



**STATE OF INDIANA**  
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STATE BOARD OF ACCOUNTS  
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September 28, 2022

To: The Officials of East Porter County School Corporation  
East Porter County School Corporation  
502 E College  
P.O. Box 370  
Kouts, IN 46347

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of East Porter County School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2021. Per the *Independent Auditor's Report*, the financial statement referred to above presents fairly, in all material respects, the cash and investment balances of East Porter County School Corporation as of June 30, 2021, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2019 to June 30, 2021. 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 31 through 35. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 37 through 42.

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

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

**EAST PORTER COUNTY SCHOOL CORPORATION**  
Porter County, Indiana

**FINANCIAL STATEMENT**  
As of June 30, 2021, and for the  
period of July 1, 2019 to June 30, 2021

EAST PORTER COUNTY SCHOOL CORPORATION  
Porter County, Indiana

FINANCIAL STATEMENT  
As of June 30, 2021, and for the  
period of July 1, 2019 to June 30, 2021

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EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF OFFICIALS (Unaudited)  
For the period July 1, 2019 to June 30, 2021

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Wendy Kulczyk	07-01-19 to 06-30-21
Superintendent of Schools	Dr. Aaron Case	07-01-19 to 06-30-21
President of the School Board	Richard McSparin	07-01-19 to 06-30-21

## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
East Porter County School Corporation  
Porter County, Indiana

**Report on the Financial Statement**

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the East Porter County School Corporation (the School Corporation) as of June 30, 2021 and for the period of July 1, 2019 to June 30, 2021, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of these 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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of this financial statement that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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.

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(Continued)

### **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, 2021, or changes in net position for the period of July 1, 2019 to June 30, 2021.

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

In our opinion, 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, 2021, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2019 to June 30, 2021 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. 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*, Schedule of Officials, Supplementary Information Schedules, and State Reporting Information are presented for purposes of additional analysis and are not a required part of the financial statement.

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. Such 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.

The Schedule of Officials, Supplementary Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, have not been subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Crowe LLP

Indianapolis, Indiana  
September 22, 2022

EAST PORTER COUNTY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS

As of June 30, 2021 and for the period July 1, 2019 through June 30, 2021

Fund	Cash and Investments		Other Financing		Cash and Investments		Other Financing		Cash and Investments	
	07-01-2019	Receipts	Disbursements	Sources (Uses)	06-30-2020	Receipts	Disbursements	Sources (Uses)	06-30-2021	
Education	\$ 2,738,075	\$ 16,040,207	\$ 14,889,653	\$ (1,978,338)	\$ 1,910,291	\$ 16,124,471	\$ 14,579,510	\$ (1,932,313)	\$ 1,522,939	
Debt Service	3,523,339	6,019,449	6,060,235	(479,471)	3,003,082	7,060,042	6,595,076	(296,721)	3,171,327	
Retirement/Severance Bond Ds	(25,760)	28,195	-	(2,435)	-	-	-	-	-	
Operations	2,650,696	4,353,726	5,795,442	2,431,908	3,640,888	5,059,880	6,005,967	2,086,103	4,780,904	
Rainy Day	3,309,537	-	309,537	(360,000)	2,640,000	-	-	125,000	2,765,000	
Construction	1,311,922	2,435,401	958,525	24,600	2,813,398	99,357	463,701	-	2,449,054	
School Lunch	(120,959)	735,111	964,980	360,000	9,172	1,490,653	1,045,464	-	454,361	
Curricular Materials	320,652	279,348	455,588	28,336	172,748	315,785	192,722	17,931	313,742	
Other Local	1,273	105,133	1,273	3,997	109,130	279,023	370,540	-	17,613	
Ed License Plates	1,133	169	-	-	1,302	244	-	-	1,546	
Donation	-	-	-	10,427	10,427	-	-	-	10,427	
Pltw 19/20 Engr	10,000	-	9,993	-	7	-	-	-	7	
Pltw 19/20 Gateway	8,377	1,623	7,750	-	2,250	-	622	-	1,628	
Pltw 20/21 Gateway	-	10,000	-	-	10,000	-	950	-	9,050	
Pltw 20/21 Gateway 2	-	-	-	-	-	1,200	1,200	-	-	
Gifts	-	11,815	19,340	33,445	25,920	24,025	4,454	-	45,491	
E-Learning Donation/Membership	9,376	1,990	939	(10,427)	-	-	-	-	-	
Gift - Unrest	33,370	550	475	(33,445)	-	-	-	-	-	
17-18 Early Intervention Lit.	-	24,674	24,674	-	-	-	-	-	-	
Formative Assessment	-	-	-	-	-	21,787	18,700	-	3,087	
Doe - Instructional Tech Proga	500	-	500	-	-	-	-	-	-	
Common School	-	66,147	148,013	-	(81,866)	169,236	95,449	-	(8,079)	
Secured Schools	(37,349)	37,349	48,922	-	(48,922)	90,108	55,000	-	(13,814)	
Early Child Intervention	-	9,259	3,866	-	5,393	7,247	5,869	-	6,771	
School Intervention	-	-	-	-	-	600	113	-	487	
Nesp	-	-	-	-	-	4,565	-	-	4,565	
School Technology	126,057	55,281	9,075	(172,263)	-	-	-	-	-	
Career & Technical Performance	5,684	-	-	(5,684)	-	-	-	-	-	
Career Tech Performance	-	-	-	5,684	5,684	-	-	-	5,684	
Career Tech Incentive	9,133	-	4,090	-	5,043	-	128	-	4,915	
Teacher Appreciation	-	91,356	91,356	-	-	90,937	90,937	-	-	
High Ability	14,555	37,227	32,750	-	19,032	30,653	38,010	-	11,675	
State Connectivity	-	14,777	-	-	14,777	15,818	470	-	30,125	
RDC 2019	(80,508)	169,714	89,206	-	-	-	-	-	-	
RDC 2020-2021	-	-	67,780	-	(67,780)	171,163	103,383	-	-	
RDC 2021-2022	-	-	-	-	-	-	98,107	-	(98,107)	
Summer of eLearning 2019	-	10,500	10,500	-	-	-	-	-	-	
Title I	1,032	137,366	151,405	-	(13,007)	175,484	182,192	-	(19,715)	
Title I Delinquent	-	26,617	28,003	-	(1,386)	2,968	6,699	-	(5,117)	
Title Iv	-	9,498	10,138	-	(640)	15,243	14,652	-	(49)	
School Technology	-	-	30,667	168,266	137,599	1,518	50,451	-	88,666	
Title Ii	-	47,084	47,084	-	-	36,083	41,386	-	(5,303)	
Title Ii Cdfa 84-367A Fy 2018	(5,287)	9,286	3,999	-	-	-	-	-	-	
Title Iii	-	5,138	1,363	-	3,775	-	3,775	-	-	
Title Iii Language Instruction	1,025	-	1,025	-	-	-	-	-	-	
Education Stabilization	-	-	-	-	-	-	61,446	-	(61,446)	
Federal Stimulus	-	-	6,647	-	(6,647)	115,758	144,431	-	(35,320)	
Prepaid School Meals	23,774	489,589	461,588	-	51,775	176,603	187,885	-	40,493	
Clearing Accounts	119,364	3,793,829	3,792,138	-	121,055	3,839,194	3,823,949	-	136,300	
<b>Totals</b>	<b>\$ 13,949,011</b>	<b>\$ 35,057,408</b>	<b>\$ 34,538,519</b>	<b>\$ 24,600</b>	<b>\$ 14,492,500</b>	<b>\$ 35,419,645</b>	<b>\$ 34,283,238</b>	<b>\$ -</b>	<b>\$ 15,628,907</b>	

