



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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March 17, 2023

To: The Officials of the Lake Central School Corporation
Lake Central School Corporation
8260 Wicker Avenue
St. John, IN 46373

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Lake Central School Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. 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, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 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 40-43. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 44 and 45.

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 Lake Central School Corporation was prepared in accordance with the guidelines established by the State Board of Accounts.

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

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

Tammy R. White, CPA
Deputy State Examiner

LAKE CENTRAL SCHOOL CORPORATION
Lake County, Indiana

FINANCIAL STATEMENT
As of June 30, 2022, and for the
period of July 1, 2020 to June 30, 2022

LAKE CENTRAL SCHOOL CORPORATION
Lake County, Indiana

FINANCIAL STATEMENT
As of June 30, 2022, and for the
period of July 1, 2020 to June 30, 2022

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LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF OFFICIALS (Unaudited)
For the period July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cathie Romba	07-01-20 to 06-30-22
Superintendent of Schools	Larry Verarcco	07-01-20 to 06-30-22
President of the School Board	Cindy Sues	07-01-20 to 06-30-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Lake Central School Corporation
Lake County, Indiana

Report on the Audit of the Financial Statement***Opinions***

We have audited the accompanying statement of receipts, disbursements, other financing sources (uses) and cash and investment balances of the Lake Central School Corporation (the School Corporation) as of June 30, 2022 and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the School Corporation as of June 30, 2022, and its cash receipts, cash disbursements, and other financing sources (uses) for the period of July 1, 2020 to June 30, 2022 in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the School Corporation as of June 30, 2022, or changes in net position for the period of July 1, 2020 to June 30, 2022.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

(Continued)

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

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are not a required part of the financial statement.

(Continued)

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Information

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Other Information Schedules, and State Reporting Information, marked as unaudited on the table of contents, but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 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

Indianapolis, Indiana
March 15, 2023

LAKE CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2022 and for the period of July 1, 2020 through June 30, 2022

Fund	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments			Other Financing Sources (Uses)	Cash and Investments
	07-01-2020	Receipts	Disbursements		06-30-2021	Receipts	Disbursements		
Education	\$ 2,564,627	\$ 61,941,610	\$ 56,585,095	\$ (1,302,307)	\$ 6,618,835	\$ 65,592,684	\$ 61,256,679	\$ (4,869,214)	\$ 6,085,626
Oper'G Referend	9,982,957	10,655,697	6,054,409	(3,700,000)	10,884,245	10,047,544	7,861,621	-	13,070,168
Debt Service	2,607,339	7,679,176	7,368,106	-	2,918,409	6,626,597	6,925,456	-	2,619,550
Pension Debt	(62,346)	2,486,812	1,985,816	-	438,650	1,612,932	1,330,718	-	720,864
Ref Debt Serv	6,841,104	595,898	6,836,500	(600,502)	-	-	-	-	-
Ref Debt Post09	-	12,731,256	6,445,000	600,502	6,886,758	11,144,749	12,392,000	-	5,639,507
Operations	6,920,022	15,902,621	20,476,015	5,235,000	7,581,628	16,413,556	21,439,725	5,100,000	7,655,459
Rainy Day	1,350,000	-	-	-	1,350,000	-	-	-	1,350,000
Gov Pension Bnd	255,468	-	85,025	-	170,443	-	33,475	-	136,968
Go Bonds	2,686,843	-	707,514	-	1,979,329	-	108,293	-	1,871,036
Bibich Constr	-	-	-	-	-	-	619,762	2,400,000	1,780,238
Lunch Fund	(141,192)	3,272,741	2,845,061	-	286,488	5,161,091	3,680,941	-	1,766,638
Textbook Rental	(491,346)	2,208,085	2,296,578	(232,693)	(812,532)	2,385,052	1,696,511	(240,872)	(364,863)
Self Insurance	10,021,353	12,155,326	12,280,112	-	9,896,567	12,482,045	13,639,113	-	8,739,499
Covid-19	(56,962)	329,596	272,634	-	-	-	-	-	-
Stop The Bleed	5,000	-	3,694	-	1,306	-	-	-	1,306
Emergency Bkts	-	-	-	-	-	33,499	191	-	33,308
Kolling Nat Trl	1,000	-	-	-	1,000	-	-	-	1,000
Mobile Libray	(3,829)	9,625	5,434	-	362	1,367	225	-	1,504
Facility Rental	295,132	2,730	9,349	-	288,513	82,757	32,439	-	338,831
Aquatics Center	149,710	1,168	3,198	-	147,680	112,385	53,239	-	206,826
War Memorial	7,419	-	4,192	-	3,227	-	3,227	-	-
Lchs Auditorium	16,884	5,592	6,996	-	15,480	10,673	6,170	-	19,983
Wellness Fund	555	-	-	-	555	-	-	-	555
Sesd United Way	12,300	8	12,308	-	-	-	-	-	-
917 200 Csf5/21	-	-	-	-	-	917,200	917,200	-	-
922800 Csf12/21	-	-	-	-	-	-	677,676	-	(677,676)
940 000 Csf6/19	(354,032)	940,000	585,968	-	-	-	-	-	-
941 200Csf11/19	-	941,200	941,200	-	-	-	-	-	-
936 500 Csf6/20	-	936,501	936,501	-	-	-	-	-	-
916600 Csf12/20	-	-	436,635	-	(436,635)	916,599	479,964	-	-
Medicaide State	6,732	51,709	41,924	-	16,517	61,426	57,038	-	20,905
Early Int 20/21	-	25,155	13,961	-	11,194	-	11,194	-	-
Early Int 21/22	-	-	-	-	-	28,754	2,710	-	26,044
Nesp 2019/2020	11,832	(1)	11,831	-	-	-	-	-	-
Nesp 2020/2021	-	108,079	81,549	-	26,530	2	26,532	-	-
Nesp 2021/2022	-	-	-	-	-	141,749	124,531	-	17,218
Usf Tech Refund	177,143	70,051	15,491	-	231,703	74,183	81,814	-	224,072
Career/Tch Grnt	1,279	-	-	-	1,279	-	-	-	1,279
Teach Apprec 20	-	342,953	342,953	-	-	-	-	-	-
Teach Apprec 21	-	-	-	-	-	344,360	344,360	-	-

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES),
AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As of June 30, 2022 and for the period of July 1, 2020 through June 30, 2022

