



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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February 7, 2023

To: The Officials of the Valparaiso Community Schools
Valparaiso Community Schools
3801 N. Campbell St.
Valparaiso, IN 46385

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Valparaiso Community Schools. 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 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.

We call your attention to the findings included in the report on pages 36 through 40. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 41 through 43.

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

In addition to the report presented herein, a Supplemental Report for Valparaiso Community Schools was prepared in accordance with the guidelines established by the State Board of Accounts.

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

Handwritten signature of Tammy R. White in cursive.

Tammy R. White, CPA
Deputy State Examiner

VALPARAISO COMMUNITY SCHOOLS
Porter County, Indiana

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

VALPARAISO COMMUNITY SCHOOLS
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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VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2019 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sharon Qualkenbush	07-01-19 to 12-31-20
	Gabrielle Jaremczuk	01-01-21 to 06-30-21
Superintendent of Schools	Dr. Julie Lauck	07-01-19 to 05-11-20
	Michael J. Berta, Jr	05-11-20 to 09-25-20
	Dr. Jim McCall	09-25-20 to 06-30-21
President of the School Board	Dr. Robert Behrend	07-01-19 to 06-30-20
	Sue Hoffman	07-01-20 to 06-30-21

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Valparaiso Community Schools
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 Valparaiso Community Schools (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 this 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.

(Continued)

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 do 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 February 3, 2023 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 3, 2023

VALPARAISO COMMUNITY SCHOOLS
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 07-01-2019	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021
Education	\$ 6,334,360	\$ 43,602,390	\$ 35,546,589	\$ (6,066,576)	\$ 8,323,585	\$ 43,800,134	\$ 36,418,381	\$ (6,336,000)	\$ 9,369,338
Referendum Operating	3,683,519	5,173,267	5,185,047	-	3,671,739	6,152,337	5,015,432	-	4,808,644
Debt Service	2,330,222	4,197,849	4,114,167	(94,100)	2,319,804	4,456,768	4,219,171	(103,493)	2,453,908
Pension Debt	910,390	1,987,814	2,035,217	-	862,987	2,092,515	1,907,651	-	1,047,851
Referendum Debt - Exempt	1,849,955	11,071,488	11,367,000	-	1,554,443	12,154,059	11,367,500	-	2,341,002
Operations	9,314,384	9,590,167	13,488,345	5,167,721	10,583,927	10,521,160	15,150,811	6,336,939	12,291,215
Rainy Day	7,338,031	630,000	500,000	900,000	8,368,031	500,000	500,000	-	8,368,031
Retirement/Severance	6,397,673	218,373	387,647	-	6,228,399	21,737	529,010	-	5,721,126
Post Retirement/Severance	11,373	-	-	-	11,373	-	-	-	11,373
Construction	-	-	-	-	-	500,000	500,000	-	-
School Lunch	809,710	2,584,393	2,525,292	-	868,811	2,747,209	2,337,430	-	1,278,590
Textbook Rental	957,517	745,683	172,477	94,100	1,624,823	647,898	641,267	103,493	1,734,947
Self Insurance	6,910,385	6,662,933	7,479,463	-	6,093,855	7,282,062	7,421,631	-	5,954,286
In Literacy Early Inv. 18-19	12,238	-	12,238	-	-	-	-	-	-
Donations/Gifts	103,274	81,215	52,299	1,926	134,116	139,531	122,936	-	150,711
Rdc Art Donation	1,683	-	-	-	1,683	-	-	-	1,683
National Spanish Grant	-	32,393	25,579	29,875	36,689	-	31,904	-	4,785
United Way Kdg Camp	-	9,612	9,612	-	-	-	-	-	-
Stem Acceleration Grant	-	5,000	600	-	4,400	-	4,400	-	-
Walmart - Music Grant	-	-	-	-	-	1,000	997	-	3
No Kid Hungry Grant	-	-	-	-	-	24,000	22,550	-	1,450
Donation - Building Corp	-	-	-	-	-	129,180	-	-	129,180
Substance Abuse Prevention	7,212	-	1,566	-	5,646	-	1,418	-	4,228
Culture & Student Services	33,477	-	2,934	-	30,543	-	1,475	-	29,068
Porter Co Substance Abuse	2,060	3,000	2,060	-	3,000	-	3,000	-	-
Rdc Grant 2019	-	429,765	429,765	-	-	-	-	-	-
Rdc Grant 2020	-	-	-	-	-	427,881	427,881	-	-
Wellness	7,280	3,986	6,483	-	4,783	8,103	8,868	-	4,018
Vale Grant	-	1,500	358	-	1,142	-	568	-	574
Vale Tcu Foundation Grant	-	-	-	-	-	2,500	-	-	2,500
John W Anderson Foundation	674	-	-	-	674	5,000	-	-	5,674
Scholarships	-	-	-	-	-	1,000	-	-	1,000
National Spanish Grant	29,875	-	-	(29,875)	-	-	-	-	-
Formative Assessment Grant	-	63,075	63,075	-	-	64,627	64,627	-	-
High Ability 2018-2019	15,255	-	15,255	-	-	-	-	-	-
Common School Loan 2020	-	-	-	-	-	394,601	394,601	-	-
In Secured School Safety Grant	(45,000)	45,000	13,333	-	(13,333)	33,601	65,268	-	(45,000)
Alternative Education Grant	48,839	32,407	36,669	-	44,577	34,048	31,173	-	47,452
Early Intervention 2019-2020	-	23,224	6,467	-	16,757	-	16,757	-	-
Early Intervention 2020-2021	-	-	-	-	-	18,309	9,815	-	8,494

(Continued)

