 CFR 200.208(b) states in part:

"The Federal awarding agency or pass-through entity may adjust specific Federal award conditions as needed . . ."

511 IAC 7-34-7(b) states:

"The public agency, in providing special education and related services to students in nonpublic schools must expend at least an amount that is the same proportion of the public agency total subgrant under 20 U.S.C. 1411(f) as the number of nonpublic school students with disabilities, who are enrolled by their parents in nonpublic schools within its boundaries, is to the total number of students with disabilities of the same age range."

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 earmarking compliance requirement.

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

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-003 (Continued)

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

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation is a member of the Porter County Education Interlocal (Cooperative). During fiscal year 2022-2023, the Cooperative operated the special education program and spent the federal money on behalf of all its members. As the grant agreement was between the Indiana 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 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 22619-046-PN01 grant award could not be verified for the individual member schools. Total grant expenditures were posted as expended. The non-public proportionate share expenditures were determined by applying a percentage to the non-public school budgeted expenditures. As such, we were unable to identify if the minimum amount per the grant award was expended and properly reported to IDOE as required.

The lack of internal controls was isolated to the 21611-046-PN01, 21619-046-PN01, and 22619-046-PN01 grant awards.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to monitor the Cooperative and ensure non-public proportionate share funds are appropriately allocated to the member school based on expenditures charged directly on behalf of the member school. Supporting documentation for these expenditures should be retained for audit.

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

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-004

Information on the federal program:

Subject: Special Education Cluster (IDEA) – Internal Controls
Federal Agency: Department of Education
Federal Program: Special Education Grants to States
Assistance Listings Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 21611-046-PN01, 21619-046-PN01, 22619-046-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Procurement and Suspension and Debarment
Audit Findings: Material Weakness

Criteria:

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

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 suspension and debarment compliance requirement.

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

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

Questioned Costs: There were no questioned costs identified.

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-004 (Continued)

Context: The School Corporation is a member of the Porter County Education Interlocal (Cooperative). During fiscal year 2022-2023, 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 Indiana 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 Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have internal controls in place to ensure that the Cooperative complied with the suspension and debarment requirements. The Cooperative did not have effective internal controls to ensure compliance with the suspension and debarment requirements.

Prior to entering into covered transactions with grant award funds, entities are required to verify that vendors under covered transactions are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to contracts for goods or services awarded under procurement and non-procurement transactions (i.e., grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the System for Award Management (SAM) exclusions, collecting a certification from that person, or adding a clause or condition to the covered transaction with that person.

Upon inquiry of the Cooperative in order to review procedures in place for verifying that an entity with which it plans to enter into a covered transaction is not suspended, debarred or otherwise excluded, the Cooperative explained that if the covered transaction had a contract, the contract was verified to make sure the clause for suspension and debarment was included. However, if the covered transaction did not involve a contract, the Cooperative did not have procedures in place to verify the suspension and debarment requirements. A population of five covered transactions for goods or services that equaled or exceeded \$25,000 paid from grant award funds during the audit period was identified. Three of the five covered transactions did not have documentation to show that they were verified for the suspension and debarment requirements.

The lack of internal controls was isolated to the 22611-046-PN01 and 23611-046-PN01 grant awards in fiscal year 23.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that management of the School Corporation establish a proper system of internal controls and develop policies and procedures to monitor the Cooperative and ensure vendors are not suspended, debarred, or otherwise excluded prior to entering into any covered transactions.

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

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-005

Information on the federal program:

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

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.302(b) states in part:

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

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

34 CFR 76.722 states:

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

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

Cause: The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above. The second person reviewing the information and inputting the information to IDOE incorrectly inputted the information as \$0 for each grant.

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

Finding 2023-005

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

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation was required to submit one Annual Data Report per ESSER grant for each year in the audit period to the Indiana Department of Education (IDOE) to meet federal reporting requirements for the ESSER grant awards. There was no documented review by someone other than the preparer of the Annual Data Report to ensure the information submitted was complete and accurate for the reports submitted in the first year under audit.

Additionally, the amounts reported on each ESSER report for the second year under audit did not agree to the underlying disbursement detail. We noted the amounts reported as expended (\$0) on the report did not agree to the amounts expended per the underlying expenditure records, \$7,151,043 for the report time period. The errors were due to the School Corporation not inputting the information correctly from the system reports that were reviewed.