Fund	Cash and Investments 07-01-2020	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2021	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-2022
High Ability	\$ -	\$ 63,513	\$ 44,052	\$ -	\$ 19,461	\$ 74,473	\$ 68,063	\$ -	\$ 25,871
Connectivity	10,763	19,773	18,471	-	12,065	12,760	24,825	-	-
Pltw Biomed \$	2,400	-	2,400	-	-	-	-	-	-
Title I 2019/20	(228,796)	361,984	133,188	-	-	-	-	-	-
Title I 2020/21	-	201,121	233,085	-	(31,964)	154,554	122,590	-	-
Title I 2021/22	-	-	-	-	-	360,122	427,570	-	(67,448)
Fed Prt B 19/21	(181,223)	740,015	558,792	-	-	-	-	-	-
Fed Prt B 20/22	-	1,304,406	1,467,830	-	(163,424)	885,881	738,067	10,086	(5,524)
Fed Prt B 21/23	-	-	-	-	-	1,127,395	1,281,175	-	(153,780)
Fed Presc 19/21	(5,068)	63,630	58,562	-	-	-	-	-	-
Fed Presc 20/22	-	9,775	15,565	-	(5,790)	65,595	60,032	-	(227)
Fed Presc 21/23	-	-	-	-	-	4,340	7,985	-	(3,645)
Title Iv 19/21	-	14,027	14,027	-	-	1,420	1,420	-	-
Title Iv 20/22	-	1,434	40,693	-	(39,259)	48,259	9,000	-	-
Title Iv 21/23	-	-	-	-	-	-	38,350	-	(38,350)
Medicaide Fed	321,375	161,043	95,254	-	387,164	180,514	161,946	-	405,732
Title Ii 19/21	-	83,389	93,780	-	(10,391)	94,604	84,213	-	-
Tit Ii Bootcamp	-	6,871	6,871	-	-	4,000	4,000	-	-
Title Ii 20/22	-	-	-	-	-	71,908	72,859	-	(951)
Title Ii 21/23	-	-	-	-	-	2,884	2,884	-	-
Title Ii 18/20	(9,419)	55,712	46,293	-	-	-	-	-	-
Title Iii 19/21	(320)	9,978	9,658	-	-	-	-	-	-
Title Iii 20/22	-	24,567	27,110	-	(2,543)	15,568	13,025	-	-
Title Iii 21/23	-	-	-	-	-	26,600	28,289	-	(1,689)
Arp 611	-	-	-	-	-	18,605	44,620	-	(26,015)
Arp 611 Pre-K	-	-	-	-	-	4,028	4,028	-	-
ESSER III	-	-	-	-	-	148,566	148,909	-	(343)
ESSER II	-	-	-	-	-	263,062	370,951	-	(107,889)
ESSER I	-	-	404,175	-	(404,175)	618,369	215,881	-	(1,687)
Food Serv Trust	157,422	201,367	103,397	-	255,392	216,027	274,840	-	196,579
Clearing Fund	87,785	14,358,849	14,343,295	-	103,339	16,388,781	16,366,622	-	125,498
Totals	\$ 42,959,911	\$ 151,075,042	\$ 145,407,547	\$ -	\$ 48,627,406	\$ 154,979,519	\$ 154,374,948	\$ 2,400,000	\$ 51,631,977

See notes to financial statement.

LAKE CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

Disbursements: Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans. Amounts temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other Financing Sources and Uses: Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Proceeds of long-term debt. Amounts received in relation to the issuance of bonds or other long-term debt issues.

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting: Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The amounts accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the School Corporation itself.

NOTE 2 - BUDGETS

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

NOTE 3 - PROPERTY TAXES

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

(Continued)

NOTE 5 - RISK MANAGEMENT

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters. These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks

The School Corporation has purchased insurance to address the risks described above.

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contain 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, 2021, and 2022. Deficits in other fund balances, including the Textbook Rental fund, were the result of disbursements exceeding receipts due to under-estimating current requirements for some funds. These deficits are to be prepaid from future receipts.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the Lake Central School Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2021 and 2022 totaled \$16,251,400 and \$15,583.900, respectively.

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.

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

Members' contributions are set by state statute at 3 percent of compensation for 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.

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.

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
As of June 30, 2022, and for the period July 1, 2020 to June 30, 2022

NOTE 8 - PENSION PLANS (Continued)

Financial Report

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

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

Contributions

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

Contributions for the defined contribution component of TRF Hybrid are determined by statute and the INPRS Board at 3 percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

My Choice plan is funded with employer contributions and member contributions. The employer contributions must equal the contribution rate for monthly employer-funded defined benefit components of TRF Hybrid. The amount deposited into the employer contribution subaccount for the member is the normal cost of participation. The variable rate contribution can be no less than 3 percent. Member contributions are determined by statute and the Board at 3 percent of covered payroll. The employer must make these contributions on behalf of the member. Under certain limitations, voluntary contributions up to 10 percent can be made solely by the member.

NOTE 9 - SUBSEQUENT EVENTS

In October 2022, the School Corporation entered into a Common School Fund Loan in the amount of \$922,800 to finance technology upgrades.

SUPPLEMENTARY INFORMATION

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2020 through June 30, 2021

	Education	Oper'G Referend	Debt Service	Pension Debt	Ref Debt Serv	Ref Debt Post09	Operations	Rainy Day	Gob Pension Bnd	Go Bonds	Bibich Constr
Cash and investments - beginning	\$ 2,564,627	\$ 9,982,957	\$ 2,607,339	\$ (62,346)	\$ 6,841,104	\$ -	\$ 6,920,022	\$ 1,350,000	\$ 255,468	\$ 2,686,843	\$ -
Receipts:											
Local sources	171,095	9,801,267	7,679,176	1,824,751	595,898	12,731,256	15,902,615	-	-	-	-
Intermediate sources	-	-	-	-	-	-	6	-	-	-	-
State sources	61,770,515	192,369	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	662,061	-	662,061	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	61,941,610	10,655,697	7,679,176	2,486,812	595,898	12,731,256	15,902,621	-	-	-	-
Disbursements:											
Instruction	42,185,776	4,233,028	-	-	-	-	-	-	85,025	55,980	-
Support services	13,102,519	1,139,822	-	-	-	-	18,472,642	-	-	-	-
Noninstructional services	1,296,800	14,834	-	-	-	-	95,864	-	-	-	-
Facilities acquisition and construction	-	4,664	-	-	-	-	1,902,116	-	-	651,534	-
Debt services	-	-	7,368,106	1,323,755	6,836,500	6,445,000	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	5,393	-	-	-	-
Interfund loans	-	662,061	-	662,061	-	-	-	-	-	-	-
Total disbursements	56,585,095	6,054,409	7,368,106	1,985,816	6,836,500	6,445,000	20,476,015	-	85,025	707,514	-
Excess (deficiency) of receipts over disbursements	5,356,515	4,601,288	311,070	500,996	(6,240,602)	6,286,256	(4,573,394)	-	(85,025)	(707,514)	-
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	3,932,693	-	-	-	-	600,502	5,235,000	-	-	-	-
Transfers out	(5,235,000)	(3,700,000)	-	-	(600,502)	-	-	-	-	-	-
Total other financing sources (uses)	(1,302,307)	(3,700,000)	-	-	(600,502)	600,502	5,235,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,054,208	901,288	311,070	500,996	(6,841,104)	6,886,758	661,606	-	(85,025)	(707,514)	-
Cash and investments - ending	\$ 6,618,835	\$ 10,884,245	\$ 2,918,409	\$ 438,650	\$ -	\$ 6,886,758	\$ 7,581,628	\$ 1,350,000	\$ 170,443	\$ 1,979,329	\$ -