VALPARAISO COMMUNITY SCHOOLS
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 07-01-2019	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021
Nesp 18-19 Proj 5119-202	\$ 12,866	\$ -	\$ 12,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nesp 2019-2020	-	59,300	43,566	-	15,734	-	15,734	-	-
Nesp 2020-2021	-	-	-	-	-	45,744	43,041	-	2,703
Career & Tech Performance Grant	12,609	-	-	-	12,609	-	-	-	12,609
Teacher Performance Grant	-	232,160	232,160	-	-	234,010	234,010	-	-
High Ability	-	61,770	28,407	-	33,363	51,122	49,048	-	35,437
State Connectivity Grant	16,855	18,471	-	-	35,326	58,448	-	-	93,774
Evisionary Conference	1,926	-	-	(1,926)	-	-	-	-	-
Youth Risk Behavior Survey	-	-	-	-	-	600	116	-	484
Title I Part A 18-19 -84.01	(41,694)	204,975	163,281	-	-	-	-	-	-
Title I Part A 19-20	-	368,752	407,033	-	(38,281)	292,381	254,100	-	-
Title I Part A 2020-2021	-	-	-	-	-	276,593	360,618	-	(84,025)
Title I Part D 18-19 -84.01	(2,925)	42,372	39,447	-	-	-	-	-	-
Title I Part D 2019-2020	-	27,751	29,912	-	(2,161)	16,279	14,118	-	-
Title I Part D 2020-2021	-	-	-	-	-	14,318	17,277	-	(2,959)
Title Iv Fy18 2018-2020	-	38,831	40,228	-	(1,397)	9,132	7,735	-	-
Title Iv Fy19 2019-2021	-	-	-	-	-	34,823	39,163	-	(4,340)
Title Iv Fy 20 2020-2022	-	-	-	-	-	902	902	-	-
Title li 2019-2021	-	22,973	23,488	-	(515)	46,543	64,058	-	(18,030)
Title li Ffy 2020-2022	-	-	-	-	-	-	568	-	(568)
Title lia/Teacher Leader Btcmp	-	-	175	-	(175)	9,182	9,007	-	-
Title li Ffy 2017 #S367A170013	(9,263)	47,138	37,875	-	-	-	-	-	-
Title li Ffy 2018-2020	(4,373)	65,214	60,841	-	-	8,127	8,127	-	-
Title lii 2018-2020	(47)	1,707	1,660	-	-	1,007	1,007	-	-
Title lii 2019-2021	-	-	-	-	-	1,114	1,793	-	(679)
Title lii 17-19 01118-077-Pn01	(335)	10,355	10,020	-	-	-	-	-	-
ESSER 1	-	-	41,064	-	(41,064)	372,581	344,192	-	(12,675)
Prepaid School Lunch	41,021	1,159,689	1,107,709	-	93,001	334,606	279,975	-	147,632
Payroll Clearing	10,065	20,170,014	20,077,472	-	102,607	20,646,657	20,738,282	-	10,982
Totals	\$ 47,101,091	\$ 109,726,006	\$ 105,836,741	\$ 1,145	\$ 50,991,501	\$ 114,613,429	\$ 109,699,393	\$ 939	\$ 55,906,476

See notes to financial statement.

VALPARAISO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

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.

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.

(Continued)

VALPARAISO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out. Amounts paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

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.

(Continued)

VALPARAISO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

NOTE 2 - BUDGETS

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

NOTE 3 - PROPERTY TAXES

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the School Corporation is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

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

The School Corporation held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable. The School Corporation did not hold investments for the period under audit.

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.

(Continued)

VALPARAISO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

NOTE 6 - CASH BALANCE DEFICITS

The financial statements contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2020, and 2021.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Valparaiso Middle School Building Corp and the Valparaiso Multi Schools Building Corp (the lessors). The lessors were 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 lessors have been determined to be a related-party of the School Corporation. Lease payments for the period July 1, 2019 to June 30, 2020 totaled \$15,017,000. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$15,107,500.

NOTE 8 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

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

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

Financial Report

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

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

Contributions

Members' contributions are set by state statute at 3 percent of compensation for the defined contribution component of PERF Hybrid. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid.

(Continued)

NOTE 8 - PENSION PLANS (Continued)

Teachers' Retirement Fund

Plan Descriptions

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

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

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

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

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

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

Financial Report

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

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

(Continued)

VALPARAISO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

NOTE 8 - PENSION PLANS (Continued)

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 - OTHER POSTEMPLOYMENT BENEFITS

A. Postemployment Benefits

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

B. Early Retirement Plan - Bridge to Social Security

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

(Continued)

VALPARAISO COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENT
As of June 30, 2021, and for the period
July 1, 2019 to June 30, 2021

