



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B61253

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

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

April 13, 2023

To: The Officials of the North Vermillion Community School Corporation
North Vermillion Community School Corporation
5551 N Falcon Drive
Cayuga, IN 47928

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of North Vermillion Community 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 34 through 37. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 38 and 39.

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 North Vermillion Community 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.

Tammy R. White, CPA
Deputy State Examiner

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
Vermillion County, Indiana

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

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
Vermillion County, Indiana

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

CONTENTS

SCHEDULE OF OFFICIALS (Unaudited)	1
INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENT	
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS	5
NOTES TO FINANCIAL STATEMENT	7
OTHER INFORMATION	
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS (Unaudited).....	13
SCHEDULE OF LEASES AND DEBT (Unaudited).....	22
SCHEDULE OF CAPITAL ASSETS (Unaudited).....	23
STATE REPORTING INFORMATION (Unaudited)	24
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	25
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	27
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 <i>GOVERNMENT AUDITING STANDARDS</i>	28
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE	30
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	33

NORTH VERMILLION COMMUNITY 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	Michele Harrison	07-01-20 to 06-30-22
Superintendent of Schools	Daniel A. Nelson	07-01-20 to 06-30-22
President of the School Board	William T. Fulton John I. Bean	07-01-20 to 12-31-21 01-01-22 to 06-30-22

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
North Vermillion Community School Corporation
Vermillion 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 North Vermillion Community 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.

(Continued)

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.

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 30, 2023 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 30, 2023

NORTH VERMILLION COMMUNITY 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
Education	\$ 1,350,726	\$ 5,044,464	\$ 4,650,593	\$ (607,167)	\$ 1,137,430	\$ 5,098,963	\$ 4,465,368	\$ (595,151)	\$ 1,175,874
Debt Service	563,677	1,767,400	1,579,898	(112,833)	638,346	1,473,379	1,550,975	(109,844)	450,906
Operations	417,431	2,453,324	2,285,803	482,827	1,067,779	2,023,326	2,773,302	666,564	984,367
Local Rainy Day	1,026,039	-	224,064	250,000	1,051,975	-	297,196	100,000	854,779
Elementary Construction 2013	587	-	-	-	587	36,574	-	-	37,161
Water Project	75	-	-	-	75	-	-	-	75
2015 Go Bond Construction	3,719	-	750	-	2,969	-	750	-	2,219
Nvsc Construction Project	-	1,598	-	12,000,000	12,001,598	3,719	1,046,644	-	10,958,673
School Lunch	29,224	442,623	390,436	-	81,411	525,712	450,158	-	156,965
Curricular Materials Rental	39,447	82,040	80,127	-	41,360	137,534	84,707	-	94,187
Wrssc - Life Skills 2019-2020	13,528	-	6,064	(7,464)	-	-	-	-	-
Wrssc - Life Skills 2020-2021	-	76,622	77,375	7,464	6,711	-	1,379	(5,332)	-
Wrssc - Life Skills 2021-2022	-	-	-	-	-	84,915	81,463	5,332	8,784
Wrcte - Robotics 2019-2020	10,519	-	9,680	(839)	-	-	-	-	-
Wrcte - Ems 2019-2020	2,660	-	-	(2,660)	-	-	-	-	-
Wrcte - Robotics 2020-2021	-	48,058	38,985	839	9,912	-	7,473	(2,439)	-
Wrcte - Ems 2020-2021	-	8,568	10,734	2,660	494	-	-	(494)	-
Wrcte - Robotics 21-22	-	-	-	-	-	59,701	52,592	2,439	9,548
Wrcte - Ems 21-22	-	-	-	-	-	9,671	9,436	494	729
Local Wellness	5	-	-	-	5	-	-	-	5
Adai-Dairy Optimization Grant	-	-	-	-	-	750	684	-	66
Educational License Plates	2,663	130	-	-	2,793	-	-	-	2,793
Donations Gifts And Trusts	688	-	-	-	688	-	-	-	688
I. Paper Elementary Stem Grant	8,000	-	7,581	-	419	-	419	-	-
I. Paper Greenhouse Grant	-	50,000	-	-	50,000	-	-	-	50,000
Donation - Teacher Supplies	-	1,860	1,860	-	-	-	-	-	-
Formative Assessment	-	5,018	5,018	-	-	7,265	3,753	-	3,512
Secured Schools Safety Grant	17,421	36,682	26,680	-	27,423	53,058	25,742	-	54,739
Early Intervention Grant 2019-2020	2,814	-	2,814	-	-	-	-	-	-
Early Intervention Grant 2020-2021	-	2,098	-	-	2,098	-	2,098	-	-
Early Intervention Grant	-	-	-	-	-	1,718	1,702	-	16
Non-English Speaking Program	-	-	-	-	-	1,405	-	-	1,405
Career And Technical Performance Grant	14,875	-	-	-	14,875	-	-	-	14,875
Teacher Appreciation Grant	-	-	-	-	-	25,600	25,600	-	-
High Ability Students	18,890	21,996	21,719	-	19,167	24,142	28,873	-	14,436
State Connectivity Grant	7,388	7,909	-	-	15,297	8,400	-	-	23,697
Title I 2019-2020	(8,568)	22,263	13,695	-	-	-	-	-	-
Title I 2020-2021	-	124,176	133,437	-	(9,261)	33,887	24,626	-	-
Title I	-	-	-	-	-	135,942	165,288	-	(29,346)
Reg Special Ed (611) Fy 2020	(20,747)	67,581	47,875	-	(1,041)	2,373	1,333	-	(1)
Reg Sp Ed (611) Fy 2021	-	108,320	121,169	-	(12,849)	73,554	61,162	-	(457)
Reg Special Ed (611) Fy 2019	(443)	13,609	13,166	-	-	-	-	-	-