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2020 through June 30, 2021

	Lunch Fund	Textbook Rental	Self Insurance	Covid-19	Stop The Bleed	Emergency Bkts	Kolling Nat Trl	Mobile Libray	Facility Rental	Aquatics Center	War Memorial
Cash and investments - beginning	\$ (141,192)	\$ (491,346)	\$ 10,021,353	\$ (56,962)	\$ 5,000	\$ -	\$ 1,000	\$ (3,829)	\$ 295,132	\$ 149,710	\$ 7,419
Receipts:											
Local sources	118,159	1,719,548	12,155,326	329,596	-	-	-	9,625	2,730	1,168	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	64,279	488,537	-	-	-	-	-	-	-	-	-
Federal sources	3,090,303	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	3,272,741	2,208,085	12,155,326	329,596	-	-	-	9,625	2,730	1,168	-
Disbursements:											
Instruction	-	334	-	18,208	-	-	-	-	-	-	-
Support services	-	2,296,244	16,000	239,026	3,694	-	-	5,434	-	-	-
Noninstructional services	2,817,936	-	-	-	-	-	-	-	9,349	3,198	4,192
Facilities acquisition and construction	-	-	-	15,400	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	27,125	-	12,264,112	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,845,061	2,296,578	12,280,112	272,634	3,694	-	-	5,434	9,349	3,198	4,192
Excess (deficiency) of receipts over disbursements	427,680	(88,493)	(124,786)	56,962	(3,694)	-	-	4,191	(6,619)	(2,030)	(4,192)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(232,693)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(232,693)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	427,680	(321,186)	(124,786)	56,962	(3,694)	-	-	4,191	(6,619)	(2,030)	(4,192)
Cash and investments - ending	\$ 286,488	\$ (812,532)	\$ 9,896,567	\$ -	\$ 1,306	\$ -	\$ 1,000	\$ 362	\$ 288,513	\$ 147,680	\$ 3,227

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2020 through June 30, 2021

	Lchs Auditorium	Wellness Fund	Sesd United Way	917 200 Csf5/21	922800 Csf12/21	940 000 Csf6/19	941 200Csf11/19	936 500 Csf6/20	916600 Csf12/20	Medicaide State	Early Int 20/21
Cash and investments - beginning	\$ 16,884	\$ 555	\$ 12,300	\$ -	\$ -	\$ (354,032)	\$ -	\$ -	\$ -	\$ 6,732	\$ -
Receipts:											
Local sources	5,592	-	8	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	940,000	941,200	936,501	-	51,709	25,155
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,592	-	8	-	-	940,000	941,200	936,501	-	51,709	25,155
Disbursements:											
Instruction	-	-	12,286	-	-	-	5,400	56,184	37,866	41,924	13,961
Support services	-	-	22	-	-	585,968	935,800	880,317	398,769	-	-
Noninstructional services	6,996	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,996	-	12,308	-	-	585,968	941,200	936,501	436,635	41,924	13,961
Excess (deficiency) of receipts over disbursements	(1,404)	-	(12,300)	-	-	354,032	-	-	(436,635)	9,785	11,194
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	(1,404)	-	(12,300)	-	-	354,032	-	-	(436,635)	9,785	11,194
Cash and investments - ending	\$ 15,480	\$ 555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (436,635)	\$ 16,517	\$ 11,194

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2020 through June 30, 2021

	Early Int 21/22	Nesp 2019/2020	Nesp 2020/2021	Nesp 2021/2022	Usf Tech Refund	Career/Tch Grnt	Teach Apprec 20	Teach Apprec 21	High Ability	Connectivity	Pltw Biomed \$
Cash and investments - beginning	\$ -	\$ 11,832	\$ -	\$ -	\$ 177,143	\$ 1,279	\$ -	\$ -	\$ -	\$ 10,763	\$ 2,400
Receipts:											
Local sources	-	(1)	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	108,079	-	70,051	-	342,953	-	63,513	19,773	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	(1)	108,079	-	70,051	-	342,953	-	63,513	19,773	-
Disbursements:											
Instruction	-	11,831	81,549	-	-	-	335,139	-	41,013	-	2,400
Support services	-	-	-	-	15,491	-	7,814	-	3,039	18,471	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	11,831	81,549	-	15,491	-	342,953	-	44,052	18,471	2,400
Excess (deficiency) of receipts over disbursements	-	(11,832)	26,530	-	54,560	-	-	-	19,461	1,302	(2,400)
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	-	(11,832)	26,530	-	54,560	-	-	-	19,461	1,302	(2,400)
Cash and investments - ending	\$ -	\$ -	\$ 26,530	\$ -	\$ 231,703	\$ 1,279	\$ -	\$ -	\$ 19,461	\$ 12,065	\$ -

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2020 through June 30, 2021

	Title I 2019/20	Title I 2020/21	Title I 2021/22	Fed Prt B 19/21	Fed Prt B 20/22	Fed Prt B 21/23	Fed Presc 19/21	Fed Presc 20/22	Fed Presc 21/23	Title Iv 19/21	Title Iv 20/22
Cash and investments - beginning	\$ (228,796)	\$ -	\$ -	\$ (181,223)	\$ -	\$ -	\$ (5,068)	\$ -	\$ -	\$ -	\$ -
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	361,984	201,121	-	740,015	1,304,406	-	63,630	9,775	-	14,027	1,434
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	361,984	201,121	-	740,015	1,304,406	-	63,630	9,775	-	14,027	1,434
Disbursements:											
Instruction	126,093	212,584	-	478,380	1,291,954	-	58,562	15,565	-	2,027	1,434
Support services	5,910	11,927	-	80,412	175,876	-	-	-	-	12,000	39,259
Noninstructional services	1,185	8,574	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	133,188	233,085	-	558,792	1,467,830	-	58,562	15,565	-	14,027	40,693
Excess (deficiency) of receipts over disbursements	228,796	(31,964)	-	181,223	(163,424)	-	5,068	(5,790)	-	-	(39,259)
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	228,796	(31,964)	-	181,223	(163,424)	-	5,068	(5,790)	-	-	(39,259)
Cash and investments - ending	\$ -	\$ (31,964)	\$ -	\$ -	\$ (163,424)	\$ -	\$ -	\$ (5,790)	\$ -	\$ -	\$ (39,259)

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2020 through June 30, 2021

	Title Iv 21/23	Medicaide Fed	Title li 19/21	Tit li Bootcamp	Title li 20/22	Title li 21/23	Title li 18/20	Title lii 19/21	Title lii 20/22	Title lii 21/23
Cash and investments - beginning	\$ -	\$ 321,375	\$ -	\$ -	\$ -	\$ -	\$ (9,419)	\$ (320)	\$ -	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	161,043	83,389	6,871	-	-	55,712	9,978	24,567	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	161,043	83,389	6,871	-	-	55,712	9,978	24,567	-
Disbursements:										
Instruction	-	54,198	90,733	6,871	-	-	19,468	9,658	27,110	-
Support services	-	41,056	3,047	-	-	-	26,825	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	95,254	93,780	6,871	-	-	46,293	9,658	27,110	-
Excess (deficiency) of receipts over disbursements	-	65,789	(10,391)	-	-	-	9,419	320	(2,543)	-
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	-	65,789	(10,391)	-	-	-	9,419	320	(2,543)	-
Cash and investments - ending	\$ -	\$ 387,164	\$ (10,391)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,543)	\$ -