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

SUPPLEMENTARY INFORMATION

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Education	Referendum Operating	Debt Service	Pension Debt	Referendum Debt - Exempt	Operations	Rainy Day	Retirement/Severance	Post Retirement/Severance	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 6,334,360	\$ 3,683,519	\$ 2,330,222	\$ 910,390	\$ 1,849,955	\$ 9,314,384	\$ 7,338,031	\$ 6,397,673	\$ 11,373	\$ 809,710	\$ 957,517
Receipts:											
Local sources	1,509,343	5,173,267	4,197,849	1,487,814	11,071,488	9,474,719	-	218,373	-	1,212,901	599,168
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	42,093,047	-	-	-	-	71,067	-	-	-	34,010	146,515
Federal sources	-	-	-	-	-	-	-	-	-	1,337,482	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	500,000	-	-	630,000	-	-	-	-
Other receipts	-	-	-	-	-	44,381	-	-	-	-	-
Total receipts	43,602,390	5,173,267	4,197,849	1,987,814	11,071,488	9,590,167	630,000	218,373	-	2,584,393	745,683
Disbursements:											
Instruction	28,184,296	3,412,325	-	-	-	-	-	-	-	-	-
Support services	6,546,634	1,763,824	-	-	-	12,662,668	-	387,647	-	5,651	172,477
Noninstructional services	815,659	8,898	-	-	-	118,783	-	-	-	2,519,641	-
Facilities acquisition and construction	-	-	-	-	-	706,894	-	-	-	-	-
Debt services	-	-	4,114,167	1,405,217	11,367,000	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	630,000	-	-	500,000	-	-	-	-
Total disbursements	35,546,589	5,185,047	4,114,167	2,035,217	11,367,000	13,488,345	500,000	387,647	-	2,525,292	172,477
Excess (deficiency) of receipts over disbursements	8,055,801	(11,780)	83,682	(47,403)	(295,512)	(3,898,178)	130,000	(169,274)	-	59,101	573,206
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	1,145	-	-	-	-	-
Transfers in	-	-	-	-	-	6,066,576	900,000	-	-	-	94,100
Transfers out	(6,066,576)	-	(94,100)	-	-	(900,000)	-	-	-	-	-
Total other financing sources (uses)	(6,066,576)	-	(94,100)	-	-	5,167,721	900,000	-	-	-	94,100
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,989,225	(11,780)	(10,418)	(47,403)	(295,512)	1,269,543	1,030,000	(169,274)	-	59,101	667,306
Cash and investments - ending	\$ 8,323,585	\$ 3,671,739	\$ 2,319,804	\$ 862,987	\$ 1,554,443	\$ 10,583,927	\$ 8,368,031	\$ 6,228,399	\$ 11,373	\$ 868,811	\$ 1,624,823

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Self Insurance	In Literacy Early Inv. 18-19	Donations/Gifts	Rdc Art Donation	National Spanish Grant	United Way Kdg Camp	Stem Acceleration Grant	Substance Abuse Prevention	Culture & Student Services	Porter Co Substance Abuse	Rdc Grant 2019
Cash and investments - beginning	\$ 6,910,385	\$ 12,238	\$ 103,274	\$ 1,683	\$ -	\$ -	\$ -	\$ 7,212	\$ 33,477	\$ 2,060	\$ -
Receipts:											
Local sources	6,662,933	-	81,215	-	32,393	9,612	5,000	-	-	3,000	429,765
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	6,662,933	-	81,215	-	32,393	9,612	5,000	-	-	3,000	429,765
Disbursements:											
Instruction	-	-	21,812	-	25,579	9,612	600	-	-	-	-
Support services	15,837	12,238	30,260	-	-	-	-	1,566	2,934	2,060	429,765
Noninstructional services	-	-	227	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	7,463,626	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,479,463	12,238	52,299	-	25,579	9,612	600	1,566	2,934	2,060	429,765
Excess (deficiency) of receipts over disbursements	(816,530)	(12,238)	28,916	-	6,814	-	4,400	(1,566)	(2,934)	940	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,926	-	29,875	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	1,926	-	29,875	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(816,530)	(12,238)	30,842	-	36,689	-	4,400	(1,566)	(2,934)	940	-
Cash and investments - ending	\$ 6,093,855	\$ -	\$ 134,116	\$ 1,683	\$ 36,689	\$ -	\$ 4,400	\$ 5,646	\$ 30,543	\$ 3,000	\$ -

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Wellness	Vale Grant	John W Anderson Foundation	National Spanish Grant	Formative Assessment Grant	High Ability 2018- 2019	In Secured School Safety Grant	Alternative Education Grant	Early Intervention 2019- 2020	Nesp 18-19 Proj 5119-202	Nesp 2019-2020
Cash and investments - beginning	\$ 7,280	\$ -	\$ 674	\$ 29,875	\$ -	\$ 15,255	\$ (45,000)	\$ 48,839	\$ -	\$ 12,866	\$ -
Receipts:											
Local sources	3,986	1,500	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	63,075	-	45,000	32,407	23,224	-	59,300
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,986	1,500	-	-	63,075	-	45,000	32,407	23,224	-	59,300
Disbursements:											
Instruction	-	358	-	-	-	13,993	-	36,669	-	12,832	43,566
Support services	-	-	-	-	63,075	1,262	13,333	-	6,467	34	-
Noninstructional services	6,483	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,483	358	-	-	63,075	15,255	13,333	36,669	6,467	12,866	43,566
Excess (deficiency) of receipts over disbursements	(2,497)	1,142	-	-	-	(15,255)	31,667	(4,262)	16,757	(12,866)	15,734
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(29,875)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(29,875)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,497)	1,142	-	(29,875)	-	(15,255)	31,667	(4,262)	16,757	(12,866)	15,734
Cash and investments - ending	\$ 4,783	\$ 1,142	\$ 674	\$ -	\$ -	\$ -	\$ (13,333)	\$ 44,577	\$ 16,757	\$ -	\$ 15,734

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Career & Tech Performance Grant	Teacher Performance Grant	High Ability	State Connectivity Grant	Evisionary Conference	Title I Part A 18- 19 -84.01	Title I Part A 19- 20	Title I Part D 18- 19 -84.01	Title I Part D 2019-2020	Title Iv Fy18 2018-2020	Title Ii 2019- 2021
Cash and investments - beginning	\$ 12,609	\$ -	\$ -	\$ 16,855	\$ 1,926	\$ (41,694)	\$ -	\$ (2,925)	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	232,160	61,770	18,471	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	204,975	368,752	42,372	27,751	38,831	22,973
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	232,160	61,770	18,471	-	204,975	368,752	42,372	27,751	38,831	22,973
Disbursements:											
Instruction	-	232,160	28,407	-	-	135,477	372,024	37,105	25,069	-	-
Support services	-	-	-	-	-	25,505	35,009	2,342	4,843	40,228	23,488
Noninstructional services	-	-	-	-	-	2,299	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	232,160	28,407	-	-	163,281	407,033	39,447	29,912	40,228	23,488
Excess (deficiency) of receipts over disbursements	-	-	33,363	18,471	-	41,694	(38,281)	2,925	(2,161)	(1,397)	(515)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(1,926)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(1,926)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	33,363	18,471	(1,926)	41,694	(38,281)	2,925	(2,161)	(1,397)	(515)
Cash and investments - ending	\$ 12,609	\$ -	\$ 33,363	\$ 35,326	\$ -	\$ -	\$ (38,281)	\$ -	\$ (2,161)	\$ (1,397)	\$ (515)