See notes to financial statement.

EAST PORTER COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of  
July 1, 2019 to June 30, 2021

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

Reporting Entity: School Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

Basis of Accounting: The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

Cash and Investments: Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

Receipts: Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

*Local sources.* Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

*Intermediate sources.* Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

*State sources.* Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Federal sources.* Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

*Temporary loans.* Amounts received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

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(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of  
July 1, 2019 to June 30, 2021

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

*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.

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.

*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.

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.

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(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of  
July 1, 2019 to June 30, 2021

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**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 and certificates of deposit with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation held investments for the period under audit.

**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.

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(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of  
July 1, 2019 to June 30, 2021

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**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 year-end.

**NOTE 7 - HOLDING CORPORATION**

The School Corporation has entered into a series of capital leases with the East Porter County 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, 2019 to June 30, 2020 totaled \$5,615,960. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$6,140,950.

**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.

*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

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(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of  
July 1, 2019 to June 30, 2021

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

*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 Description*

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

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

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

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

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

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

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(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
As of June 30, 2021 and the Period of  
July 1, 2019 to June 30, 2021

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

*Financial Report*

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

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

*Contributions*

The School Corporation contributes the employer's share to Teachers' 1996 DB for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. These contributions are determined by the INPRS Board based on actuarial valuation. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995 (Teachers' Pre-1996 DB) is considered to be 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 - SUBSEQUENT EVENTS**

The School Corporation issued general obligation bonds in the amount of \$995,000 in December 2021 for the purpose of paying the costs of the renovation of and improvements to school facilities throughout the school corporation, including equipment, technology, and site improvements.

In May 2022, the School Corporation was granted a \$245,300 Common School Fund Advance Loan. The loan amount must be spent within a year, and then the loan will be paid back over a period not to exceed 5 years.

**SUPPLEMENTARY INFORMATION**

EAST PORTER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2019 through June 30, 2020