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2020 through June 30, 2021

	Arp 611	Arp 611 Pre-K	ESSER III	ESSER II	ESSER I	Food Serv Trust	Clearing Fund	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157,422	\$ 87,785	\$ 42,959,911
Receipts:								
Local sources	-	-	-	-	-	201,367	-	63,249,176
Intermediate sources	-	-	-	-	-	-	-	6
State sources	-	-	-	-	-	-	-	66,014,634
Federal sources	-	-	-	-	-	-	-	6,128,255
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	1,324,122
Other receipts	-	-	-	-	-	-	14,358,849	14,358,849
Total receipts	-	-	-	-	-	201,367	14,358,849	151,075,042
Disbursements:								
Instruction	-	-	-	-	56,164	-	-	49,668,705
Support services	-	-	-	-	327,146	7,894	-	38,852,424
Noninstructional services	-	-	-	-	-	95,503	-	4,354,431
Facilities acquisition and construction	-	-	-	-	20,865	-	-	2,594,579
Debt services	-	-	-	-	-	-	-	21,973,361
Nonprogrammed charges	-	-	-	-	-	-	14,343,295	26,639,925
Interfund loans	-	-	-	-	-	-	-	1,324,122
Total disbursements	-	-	-	-	404,175	103,397	14,343,295	145,407,547
Excess (deficiency) of receipts over disbursements	-	-	-	-	(404,175)	97,970	15,554	5,667,495
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	9,768,195
Transfers out	-	-	-	-	-	-	-	(9,768,195)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	(404,175)	97,970	15,554	5,667,495
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (404,175)	\$ 255,392	\$ 103,339	\$ 48,627,406

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2021 through June 30, 2022

	Education	Oper'G Referend	Debt Service	Pension Debt	Ref Debt Serv	Ref Debt Post09	Operations	Rainy Day	Gob Pension Bnd	Go Bonds	Bibich Constr
Cash and investments - beginning	\$ 6,618,835	\$ 10,884,245	\$ 2,918,409	\$ 438,650	\$ -	\$ 6,886,758	\$ 7,581,628	\$ 1,350,000	\$ 170,443	\$ 1,979,329	\$ -
Receipts:											
Local sources	351,619	9,947,544	6,626,597	1,612,932	-	11,144,749	16,413,550	-	-	-	-
Intermediate sources	-	-	-	-	-	-	6	-	-	-	-
State sources	65,241,065	100,000	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	65,592,684	10,047,544	6,626,597	1,612,932	-	11,144,749	16,413,556	-	-	-	-
Disbursements:											
Instruction	45,758,391	5,770,334	-	-	-	-	-	-	33,475	30,315	-
Support services	14,109,149	2,051,169	-	-	-	-	18,927,433	-	-	-	476
Noninstructional services	1,389,139	29,421	-	-	-	-	168,525	-	-	-	-
Facilities acquisition and construction	-	10,697	-	-	-	-	2,331,511	-	-	77,978	619,286
Debt services	-	-	6,925,456	1,330,718	-	12,392,000	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	12,256	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	61,256,679	7,861,621	6,925,456	1,330,718	-	12,392,000	21,439,725	-	33,475	108,293	619,762
Excess (deficiency) of receipts over disbursements	4,336,005	2,185,923	(298,859)	282,214	-	(1,247,251)	(5,026,169)	-	(33,475)	(108,293)	(619,762)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	2,400,000
Transfers in	240,872	-	-	-	-	-	5,100,000	-	-	-	-
Transfers out	(5,110,086)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(4,869,214)	-	-	-	-	-	5,100,000	-	-	-	2,400,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(533,209)	2,185,923	(298,859)	282,214	-	(1,247,251)	73,831	-	(33,475)	(108,293)	1,780,238
Cash and investments - ending	\$ 6,085,626	\$ 13,070,168	\$ 2,619,550	\$ 720,864	\$ -	\$ 5,639,507	\$ 7,655,459	\$ 1,350,000	\$ 136,968	\$ 1,871,036	\$ 1,780,238

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2021 through June 30, 2022

	Lunch Fund	Textbook Rental	Self Insurance	Covid-19	Stop The Bleed	Emergency Bkts	Kolling Nat Trl	Mobile Libray	Facility Rental	Aquatics Center	War Memorial
Cash and investments - beginning	\$ 286,488	\$ (812,532)	\$ 9,896,567	\$ -	\$ 1,306	\$ -	\$ 1,000	\$ 362	\$ 288,513	\$ 147,680	\$ 3,227
Receipts:											
Local sources	305,255	1,884,999	12,482,045	-	-	33,499	-	1,367	82,757	112,385	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	36,116	500,053	-	-	-	-	-	-	-	-	-
Federal sources	4,819,720	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	5,161,091	2,385,052	12,482,045	-	-	33,499	-	1,367	82,757	112,385	-
Disbursements:											
Instruction	-	12,092	-	-	-	-	-	-	-	-	-
Support services	-	1,684,419	17,000	-	-	191	-	225	15,725	6,361	-
Noninstructional services	3,680,524	-	-	-	-	-	-	-	16,714	43,578	3,227
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	3,300	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	417	-	13,622,113	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,680,941	1,696,511	13,639,113	-	-	191	-	225	32,439	53,239	3,227
Excess (deficiency) of receipts over disbursements	1,480,150	688,541	(1,157,068)	-	-	33,308	-	1,142	50,318	59,146	(3,227)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(240,872)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(240,872)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,480,150	447,669	(1,157,068)	-	-	33,308	-	1,142	50,318	59,146	(3,227)
Cash and investments - ending	\$ 1,766,638	\$ (364,863)	\$ 8,739,499	\$ -	\$ 1,306	\$ 33,308	\$ 1,000	\$ 1,504	\$ 338,831	\$ 206,826	\$ -

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2021 through June 30, 2022

	Lchs Auditorium	Wellness Fund	Sesd United Way	917 200 Csf5/21	922800 Csf12/21	940 000 Csf6/19	941 200Csf11/19	936 500 Csf6/20	916600 Csf12/20	Medicaide State	Early Int 20/21
Cash and investments - beginning	\$ 15,480	\$ 555	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (436,635)	\$ 16,517	\$ 11,194
Receipts:											
Local sources	10,673	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	917,200	-	-	-	-	916,599	61,426	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	10,673	-	-	917,200	-	-	-	-	916,599	61,426	-
Disbursements:											
Instruction	-	-	-	-	8,991	-	-	-	2,850	57,038	11,194
Support services	180	-	-	917,200	668,685	-	-	-	477,114	-	-
Noninstructional services	5,990	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	6,170	-	-	917,200	677,676	-	-	-	479,964	57,038	11,194
Excess (deficiency) of receipts over disbursements	4,503	-	-	-	(677,676)	-	-	-	436,635	4,388	(11,194)
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	4,503	-	-	-	(677,676)	-	-	-	436,635	4,388	(11,194)
Cash and investments - ending	\$ 19,983	\$ 555	\$ -	\$ -	\$ (677,676)	\$ -	\$ -	\$ -	\$ -	\$ 20,905	\$ -