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2019 through June 30, 2020

	Title IIA/Teacher Leader Btcmp	Title II Ffy 2017 #S367A170013	Title II Ffy 2018- 2020	Title III 2018- 2020	Title III 17-19 01118-077-Pn01	ESSER 1	Prepaid School Lunch	Payroll Clearing	Totals
Cash and investments - beginning	\$ -	\$ (9,263)	\$ (4,373)	\$ (47)	\$ (335)	\$ -	\$ 41,021	\$ 10,065	\$ 47,101,091
Receipts:									
Local sources	-	-	-	-	-	-	-	-	42,174,326
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	42,880,046
Federal sources	-	47,138	65,214	1,707	10,355	-	-	-	2,167,550
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	1,130,000
Other receipts	-	-	-	-	-	-	1,159,689	20,170,014	21,374,084
Total receipts	-	47,138	65,214	1,707	10,355	-	1,159,689	20,170,014	109,726,006
Disbursements:									
Instruction	-	37,875	60,841	1,660	9,670	-	-	-	32,701,930
Support services	175	-	-	-	-	8,093	-	-	22,257,415
Noninstructional services	-	-	-	-	-	32,971	-	-	3,504,961
Facilities acquisition and construction	-	-	-	-	-	-	-	-	706,894
Debt services	-	-	-	-	-	-	-	-	16,886,384
Nonprogrammed charges	-	-	-	-	350	-	1,107,709	20,077,472	28,649,157
Interfund loans	-	-	-	-	-	-	-	-	1,130,000
Total disbursements	175	37,875	60,841	1,660	10,020	41,064	1,107,709	20,077,472	105,836,741
Excess (deficiency) of receipts over disbursements	(175)	9,263	4,373	47	335	(41,064)	51,980	92,542	3,889,265
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	1,145
Transfers in	-	-	-	-	-	-	-	-	7,092,477
Transfers out	-	-	-	-	-	-	-	-	(7,092,477)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,145
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(175)	9,263	4,373	47	335	(41,064)	51,980	92,542	3,890,410
Cash and investments - ending	\$ (175)	\$ -	\$ -	\$ -	\$ -	\$ (41,064)	\$ 93,001	\$ 102,607	\$ 50,991,501

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Education	Referendum Operating	Debt Service	Pension Debt	Referendum Debt - Exempt	Operations	Rainy Day	Retirement/Sever ance	Post Retirement/Sever ance	Construction	School Lunch
Cash and investments - beginning	\$ 8,323,585	\$ 3,671,739	\$ 2,319,804	\$ 862,987	\$ 1,554,443	\$ 10,583,927	\$ 8,368,031	\$ 6,228,399	\$ 11,373	\$ -	\$ 868,811
Receipts:											
Local sources	1,265,338	6,152,337	4,456,768	1,592,515	12,154,059	10,495,060	-	21,737	-	500,000	327,101
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	42,534,796	-	-	-	-	-	-	-	-	-	36,466
Federal sources	-	-	-	-	-	-	-	-	-	-	2,383,642
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	500,000	-	-	500,000	-	-	-	-
Other receipts	-	-	-	-	-	26,100	-	-	-	-	-
Total receipts	43,800,134	6,152,337	4,456,768	2,092,515	12,154,059	10,521,160	500,000	21,737	-	500,000	2,747,209
Disbursements:											
Instruction	29,191,728	3,067,960	-	-	-	-	-	-	-	-	-
Support services	6,391,467	1,939,109	-	-	-	14,597,563	-	529,010	-	-	11,402
Noninstructional services	835,186	8,363	-	-	-	107,449	-	-	-	-	2,326,028
Facilities acquisition and construction	-	-	-	-	-	445,799	-	-	-	500,000	-
Debt services	-	-	4,219,171	1,407,651	11,367,500	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	500,000	-	-	500,000	-	-	-	-
Total disbursements	36,418,381	5,015,432	4,219,171	1,907,651	11,367,500	15,150,811	500,000	529,010	-	500,000	2,337,430
Excess (deficiency) of receipts over disbursements	7,381,753	1,136,905	237,597	184,864	786,559	(4,629,651)	-	(507,273)	-	-	409,779
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	939	-	-	-	-	-
Transfers in	-	-	-	-	-	6,336,000	-	-	-	-	-
Transfers out	(6,336,000)	-	(103,493)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(6,336,000)	-	(103,493)	-	-	6,336,939	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,045,753	1,136,905	134,104	184,864	786,559	1,707,288	-	(507,273)	-	-	409,779
Cash and investments - ending	\$ 9,369,338	\$ 4,808,644	\$ 2,453,908	\$ 1,047,851	\$ 2,341,002	\$ 12,291,215	\$ 8,368,031	\$ 5,721,126	\$ 11,373	\$ -	\$ 1,278,590