(Continued)

NORTH VERMILLION COMMUNITY 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
Preschool Sped Fy 2019	\$ -	\$ 2,298	\$ 2,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preschool Handicap Fy 2020	-	3,800	3,800	-	-	-	-	-	-
Ps Handicap Fy 2021	-	11,729	11,729	-	-	-	-	-	-
Title Iv-A Fy 18	-	4,568	4,568	-	-	-	-	-	-
Title Iv-A Fy 19	-	101	17,942	-	(17,841)	18,271	430	-	-
Title li-A Fy 2018	(3,204)	13,045	9,841	-	-	-	-	-	-
Title li-A Fy 2019	-	14,578	14,652	-	(74)	9,043	8,969	-	-
Teacher Leaders Bootcamp 19-20	-	3,304	3,304	-	-	-	-	-	-
Title li-A Fy 2020	-	2,680	2,680	-	-	5,233	5,555	-	(322)
Title li Part A Supporting Effective I	-	-	-	-	-	2,500	2,500	-	-
Rural Schools And Low Income Program	-	15,705	15,705	-	-	-	-	-	-
Unassigned Federal	-	-	-	-	-	162,000	-	-	162,000
ESSER III	-	-	-	-	-	502,083	502,083	-	-
ESSER II	-	-	8,365	-	(8,365)	408,715	400,439	-	(89)
ESSER I	-	28,069	37,173	-	(9,104)	91,062	81,958	-	-
Prepaid School Lunch Accounts	8,611	53,582	54,091	-	8,102	46,683	48,039	-	6,746
Payroll Withholdings	11,816	1,360,570	1,353,020	-	19,366	1,327,403	1,334,208	-	12,561
Totals	\$ 3,517,841	\$ 11,900,368	\$ 11,288,691	\$ 12,012,827	\$ 16,142,345	\$ 12,394,581	\$ 13,546,904	\$ 61,569	\$ 15,051,591

See notes to financial statement.

NORTH VERMILLION COMMUNITY 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)

NORTH VERMILLION COMMUNITY 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:

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)

NORTH VERMILLION COMMUNITY 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)

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 contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by June 30, 2021, and 2022.

NOTE 7 - HOLDING CORPORATION

The School Corporation has entered into a series of capital leases with the North Vermillion Community School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments for the period July 1, 2020 to June 30, 2021 totaled \$1,024,000. Lease payments for the period July 1, 2021 to June 30, 2022 totaled \$515,000.