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2021 through June 30, 2022

	Early Int 21/22	Nesp 2019/2020	Nesp 2020/2021	Nesp 2021/2022	Usf Tech Refund	Career/Tch Grnt	Teach Apprec 20	Teach Apprec 21	High Ability	Connectivity	Pltw Biomed \$
Cash and investments - beginning	\$ -	\$ -	\$ 26,530	\$ -	\$ 231,703	\$ 1,279	\$ -	\$ -	\$ 19,461	\$ 12,065	\$ -
Receipts:											
Local sources	-	-	2	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	28,754	-	-	141,749	74,183	-	-	344,360	74,473	12,760	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	28,754	-	2	141,749	74,183	-	-	344,360	74,473	12,760	-
Disbursements:											
Instruction	2,710	-	26,532	124,531	-	-	-	335,428	63,752	-	-
Support services	-	-	-	-	81,814	-	-	8,932	4,311	24,825	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,710	-	26,532	124,531	81,814	-	-	344,360	68,063	24,825	-
Excess (deficiency) of receipts over disbursements	26,044	-	(26,530)	17,218	(7,631)	-	-	-	6,410	(12,065)	-
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	26,044	-	(26,530)	17,218	(7,631)	-	-	-	6,410	(12,065)	-
Cash and investments - ending	\$ 26,044	\$ -	\$ -	\$ 17,218	\$ 224,072	\$ 1,279	\$ -	\$ -	\$ 25,871	\$ -	\$ -

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2021 through June 30, 2022

	Title I 2019/20	Title I 2020/21	Title I 2021/22	Fed Prt B 19/21	Fed Prt B 20/22	Fed Prt B 21/23	Fed Presc 19/21	Fed Presc 20/22	Fed Presc 21/23	Title Iv 19/21	Title Iv 20/22
Cash and investments - beginning	\$ -	\$ (31,964)	\$ -	\$ -	\$ (163,424)	\$ -	\$ -	\$ (5,790)	\$ -	\$ -	\$ (39,259)
Receipts:											
Local sources	-	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	154,554	360,122	-	885,881	1,127,395	-	65,595	4,340	1,420	48,259
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	154,554	360,122	-	885,881	1,127,395	-	65,595	4,340	1,420	48,259
Disbursements:											
Instruction	-	118,116	411,546	-	650,004	1,128,266	-	59,804	7,985	1,420	-
Support services	-	4,474	15,036	-	88,063	152,909	-	228	-	-	9,000
Noninstructional services	-	-	988	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	122,590	427,570	-	738,067	1,281,175	-	60,032	7,985	1,420	9,000
Excess (deficiency) of receipts over disbursements	-	31,964	(67,448)	-	147,814	(153,780)	-	5,563	(3,645)	-	39,259
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	10,086	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	10,086	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	31,964	(67,448)	-	157,900	(153,780)	-	5,563	(3,645)	-	39,259
Cash and investments - ending	\$ -	\$ -	\$ (67,448)	\$ -	\$ (5,524)	\$ (153,780)	\$ -	\$ (227)	\$ (3,645)	\$ -	\$ -

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2021 through June 30, 2022

	Title Iv 21/23	Medicaide Fed	Title li 19/21	Tit li Bootcamp	Title li 20/22	Title li 21/23	Title li 18/20	Title lii 19/21	Title lii 20/22	Title lii 21/23
Cash and investments - beginning	\$ -	\$ 387,164	\$ (10,391)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,543)	\$ -
Receipts:										
Local sources	-	375	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	180,139	94,604	4,000	71,908	2,884	-	-	15,568	26,600
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	180,514	94,604	4,000	71,908	2,884	-	-	15,568	26,600
Disbursements:										
Instruction	-	97,444	66,548	4,000	55,094	-	-	-	13,025	28,247
Support services	38,350	64,502	17,665	-	17,765	2,884	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	42
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	38,350	161,946	84,213	4,000	72,859	2,884	-	-	13,025	28,289
Excess (deficiency) of receipts over disbursements	(38,350)	18,568	10,391	-	(951)	-	-	-	2,543	(1,689)
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	(38,350)	18,568	10,391	-	(951)	-	-	-	2,543	(1,689)
Cash and investments - ending	\$ (38,350)	\$ 405,732	\$ -	\$ -	\$ (951)	\$ -	\$ -	\$ -	\$ -	\$ (1,689)

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the period July 1, 2021 through June 30, 2022

	Arp 611	Arp 611 Pre-K	ESSER III	ESSER II	ESSER I	Food Serv Trust	Clearing Fund	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (404,175)	\$ 255,392	\$ 103,339	\$ 48,627,406
Receipts:								
Local sources	-	-	-	-	-	216,027	-	61,226,375
Intermediate sources	-	-	-	-	-	-	-	6
State sources	-	-	-	-	-	-	-	68,448,738
Federal sources	18,605	4,028	148,566	263,062	618,369	-	-	8,915,619
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	16,388,781	16,388,781
Total receipts	18,605	4,028	148,566	263,062	618,369	216,027	16,388,781	154,979,519
Disbursements:								
Instruction	13,481	4,028	14,577	-	(11,039)	-	-	54,900,179
Support services	31,139	-	134,332	686	242,320	17,430	-	39,831,992
Noninstructional services	-	-	-	-	-	257,410	-	5,595,558
Facilities acquisition and construction	-	-	-	370,265	(15,400)	-	-	3,397,637
Debt services	-	-	-	-	-	-	-	20,648,174
Nonprogrammed charges	-	-	-	-	-	-	16,366,622	30,001,408
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	44,620	4,028	148,909	370,951	215,881	274,840	16,366,622	154,374,948
Excess (deficiency) of receipts over disbursements	(26,015)	-	(343)	(107,889)	402,488	(58,813)	22,159	604,571
Other financing sources (uses)								
Proceeds of long-term debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	2,400,000
Transfers in	-	-	-	-	-	-	-	5,350,958
Transfers out	-	-	-	-	-	-	-	(5,350,958)
Total other financing sources (uses)	-	-	-	-	-	-	-	2,400,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(26,015)	-	(343)	(107,889)	402,488	(58,813)	22,159	3,004,571
Cash and investments - ending	\$ (26,015)	\$ -	\$ (343)	\$ (107,889)	\$ (1,687)	\$ 196,579	\$ 125,498	\$ 51,631,977

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2022

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 3,561,347	\$ 534,035

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2022

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
LCMDSBC	Clark Middle School Series 2014B	\$ 2,150,000	12/31/2014	12/31/2025
LCMDSBC	Bibich Peifer Homan Watson Refunding Series 2020B	821,000	12/31/2020	12/31/2029
LCMDSBC	High School & Protsman Series 2012B	8,077,000	7/15/2013	1/15/2033
LCMDSBC	High School & Protsman Series 2020A	4,324,000	1/15/2021	1/15/2033
LCMDSBC	QSCB's	230,000	7/15/2011	12/31/2026
LCMDSBC	Bibich Series 2022	<u>634,500</u>	6/30/2023	12/31/2041
Total governmental activities		<u>16,236,500</u>		
Total of annual lease payments		<u>\$ 16,236,500</u>		