	Education	Debt Service	Retirement/Severance Bond Ds	Operations	Rainy Day	Construction	School Lunch	Curricular Materials	Other Local	Ed License Plates	Donation
Cash and investments - beginning	\$ 2,738,075	\$ 3,523,339	\$ (25,760)	\$ 2,650,696	\$ 3,309,537	\$ 1,311,922	\$ (120,959)	\$ 320,652	\$ 1,273	\$ 1,133	\$ -
Receipts:											
Local sources	223,717	5,990,286	28,195	4,353,726	-	-	464,829	237,452	105,133	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	169	-
State sources	15,816,490	-	-	-	-	-	18,732	41,896	-	-	-
Federal sources	-	-	-	-	-	-	251,550	-	-	-	-
Temporary loans	-	29,163	-	-	-	2,435,401	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	16,040,207	6,019,449	28,195	4,353,726	-	2,435,401	735,111	279,348	105,133	169	-
Disbursements:											
Instruction	11,860,835	-	-	-	-	-	-	14,395	-	-	-
Support services	2,769,327	-	-	5,292,445	-	-	2,289	441,193	1,273	-	-
Noninstructional services	259,491	-	-	27,564	-	-	959,357	-	-	-	-
Facilities acquisition and construction	-	-	-	475,433	309,537	958,525	3,334	-	-	-	-
Debt services	-	6,060,235	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,889,653	6,060,235	-	5,795,442	309,537	958,525	964,980	455,588	1,273	-	-
Excess (deficiency) of receipts over disbursements	1,150,554	(40,786)	28,195	(1,441,716)	(309,537)	1,476,876	(229,869)	(176,240)	103,860	169	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	24,600	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	453,570	2,435	-	2,431,908	-	-	360,000	28,336	3,997	-	10,427
Transfers out	(2,431,908)	(481,906)	(2,435)	-	(360,000)	-	-	-	-	-	-
Total other financing sources (uses)	(1,978,338)	(479,471)	(2,435)	2,431,908	(360,000)	24,600	360,000	28,336	3,997	-	10,427
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(827,784)	(520,257)	25,760	990,192	(669,537)	1,501,476	130,131	(147,904)	107,857	169	10,427
Cash and investments - ending	\$ 1,910,291	\$ 3,003,082	\$ -	\$ 3,640,888	\$ 2,640,000	\$ 2,813,398	\$ 9,172	\$ 172,748	\$ 109,130	\$ 1,302	\$ 10,427

(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2019 through June 30, 2020

	Pltw 19/20 Engr	Pltw 19/20 Gateway	Pltw 20/21 Gateway	Gifts	E-Learning Donation/Membership	Gift - Unrest	17-18 Early Intervention Lit.	Doe - Instructional Tech Proga	Common School	Secured Schools	Early Child Intervention
Cash and investments - beginning	\$ 10,000	\$ 8,377	\$ -	\$ -	\$ 9,376	\$ 33,370	\$ -	\$ 500	\$ -	\$ (37,349)	\$ -
Receipts:											
Local sources	-	1,623	10,000	11,815	1,990	550	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	24,674	-	66,147	37,349	9,259
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	1,623	10,000	11,815	1,990	550	24,674	-	66,147	37,349	9,259
Disbursements:											
Instruction	9,993	7,750	-	-	-	298	-	-	-	-	-
Support services	-	-	-	-	939	-	24,674	500	-	48,922	3,866
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	19,340	-	177	-	-	148,013	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,993	7,750	-	19,340	939	475	24,674	500	148,013	48,922	3,866
Excess (deficiency) of receipts over disbursements	(9,993)	(6,127)	10,000	(7,525)	1,051	75	-	(500)	(81,866)	(11,573)	5,393
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	33,445	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(10,427)	(33,445)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	33,445	(10,427)	(33,445)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(9,993)	(6,127)	10,000	25,920	(9,376)	(33,370)	-	(500)	(81,866)	(11,573)	5,393
Cash and investments - ending	\$ 7	\$ 2,250	\$ 10,000	\$ 25,920	\$ -	\$ -	\$ -	\$ -	\$ (81,866)	\$ (48,922)	\$ 5,393

(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2019 through June 30, 2020

	School Technology	Career & Technical Performance	Career Tech Performance	Career Tech Incentive	Teacher Appreciation	High Ability	State Connectivity	RDC 2019	RDC 2020-2021	Summer of eLearning 2019	Title I
Cash and investments - beginning	\$ 126,057	\$ 5,684	\$ -	\$ 9,133	\$ -	\$ 14,555	\$ -	\$ (80,508)	\$ -	\$ -	\$ 1,032
Receipts:											
Local sources	55,281	-	-	-	-	-	-	169,714	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	91,356	37,227	14,777	-	-	10,500	-
Federal sources	-	-	-	-	-	-	-	-	-	-	137,366
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	55,281	-	-	-	91,356	37,227	14,777	169,714	-	10,500	137,366
Disbursements:											
Instruction	-	-	-	-	91,356	(267)	-	-	-	-	150,055
Support services	7,263	-	-	-	-	33,017	-	68,175	67,780	10,500	1,350
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,812	-	-	4,090	-	-	-	21,031	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	9,075	-	-	4,090	91,356	32,750	-	89,206	67,780	10,500	151,405
Excess (deficiency) of receipts over disbursements	46,206	-	-	(4,090)	-	4,477	14,777	80,508	(67,780)	-	(14,039)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	5,684	-	-	-	-	-	-	-	-
Transfers out	(172,263)	(5,684)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(172,263)	(5,684)	5,684	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(126,057)	(5,684)	5,684	(4,090)	-	4,477	14,777	80,508	(67,780)	-	(14,039)
Cash and investments - ending	\$ -	\$ -	\$ 5,684	\$ 5,043	\$ -	\$ 19,032	\$ 14,777	\$ -	\$ (67,780)	\$ -	\$ (13,007)