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Textbook Rental	Self Insurance	In Literacy Early Inv. 18-19	Donations/Gifts	Rdc Art Donation	National Spanish Grant	Stem Acceleration Grant	Walmart - Music Grant	No Kid Hungry Grant	Donation - Building Corp	Substance Abuse Prevention
Cash and investments - beginning	\$ 1,624,823	\$ 6,093,855	\$ -	\$ 134,116	\$ 1,683	\$ 36,689	\$ 4,400	\$ -	\$ -	\$ -	\$ 5,646
Receipts:											
Local sources	497,434	7,282,062	-	139,531	-	-	-	1,000	-	129,180	-
Intermediate sources	-	-	-	-	-	-	-	-	24,000	-	-
State sources	150,464	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	647,898	7,282,062	-	139,531	-	-	-	1,000	24,000	129,180	-
Disbursements:											
Instruction	-	-	-	19,580	-	31,904	4,400	997	-	-	-
Support services	641,267	11,994	-	95,802	-	-	-	-	-	-	1,418
Noninstructional services	-	-	-	7,554	-	-	-	-	22,550	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	7,409,637	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	641,267	7,421,631	-	122,936	-	31,904	4,400	997	22,550	-	1,418
Excess (deficiency) of receipts over disbursements	6,631	(139,569)	-	16,595	-	(31,904)	(4,400)	3	1,450	129,180	(1,418)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	103,493	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	103,493	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	110,124	(139,569)	-	16,595	-	(31,904)	(4,400)	3	1,450	129,180	(1,418)
Cash and investments - ending	\$ 1,734,947	\$ 5,954,286	\$ -	\$ 150,711	\$ 1,683	\$ 4,785	\$ -	\$ 3	\$ 1,450	\$ 129,180	\$ 4,228

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Culture & Student Services	Porter Co Substance Abuse	Rdc Grant 2020	Wellness	Vale Grant	Vale Tcu Foundation Grant	John W Anderson Foundation	Scholarships	Formative Assessment Grant	Common School Loan 2020	In Secured School Safety Grant
Cash and investments - beginning	\$ 30,543	\$ 3,000	\$ -	\$ 4,783	\$ 1,142	\$ -	\$ 674	\$ -	\$ -	\$ -	\$ (13,333)
Receipts:											
Local sources	-	-	427,881	8,103	-	2,500	5,000	1,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	64,627	394,601	33,601
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	-	427,881	8,103	-	2,500	5,000	1,000	64,627	394,601	33,601
Disbursements:											
Instruction	-	-	72,886	-	568	-	-	-	-	-	-
Support services	1,475	3,000	354,995	-	-	-	-	-	64,627	394,601	65,268
Noninstructional services	-	-	-	8,868	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,475	3,000	427,881	8,868	568	-	-	-	64,627	394,601	65,268
Excess (deficiency) of receipts over disbursements	(1,475)	(3,000)	-	(765)	(568)	2,500	5,000	1,000	-	-	(31,667)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,475)	(3,000)	-	(765)	(568)	2,500	5,000	1,000	-	-	(31,667)
Cash and investments - ending	\$ 29,068	\$ -	\$ -	\$ 4,018	\$ 574	\$ 2,500	\$ 5,674	\$ 1,000	\$ -	\$ -	\$ (45,000)

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Alternative Education Grant	Early Intervention 2019- 2020	Early Intervention 2020- 2021	Nesp 18-19 Proj 5119-202	Nesp 2019-2020	Nesp 2020-2021	Career & Tech Performance Grant	Teacher Performance Grant	High Ability	State Connectivity Grant	Youth Risk Behavior Survey
Cash and investments - beginning	\$ 44,577	\$ 16,757	\$ -	\$ -	\$ 15,734	\$ -	\$ 12,609	\$ -	\$ 33,363	\$ 35,326	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	34,048	-	18,309	-	-	45,744	-	234,010	51,122	58,448	600
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	34,048	-	18,309	-	-	45,744	-	234,010	51,122	58,448	600
Disbursements:											
Instruction	31,173	-	-	-	15,734	43,041	-	234,010	49,048	-	-
Support services	-	16,757	9,815	-	-	-	-	-	-	-	116
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	31,173	16,757	9,815	-	15,734	43,041	-	234,010	49,048	-	116
Excess (deficiency) of receipts over disbursements	2,875	(16,757)	8,494	-	(15,734)	2,703	-	-	2,074	58,448	484
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	2,875	(16,757)	8,494	-	(15,734)	2,703	-	-	2,074	58,448	484
Cash and investments - ending	\$ 47,452	\$ -	\$ 8,494	\$ -	\$ -	\$ 2,703	\$ 12,609	\$ -	\$ 35,437	\$ 93,774	\$ 484

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Title I Part A 18- 19 -84.01	Title I Part A 19- 20	Title I Part A 2020-2021	Title I Part D 18- 19 -84.01	Title I Part D 2019-2020	Title I Part D 2020-2021	Title Iv Fy18 2018-2020	Title Iv Fy19 2019-2021	Title Iv Fy 20 2020-2022	Title Ii 2019- 2021	Title Ii Ffy 2020- 2022
Cash and investments - beginning	\$ -	\$ (38,281)	\$ -	\$ -	\$ (2,161)	\$ -	\$ (1,397)	\$ -	\$ -	\$ (515)	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	292,381	276,593	-	16,279	14,318	9,132	34,823	902	46,543	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	292,381	276,593	-	16,279	14,318	9,132	34,823	902	46,543	-
Disbursements:											
Instruction	-	246,740	353,150	-	13,305	16,692	-	-	902	-	-
Support services	-	7,360	5,667	-	813	585	7,735	39,163	-	64,058	568
Noninstructional services	-	-	1,801	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	254,100	360,618	-	14,118	17,277	7,735	39,163	902	64,058	568
Excess (deficiency) of receipts over disbursements	-	38,281	(84,025)	-	2,161	(2,959)	1,397	(4,340)	-	(17,515)	(568)
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	-	38,281	(84,025)	-	2,161	(2,959)	1,397	(4,340)	-	(17,515)	(568)
Cash and investments - ending	\$ -	\$ -	\$ (84,025)	\$ -	\$ -	\$ (2,959)	\$ -	\$ (4,340)	\$ -	\$ (18,030)	\$ (568)

(Continued)

VALPARAISO COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2020 through June 30, 2021