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.

NORTH VERMILLION COMMUNITY 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 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)

NORTH VERMILLION COMMUNITY 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 - OTHER POSTEMPLOYMENT BENEFITS

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

SUPPLEMENTARY INFORMATION

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

	Education	Debt Service	Operations	Local Rainy Day	Elementary Construction 2013	Water Project	2015 Go Bond Construction	Nvcsc Construction Project	School Lunch	Curricular Materials Rental	Wrssc - Life Skills 2019-2020
Cash and investments - beginning	\$ 1,350,726	\$ 563,677	\$ 417,431	\$ 1,026,039	\$ 587	\$ 75	\$ 3,719	\$ -	\$ 29,224	\$ 39,447	\$ 13,528
Receipts:											
Local sources	49,628	1,767,400	2,441,943	-	-	-	-	1,598	57,390	53,098	-
Intermediate sources	-	-	396	-	-	-	-	-	-	-	-
State sources	4,994,762	-	-	-	-	-	-	-	3,913	28,942	-
Federal sources	-	-	-	-	-	-	-	-	380,496	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	74	-	10,985	-	-	-	-	-	824	-	-
Total receipts	5,044,464	1,767,400	2,453,324	-	-	-	-	1,598	442,623	82,040	-
Disbursements:											
Instruction	3,658,638	-	-	-	-	-	-	-	-	-	6,064
Support services	838,803	-	2,047,771	-	-	-	750	-	6,303	80,127	-
Noninstructional services	153,152	-	-	-	-	-	-	-	384,133	-	-
Facilities acquisition and construction	-	-	225,532	224,064	-	-	-	-	-	-	-
Debt services	-	1,579,898	12,500	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,650,593	1,579,898	2,285,803	224,064	-	-	750	-	390,436	80,127	6,064
Excess (deficiency) of receipts over disbursements	393,871	187,502	167,521	(224,064)	-	-	(750)	1,598	52,187	1,913	(6,064)
Other financing sources (uses):											
Proceeds of long-term debt	-	-	-	-	-	-	-	12,000,000	-	-	-
Sale of capital assets	-	-	12,827	-	-	-	-	-	-	-	-
Transfers in	112,833	-	720,000	250,000	-	-	-	12,000,000	-	-	-
Transfers out	(720,000)	(112,833)	(250,000)	-	-	-	-	(12,000,000)	-	-	(7,464)
Total other financing sources (uses)	(607,167)	(112,833)	482,827	250,000	-	-	-	12,000,000	-	-	(7,464)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(213,296)	74,669	650,348	25,936	-	-	(750)	12,001,598	52,187	1,913	(13,528)
Cash and investments - ending	\$ 1,137,430	\$ 638,346	\$ 1,067,779	\$ 1,051,975	\$ 587	\$ 75	\$ 2,969	\$ 12,001,598	\$ 81,411	\$ 41,360	\$ -

(Continued)

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

	Wrssc - Life Skills 2020-2021	Wrcte - Robotics 2019-2020	Wrcte - Ems 2019-2020	Wrcte - Robotics 2020-2021	Wrcte - Ems 2020-2021	Local Wellness	Educational License Plates	Donations Gifts And Trusts	I. Paper Elementary Grant	I. Paper Greenhouse Grant
Cash and investments - beginning	\$ -	\$ 10,519	\$ 2,660	\$ -	\$ -	\$ 5	\$ 2,663	\$ 688	\$ 8,000	\$ -
Receipts:										
Local sources	76,622	-	-	48,058	8,568	-	-	-	-	50,000
Intermediate sources	-	-	-	-	-	-	130	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	76,622	-	-	48,058	8,568	-	130	-	-	50,000
Disbursements:										
Instruction	77,375	9,680	-	38,985	10,734	-	-	-	7,581	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	77,375	9,680	-	38,985	10,734	-	-	-	7,581	-
Excess (deficiency) of receipts over disbursements	(753)	(9,680)	-	9,073	(2,166)	-	130	-	(7,581)	50,000
Other financing sources (uses):										
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	7,464	-	-	839	2,660	-	-	-	-	-
Transfers out	-	(839)	(2,660)	-	-	-	-	-	-	-
Total other financing sources (uses)	7,464	(839)	(2,660)	839	2,660	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,711	(10,519)	(2,660)	9,912	494	-	130	-	(7,581)	50,000
Cash and investments - ending	\$ 6,711	\$ -	\$ -	\$ 9,912	\$ 494	\$ 5	\$ 2,793	\$ 688	\$ 419	\$ 50,000

