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February 13, 2024

Charter School Board
Northwest Indiana Lighthouse Charter Schools
Lake County, Indiana

We have reviewed the audit report of Northwest Indiana Lighthouse Charter Schools, which was opined upon by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Northwest Indiana Lighthouse Charter Schools as of June 30, 2023 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

In addition to the report presented herein, a Supplemental Audit Report for Northwest Indiana Lighthouse Charter 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 cursive script that reads 'Tammy R. White'.

Tammy R. White, CPA
Deputy State Examiner

NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2023 AND 2022



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Northwest Indiana Lighthouse Charter Schools
Gary, Indiana and East Chicago, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Northwest Indiana Lighthouse Charter Schools (NWILCS), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NWILCS, as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with generally accepted auditing standards 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NWILCS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2023, the School adopted new accounting guidance for leases. The guidance requires leases to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NWILCS's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 statements, 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 statements.
- 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 NWILCS'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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NWILCS's ability to continue as a going concern for a reasonable period of time.

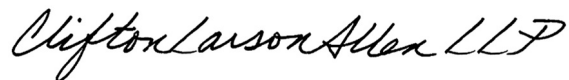
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements as a whole. The accompanying supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024, on our consideration of NWILCS’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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NWILCS’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 NWILCS’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Indianapolis, Indiana
January 30, 2024

NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 7,017,264	\$ 5,609,675
Cash - Restricted for Bond Interest	396,044	319,003
Accounts Receivable:		
Grants	5,979,699	3,218,128
Other	49,226	54,796
Prepaid Expenses	<u>289,613</u>	<u>139,382</u>
Total Current Assets	13,731,846	9,340,984
PROPERTY AND EQUIPMENT, NET	15,413,048	15,353,405
OTHER ASSETS		
Cash - Restricted for Debt Service	1,689,288	1,689,288
Cash - Restricted for Property Repairs and Replacement	370,467	220,347
Right of Use Asset, Net	<u>376,739</u>	<u>-</u>
Total Other Assets	<u>2,436,494</u>	<u>1,909,635</u>
 Total Assets	 <u><u>\$ 31,581,388</u></u>	 <u><u>\$ 26,604,024</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Bonds Payable	\$ 375,000	\$ 335,000
Accounts Payable and Accrued Expenses	1,881,847	1,882,531
Right of Use Liability, Current	<u>169,318</u>	<u>-</u>
Total Current Liabilities	2,426,165	2,217,531
LONG-TERM LIABILITIES		
Right of Use Liability, Noncurrent	207,421	-
Bonds Payable	17,983,332	18,378,332
Less: Unamortized Debt Issuance Costs	<u>(198,141)</u>	<u>(207,357)</u>
Total Long-Term Liabilities, Net of Unamortized Debt Issuance Costs	<u>17,785,191</u>	<u>18,170,975</u>
 Total Liabilities	 20,418,777	 20,388,506
NET ASSETS, WITHOUT DONOR RESTRICTIONS	<u>11,162,611</u>	<u>6,215,518</u>
 Total Liabilities and Net Assets	 <u><u>\$ 31,581,388</u></u>	 <u><u>\$ 26,604,024</u></u>

See accompanying Notes to Financial Statements.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
REVENUE AND SUPPORT		
State Education Support	\$ 13,949,196	\$ 14,446,499
Grant Revenue	17,767,651	13,104,673
Contributed Nonfinancial Assets	-	72,000
Student Fees	96,572	19,500
Contributions	23,072	14,464
Interest	86,583	10,874
Other	17,947	88,947
Total Revenue and Support	31,941,021	27,756,957
EXPENSES		
Program Services	23,457,829	21,126,581
Management and General	3,536,099	4,644,903
Total Expenses	26,993,928	25,771,484
CHANGES IN NET ASSETS	4,947,093	1,985,473
Net Assets - Beginning of Year	6,215,518	4,230,045
NET ASSETS - END OF YEAR	\$ 11,162,611	\$ 6,215,518