Identification as a repeat finding: No.

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

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

Finding 2023-006

Information on the federal program:

Subject: Education Stabilization Fund – Equipment and Real Property Management
Federal Agency: Department of Education
Federal Program: COVID-19 - Education Stabilization Fund
Assistance Listing Number: 84.425D, 84.425U
Federal Award Numbers and Years (or Other Identifying Numbers): S425D210013, S425U200013
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Equipment and Real Property Management
Audit Findings: Significant Deficiency

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

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

(Continued)

PORTAGE TOWNSHIP SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2021 through June 30, 2023

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

FINDING 2023-006 (Continued)

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

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

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

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

Condition: An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Equipment and Real Property Management Requirements compliance requirements.

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

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

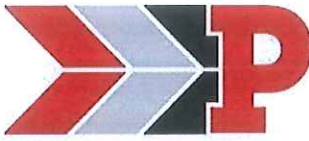
Questioned Costs: There were no questioned costs identified.

Context: For 1 of the 3 equipment purchases sampled, the School Corporation did not add the equipment purchase to the capital asset listing. Additionally, we noted no inventory was performed during the audit period. The finding is isolated to the ESSER II (84.425D) and ESSER III (84.425U) grants.

Identification as a repeat finding: No.

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

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



PORTAGE TOWNSHIP SCHOOLS

BUSINESS OFFICE

6240 U.S. Highway 6, Portage, Indiana 46368 | Phone (219)762-6511 | Fax (219)762-3263

BOARD OF SCHOOL TRUSTEES

Shaunna Finley, Ph.D
Andy Maletta
Jeff Smith
Wilma Vazquez
Lori Wilkie

Dr. Amanda Alaniz
Superintendent of
Schools

Dr. Michael Stephens
Associate Superintendent
of Schools

Nicholas Gron
Director of Finance

Maria Bravo
Assistant Director of
Finance

Finding 2023-001 – Preparation of the Annual Financial Report

Contact Person Responsible for Corrective Action:

Nicholas Gron

Contact Phone Number:

219-764-6011

Views of Responsible Official:

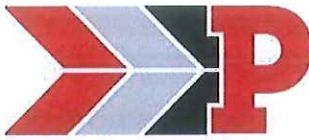
We concur with the finding.

Description of Corrective Action Plan:

A new process of tracking expenses and revenue on a monthly basis will be developed, and Portage Township Schools will make a more thorough review prior to submission of the AFR.

Anticipated Completion Date:

Correction will be completed for the next preparation of the Annual Financial Report that will be submitted in August of 2024.



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TRUSTEES**

Shaunna Finley, Ph.D
Andy Maletta
Jeff Smith
Wilma Vazquez
Lori Wilkie

Finding 2023-002 – Preparation of the Schedule of Expenditures of Federal Awards

Contact Person Responsible for Corrective Action:
Nicholas Gron

Dr. Amanda Alaniz
Superintendent of
Schools

Contact Phone Number:
219-764-6011

Dr. Michael Stephens
Associate
Superintendent
of Schools

Views of Responsible Official:
We concur with the finding.

Nicholas Gron
Director of Finance

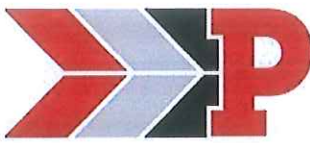
Description of Corrective Action Plan:

New procedures will be in place to include the Office of Grants and Assessments and the Food Service Office in preparation of the SEFA. The SEFA will be thoroughly reviewed prior to submission.

Maria Bravo
Assistant Director of
Finance

Anticipated Completion Date:

Correction will be completed for the next preparation of the SEFA Report that will be submitted in August of 2024.