(Continued)

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

	Donation - Teacher Supplies	Formative Assessment	Secured Schools Safety Grant	Early Intervention Grant 2019-2020	Early Intervention Grant 2020-2021	Career And Technical Performance Grant	High Ability Students	State Connectivity Grant	Title I 2019-2020	Title I 2020-2021
Cash and investments - beginning	\$ -	\$ -	\$ 17,421	\$ 2,814	\$ -	\$ 14,875	\$ 18,890	\$ 7,388	\$ (8,568)	\$ -
Receipts:										
Local sources	1,860	-	15,000	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	5,018	21,682	-	2,098	-	21,996	7,909	-	-
Federal sources	-	-	-	-	-	-	-	-	22,263	124,176
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	1,860	5,018	36,682	-	2,098	-	21,996	7,909	22,263	124,176
Disbursements:										
Instruction	1,860	-	-	2,814	-	-	21,402	-	13,695	130,937
Support services	-	5,018	-	-	-	-	317	-	-	2,500
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	26,680	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,860	5,018	26,680	2,814	-	-	21,719	-	13,695	133,437
Excess (deficiency) of receipts over disbursements	-	-	10,002	(2,814)	2,098	-	277	7,909	8,568	(9,261)
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	-	-	10,002	(2,814)	2,098	-	277	7,909	8,568	(9,261)
Cash and investments - ending	\$ -	\$ -	\$ 27,423	\$ -	\$ 2,098	\$ 14,875	\$ 19,167	\$ 15,297	\$ -	\$ (9,261)

(Continued)

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

	Reg Special Ed (611) Fy 2020	Reg Sp Ed (611) Fy 2021	Reg Special Ed (611) Fy 2019	Preschool Sped Fy 2019	Preschool Handicap Fy 2020	Ps Handicap Fy 2021	Title Iv-A Fy 18	Title Iv-A Fy 19	Title li-A Fy 2018	Title li-A Fy 2019
Cash and investments - beginning	\$ (20,747)	\$ -	\$ (443)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,204)	\$ -
Receipts:										
Local sources	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-
Federal sources	67,581	108,320	13,609	2,298	3,800	11,729	4,568	101	13,045	14,578
Temporary loans	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	67,581	108,320	13,609	2,298	3,800	11,729	4,568	101	13,045	14,578
Disbursements:										
Instruction	47,875	121,169	13,166	2,298	3,800	11,729	4,568	17,942	9,841	14,652
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	47,875	121,169	13,166	2,298	3,800	11,729	4,568	17,942	9,841	14,652
Excess (deficiency) of receipts over disbursements	19,706	(12,849)	443	-	-	-	-	(17,841)	3,204	(74)
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	19,706	(12,849)	443	-	-	-	-	(17,841)	3,204	(74)
Cash and investments - ending	\$ (1,041)	\$ (12,849)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,841)	\$ -	\$ (74)

(Continued)