(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2019 through June 30, 2020

	Title I Delinquent	Title Iv	School Technology	Title li	Title li Cdfa 84-367A Fy 2018	Title liii	Title liii Language Instruction	Federal Stimulus	Prepaid School Meals	Clearing Accounts	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (5,287)	\$ -	\$ 1,025	\$ -	\$ 23,774	\$ 119,364	\$ 13,949,011
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	11,654,311
Intermediate sources	-	-	-	-	-	-	-	-	-	-	169
State sources	-	-	-	-	-	-	-	-	-	-	16,168,407
Federal sources	26,617	9,498	-	47,084	9,286	5,138	-	-	-	-	486,539
Temporary loans	-	-	-	-	-	-	-	-	-	-	2,464,564
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	489,589	3,793,829	4,283,418
<b>Total receipts</b>	<b>26,617</b>	<b>9,498</b>	<b>-</b>	<b>47,084</b>	<b>9,286</b>	<b>5,138</b>	<b>-</b>	<b>-</b>	<b>489,589</b>	<b>3,793,829</b>	<b>35,057,408</b>
Disbursements:											
Instruction	28,003	1,890	-	47,084	3,999	738	1,025	250	-	-	12,217,404
Support services	-	8,248	24,107	-	-	625	-	2,883	-	-	8,809,376
Noninstructional services	-	-	-	-	-	-	-	3,514	-	-	1,249,926
Facilities acquisition and construction	-	-	6,560	-	-	-	-	-	-	-	1,947,852
Debt services	-	-	-	-	-	-	-	-	-	-	6,060,235
Nonprogrammed charges	-	-	-	-	-	-	-	-	461,588	3,792,138	4,253,726
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>28,003</b>	<b>10,138</b>	<b>30,667</b>	<b>47,084</b>	<b>3,999</b>	<b>1,363</b>	<b>1,025</b>	<b>6,647</b>	<b>461,588</b>	<b>3,792,138</b>	<b>34,538,519</b>
Excess (deficiency) of receipts over disbursements	(1,386)	(640)	(30,667)	-	5,287	3,775	(1,025)	(6,647)	28,001	1,691	518,889
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	24,600
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	168,266	-	-	-	-	-	-	-	3,498,068
Transfers out	-	-	-	-	-	-	-	-	-	-	(3,498,068)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>168,266</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,600</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,386)	(640)	137,599	-	5,287	3,775	(1,025)	(6,647)	28,001	1,691	543,489
Cash and investments - ending	\$ (1,386)	\$ (640)	\$ 137,599	\$ -	\$ -	\$ 3,775	\$ -	\$ (6,647)	\$ 51,775	\$ 121,055	\$ 14,492,500

EAST PORTER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2020 through June 30, 2021

	Education	Debt Service	Retirement/Severance Bond Ds	Operations	Rainy Day	Construction	School Lunch	Curricular Materials	Other Local	Ed License Plates	Donation
Cash and investments - beginning	\$ 1,910,291	\$ 3,003,082	\$ -	\$ 3,640,888	\$ 2,640,000	\$ 2,813,398	\$ 9,172	\$ 172,748	\$ 109,130	\$ 1,302	\$ 10,427
Receipts:											
Local sources	220,076	7,060,042	-	5,059,880	-	99,357	188,424	277,788	279,023	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	244	-
State sources	15,904,395	-	-	-	-	-	18,122	37,997	-	-	-
Federal sources	-	-	-	-	-	-	1,284,107	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	16,124,471	7,060,042	-	5,059,880	-	99,357	1,490,653	315,785	279,023	244	-
Disbursements:											
Instruction	11,716,410	-	-	-	-	-	-	981	1,900	-	-
Support services	2,634,160	-	-	5,352,315	-	65,972	-	191,735	368,640	-	-
Noninstructional services	228,940	-	-	27,386	-	-	1,045,464	6	-	-	-
Facilities acquisition and construction	-	-	-	626,266	-	397,729	-	-	-	-	-
Debt services	-	6,595,076	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,579,510	6,595,076	-	6,005,967	-	463,701	1,045,464	192,722	370,540	-	-
Excess (deficiency) of receipts over disbursements	1,544,961	464,966	-	(946,087)	-	(364,344)	445,189	123,063	(91,517)	244	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	278,790	-	-	2,211,103	125,000	-	-	17,931	-	-	-
Transfers out	(2,211,103)	(296,721)	-	(125,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,932,313)	(296,721)	-	2,086,103	125,000	-	-	17,931	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(387,352)	168,245	-	1,140,016	125,000	(364,344)	445,189	140,994	(91,517)	244	-
Cash and investments - ending	\$ 1,522,939	\$ 3,171,327	\$ -	\$ 4,780,904	\$ 2,765,000	\$ 2,449,054	\$ 454,361	\$ 313,742	\$ 17,613	\$ 1,546	\$ 10,427

(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2020 through June 30, 2021

	Pltw 19/20 Engr	Pltw 19/20 Gateway	Pltw 20/21 Gateway	Pltw 20/21 Gateway 2	Gifts	Formative Assessment	Common School	Secured Schools	Early Child Intervention	School Intervention	Nesp
Cash and investments - beginning	\$ 7	\$ 2,250	\$ 10,000	\$ -	\$ 25,920	\$ -	\$ (81,866)	\$ (48,922)	\$ 5,393	\$ -	\$ -
Receipts:											
Local sources	-	-	-	1,200	24,025	-	-	-	-	600	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	21,787	169,236	90,108	7,247	-	4,565
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	1,200	24,025	21,787	169,236	90,108	7,247	600	4,565
Disbursements:											
Instruction	-	622	950	-	1,500	-	-	-	-	113	-
Support services	-	-	-	1,200	1,270	18,700	-	55,000	5,869	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	1,684	-	95,449	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	622	950	1,200	4,454	18,700	95,449	55,000	5,869	113	-
Excess (deficiency) of receipts over disbursements	-	(622)	(950)	-	19,571	3,087	73,787	35,108	1,378	487	4,565
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	-	(622)	(950)	-	19,571	3,087	73,787	35,108	1,378	487	4,565
Cash and investments - ending	\$ 7	\$ 1,628	\$ 9,050	\$ -	\$ 45,491	\$ 3,087	\$ (8,079)	\$ (13,814)	\$ 6,771	\$ 487	\$ 4,565