See accompanying Notes to Financial Statements.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 9,283,860	\$ 2,387,227	\$ -	\$ 11,671,087
Employee Benefits	2,649,484	141,875	-	2,791,359
Staff Development and Recruitment	57,106	7,948	-	65,054
Academic Services - Lighthouse				
Academics	-	125,179	-	125,179
Authorizer Oversight Fee	-	266,246	-	266,246
Food Service	946,697	-	-	946,697
Transportation Service	961,999	-	-	961,999
Information Technology	105,868	-	-	105,868
Other Professional Services	1,731,176	417,366	-	2,148,542
Equipment Rental and Expenses	894,818	-	-	894,818
Classroom, Kitchen, and Office				
Supplies	3,628,180	53,939	-	3,682,119
Occupancy	990,218	55,913	-	1,046,131
Depreciation	648,610	-	-	648,610
Interest	1,334,269	-	-	1,334,269
Other	225,544	80,406	-	305,950
Total Functional Expenses	<u>\$ 23,457,829</u>	<u>\$ 3,536,099</u>	<u>\$ -</u>	<u>\$ 26,993,928</u>

See accompanying Notes to Financial Statements.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 8,701,796	\$ 1,748,434	\$ -	\$ 10,450,230
Employee Benefits	2,393,525	143,184	-	2,536,709
Staff Development and Recruitment	36,764	2,880	-	39,644
Academic Services - Lighthouse				
Academics	-	2,010,165	-	2,010,165
Authorizer Oversight Fee	-	303,055	-	303,055
Food Service	937,906	-	-	937,906
Transportation Service	1,280,362	-	-	1,280,362
Information Technology	106,047	-	-	106,047
Other Professional Services	2,035,203	85,614	-	2,120,817
Equipment Rental	237,296	-	-	237,296
Classroom, Kitchen, and Office				
Supplies	2,137,358	125,764	-	2,263,122
Occupancy	1,052,186	63,956	-	1,116,142
Rent In-Kind	72,000	-	-	72,000
Depreciation	614,882	-	-	614,882
Interest	1,349,503	-	-	1,349,503
Other	171,753	161,851	-	333,604
	<u>\$ 21,126,581</u>	<u>\$ 4,644,903</u>	<u>\$ -</u>	<u>\$ 25,771,484</u>
Total Functional Expenses	<u>\$ 21,126,581</u>	<u>\$ 4,644,903</u>	<u>\$ -</u>	<u>\$ 25,771,484</u>

See accompanying Notes to Financial Statements.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 4,947,093	\$ 1,985,473
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	648,610	614,882
Amortization	9,216	9,217
Paycheck Protection Program Loan Forgiveness	-	-
Changes in Certain Assets and Liabilities:		
Grants Receivable	(2,761,571)	(2,276,426)
Other Receivables	5,570	4,430
Prepaid Expenses	(150,231)	(66,815)
Accounts Payable and Accrued Expenses	(684)	161,342
Net Cash Provided by Operating Activities	2,698,003	432,103
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(708,253)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Repayment of Bonds Payable	(355,000)	(346,668)
NET CHANGE IN CASH	1,634,750	85,435
Cash - Beginning of Year	7,838,313	7,752,878
CASH - END OF YEAR	\$ 9,473,063	\$ 7,838,313
CASH - END OF YEAR		
Cash - Unrestricted	\$ 7,017,264	\$ 5,609,675
Cash - Restricted for Bond Interest	396,044	319,003
Cash - Restricted for Debt Service	1,689,288	1,689,288
Cash - Restricted for Property Repairs and Replacement	370,467	220,347
Total Cash - End of Year	\$ 9,473,063	\$ 7,838,313
SUPPLEMENTAL INFORMATION		
Cash Paid for Interest	\$ 1,325,052	\$ 1,381,406

See accompanying Notes to Financial Statements.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Northwest Indiana Lighthouse Charter Schools (NWILCS), a public benefit nonprofit organization incorporated under the laws of the state of Indiana, is the organizer and governing body of two charter schools located in Indiana. Both schools are public charter schools established under Indiana Code 20-24 and are sponsored by Ball State University. Gary Lighthouse Charter School served approximately 1,150 students in grades kindergarten through 12 and East Chicago Lighthouse Charter School served approximately 460 students in grades kindergarten through eight during the 2022 - 2023 school year.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition

Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, the schools receive an amount per student in relation to the funding received by other public schools in the same geographic areas. Funding from the state of Indiana is based on enrollment and is paid in monthly installments in July through June coinciding with the academic school year. Revenue is recognized in the year in which educational services are rendered.

A portion of NWILCS's revenue is the product of cost reimbursement grants. Accordingly, NWILCS recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred.