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Andy Maletta
Jeff Smith
Wilma Vazquez
Lori Wilkie

Finding 2023-003 – Special Education Cluster – Earmarking

Contact Person Responsible for Corrective Action:
Quinnlyn Van Rys

Contact Phone Number:
219-850-1914 - qvanrypces.k12.in.us

Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:

Provider/Employee will submit payroll records by student services monthly/bi-monthly to the bookkeeper. Once payroll records are received, the CFO will prepare a spreadsheet that calculates the time serviced by the non-public school and member school. Once the total hours are calculated, a percentage based on total hours worked for each member school will be used to allocate the provider/employee time for each member school. This documentation will be attached to each reimbursement request. This documentation will be reviewed and signed off by the Director of Special Education of Portage Township Schools.

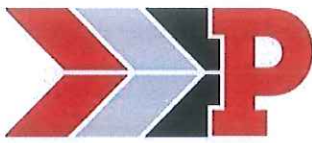
Anticipated Completion Date:
March 2024

Dr. Amanda Alaniz
Superintendent of
Schools

Dr. Michael Stephens
Associate Superintendent
of Schools

Nicholas Gron
Director of Finance

Maria Bravo
Assistant Director of
Finance



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Andy Maletta
Jeff Smith
Wilma Vazquez
Lori Wilkie

Finding 2023-004 – Special Education Cluster – Procurement and Suspension and Debarment

Contact Person Responsible for Corrective Action:
Quinnlyn Van Rys

Dr. Amanda Alaniz
Superintendent of
Schools

Contact Phone Number:
219-850-1914 - qvanrypces.k12.in.us

Dr. Michael Stephens
Associate Superintendent
of Schools

Views of Responsible Official:
We concur with the finding.

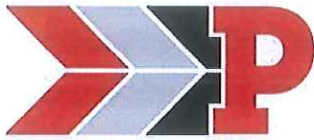
Nicholas Gron
Director of Finance

Maria Bravo
Assistant Director of
Finance

Description of Corrective Action Plan:

Provider/Employee will utilize the Sam.gov website and will view the exclusions prior to entering into any covered transaction. This list will be saved and dated in a separate folder to provide evidence of this requirement. A list of vendors verified will be kept in the same folder as the exclusions list. This will be prepared by the CFO and be reviewed and verified by the bookkeeper. Semi-annual documented review of this process will be by the PTS Director of Finance

Anticipated Completion Date:
March 2024



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Shaunna Finley, Ph.D
Andy Maletta
Jeff Smith
Wilma Vazquez
Lori Wilkie

Finding 2023-005 – Education Stabilization Fund – Reporting

Contact Person Responsible for Corrective Action:

Linda Williams

Dr. Amanda Alaniz
Superintendent of
Schools

Contact Phone Number:

219-764-6209

Dr. Michael Stephens
Associate Superintendent
of Schools

Views of Responsible Official:

We concur with the finding.

Nicholas Gron
Director of Finance

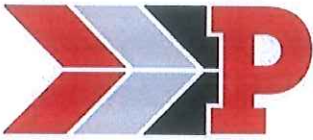
Description of Corrective Action Plan:

The PTS Office of Grants and Assessments will collaborate with the PTS Finance Office to establish a system of internal controls and separation of duties to ensure a thorough review prior to the submission of the Annual ESSER Data Report.

Maria Bravo
Assistant Director of
Finance

Anticipated Completion Date:

April 2024



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Andy Maletta
Jeff Smith
Wilma Vazquez
Lori Wilkie

Finding 2023-006 – Education Stabilization Fund – Equipment and Real Property Management

Contact Person Responsible for Corrective Action:
Nicholas Gron

Dr. Amanda Alaniz
Superintendent of
Schools

Contact Phone Number:
219-764-6011

Dr. Michael Stephens
Associate Superintendent
of Schools

Views of Responsible Official:
We concur with the finding.

Nicholas Gron
Director of Finance

Description of Corrective Action Plan:

Portage Township Schools is currently tracking Capital Assets on Form No. 369. The PTS Finance Department will work with other PTS departments to establish a process of completing the capital assets inventory every two years.

Maria Bravo
Assistant Director of
Finance

Anticipated Completion Date:
July 2024

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-001

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Special
Tests and Provisions - Assessment System Security
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: Special Tests and Provisions - Assessment System Security
Audit Finding: Significant Deficiency

Context: The Corporation Test Coordinator did not have a control in place to ensure that all School Corporation staff that were required to take the training had done so. The lack of controls was isolated to the 2019-2020 school year.

Status: Resolved.