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

	Teacher Leaders Bootcamp 19-20	Title li-A Fy 2020	Rural Schools And Low Income Program	ESSER II	ESSER I	Prepaid School Lunch Accounts	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,611	\$ 11,816	\$ 3,517,841
Receipts:								
Local sources	-	-	-	-	-	53,582	-	4,624,747
Intermediate sources	-	-	-	-	-	-	-	526
State sources	-	-	-	-	-	-	-	5,086,320
Federal sources	3,304	2,680	15,705	-	28,069	-	-	816,322
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	1,360,570	1,372,453
Total receipts	3,304	2,680	15,705	-	28,069	53,582	1,360,570	11,900,368
Disbursements:								
Instruction	3,304	2,680	15,705	8,365	14,923	-	-	4,271,782
Support services	-	-	-	-	16,750	-	-	2,998,339
Noninstructional services	-	-	-	-	5,500	54,091	-	596,876
Facilities acquisition and construction	-	-	-	-	-	-	-	476,276
Debt services	-	-	-	-	-	-	-	1,592,398
Nonprogrammed charges	-	-	-	-	-	-	1,353,020	1,353,020
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	3,304	2,680	15,705	8,365	37,173	54,091	1,353,020	11,288,691
Excess (deficiency) of receipts over disbursements	-	-	-	(8,365)	(9,104)	(509)	7,550	611,677
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	12,000,000
Sale of capital assets	-	-	-	-	-	-	-	12,827
Transfers in	-	-	-	-	-	-	-	13,093,796
Transfers out	-	-	-	-	-	-	-	(13,093,796)
Total other financing sources (uses)	-	-	-	-	-	-	-	12,012,827
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(8,365)	(9,104)	(509)	7,550	12,624,504
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (8,365)	\$ (9,104)	\$ 8,102	\$ 19,366	\$ 16,142,345

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Education	Debt Service	Operations	Local Rainy Day	Elementary Construction 2013	Water Project	2015 Go Bond Construction	Nvcsc Construction Project	School Lunch	Curricular Materials Rental	Wrssc - Life Skills 2020-2021
Cash and investments - beginning	\$ 1,137,430	\$ 638,346	\$ 1,067,779	\$ 1,051,975	\$ 587	\$ 75	\$ 2,969	\$ 12,001,598	\$ 81,411	\$ 41,360	\$ 6,711
Receipts:											
Local sources	58,262	1,473,379	2,022,077	-	3	-	-	3,719	49,648	108,936	-
Intermediate sources	-	-	374	-	-	-	-	-	-	-	-
State sources	5,039,786	-	-	-	-	-	-	-	4,741	28,598	-
Federal sources	-	-	-	-	-	-	-	-	470,709	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	915	-	875	-	36,571	-	-	-	614	-	-
Total receipts	5,098,963	1,473,379	2,023,326	-	36,574	-	-	3,719	525,712	137,534	-
Disbursements:											
Instruction	3,602,928	-	-	-	-	-	-	-	-	-	1,174
Support services	714,376	-	2,316,072	-	-	-	750	1,000	7,996	84,707	205
Noninstructional services	148,064	-	-	-	-	-	-	-	442,162	-	-
Facilities acquisition and construction	-	-	444,730	297,196	-	-	-	1,045,644	-	-	-
Debt services	-	1,550,975	12,500	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	4,465,368	1,550,975	2,773,302	297,196	-	-	750	1,046,644	450,158	84,707	1,379
Excess (deficiency) of receipts over disbursements	633,595	(77,596)	(749,976)	(297,196)	36,574	-	(750)	(1,042,925)	75,554	52,827	(1,379)
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	5	-	61,564	-	-	-	-	-	-	-	-
Transfers in	109,844	-	705,000	100,000	-	-	-	-	-	-	205
Transfers out	(705,000)	(109,844)	(100,000)	-	-	-	-	-	-	-	(5,537)
Total other financing sources (uses)	(595,151)	(109,844)	666,564	100,000	-	-	-	-	-	-	(5,332)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	38,444	(187,440)	(83,412)	(197,196)	36,574	-	(750)	(1,042,925)	75,554	52,827	(6,711)
Cash and investments - ending	\$ 1,175,874	\$ 450,906	\$ 984,367	\$ 854,779	\$ 37,161	\$ 75	\$ 2,219	\$ 10,958,673	\$ 156,965	\$ 94,187	\$ -