Grants Revenue and Contributions

NWILCS receives income from grants and contributions that support certain school activities. These receipts are reported as restricted support in that they are received with stipulations that limit their use. When a donor restriction expires, that is, when the purpose or time restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and change in net assets as net assets released from restrictions. When restricted support is received and the restriction is satisfied in the current year, the activity is reported in net assets without donor restrictions. NWILCS did not have any conditional grants or contributions as of June 30, 2023 and 2022.

Cash and Restricted Cash

Cash and restricted cash consists of cash held in bank accounts and cash equivalents consists of short-term, highly liquid investments with original maturities of three months or less. There were no cash equivalents at June 30, 2023 and 2022.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants Receivable

Grants receivable relate primarily to activities funded under federal grants and legislation enacted by the state of Indiana. NWILCS believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

Property and Equipment

Purchases of assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and equipment purchases with a unit cost of less than \$5,000 are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

Building and Improvements	30 Years
Furniture and Equipment	3 to 5 Years

Impairment of Long-Lived Assets

On an ongoing basis, NWILCS reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may be overstated. NWILCS recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related asset. If impaired, the assets are adjusted to fair value based on the undiscounted cash flows.

Debt Issuance Costs

NWILCS incurred debt issuance costs totaling \$258,046 associated with securing financing under Indiana Finance Authority Education Facilities Revenue Bonds. Amortization of the debt issuance costs is provided on a straight-line basis over the term of the bonds (27 years). Accumulated amortization was \$59,905 and \$50,689 as of June 30, 2023 and 2022, respectively. Amortization expense was \$9,216 and \$9,217 for the years ended June 30, 2023 and 2022, respectively. As provided by ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, debt issuance costs are presented on the statements of financial position as a direct deduction from the carrying amount of the related debt liability.

Taxes on Income

NWILCS has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, NWILCS would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2023 and 2022, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes on Income (Continued)

Professional accounting standards require NWILCS to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. NWILCS has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. The U.S. federal and state income tax returns of NWILCS are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

Change in Accounting Principles

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The School adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period.

The School has elected to adopt the package of practical expedients available in the year of adoption. The School has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the School's ROU assets.

Leases

NWILCS determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statement of financial position.

ROU assets represent NWILCS right to use an underlying asset for the lease term and lease liabilities represent the NWILCS obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that NWILCS will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. NWILCS has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, NWILCS has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

NWILCS has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

NWILCS lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, NWILCS considers factors such as if NWILCS has obtained substantially all of the rights to the underlying asset through exclusivity, if NWILCS can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgement.

Subsequent Events

NWILCS evaluated subsequent events through January 30, 2024, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

NOTE 2 RESTRICTED CASH

Cash

Restricted for bond interest is reserved for the payment of interest on the bond semi-annually. Funds are placed in the account monthly to cover one-sixth of the semi-annual interest payment.

Restricted for debt service is reserved for the payment of principal and interest on the bond in the event that other funding is unavailable to meet payment requirements.

Restricted for property repairs and replacement was established with the bond proceeds and represents resources available for repairing and replacing facilities.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment were comprised of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 1,245,200	\$ 1,245,200
Buildings and Improvements	17,908,695	17,335,671
Furniture and Equipment	526,222	1,901,521
Construction in Progress	55,235	-
Subtotal	<u>19,735,352</u>	<u>20,482,392</u>
Less: Accumulated Depreciation	<u>(4,322,304)</u>	<u>(5,128,987)</u>
Total	<u><u>\$ 15,413,048</u></u>	<u><u>\$ 15,353,405</u></u>

NOTE 4 BONDS PAYABLE

NWILCS purchased its facilities with Indiana Finance Authority Educational Facilities Revenue Bonds, Series 2016 with original amounts totaling \$19,950,000. Principal is payable in annual installments that increase from \$280,000 to \$1,575,000, beginning in December 2018 and maturing in December 2044. Interest payments are made semi-annually at rates ranging from 6.25% to 7.25% in accordance with the bond agreements. The bonds are secured by land, buildings, and improvements.