(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2020 through June 30, 2021

	Career Tech Performance	Career Tech Incentive	Teacher Appreciation	High Ability	State Connectivity	RDC 2020-2021	RDC 2021-2022	Title I	Title I Delinquent	Title Iv	School Technology
Cash and investments - beginning	\$ 5,684	\$ 5,043	\$ -	\$ 19,032	\$ 14,777	\$ (67,780)	\$ -	\$ (13,007)	\$ (1,386)	\$ (640)	\$ 137,599
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	1,518
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	90,937	30,653	15,818	171,163	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	175,484	2,968	15,243	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	90,937	30,653	15,818	171,163	-	175,484	2,968	15,243	1,518
Disbursements:											
Instruction	-	128	90,937	-	-	-	-	182,192	6,699	6,563	-
Support services	-	-	-	38,010	470	103,383	98,107	-	-	8,089	48,451
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	2,000
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	128	90,937	38,010	470	103,383	98,107	182,192	6,699	14,652	50,451
Excess (deficiency) of receipts over disbursements	-	(128)	-	(7,357)	15,348	67,780	(98,107)	(6,708)	(3,731)	591	(48,933)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	1,519
Transfers out	-	-	-	-	-	-	-	-	-	-	(1,519)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(128)	-	(7,357)	15,348	67,780	(98,107)	(6,708)	(3,731)	591	(48,933)
Cash and investments - ending	\$ 5,684	\$ 4,915	\$ -	\$ 11,675	\$ 30,125	\$ -	\$ (98,107)	\$ (19,715)	\$ (5,117)	\$ (49)	\$ 88,666

(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES  
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 July 1, 2020 through June 30, 2021

	Title li	Title li Cdfa 84- 367A Fy 2018	Title lii	Education Stabilization	Federal Stimulus	Prepaid School Meals	Clearing Accounts	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 3,775	\$ -	\$ (6,647)	\$ 51,775	\$ 121,055	\$ 14,492,500
Receipts:								
Local sources	-	-	-	-	-	-	-	13,211,933
Intermediate sources	-	-	-	-	-	-	-	244
State sources	-	-	-	-	-	-	-	16,562,028
Federal sources	36,083	-	-	-	115,758	-	-	1,629,643
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	176,603	3,839,194	4,015,797
Total receipts	36,083	-	-	-	115,758	176,603	3,839,194	35,419,645
Disbursements:								
Instruction	38,465	-	773	44,794	20,635	-	-	12,113,662
Support services	2,921	-	3,002	13,645	111,560	-	-	9,122,499
Noninstructional services	-	-	-	3,007	12,236	-	-	1,317,039
Facilities acquisition and construction	-	-	-	-	-	-	-	1,123,128
Debt services	-	-	-	-	-	-	-	6,595,076
Nonprogrammed charges	-	-	-	-	-	187,885	3,823,949	4,011,834
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	41,386	-	3,775	61,446	144,431	187,885	3,823,949	34,283,238
Excess (deficiency) of receipts over disbursements	(5,303)	-	(3,775)	(61,446)	(28,673)	(11,282)	15,245	1,136,407
Other financing sources (uses)								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	2,634,343
Transfers out	-	-	-	-	-	-	-	(2,634,343)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,303)	-	(3,775)	(61,446)	(28,673)	(11,282)	15,245	1,136,407
Cash and investments - ending	\$ (5,303)	\$ -	\$ -	\$ (61,446)	\$ (35,320)	\$ 40,493	\$ 136,300	\$ 15,628,907

EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2021

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 848,884	\$ 54,803

EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2021

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
2015 Building Corporation	Building Renovation /Addition	\$ 2,905,200	6/17/2015	7/15/2022
2016 Building Corporation	Building Renovation/Addition	1,557,500	4/28/2016	1/15/2031
2018 Building Corporation	Building Renovation/Addition	<u>1,200,600</u>	4/10/2018	1/15/2027
Total governmental activities		<u>5,663,300</u>		
Total of annual lease payments		<u>\$ 5,663,300</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General Obligation Bonds	2009 Quality School Construction Bond	\$ 949,000	\$ 324,667
Notes and Loans Payable	A1813 Common School Loan	-	-
Notes and Loans Payable	A1887 Common School Loan	-	-
Notes and Loans Payable	A1921 Common School Loan	7,500	7,538
Notes and Loans Payable	A1967 Common School Loan	6,435	6,467
Notes and Loans Payable	A2844 Common School Loan	73,807	49,819
Notes and Loans Payable	A2903 Common School Loan	65,008	43,880
Notes and Loans Payable	A2938 Common School Loan	98,055	40,104
Notes and Loans Payable	B0041 Common School Loan	174,901	51,596
Notes and Loans Payable	B0140 Common School Loan	56,565	13,104
Notes and Loans Payable	B0190 Common School Loan	80,312	18,606
Notes and Loans Payable	B0261 Common School Loan	80,000	8,507
Notes and Loans Payable	Series 2017A Note	1,320,000	216,059
Notes and Loans Payable	Series 2017B note	665,000	110,649
Notes and Loans Payable	Series 2018	<u>1,905,000</u>	<u>1,233,050</u>
Total governmental activities		<u>5,481,583</u>	<u>2,124,046</u>
Totals		<u>\$ 5,481,583</u>	<u>\$ 2,124,046</u>

EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2021

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Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 661,108
Infrastructure	1,514,105
Buildings	68,142,934
Improvements other than buildings	1,651,829
Machinery, equipment, and vehicles	8,235,888
Construction in progress	<u>12,500,000</u>
 Total governmental activities	 <u>92,705,864</u>
 Total capital assets	 <u>\$ 92,705,864</u>

EAST PORTER COUNTY SCHOOL CORPORATION  
STATE REPORTING INFORMATION  
July 1, 2019 - June 30, 2021

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*Financial Statement and Accompanying Notes:*

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.

*Indiana Department of Education Reporting:*

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

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

EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period July 1, 2019 through June 30, 2021

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 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended
<u>Department of Agriculture</u>						
Child Nutrition Cluster						
Child Nutrition Cluster						
Indiana Department of Education						
School Breakfast Program		10.553	FY2020, FY2021	\$ 27,670	\$ 339,431	\$ 367,101
National School Lunch Program		10.555	FY2020, FY2021	223,880	944,676	1,168,556
Commodities		10.555	FY2020, FY2021	<u>116,245</u>	<u>132,770</u>	<u>249,015</u>
Total - Child Nutrition Cluster				<u>367,795</u>	<u>1,416,877</u>	<u>1,784,672</u>
Total - Child Nutrition Cluster				<u>367,795</u>	<u>1,416,877</u>	<u>1,784,672</u>
Total - Department of Agriculture				<u>367,795</u>	<u>1,416,877</u>	<u>1,784,672</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education						
Indiana Department of Education						
Special Education		84.027	19611-048-PN01	126,970	4,014	130,984
Special Education		84.027	20611-046-PN01	419,835	124,705	544,540
Special Education		84.027	21611-046-PN01	<u>-</u>	<u>366,619</u>	<u>366,619</u>
Total - Special Education				<u>546,805</u>	<u>495,338</u>	<u>1,042,143</u>
Special Ed Preschool						
Indiana Department of Education						
Special Ed Preschool		84.173	19619-048-PN01	413	-	413
Special Ed Preschool		84.173	20169-046-PN01	11,340	364	11,704
Special Ed Preschool		84.173	21619-046-PN01	<u>-</u>	<u>10,967</u>	<u>10,967</u>
Total - Special Ed Preschool				<u>11,753</u>	<u>11,331</u>	<u>23,084</u>
Total - Special Education Cluster(IDEA)				<u>558,558</u>	<u>506,669</u>	<u>1,065,227</u>
Title I Grants to Local Educational Agencies						
Indiana Department of Education						
Title I, Part A		84.010	S010A180014	49,939	-	49,939
Title I, Part A		84.010	S010A200014	-	98,876	98,876
Title I, Part A		84.010	S010A190014	<u>87,426</u>	<u>76,608</u>	<u>164,034</u>
Total - Title I Grants to Local Educational Agencies				<u>137,365</u>	<u>175,484</u>	<u>312,849</u>
Title I State Agency Program for Neglected and Delinquent Children and Youth						
Indiana Department of Education						
Title I, Part D		84.013	S010A150014	25,231	-	25,231
Title I, Part D		84.013	S010A190014	<u>1,386</u>	<u>2,968</u>	<u>4,354</u>
Total - Title I State Agency Program for Neglected and Delinquent Children and Youth				<u>26,617</u>	<u>2,968</u>	<u>29,585</u>

(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the period July 1, 2019 through June 30, 2021

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 06-30-20	Total Federal Awards Expended 06-30-21	Total Federal Awards Expended
Title II Part A; Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II Part A		84.367	S367A180013	\$ 9,285	\$ -	\$ 9,285
Title II Part A		84.367	S367A190013	47,084	-	47,084
Title II Part A		84.367	S367A200013	-	36,083	36,083
Total - Title II Part A; Supporting Effective Instruction State Grants				<u>56,369</u>	<u>36,083</u>	<u>92,452</u>
Title IV Part A; Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV Part A		84.424	S424A180015	-	3,313	3,313
Title IV Part A		84.424	S424A190015	9,498	2,768	12,266
Title IV Part A		84.424	S424A200015	-	9,163	9,163
Total - Title IV Part A; Student Support and Academic Enrichment Program				<u>9,498</u>	<u>15,244</u>	<u>24,742</u>
COVID-19 Education Stabilization Fund Elementary and Secondary School Emergency Relief (ESSR) Fund	Indiana Department of Education					
		84.425D	S425D200013	-	115,758	115,758
Total - Department of Education				<u>788,407</u>	<u>852,206</u>	<u>1,640,613</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medical Assistance Program (Medicaid; Title XIX)	Indiana Department of Education					
Medicaid		93.778	FY2020, FY2021	25,308	16,099	41,407
Total - Department of Health and Human Services				<u>25,308</u>	<u>16,099</u>	<u>41,407</u>
Total federal awards expended				<u>\$ 1,181,510</u>	<u>\$ 2,285,182</u>	<u>\$ 3,466,692</u>

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

EAST PORTER COUNTY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Period of July 1, 2019 to June 30, 2021

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**NOTE 1 - BASIS OF PRESENTATION**

*A. Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the period of July 1, 2019 to June 30, 2021. 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 - SPECIAL EDUCATION COOPERATIVE**

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

**NOTE 4 - OTHER INFORMATION**

The School Corporation did not have any subrecipient activity for the period July 1, 2019 to June 30, 2021.