	Title Iia/Teacher Leader Btcmp	Title Ii Ffy 2018- 2020	Title Iii 2018- 2020	Title Iii 2019- 2021	Title Iii 17-19 01118-077-Pn01	ESSER 1	Prepaid School Lunch	Payroll Clearing	Totals
Cash and investments - beginning	\$ (175)	\$ -	\$ -	\$ -	\$ -	\$ (41,064)	\$ 93,001	\$ 102,607	\$ 50,991,501
Receipts:									
Local sources	-	-	-	-	-	-	-	-	45,458,606
Intermediate sources	-	-	-	-	-	-	-	-	24,000
State sources	-	-	-	-	-	-	-	-	43,656,836
Federal sources	9,182	8,127	1,007	1,114	-	372,581	-	-	3,466,624
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	1,000,000
Other receipts	-	-	-	-	-	-	334,606	20,646,657	21,007,363
Total receipts	9,182	8,127	1,007	1,114	-	372,581	334,606	20,646,657	114,613,429
Disbursements:									
Instruction	-	8,127	1,007	1,793	-	13,726	-	-	33,418,471
Support services	9,007	-	-	-	-	272,006	-	-	25,536,648
Noninstructional services	-	-	-	-	-	58,460	-	-	3,376,259
Facilities acquisition and construction	-	-	-	-	-	-	-	-	945,799
Debt services	-	-	-	-	-	-	-	-	16,994,322
Nonprogrammed charges	-	-	-	-	-	-	279,975	20,738,282	28,427,894
Interfund loans	-	-	-	-	-	-	-	-	1,000,000
Total disbursements	9,007	8,127	1,007	1,793	-	344,192	279,975	20,738,282	109,699,393
Excess (deficiency) of receipts over disbursements	175	-	-	(679)	-	28,389	54,631	(91,625)	4,914,036
Other financing sources (uses)									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	939
Transfers in	-	-	-	-	-	-	-	-	6,439,493
Transfers out	-	-	-	-	-	-	-	-	(6,439,493)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	939
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	175	-	-	(679)	-	28,389	54,631	(91,625)	4,914,975
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (679)	\$ -	\$ (12,675)	\$ 147,632	\$ 10,982	\$ 55,906,476

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2021

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 1,315,078	\$ 396,103

VALPARAISO COMMUNITY SCHOOLS
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:				
Pulse Technology	Copier Lease - Aquatics	\$ 1,755	3/8/2021	3/8/2026
Pulse Technology	Copier Lease-District	67,356	12/1/2018	12/1/2023
Pulse Technology	Copier Lease-Service Center	1,490	4/1/2020	4/1/2025
Quadient	Postage Machine	2,459	7/11/2018	10/10/2021
Quadient	Postage Machine-VHS	1,770	11/12/2018	11/11/2023
Valparaiso Middle School Building Corp	Holding Corporation Lease Rental	3,740,000	1/5/2013	1/5/2027
Valparaiso Multi Schools Bld Corp	Capital Referendum Bonds Series 2015 and 2016	11,368,000	12/31/2015	12/30/2035
Xerox	Copier Lease-School Nutrition	<u>4,603</u>	9/26/2014	9/25/2019
Total governmental activities		<u>15,187,433</u>		
Total of annual lease payments		<u>\$15,187,433</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	Pension Bonds	\$ 6,692,397	\$ 1,410,838
Notes and Loans Payable	Common School Loans	<u>975,908</u>	<u>395,702</u>
Total governmental activities		<u>7,668,305</u>	<u>1,806,540</u>
Totals		<u>\$ 7,668,305</u>	<u>\$ 1,806,540</u>

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF CAPITAL ASSETS
June 30, 2021

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 8,124,875
Buildings	254,199,634
Improvements other than buildings	9,161,752
Machinery, equipment, and vehicles	24,988,281
Construction in progress	<u>8,351,817</u>
Total governmental activities	<u>304,826,359</u>
Total capital assets	<u>\$ 304,826,359</u>

VALPARAISO COMMUNITY SCHOOLS
STATE REPORTING INFORMATION
For the period of July 1, 2019 – June 30, 2021

Financial Statement and Accompanying Notes:

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

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

Indiana Department of Education Reporting:

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

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

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

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2019 to 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 07-01-19 to 06-30-21
Department of Agriculture						
Child Nutrition Cluster						
Indiana Department of Education						
School Breakfast Program		10.553	FY2020, FY2021	\$ 147,886	\$ -	\$ 147,886
National School Lunch Program		10.555	FY2020, FY2021	850,544	-	850,544
Summer Food Service Program for Children		10.559	FY2020, FY2021	339,051	2,383,642	2,722,693
Commodities		10.559	FY2020, FY2021	<u>174,188</u>	<u>217,151</u>	<u>391,339</u>
Total - Child Nutrition Cluster				<u>1,511,669</u>	<u>2,600,793</u>	<u>4,112,462</u>
Total - Department of Agriculture				<u>1,511,669</u>	<u>2,600,793</u>	<u>4,112,462</u>
Department of Education						
Special Education Cluster						
Special Education Grants to States						
Indiana Department of Education						
IDEA-Part B		84.027	19611-048-PN01	303,983	9,610	313,593
IDEA-Part B		84.027	20611-046-PN01	1,025,473	292,745	1,318,218
IDEA-Part B		84.027	21611-046-PN01	<u>-</u>	<u>924,416</u>	<u>924,416</u>
Total - Special Education Grants to States				<u>1,329,456</u>	<u>1,226,771</u>	<u>2,556,227</u>
Special Education - Preschool Grants						
Indiana Department of Education						
IDEA-Preschool		84.173	19619-048-PN01	1,329	-	1,329
IDEA-Preschool		84.173	20619-046-PN01	36,638	1,213	37,811
IDEA-Preschool		84.173	21619-046-PN01	<u>-</u>	<u>35,694</u>	<u>35,694</u>
Total - Special Education - Preschool Grants				<u>37,967</u>	<u>36,907</u>	<u>74,834</u>
Total - Special Education Cluster				<u>1,367,423</u>	<u>1,263,678</u>	<u>2,631,061</u>
Title I Grants to Local Educational Agencies						
Indiana Department of Education						
Title I, Part A		84.010	S010A150014	368,752	-	368,752
Title I, Part A		84.010	S010A180014	204,977	-	204,977
Title I, Part A		84.010	S010A190014	-	292,381	292,381
Title I, Part A		84.010	S010A200014	<u>-</u>	<u>276,593</u>	<u>276,593</u>
Total - Title I Grants to Local Educational Agencies				<u>573,729</u>	<u>568,974</u>	<u>1,142,703</u>
Title I State Agency Program for Neglected and Delinquent Children and Youth						
Indiana Department of Education						
Title I, Part D		84.013	S010A150014	27,751	-	27,751
Title I, Part D		84.013	S010A150014	42,371	-	42,371
Title I, Part D		84.013	S010A190014	-	16,279	16,279
Title I, Part D		84.013	S010A200014	<u>-</u>	<u>14,318</u>	<u>14,318</u>
Total - Title I State Agency Program for Neglected and Delinquent Children and Youth				<u>70,122</u>	<u>30,597</u>	<u>100,719</u>