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Wrssc - Life Skills 2021-2022	Wrcte - Robotics 2020-2021	Wrcte - Ems 2020-2021	Wrcte - Robotics 21-22	Wrcte - Ems 21-22	Local Wellness	Adai-Dairy Optimization Grant	Educational License Plates	Donations Gifts And Trusts	I. Paper Elementary Stem Grant	I. Paper Greenhouse Grant
Cash and investments - beginning	\$ -	\$ 9,912	\$ 494	\$ -	\$ -	\$ 5	\$ -	\$ 2,793	\$ 688	\$ 419	\$ 50,000
Receipts:											
Local sources	84,915	-	-	46,641	9,671	-	750	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	13,060	-	-	-	-	-	-	-
Total receipts	84,915	-	-	59,701	9,671	-	750	-	-	-	-
Disbursements:											
Instruction	81,463	7,473	-	52,592	9,436	-	-	-	-	419	-
Support services	-	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	684	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	81,463	7,473	-	52,592	9,436	-	684	-	-	419	-
Excess (deficiency) of receipts over disbursements	3,452	(7,473)	-	7,109	235	-	66	-	-	(419)	-
Other financing sources (uses)											
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	5,537	-	-	2,439	494	-	-	-	-	-	-
Transfers out	(205)	(2,439)	(494)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	5,332	(2,439)	(494)	2,439	494	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,784	(9,912)	(494)	9,548	729	-	66	-	-	(419)	-
Cash and investments - ending	\$ 8,784	\$ -	\$ -	\$ 9,548	\$ 729	\$ 5	\$ 66	\$ 2,793	\$ 688	\$ -	\$ 50,000

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Formative Assessment	Secured Schools Safety Grant	Early Intervention Grant 2020-2021	Early Intervention Grant	Non-English Speaking Program	Career And Technical Performance Grant	Teacher Appreciation Grant	High Ability Students	State Connectivity Grant	Title I 2020-2021	Title I	Reg Special Ed (611) Fy 2020
Cash and investments - beginning	\$ -	\$ 27,423	\$ 2,098	\$ -	\$ -	\$ 14,875	\$ -	\$ 19,167	\$ 15,297	\$ (9,261)	\$ -	\$ (1,041)
Receipts:												
Local sources	-	30,000	-	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	-
State sources	7,265	23,058	-	1,718	1,405	-	25,600	24,142	8,400	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	33,887	135,942	2,373
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-
Total receipts	7,265	53,058	-	1,718	1,405	-	25,600	24,142	8,400	33,887	135,942	2,373
Disbursements:												
Instruction	-	-	2,098	1,702	-	-	25,600	28,303	-	24,626	162,717	1,333
Support services	3,753	-	-	-	-	-	-	570	-	-	2,500	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-	71	-
Facilities acquisition and construction	-	25,742	-	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	3,753	25,742	2,098	1,702	-	-	25,600	28,873	-	24,626	165,288	1,333
Excess (deficiency) of receipts over disbursements	3,512	27,316	(2,098)	16	1,405	-	-	(4,731)	8,400	9,261	(29,346)	1,040
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	3,512	27,316	(2,098)	16	1,405	-	-	(4,731)	8,400	9,261	(29,346)	1,040
Cash and investments - ending	\$ 3,512	\$ 54,739	\$ -	\$ 16	\$ 1,405	\$ 14,875	\$ -	\$ 14,436	\$ 23,697	\$ -	\$ (29,346)	\$ (1)

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES
 (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 July 1, 2021 through June 30, 2022