The Indiana Finance Authority Educational Facilities Revenue Bond agreements contain certain covenants requiring:

- submission of audited financial statements within 150 days after the end of the fiscal year or, if audited, financial statements are not available at that time, unaudited financial statements, and audited financial statements within 10 business days after availability;
- a minimum 45 day cash on hand as of June 30, 2019 and each annual reporting period thereafter (35 days cash on hand as of June 30, 2018); and
- meeting a minimum debt service coverage ratio of 1.15 to 1.00, measured annually.

NWILCS was in compliance with the debt service coverage ratio covenants as of and for the year ended June 30, 2023.

Principal maturities of bonds payable are as follows for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 375,000
2025	400,000
2026	425,000
2027	455,000
2028	485,000
Thereafter	<u>16,218,332</u>
Total	<u><u>\$ 18,358,332</u></u>

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 5 LEASES

ASC Topic 842 for 2023

The School leases various equipment and facilities from third parties under a long-term, noncancelable lease agreement. The leases expire at various times through 2026. In the normal course of business, it is expected that this lease will be renewed or replaced by similar leases. Lease expense associated with all third-party leases was \$243,060 for the year ended June 30, 2023

Lease Cost:	
Operating Lease Cost	\$ 243,060
Other Information:	
Operating Cash Flows from Operating Leases	\$ 240,420
Weighted-Average Remaining Lease Term - Operating Leases	3.1 Years
Weighted-Average Discount Rate - Operating Leases	3.53 %

A maturity analysis of annual discounted cash flows for lease liabilities as of June 30, 2023 is as follows:

<u>Year Ending June 30,</u>	<u>Operating</u>
2024	\$ 177,159
2025	102,369
2026	109,020
Undiscounted Cash Flows	388,548
(Less) Imputed Interest	(11,809)
Total Present Value	<u>\$ 376,739</u>
Short-term lease liabilities	\$ 169,318
Long-term lease liabilities	207,421
Total	<u>\$ 376,739</u>

ASC Topic 840 for 2022

NWILCS leases certain items of equipment under operating leases. Total lease expense under operating leases was \$117,931 for the year ended June 30, 2022. Future minimum lease payments are as follows for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 138,300
2024	28,750
Total	<u>\$ 167,050</u>

NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 RETIREMENT PLAN

All School personnel are employees of Lighthouse Academies, Inc., which provides management services to the School. The School personnel are eligible to participate in the Lighthouse Academies, Inc. Section 401(k) retirement plan. Under the plan, The School matches 100% of employee contributions up to 4% of compensation for the plan year. Additional contributions may be made to the plan at the discretion of the School Board of Directors. No discretionary contributions were made during the years ended June 30, 2023 and 2022. Retirement plan expense was \$98,685 and \$94,118 for the years ended June 30, 2023 and 2022, respectively.

NOTE 7 COMMITMENTS

The School has contracted with Lighthouse Academies, Inc. to provide management, administrative, and educational programming services for each of its schools. Under the terms of the agreements, The School has agreed to pay an amount equal to 7.5% of revenue, as defined, for such services, plus any necessary travel costs. Expense under the agreements for both academic oversight and travel costs was \$125,179 and \$2,010,165 for the years ended June 30, 2023 and 2022, respectively. The School owed \$38,294 to Lighthouse Academies, Inc. as of June 30, 2022. This agreement was terminated during the year ended June 30, 2023.

The School's two schools operate under charters granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under the charters, the School has agreed to pay to Ball State University an annual administrative fee equal to 3% of state tuition support received associated with its two schools. Total expense under the charter agreements was \$266,246 and \$303,055 for the years ended June 30, 2023 and 2022, respectively.

NOTE 8 RISKS AND UNCERTAINTIES

NWILCS provides education services to families residing in Lake and surrounding counties of Indiana and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the state of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect NWILCS. Additionally, NWILCS is subject to monitoring and audit by state and federal agencies. These examinations may result in additional liability to be imposed.

Financial instruments that potentially subject NWILCS to concentrations of credit risk consist principally of receivables from the state of Indiana. At June 30, 2023 and 2022, substantially all receivable balances were due from the state of Indiana.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 8 RISKS AND UNCERTAINTIES (CONTINUED)

NWILCS primarily maintains its cash and cash equivalents in various accounts at various financial institutions. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. At times, amounts on deposit may exceed insured limits or include unsecured accounts. To date, NWILCS has not experienced losses in any of these accounts.