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  
East Porter County School Corporation  
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 East Porter County School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2021 and for the period July 1, 2019 to June 30, 2021 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated September 22, 2022.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 that we consider to be a material weakness.

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(Continued)

## **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*.

## **Management's Response to Finding**

The School Corporation's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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  
September 22, 2022

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

Those Charged with Governance  
East Porter County School Corporation  
Porter County, Indiana

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

We have audited East Porter County School Corporation (the School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the School Corporation's major federal program for the period July 1, 2019 to June 30, 2021. The School Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

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

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the period July 1, 2019 to June 30, 2021.

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(Continued)

## Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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 combination of deficiencies, in internal control over compliance, such that there is 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 2021-002 and 2021-003 to be material weaknesses.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-004 to be a significant deficiency.

The School Corporation's response to the internal control over compliance findings identified in our audit are described in the accompanying *schedule of findings and questioned costs*. The School Corporation's response was not subjected to the 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  
September 22, 2022

EAST PORTER COUNTY SCHOOL CORPORATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 July 1, 2019 to June 30, 2021

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**Section I – Summary of Auditor’s Results**

***Financial Statement***

Type of auditor’s report issued	Adverse as to GAAP, Unmodified as to regulatory basis		
Internal control over financial reporting:			
Material weakness(es) identified?	<u>  X  </u> Yes	<u>      </u> No	
Significant deficiencies identified not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None Reported	
Noncompliance material to financial statement noted?	<u>      </u> Yes	<u>  X  </u> No	

***Federal Awards***

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>      </u> Yes <u>  X  </u> No

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(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2019 to June 30, 2021

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**Section II – Financial Statement Findings**

**FINDING 2021-001**

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

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

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

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

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

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(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2019 to June 30, 2021

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

(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 Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.

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

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

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

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

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

**Context:** The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. The SEFA was not reviewed prior to submission. Due to the lack of effective internal controls, the following errors resulted in the understatement of the total federal awards expended on the SEFA by \$138,082 for the period July 1, 2019, through June 30, 2021:

1. The Child Nutrition Cluster expenditures were understated by \$114,891
2. The Special Education Cluster expenditures were understated by \$2,973
3. The Medicaid Cluster expenditures were understated by \$20,218

Additionally, the pass-through numbers were incorrectly listed for the Title I, Title II, and Title IV grants on the SEFA. 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 *Condition and Context*.

**Repeat Finding:** Yes. The prior finding number was 2019-002.

**Recommendation:** We recommended that the School Corporation's management establish a formal review over the SEFA to ensure amounts reported are accurate.

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

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(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2019 to June 30, 2021

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

**FINDING 2021-002**

**Information on the federal program:**

Subject: Child Nutrition Cluster - Internal Controls  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
Assistance Listing Number: 10.553, 10.555  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Eligibility  
Audit Finding: Material Weakness

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

"The non-Federal entity must:

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

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

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

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

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

**Context:** During testing of 40 students for eligibility, we noted 26 instances where there was no documented review by someone other than the individual making the eligibility determination.

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

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

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

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(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2019 to June 30, 2021

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

**FINDING 2021-003**

**Information on the federal program:**

Subject: Child Nutrition Cluster - Internal Controls  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
Assistance Listing Number: 10.553, 10.555  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity  
Audit Finding: Material Weakness

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

"The non-Federal entity must:

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

**Condition:** An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Paid Lunch Equity compliance requirement.

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

**Context:** The Treasurer completed the paid lunch equity calculation without a secondary, documented review to ensure the accuracy of the calculation.

**Repeat Finding:** This is a repeat finding from the immediately prior audit. The prior finding number was 2019-003.

**Recommendation:** We recommended that the School Corporation's management establish a system of internal controls related to the grant agreement and Special Tests and Provisions – Paid Lunch Equity compliance requirements.

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

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(Continued)

EAST PORTER COUNTY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
July 1, 2019 to June 30, 2021

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

**FINDING 2021-004**

**Information on the federal program:**

Subject: Child Nutrition Cluster - Internal Controls  
Federal Agency: Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program  
Assistance Listing Number: 10.553, 10.555  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Cash Management  
Audit Finding: Significant Deficiency

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

"The non-Federal entity must:

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

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

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

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

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

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

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

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2019-001**

Subject: Financial Transactions  
Audit Finding: Material Weakness

*Condition and Context:* There was a deficiency in the internal control system of the School Corporation related to financial transactions. The School Corporation had not separated incompatible activities related to receipts. An oversight or review process was not documented to ensure the accuracy and completeness of receipt transactions.