<u>Type</u>	<u>Description of Debt Purpose</u>	<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
Governmental activities:			
General Obligation Bonds	2019 - District Wide Projects	\$ 2,545,000	\$ 1,000,000
General Obligation Bonds	Pension Bonds	3,110,000	1,205,000
Notes and Loans Payable	Common School Loan #A2855	93,885	93,885
Notes and Loans Payable	Common School Loan #A2914	187,770	187,770
Notes and Loans Payable	Common School Loan #A2946	281,685	187,790
Notes and Loans Payable	Common School Loan #B0011	376,120	188,060
Notes and Loans Payable	Common School Loan #B0051	467,700	187,080
Notes and Loans Payable	Common School Loan #B0105	566,760	188,920
Notes and Loans Payable	Common School Loan #B0149	658,000	188,000
Notes and Loans Payable	Common School Loan #B0197	752,960	188,240
Notes and Loans Payable	Common School Loan #B0260	842,850	187,300
Notes and Loans Payable	Common School Loan #B0277	916,600	183,320
Notes and Loans Payable	Common School Loan #B0304	917,200	91,720
Notes and Loans Payable	Secured School Safety Loan #S0004	<u>375,000</u>	<u>50,000</u>
Total governmental activities		<u>12,091,530</u>	<u>4,127,085</u>
Totals		<u>\$ 12,091,530</u>	<u>\$ 4,127,085</u>

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2022

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	\$ 3,198,000
Buildings	245,408,694
Improvements other than buildings	15,929,878
Machinery, equipment, and vehicles	<u>18,474,989</u>
Total governmental activities	<u>283,011,561</u>
Total capital assets	<u>\$ 283,011,561</u>

LAKE CENTRAL SCHOOL CORPORATION
STATE REPORTING INFORMATION
July 1, 2020 - June 30, 2022

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.

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2021 and 2022

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 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
<u>Department of Agriculture</u>						
Child Nutrition Cluster	Indiana Department of Education					
School Breakfast Program		10.553	FY2021, FY2022	\$ 849,148	931,774	\$ 1,780,922
National School Lunch Program		10.555	FY2021, FY2022	2,314,853	4,127,079	\$ 6,441,932
Commodities		10.555	FY2021, FY2022	332,171	412,318	744,489
Emergency Operational Costs		10.555	FY2021, FY2022	-	165,656	165,656
Total - Child Nutrition Cluster				<u>3,496,172</u>	<u>5,636,827</u>	<u>9,132,999</u>
Pandemic EBT Administrative Costs	Indiana Department of Education					
Food and Nutrition Service		10.649	FY2021, FY2022	-	3,063	3,063
Total - Pandemic EBT Administrative Costs				<u>-</u>	<u>3,063</u>	<u>3,063</u>
Total - Department of Agriculture				<u>3,496,172</u>	<u>5,639,890</u>	<u>9,136,062</u>
<u>Department of Education</u>						
Special Education Cluster (IDEA)						
Special Education Grants to States	Indiana Department of Education					
IDEA, Part B		84.027	20611-060-PN01	740,017	-	740,017
IDEA, Part B		84.027	21611-060-PN01	1,304,406	885,881	2,190,287
IDEA, Part B		84.027	22611-060-ARP	-	18,605	18,605
IDEA, Part B		84.027	22611-060-PN01	-	1,127,395	1,127,395
Total - Special Education Grants to States				<u>2,044,423</u>	<u>2,031,881</u>	<u>4,076,304</u>
Special Education Preschool Grants	Indiana Department of Education					
IDEA, Preschool		84.173	20619-060-PN01	63,631	-	63,631
IDEA, Preschool		84.173	21619-060-PN01	9,775	65,595	75,370
IDEA, Preschool		84.173	22619-060-ARP	-	4,028	4,028
IDEA, Preschool		84.173	22619-060-PN01	-	4,340	4,340
Total - Special Education Preschool Grants				<u>73,406</u>	<u>73,963</u>	<u>147,369</u>
Total - Special Education Cluster (IDEA)				<u>2,117,829</u>	<u>2,105,844</u>	<u>4,223,673</u>
Title I Grants to Local Educational Agencies	Indiana Department of Education					
Title I, Part A		84.010	S010A190014	361,984	-	361,984
Title I, Part A		84.010	S010A200014	201,121	154,554	355,675
Title I, Part A		84.010	S010A210014	-	360,122	360,122
Total - Title I Grants to Local Educational Agencies				<u>563,105</u>	<u>514,676</u>	<u>1,077,781</u>

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2021 and 2022

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 06-30-21	Total Federal Awards Expended 06-30-22	Total Federal Awards Expended 07-01-2020 to 06-30-22
English Language Acquisition State Grants	Indiana Department of Education					
Title III, Part A		84.365	S365A190013	\$ 9,978	\$ -	\$ 9,978
Title III, Part A		84.365	S365A200013	24,567	15,568	40,135
Title III, Part A		84.365	S365A210014	-	26,600	26,600
Total - English Language Acquisition State Grants				<u>34,545</u>	<u>42,168</u>	<u>76,713</u>
Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	FY2021, FY2022	6,871	4,000	10,871
Title II, Part A		84.367	S367A180013	55,711	-	55,711
Title II, Part A		84.367	S367A190013	83,389	94,602	177,991
Title II, Part A		84.367	S367A200013	-	71,908	71,908
Title II, Part A		84.367	S367A210013	-	2,884	2,884
Total - Supporting Effective Instruction State Grants				<u>145,971</u>	<u>173,394</u>	<u>319,365</u>
Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV, Part A		84.424	S367A190013	14,027	1,420	15,447
Title IV, Part A		84.424	S367A200013	1,434	48,259	49,693
Total - Student Support and Academic Enrichment Program				<u>15,461</u>	<u>49,679</u>	<u>65,140</u>
COVID-19 - Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	-	618,369	618,369
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	-	263,062	263,062
Elementary and Secondary School Emergency Relief (ESSER III) Fund		84.425U	S425U210013	-	148,566	148,566
Total - COVID-19 - Education Stabilization Fund				<u>-</u>	<u>1,029,997</u>	<u>1,029,997</u>
Total - Department of Education				<u>2,876,911</u>	<u>3,915,758</u>	<u>6,792,669</u>
<u>Department of Health and Human Services</u>						
Medicaid Cluster	Family and Social Services Administration					
Medical Assistance Program		93.778	FY2021, FY2022	163,800	181,951	345,751
Total - Department of Health and Human Services				<u>163,800</u>	<u>181,951</u>	<u>345,751</u>
Total federal awards expended				<u>\$ 6,536,883</u>	<u>\$ 9,737,599</u>	<u>\$ 16,274,482</u>

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

LAKE CENTRAL SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period of July 1, 2020 to June 30, 2022

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 - OTHER INFORMATION

The School Corporation did not have any subrecipient activity for the period July 1, 2020 to June 30, 2022.