(Continued)

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2019 to 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 07-01-19 to 06-30-21
English Language Acquisition State Grants	Indiana Department of Education					
Title III, Part A		84.365	01118-077-PN01	\$ 10,353	\$ -	\$ 10,353
Title III, Part A		84.365	S365A180014	1,705	1,007	2,712
Title III, Part A		84.365	S365A190014	-	1,114	1,114
Total - English Language Acquisition State Grants				<u>12,058</u>	<u>2,121</u>	<u>14,179</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
FY 2020 Teacher Leaders Bootcamp		84.367	40431	-	3,250	3,250
FY 2021 Teacher Leaders Bootcamp		84.367	40431	-	5,932	5,932
Title II, Part A		84.367	S367A160013	22,973	-	22,973
Title II, Part A		84.367	S367A170013	65,214	-	65,214
Title II, Part A		84.367	S367A170013	47,140	-	47,140
Title II, Part A		84.367	S367A180013	-	8,127	8,127
Title II, Part A		84.367	S367A190013	-	46,543	46,543
Total - Supporting Effective Instruction State Grants				<u>135,327</u>	<u>63,852</u>	<u>199,179</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S424A180015	38,831	9,132	47,963
Title IV, Part A		84.424	S424A190015	-	34,823	34,823
Title IV, Part A		84.424	S424A200015	-	902	902
Total - Student Support and Academic Enrichment Program				<u>38,831</u>	<u>44,857</u>	<u>83,688</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary Schools Emergency Relief (ESSER) Fund		84.425D	S425D200013	-	372,581	372,581
Total - Department of Education				<u>2,197,490</u>	<u>2,346,660</u>	<u>4,544,110</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster						
Medicaid Assistance Program		93.778	FY2020, FY2021	39,824	57,167	96,991
Total - Medicaid Cluster				<u>39,824</u>	<u>57,167</u>	<u>96,991</u>
Total - Department of Health and Human Services				<u>39,824</u>	<u>57,167</u>	<u>96,991</u>
Total federal awards expended				<u>\$ 3,748,983</u>	<u>\$ 5,004,620</u>	<u>\$ 8,753,563</u>

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

VALPARAISO COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the period of July 1, 2019 to June 30, 2021

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 (ALN: 84.027, 84.173)

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

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
Valparaiso Community Schools
Porter County, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Valparaiso Community Schools ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 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 February 3, 2023.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 3, 2023

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

Those Charged with Governance
Valparaiso Community Schools
Porter County, Indiana

Report on Compliance for Each Major Federal Program

We have audited Valparaiso Community School's (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 programs for the period July 1, 2019 to June 30, 2021. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 each 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 programs for the period July 1, 2019 to June 30, 2021.

(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.

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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, and 2021-003, that we consider to be significant deficiencies.

The School Corporation's responses 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 responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
February 3, 2023

VALPARAISO COMMUNITY SCHOOLS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the period of July 1, 2019 to June 30, 2021

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?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____	None Reported

Noncompliance material to financial statement noted?	_____	Yes	_____ <u>X</u> _____	No
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Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified not considered to be material weaknesses?	_____ <u>X</u> _____	Yes	_____ _____	None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	_____ <u>X</u> _____	Yes	_____ _____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies
84.027, 84.173	Special Education Cluster
84.425D	COVID-19 – Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	_____	Yes	_____ <u>X</u> _____	No
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Section II – Financial Statement Findings

None noted.

(Continued)

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2019 to June 30, 2021

Section III – Federal Award Findings and Questioned Costs

FINDING 2021-001

Information on the federal program:

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

Criteria: 2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.403 states in part:

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

- (g) Be adequately documented.... "

2 CFR 200.208(b) states in part:

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

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

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

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

(Continued)

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2019 to June 30, 2021

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

FINDING 2021-001 (Continued)

Cause: The School Corporation's management had not developed an effective system of internal controls that would have ensured compliance with the grant agreement and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Effect: The failure to establish an effective internal control system, as well as adequately document costs of federal awards, prevented the determination of the School Corporation's compliance with the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Questioned Costs: There were no questioned costs identified.

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

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

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

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

Identification as a repeat finding: No.

Recommendation: We recommended that the School Corporation's management establish an effective system of internal controls, as well as appropriately document and identify federal award expenditures to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

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

(Continued)

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2019 to June 30, 2021

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

Finding 2021-002

Information on the federal program:

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

Criteria: 2 CFR 200.302(b) states in part:

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

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

34 CFR 76.722 states:

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

Condition: The School Corporation did not have a review control in place to ensure the annual data report was reviewed by someone other than the preparer and that the report was submitted timely.