*Status:* Resolved. As an internal control, the Director of Business Affairs and Human Resources is reviewing and signing the monthly bank reconciliations prepared by the Deputy Treasurer. The monthly reconciliation includes review of all receipts and accounts payable vouchers to the financial ledgers. Supporting schedules such as the Receipt Audit Report, Summary of Receipts and Expenditures, Schedule of Fund Balances, and the bank statements are included in the file with the monthly bank reconciliation.

Kimberly Nieves  
(Signature)

Director of Business  
Affairs & HR  
(Title)

September 15, 2022  
(Date)



CORRECTIVE ACTION PLAN

***FINDING 2021-001 Preparation of the Schedule of Expenditures of Federal Awards***

Contact Person Responsible for Corrective Action: Kimberly Nieves, Director of Business Affairs & HR

Contact Phone Number: (219) 766-2214

Views of Responsible Official: I concur with the finding and it has been corrected.

Description of Corrective Action Plan:

As an internal control, the Director of Business Affairs and Human Resources has reviewed the process for preparing the Schedule of Expenditures of Federal Awards and has implemented a formal review process when preparing this schedule. This process includes the preparer and the Deputy Treasurer or Superintendent signing a checklist to ensure that the information reported is correct.

Anticipated Completion Date:

The correction was completed with the preparation of the FY2022 Schedule of Expenditures and Federal Awards that was completed in August of 2022.

Kimberly Nieves  
\_\_\_\_\_  
(Signature)

Director of Business Affairs & HR  
\_\_\_\_\_  
(Title)

September 15, 2022  
\_\_\_\_\_  
(Date)



CORRECTIVE ACTION PLAN

***FINDING 2021-002 Child Nutrition Cluster - Eligibility***

Contact Person Responsible for Corrective Action: Kimberly Nieves, Director of Business Affairs & HR

Contact Phone Number: (219) 766-2214

Views of Responsible Official: I concur with the finding and it will be corrected.

Description of Corrective Action Plan:

As an internal control, the Director of Food Service will process the free and reduced applications and the Director of Business Affairs and HR will review these applications with the Food Service Director on a monthly basis and sign a checklist of the review.

Anticipated Completion Date:

This process will be implemented in September of 2022.

Kimberly Nieves  
\_\_\_\_\_  
(Signature)

Director of Business Affairs & HR  
\_\_\_\_\_  
(Title)

September 15, 2022  
\_\_\_\_\_  
(Date)



CORRECTIVE ACTION PLAN

***FINDING 2021-003 Child Nutrition Cluster – Special Test and Provisions – Paid Lunch Equity***

Contact Person Responsible for Corrective Action: Kimberly Nieves, Director of Business Affairs & HR

Contact Phone Number: (219) 766-2214

Views of Responsible Official: I concur with the finding and it will be corrected.

Description of Corrective Action Plan:

As an internal control, the Director of Food Service will prepare the paid lunch equity calculation and the Director of Business Affairs and HR will review and initial the calculation.

Anticipated Completion Date:

The Director of Business Affairs and HR will review the paid lunch equity calculation when it is prepared for the 2023-2024 school year.

Kimberly Nieves  
\_\_\_\_\_  
(Signature)

Director of Business Affairs & HR  
\_\_\_\_\_  
(Title)

September 15, 2022  
\_\_\_\_\_  
(Date)



CORRECTIVE ACTION PLAN

***FINDING 2021-004 Child Nutrition Cluster – Cash Management***

Contact Person Responsible for Corrective Action: Kimberly Nieves, Director of Business Affairs & HR

Contact Phone Number: (219) 766-2214

Views of Responsible Official: I concur with the finding and it will be corrected.

Description of Corrective Action Plan:

As an internal control, the Director of Food Service will prepare the reimbursement claim and the Director of Business Affairs and HR will review and initial the claims. This will ensure the accuracy of the reimbursement claim.

Anticipated Completion Date:

This will be implemented in September 2022.

Kimberly Nieves  
\_\_\_\_\_  
(Signature)

Director of Business Affairs & HR  
\_\_\_\_\_  
(Title)

September 15, 2022  
\_\_\_\_\_  
(Date)



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2019-002**

Subject: Financial Transactions  
Audit Finding: Material Weakness

*Condition and Context:* 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). The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. An oversight or review process had been implemented; however, the review was not timely and was not effective as evidenced by the errors on the SEFA identified below.

Due to the lack of effective internal controls, the following errors resulted in the overstatement of the total federal awards expended on the SEFA by \$175,580 as of June 30, 2019:

1. The School Breakfast Program expenditures were understated by \$22,524 as of June 30, 2019.
2. The National School Lunch Program expenditures, including commodities, were overstated by \$170,713 as of June 30, 2019.
3. The Title I Grants to Local Educational Agencies expenditures were overstated by \$27,391 as of June 30, 2019.

*Status:* Not resolved. See Finding 2021-001.

Kimberly Nieves  
(Signature)

Director of Business  
Affairs & HR  
(Title)

September 15, 2022  
(Date)



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2019-003***

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

Federal Program: National School Lunch Program

CFDA Number: 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2017-2018, FY 2018-2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

The Treasurer completed the paid lunch equity calculation without an effective oversight or review process to ensure the accuracy of the calculation. The lack of controls was isolated to fiscal year 2018-2019 paid lunch equity calculation.

*Status:* Not resolved. See Finding 2021-003.

Kimberly Nieves  
(Signature)

Director of Business  
Affairs & HR  
(Title)

September 15, 2022  
(Date)