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
Lake Central School Corporation
Lake 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 Lake Central School Corporation ("School Corporation"), which comprise the statement of receipts, disbursements, other financing sources (uses), and cash and investment balances of the School Corporation as of June 30, 2022 and for the period July 1, 2020 to June 30, 2022 and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement, and have issued our report thereon dated March 15, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
March 15, 2023

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

Those Charged with Governance
Lake Central School Corporation
Lake County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Lake Central School Corporation (School Corporation) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School Corporation's major federal programs for the period of July 1, 2020 to June 30, 2022. The School Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2020 to June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal programs. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of the major federal programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

(Continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002, to be significant deficiencies.

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

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

The School Corporation is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The School Corporation's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 15, 2023

LAKE CENTRAL SCHOOL CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 July 1, 2020 to June 30, 2022

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 _____ X No

Significant deficiencies identified not
considered to be material weaknesses? _____ Yes _____ X None Reported

Noncompliance material to financial statement
noted? _____ Yes _____ X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes _____ X No

Significant deficiencies identified not
considered to be material weaknesses? _____ X 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)? _____ X Yes _____ No

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.425D, 84.425U	COVID-19 - Education Stabilization Fund
84.027, 84.173	Special Education Cluster
84.010	Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? _____ Yes _____ X No

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

FINDING 2022-001

Information on the federal program:

Subject: Special Education Cluster (IDEA) - Procurement
Federal Agency: Department of Education
Federal Program: Special Education Grants to States, Special Education Preschool Grants
Assistance Listing Number: 84.027, 84.173
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Finding: Significant Deficiency, Other Matters

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

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

2 CFR 200.318 states in part:

"(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part. . . .(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

2 CFR 200.320 states in part: "The non-Federal entity must use one of the following methods of procurement. . . ."

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. The lack of internal controls was isolated to the Special Education Cluster.

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

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

FINDING 2022-001 (Continued)

Cause: The School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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

Questioned Costs: There were likely questioned costs of \$147,319. These costs represent total expenses relating to the two consultants charged to the Special Education Cluster.

Context: During testing of procurement over the Special Education Cluster, it was noted that the School Corporation did not obtain an appropriate number of bids relating to Special Education consultants as required under small purchase procurement guidelines. There were two consultants charged to the Special Education Cluster during the audit period with expenses totaling \$147,319. One of these consultants was selected during testing for procurement. The issue impacted both ALN 84.027 and 84.173. No issues were identified when testing suspension and debarment requirements.

Identification as a repeat finding, if applicable: Yes, see Finding 2020-001.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls to ensure compliance and comply with the Procurement compliance requirement.

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

Finding 2022-002

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Earmarking
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: Matching, Level of Effort, Earmarking
Audit Finding: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

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

Finding 2022-002 (Continued)

(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). . . ."

20 USC 6318(a)(3) states in part:

"(A) In general. Each local educational agency shall reserve at least 1 percent of its allocation under subpart 2 to assist schools to carry out the activities described in this section, except that this subparagraph shall not apply if 1 percent of such agency's allocation under subpart 2 for the fiscal year for which the determination is made is \$5,000 or less. Nothing in this subparagraph shall be construed to limit local educational agencies from reserving more than 1 percent of its allocation under subpart 2 to assist schools to carry out activities described in this section. . . .

(D) Use of Funds. Funds reserved under subparagraph (A) by a local educational agency shall be used to carry out activities and strategies consistent with the local educational agency's parent and family engagement policy, including not less than 1 of the following:

- (i) Supporting schools and nonprofit organizations in providing professional development for local educational agency and school personnel regarding parent and family engagement strategies, which may be provided jointly to teachers, principals, other school leaders, specialized instructional support personnel, paraprofessionals, early childhood educators, and parents and family members.
- (ii) Supporting programs that reach parents and family members at home, in the community, and at school.
- (iii) Disseminating information on best practices focused on parent and family engagement, especially best practices for increasing the engagement of economically disadvantaged parents and family members.
- (iv) Collaborating, or providing subgrants to schools to enable such schools to collaborate, with community based or other organizations or employers with a record of success in improving and increasing parent and family engagement.
- (v) Engaging in any other activities and strategies that the local educational agency determines are appropriate and consistent with such agency's parent and family engagement policy."

Condition: An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

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

(Continued)

LAKE CENTRAL SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

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

Finding 2022-002 (Continued)

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

Questioned Costs: There were no questioned costs identified.

Context: The School Corporation did not meet the earmarking requirements for the S010A200014 grant award. Based on the documentation provided for the Parental Involvement set-aside, the School Corporation expended \$5,868 less than the required amount for the fiscal year 2020 grant application.

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

Identification as a repeat finding: Yes, see Finding 2020-004.

Recommendation: We recommended that the School Corporation's management establish a system of internal controls to ensure compliance and comply with the grant agreement and Matching, Level of Effort, Earmarking compliance requirement.

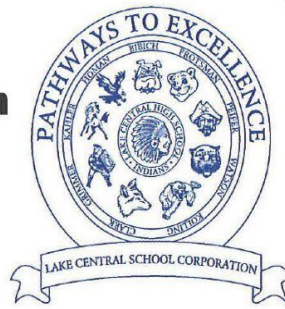
Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

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Lawrence Veracco, Ph. D.
Superintendent

Rob James
Director of Business Services

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

June 30, 2022

FINDING 2022-001

Information on the federal program:

Subject: Special Education Cluster (IDEA) - Procurement

Federal Agency: Department of Education

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

Assistance Listing Number: 84.027, 84.173

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Significant Deficiency, Other Matters

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

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

Context: During testing of procurement over the Special Education Cluster, it was noted that the School Corporation did obtain an appropriate number of bids relating to Special Education consultants as required under small purchase procurement guidelines. There were two consultants charged to the Special Education Cluster during the audit period with expenses totaling \$147,319. One of these consultants was selected during testing for procurement. The issue impacted both ALN 84.027 and 84.173. No issues were identified when testing suspension and debarment requirements.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding. Due to the number of students we service with special needs, we often need to contract out for some of our Speech Language Pathology services. We currently have three contractors that provide outstanding services for us and we haven't annually bid this out since the pool of providers is very small. In the future, we will document the process that we take to try to fill these spots with full time employees, how we request various pathologists from a multitude of vendors, and the decision making process to choose the contractor. We will review the rates provided by other potential contractors and seek School Board approval for whomever is the contracted vendor.

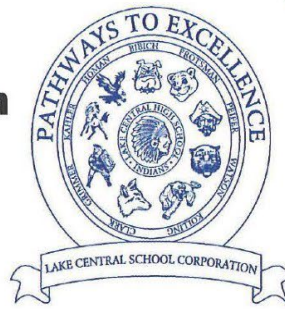
Responsible party and timeline for completion: Our Director of Student Services, Rebecca Gromala, will oversee this corrective action plan. It is too late to make this correction for the current 2022-2023 school year. We anticipate this being corrected by September 1, 2023 for the 2023-2024 school year.