Cause: There were not sufficient internal controls in place to ensure the Annual Data Report was submitted by the Indiana Department of Education's deadline.

Effect: The Annual Data Report required to be submitted during fiscal year 2021 was not submitted in a timely manner.

Questioned Costs: There were no questioned costs identified.

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

Identification as a repeat finding: No.

Recommendation: We recommend management review internal controls around the preparation, review and submission of the Annual Data Reports to verify reports are submitted timely. We recommend someone other than the preparer of the report perform a documented review prior to submission to validate the accuracy and completeness of the data submitted.

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

(Continued)

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2019 to June 30, 2021

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

Finding 2021-003

Information on the federal program:

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

Criteria: "Standards for Documentation of Personnel Expenses (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities . . .

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Indiana Department of Education Onsite Fiscal Monitoring Document - Monitoring Topic 1-Compliance with compensation for personnel services requirements, page 2 states:

"Show evidence that personnel in 'split-funded' positions maintain Program Activity Reports (PAR)/Time and Effort logs and evidence that personnel paid 100% with federal funds complete accurate and timely 'Semi-Annual Certification' forms."

Condition: The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation failed to comply with the allowable costs/cost principle requirements that employees who work 100 percent of their time on a federal award maintain semiannual certifications as required by the pass-through agency, and that employees who work on a federal award and a non-federal award have Program Activity Reports or equivalent documentation to support the distribution of their salaries or wages.

Cause: The School Corporation's management had not developed an effective system of internal controls that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

(Continued)

VALPARAISO COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the period of July 1, 2019 to June 30, 2021

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

Finding 2021-003 (Continued)

Effect: The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

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

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

Identification as a repeat finding: Yes, Finding 2019-001.

Recommendation: We recommended that the School Corporations' management establish controls to ensure compliance and comply with the Allowable Costs/Cost Principles compliance requirement including maintaining Personnel Activity Reports, Semi-Annual Certifications, or equivalent documentation to support payroll charges allocated to federal grants.

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

VALPARAISO COMMUNITY SCHOOLS



Office of the Superintendent

Administration Building
3801 North Campbell Street
Valparaiso, Indiana 46385

Telephone: (219) 531-3000
FAX: (219) 531-3009

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2021

FINDING 2021-001

Information on the federal program:

Subject: Special Education Cluster – Earmarking

Federal Agency: Department of Education

Federal Program: Special Education Grants to States, Special Education Preschool Grants

Assistance Listing Numbers: 84.027, 84.173

Federal Award Numbers and Years: 20611-046-PN01 and 20619-046-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Matching, Level of Effort, Earmarking

Audit Findings: Significant Deficiency, Other Matters

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

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

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

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

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

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will take the following corrective action: Request, review, and approve documentation for Valparaiso Community Schools' Non-Public Proportionate Share from Porter County Educational Services.

Responsible party and timeline for completion: This corrective action will be completed by Treasurer Jim Holifield as part of the Annual Financial Report process beginning July, 2023.

Finding 2021-002

Information on the federal program:

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

Condition: The School Corporation did not have a review control in place to ensure the annual data report was reviewed by someone other than the preparer and that the report was submitted timely.

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

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will take the following corrective action: Annual data reports will be reviewed by a member of the VCS Finance Department no less than five days prior to the report submission deadline. This person will validate each report's accuracy and completeness. The Treasurer and/or Deputy Treasurer will monitor submission deadlines and ensure that the person preparing the reports meets these deadlines.

Responsible party and timeline for completion: Jim Holifield, Treasurer, and Samantha Douglass, Deputy Treasurer, are responsible for the above corrective actions; these corrective actions have been in place since December, 2021.

Finding 2021-003

Information on the federal program:

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

Condition: The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation failed to comply with the allowable costs/cost principle requirements that employees who work 100 percent of their time on a federal award maintain semiannual certifications as required by the pass-through agency, and that employees who work on a federal award and a non-federal award have Program Activity Reports or equivalent documentation to support the distribution of their salaries or wages.

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

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

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will take the following corrective action: VCS implemented semi-annual certifications beginning January 1st, 2020, and will continue to do so.

Responsible party and timeline for completion: Title I teachers are responsible for submitting their semi-annual certifications to Kaitlyn Rooney, Educational Support Coordinator, who reviews and maintains the certifications to support payroll charges allocated to federal grants.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001

Subject: Title I Grants to Local Educational Agencies - Allowable Cost/Cost Principles
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
Assistance Listing Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A150014, S010A180014
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition and Context: The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation failed to comply with the allowable costs/cost principle requirements that employees who work 100 percent of their time on a federal award maintain semiannual certifications as required by the pass-through agency, and that employees who work on a federal award and a non-federal award have Program Activity Reports or equivalent documentation to support the distribution of their salaries or wages.

A portion of the Principal/Title I Director's salary was paid from the federal award. Personnel Activity Reports or equivalent documentation were not maintained for fiscal year 2017-2018 for the portion of the director's salary and related costs paid from the grant. Reports or equivalent documentation for 2018-2019 were maintained; however, the documentation did not properly support the amount of payroll and related costs paid from the grant.

Due to the lack of adequate documentation, it could not be determined whether \$11,033 of payroll and related costs were in accordance with allowable costs requirements.

Additionally, there were three full-time Title I teachers who worked 100 percent on Title I cost objectives, whose time was not supported by semiannual certifications. Semiannual certifications were required by the pass-through agency.

The lack of controls were systemic issues. The required supporting documentation (Personnel Activity Reports, Semi-Annual Certifications, or equivalent documentation) for 4 of 23 employees tested was not maintained properly.

Status: Not resolved. See Finding 2021-003. (Corrective actions were put in place beginning in January, 2020 and continue.)