NOTE 9 LIQUIDITY

Under ASU 2016-14, the NWILCS is required to disclose the assets it has available at June 30, 2023 and 2022 to meet its cash needs for general expenditures within one year of the date of the statement of financial position. The NWILCS's financial assets include cash, restricted cash, grants receivable, and other receivables.

	2023	2022
Financial Assets	\$ 15,501,988	\$ 11,111,237
Less: Those Unavailable for General Expenditures Within One Year, Due to:		
Restricted Cash for Use in Payment of Bond Interest, Debt Service, and Property Repairs and Replacement	(2,455,799)	(2,228,638)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 13,046,189	\$ 8,882,599

From time to time, NWILCS receives donor-restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, NWILCS must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of NWILCS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 10 CONTRIBUTED NONFINANCIAL ASSETS

The School leases a modular classroom under an operating lease with Lighthouse Academies, Inc. Beginning in the year ending June 30, 2021, Lighthouse Academies, Inc. provided rent abatement for the lease and therefore a donation to the School by allowing it to occupy the modular classroom for free, an amount which is below the fair market value for the rent. The fair market value of the contribution, as determined by the fair market value paid by the School prior to the school year ending June 30, 2022, is \$72,000. The School is responsible for all repairs, maintenance, utilities, and insurance. This agreement was terminated during the year ended June 30, 2023.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 11 FUNCTIONAL EXPENSE REPORTING

The costs of providing the educational activities have been summarized on a functional basis in the statements of activities and change in net assets. Management of NWILCS has categorized expenses as program services or management and general according to the underlying nature of the expense. As such, no allocation of specific transactions between these categories was required.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
OTHER REPORT
JUNE 30, 2023**

The reports presented herein were prepared in addition to another official report prepared for Northwest Indiana Lighthouse Charter Schools as listed below:

Supplemental Audit Report of Northwest Indiana Lighthouse Charter Schools

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.

NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
SCHEDULE OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Gary	East Chicago	Eliminations	Total
CURRENT ASSETS				
Cash	\$ 3,256,150	\$ 3,761,114	\$ -	\$ 7,017,264
Cash - Restricted for Bond Interest	316,835	79,209	-	396,044
Accounts Receivable:				
Grants	3,911,786	2,067,913	-	5,979,699
Other	560,919	700,254	(1,211,947)	49,226
Prepaid Expenses	191,722	97,891	-	289,613
Total Current Assets	<u>8,237,412</u>	<u>6,706,381</u>	<u>(1,211,947)</u>	<u>13,731,846</u>
PROPERTY AND EQUIPMENT, NET	12,393,471	3,019,577	-	15,413,048
OTHER ASSETS				
Cash - Restricted for Debt Service	1,351,430	337,858	-	1,689,288
Cash - Restricted for Property Repairs and Replacement	277,184	93,283	-	370,467
Right of Use Asset, Net	308,270	68,469	-	376,739
Total Other Assets	<u>1,936,884</u>	<u>499,610</u>	<u>-</u>	<u>2,436,494</u>
Total Assets	<u>\$ 22,567,767</u>	<u>\$ 10,225,568</u>	<u>\$ (1,211,947)</u>	<u>\$ 31,581,388</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current Portion of Bonds Payable	\$ 300,000	\$ 75,000	\$ -	\$ 375,000
Accounts Payable and Accrued Expenses	1,378,883	1,714,911	(1,211,947)	1,881,847
Right of Use Liability, Current	136,776	32,542	-	169,318
Total Current Liabilities	<u>1,815,659</u>	<u>1,822,453</u>	<u>(1,211,947)</u>	<u>2,426,165</u>
LONG-TERM LIABILITIES				
Right of Use Liability, Noncurrent	171,494	35,927	-	207,421
Bonds Payable	14,476,665	3,506,667	-	17,983,332
Less: Unamortized Debt Issuance Costs	(159,410)	(38,731)	-	(198,141)
Total Long-Term Liabilities, Net of Unamortized Debt Issuance Costs	<u>14,317,255</u>	<u>3,467,936</u>	<u>-</u>	<u>17,785,191</u>
Total Liabilities	16,304,408	5,326,316	(1,211,947)	20,418,777
NET ASSETS, WITHOUT DONOR RESTRICTIONS				
	<u>6,263,359</u>	<u>4,899,252</u>	<u>-</u>	<u>11,162,611</u>
Total Liabilities and Net Assets	<u>\$ 22,567,767</u>	<u>\$ 10,225,568</u>	<u>\$ (1,211,947)</u>	<u>\$ 31,581,388</u>

NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
SCHEDULE OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	Gary	East Chicago	Eliminations	Total
CURRENT ASSETS				
Cash	\$ 2,893,067	\$ 2,716,608	\$ -	\$ 5,609,675
Cash - Restricted for Bond Interest	255,202	63,801	-	319,003
Accounts Receivable:				
Grants	2,471,382	746,746	-	3,218,128
Other	69,870	398,372	(413,446)	54,796
Prepaid Expenses	113,261	26,121	-	139,382
Total Current Assets	<u>5,802,782</u>	<u>3,951,648</u>	<u>(413,446)</u>	<u>9,340,984</u>
PROPERTY AND EQUIPMENT, NET	12,317,143	3,036,262	-	15,353,405
OTHER ASSETS				
Cash - Restricted for Debt Service	1,351,430	337,858	-	1,689,288
Cash - Restricted for Property Repairs and Replacement	159,028	61,319	-	220,347
Total Other Assets	<u>1,510,458</u>	<u>399,177</u>	<u>-</u>	<u>1,909,635</u>
 Total Assets	 <u>\$ 19,630,383</u>	 <u>\$ 7,387,087</u>	 <u>\$ (413,446)</u>	 <u>\$ 26,604,024</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current Portion of Bonds Payable	\$ 268,000	\$ 67,000	\$ -	\$ 335,000
Accounts Payable and Accrued Expenses	1,766,417	529,560	(413,446)	1,882,531
Total Current Liabilities	<u>2,034,417</u>	<u>596,560</u>	<u>(413,446)</u>	<u>2,217,531</u>
LONG-TERM LIABILITIES				
Bonds Payable	14,792,665	3,585,667	-	18,378,332
Less: Unamortized Debt Issuance Costs	(166,824)	(40,533)	-	(207,357)
Total Long-Term Liabilities, Net of Unamortized Debt Issuance Costs	<u>14,625,841</u>	<u>3,545,134</u>	<u>-</u>	<u>18,170,975</u>
Total Liabilities	16,660,258	4,141,694	(413,446)	20,388,506
NET ASSETS, WITHOUT DONOR RESTRICTIONS				
	<u>2,970,125</u>	<u>3,245,393</u>	<u>-</u>	<u>6,215,518</u>
 Total Liabilities and Net Assets	 <u>\$ 19,630,383</u>	 <u>\$ 7,387,087</u>	 <u>\$ (413,446)</u>	 <u>\$ 26,604,024</u>

NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY SCHOOL
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

	Gary	East Chicago	Eliminations	Total
REVENUE AND SUPPORT				
State Education Support	\$ 9,998,582	\$ 3,950,614	\$ -	\$ 13,949,196
Grant Revenue	12,964,217	4,803,434	-	17,767,651
Student Fees	73,899	22,673	-	96,572
Contributions	21,838	1,234	-	23,072
Interest	68,800	17,783	-	86,583
Other	9,821	8,126	-	17,947
Total Revenue and Support	<u>23,137,157</u>	<u>8,803,864</u>	-	<u>31,941,021</u>
EXPENSES				
Program Services	17,118,411	6,339,418	-	23,457,829
Management and General	2,725,512	810,587	-	3,536,099
Total Expenses	<u>19,843,923</u>	<u>7,150,005</u>	-	<u>26,993,928</u>
CHANGES IN NET ASSETS	3,293,234	1,653,859	-	4,947,093
Net Assets - Beginning of Year	<u>2,970,125</u>	<u>3,245,393</u>	-	<u>6,215,518</u>
NET ASSETS - END OF YEAR	<u>\$ 6,263,359</u>	<u>\$ 4,899,252</u>	<u>\$ -</u>	<u>\$ 11,162,611</u>

NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY SCHOOL
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Gary	East Chicago	Eliminations	Total
REVENUE AND SUPPORT				
State Education Support	\$ 10,383,820	\$ 4,062,679	\$ -	\$ 14,446,499
Grant Revenue	9,947,908	3,156,765	-	13,104,673
In-Kind Contributions	72,000	-	-	72,000
Student Fees	19,430	70	-	19,500
Contributions	14,464	-	-	14,464
Interest	8,699	2,175	-	10,874
Other	49,966	38,981	-	88,947
Total Revenue and Support	<u>20,496,287</u>	<u>7,260,670</u>	-	<u>27,756,957</u>
EXPENSES				
Program Services	16,027,044	5,099,537	-	21,126,581
Management and General	3,517,027	1,127,876	-	4,644,903
Fundraising	-	-	-	-
Total Expenses	<u>19,544,071</u>	<u>6,227,413</u>	-	<u>25,771,484</u>
CHANGES IN NET ASSETS	952,216	1,033,257	-	1,985,473
Net Assets (Deficit) - Beginning of Year	<u>2,017,909</u>	<u>2,212,136</u>	-	<u>4,230,045</u>
NET ASSETS - END OF YEAR	<u>\$ 2,970,125</u>	<u>\$ 3,245,393</u>	<u>\$ -</u>	<u>\$ 6,215,518</u>



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

Board of Directors
Northwest Indiana Lighthouse Charter Schools
Gary, Indiana and East Chicago, Indiana

We have audited, in accordance with the generally accepted auditing standards 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 statements of Northwest Indiana Lighthouse Charter Schools (NWILCS), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NWILCS'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 statements, but not for the purpose of expressing an opinion on the effectiveness of NWILCS' internal control. Accordingly, we do not express an opinion on the effectiveness of NWILCS'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 statements 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



CliftonLarsonAllen LLP

Indianapolis, Indiana
January 30, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Northwest Indiana Lighthouse Charter Schools
Gary, Indiana and East Chicago, Indiana

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

We have audited Northwest Indiana Lighthouse Charter Schools January 30, 2024' (NWILCS) 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 NWILCS's major federal programs for the year ended June 30, 2023. NWILCS's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, NWILCS 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 year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with generally accepted auditing standards 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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NWILCS 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 NWILCS'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 NWILCS's federal programs.

Auditors' 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 NWILCS'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 NWILCS'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 NWILCS'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 NWILCS'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 NWILCS'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

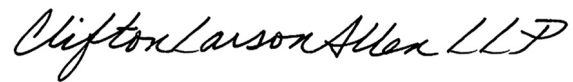
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Board of Directors
Northwest Indiana Lighthouse Charter Schools

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.



CliftonLarsonAllen LLP

Indianapolis, Indiana
January 30, 2024

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Awards Expended
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education:				
Child Nutrition Cluster:				
School Breakfast Lunch Program	10.553	N/A	\$ -	\$ 494,559
National School Lunch Program	10.555	N/A	-	869,707
Total Child Nutrition Cluster			<u>-</u>	<u>1,364,266</u>
Total U.S. Department of Agriculture			-	1,364,266
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A220014, S010A230014	-	2,533,158
Special Education Cluster:				
Special Education - Grants to States	84.027	H027A220084, H027A230084	-	303,191
Special Education Preschool Grants	84.173	H173A220104, H173A230104	-	5,224
Total for Special Education Cluster			<u>-</u>	<u>308,415</u>
English Language Acquisition State Grants	84.365	S365A200014,S3 65A210014	-	23,488
Supporting Effective Instruction to State Grants	84.367	S367A210013, S367A220013	-	289,261
Student Support and Academic Enrichment Grants	84.424	S424A220015, S424A230015	-	123,590
Education Stabilization Fund Program:				
COVID-19 ESSER Formula Fund II	84.425D	S425D200013	-	3,529,550
COVID-19 ESSER Formula Fund III	84.425U	S425U210013	-	6,858,915
COVID-19 ESSER Formula Fund III Consortium	84.425U	S425U210013	-	250,000
Total Education Stabilization Fund Program			<u>-</u>	<u>10,638,465</u>
Total U.S. Department of Education			<u>-</u>	<u>13,916,377</u>
Total Federal Awards Expended			<u>\$ -</u>	<u>\$ 15,280,643</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Northwest Indiana Lighthouse Charter Schools (NWILCS) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule 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 Schedule presents only a selected portion of the operations of NWILCS, it is not intended to and does not present the financial position, changes in net assets or cash flows of NWILCS.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

NWILCS has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
81.010	Title I
84.425	Education Stabilization Fund Program
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	_____ yes <u> x </u> no

**NORTHWEST INDIANA LIGHTHOUSE CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2CFR 200.516(a).



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