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FINDING 2022-002

Information on the federal program:

Subject: Title I Grants to Local Educational Agencies - Earmarking

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: Matching, Level of Effort, Earmarking

Audit Finding: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

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

Context: The School Corporation did not meet the earmarking requirements for the S010A200014 grant award. Based on the documentation provided for the Parental Involvement set-aside, the School Corporation expended \$5,868 less than the required amount for the fiscal year 2020 grant application.

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding. In this day and age of electronic communications, online resources, and a decrease in the type of expenditures that are allowed in this expenditure classification, it is getting more and more difficult to expend the required amount on parental involvement activities. We will continue to search for more reading materials that can be provided to families and think of innovative ways to get people to come out to parent meetings. We are monitoring these expenditures monthly and are aware of the ongoing earmarking requirements.

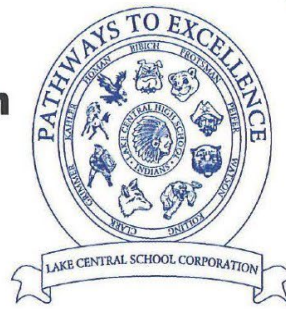
Responsible party and timeline for completion: Our Director of Student Services, Rebecca Gromala, will oversee this corrective action plan. We intend to have this earmarking spending requirement completed by the end of the current FY 2023 grant period, September 30, 2023.

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Rob James
Director of Business Services

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Subject: Child Nutrition Cluster, Special Education Cluster (IDEA) - Procurement
Federal Agencies: Department of Agriculture, Department of Education
Federal Programs: School Breakfast Program, COVID-19 - School Breakfast Program, National School Lunch Program, COVID-19 - National School Lunch Program, Special Education Grants to States, Special Education Preschool Grants
ALN Numbers: 10.553, 10.555, 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): FY 18-19, FY 19-20, 20611-060-PN01, 20619-060-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Procurement - All Programs

The School Corporation did not have internal controls in place to ensure that the purchasing methods used complied with 2 CFR 200.320. The School Corporation did not obtain an adequate number of price or rate quotations for small purchases, those purchases that exceeded \$10,000, in accordance with their purchasing policy. The School Corporation did not document the rationale for the method of procurement.

Procurement - Child Nutrition Cluster

For one vendor selected for testing, which was procured at the corporation level rather than by the Food Service Department, an adequate number of price or rate quotations were not obtained. The School Corporation spent \$125,084 and \$111,527 with the vendor in fiscal years 2018-2019 and 2019-2020, respectively.

The lack of internal controls and noncompliance were isolated to the one vendor.

Procurement - Special Education Cluster (IDEA)

The lack of internal controls and noncompliance were isolated to 2019-2020 grants 20611-060-PN01 and 20619-060-PN01.

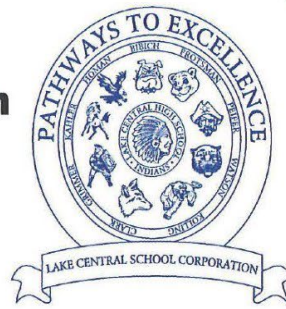
Status: Not resolved as it relates to the Special Education Cluster. See Finding 2022-001.

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FINDING 2020-002

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

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

ALN Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 18611-062-PN01, 19611-062-PN01, 18619-062-PN01, 19619-062-PN01, 20611-060-PN01, 20619-060-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation was a member of a special education cooperative (Cooperative) for fiscal year 2018-2019. The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the allowable costs requirement.

Two employees of the Cooperative did not have adequate supporting documentation for their time spent on grant activities. One employee worked solely on grant activities without proper documentation to support their time. We were able to verify this employee's job duties were solely for special education. Another employee worked with special education students and general education students without proper documentation to support their time spent on grant activities. The amount charged to the grant of \$25,408, for this employee, is considered a questioned cost.

For 2019-2020, the School Corporation managed the special education grant funds for itself. Three employees of the School Corporation did not have adequate supporting documentation for their time spent on grant activities. These employees worked solely on grant activities without proper documentation to support their time. We were able to verify the employees' job duties were solely for special education.

The lack of internal controls and noncompliance were systemic issues throughout the audit period.

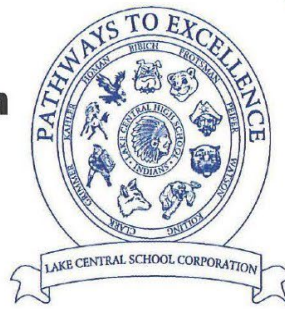
Status: Finding has been resolved.

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FINDING 2020-003

Subject: Special Education Cluster (IDEA) - Earmarking

Federal Agency: Department of Education

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

ALN Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 18611-062-PN01, 18619-062-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation was a member of a special education cooperative (Cooperative) for fiscal year 2018-2019. The Cooperative operated the special education programs on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and the School Corporation, the School Corporation was ultimately responsible for compliance with the grant agreement and the earmarking requirement.

The School Corporation and the Cooperative did not maintain adequate supporting documentation used to calculate the amount of special education and related services that were provided to students in nonpublic schools and facilities for grants 18611-062-PN01 and 18619-062-PN01. Payroll amounts included in the calculation were based upon estimated percentages at the beginning of the grant instead of the actual time spent at the nonpublic schools. Since we could not determine if the transactions were properly classified as nonpublic school expenditures, we were unable to determine compliance with the earmarking requirements.

This is an isolated instance to grants 18611-062-PN01 and 18619-062-PN01

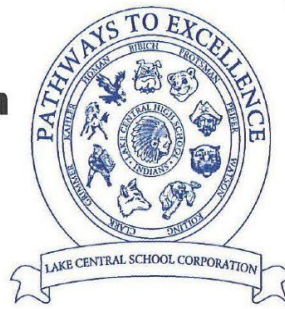
Status: Finding has been resolved.

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FINDING 2020-004

Subject: Title I Grants to Local Educational Agencies - Earmarking

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

ALN Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A170014, S010A180014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

The School Corporation did not meet the earmarking requirements for the S010A170014 and S010A180014 grant awards. Based on the documentation provided for the Parental Involvement set-aside, the School Corporation expended \$1,229 and \$4,312 less than the required amount for the fiscal year 2017 and fiscal year 2018 grant applications, respectively.

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

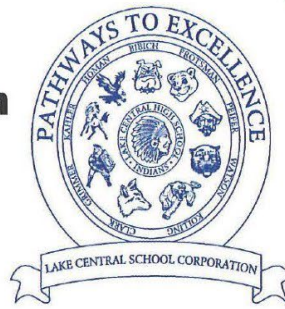
Status: Not resolved. See Finding 2022-002.

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FINDING 2020-005

Subject: Title I Grants to Local Educational Agencies - Reporting

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

ALN Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A170014, S010A180014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The School Corporation did not have documented internal controls to ensure the accuracy of the Final Expenditure Report for the S010A170014 and S010A180014 grants. The Director of Business Services was the only individual responsible for completing and submitting the report with no system of oversight, review, or approval.

The lack of internal controls was a systemic issue, which occurred throughout the audit period.

Status: Finding has been resolved.