	Reg Sp Ed (611) Fy 2021	Title Iv-A Fy 19	Title li-A Fy 2019	Title li-A Fy 2020	Title li Part A Supporting Effective I	Unassigned Federal	ESSER III	ESSER II	ESSER I	Prepaid School Lunch Accounts	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (12,849)	\$ (17,841)	\$ (74)	\$ -	\$ -	\$ -	\$ -	\$ (8,365)	\$ (9,104)	\$ 8,102	\$ 19,366	\$ 16,142,345
Receipts:												
Local sources	-	-	-	-	-	-	-	-	-	46,683	-	3,934,684
Intermediate sources	-	-	-	-	-	-	-	-	-	-	-	374
State sources	-	-	-	-	-	-	-	-	-	-	-	5,164,713
Federal sources	73,554	18,271	9,043	5,233	2,500	162,000	502,083	408,715	91,062	-	-	1,915,372
Temporary loans	-	-	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	1,327,403	1,379,438
Total receipts	73,554	18,271	9,043	5,233	2,500	162,000	502,083	408,715	91,062	46,683	1,327,403	12,394,581
Disbursements:												
Instruction	61,162	430	8,969	5,555	-	-	-	400,439	81,958	-	-	4,560,377
Support services	-	-	-	-	2,500	-	2,083	-	-	-	-	3,136,512
Noninstructional services	-	-	-	-	-	-	-	-	-	48,039	-	639,020
Facilities acquisition and construction	-	-	-	-	-	-	500,000	-	-	-	-	2,313,312
Debt services	-	-	-	-	-	-	-	-	-	-	-	1,563,475
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-	1,334,208	1,334,208
Interfund loans	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	61,162	430	8,969	5,555	2,500	-	502,083	400,439	81,958	48,039	1,334,208	13,546,904
Excess (deficiency) of receipts over disbursements	12,392	17,841	74	(322)	-	162,000	-	8,276	9,104	(1,356)	(6,805)	(1,152,323)
Other financing sources (uses)												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	61,569
Transfers in	-	-	-	-	-	-	-	-	-	-	-	923,519
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(923,519)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	61,569
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	12,392	17,841	74	(322)	-	162,000	-	8,276	9,104	(1,356)	(6,805)	(1,090,754)
Cash and investments - ending	\$ (457)	\$ -	\$ -	\$ (322)	\$ -	\$ 162,000	\$ -	\$ (89)	\$ -	\$ 6,746	\$ 12,561	\$ 15,051,591

NORTH VERMILLION COMMUNITY 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:				
The Bank of New York Mellon	Renovation/upgrade of buildings and campus	\$ 1,047,500	12/15/2020	12/31/2039
Total of annual lease payments		<u>\$ 1,047,500</u>		
<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>	
<u>Type</u>	<u>Purpose</u>			
Governmental activities:				
General Obligation Bonds Notes and Loans Payable	Taxable GO Bonds of 2015 Upgrading/renovating North Vermillion Jr.-Sr. High School	\$ 930,000	\$ 215,000	
		<u>821,965</u>	<u>74,724</u>	
Total governmental activities		<u>1,751,965</u>	<u>289,724</u>	
Totals		<u>\$ 1,751,965</u>	<u>\$ 289,724</u>	

NORTH VERMILLION COMMUNITY 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	\$ 52,500
Buildings	37,693,403
Improvements other than buildings	9,968,171
Machinery, equipment, and vehicles	1,754,346
Construction in progress	<u>18,643,862</u>
Total governmental activities	<u>68,112,282</u>
Total capital assets	<u>\$ 68,112,282</u>

NORTH VERMILLION COMMUNITY 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.

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2020 through June 30, 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						
Food & Nutrition Service/ School Breakfast Program	Indiana Department of Education					
School Breakfast Program		10.553	FY2021, FY2022	\$ 109,624	\$ 130,922	\$ 240,546
National School Lunch Program		10.555	FY2021, FY2022	270,872	339,173	610,045
Commodities		10.555	FY2021, FY2022	<u>37,894</u>	<u>46,682</u>	<u>84,576</u>
Total - Child Nutrition Cluster				<u>418,390</u>	<u>516,777</u>	<u>935,167</u>
Total - Department of Agriculture				<u>418,390</u>	<u>516,777</u>	<u>935,167</u>
<u>Department of Education</u>						
Special Education Cluster(IDEA)						
Special Education Grants to States						
Special Ed-Part B	Indiana Department of Education	84.027	19611-081-PN01	13,608	-	13,608
Special Ed-Part B		84.027	20611-084-PN01	67,580	2,373	69,953
Special Ed-Part B		84.027	21611-084-PN01	<u>108,320</u>	<u>73,554</u>	<u>181,874</u>
Total - Special Education Grants to States				<u>189,508</u>	<u>75,927</u>	<u>265,435</u>
Special Education Preschool Grants						
Special Ed Preschool	Indiana Department of Education	84.173	19619-081-PN01	2,298	-	2,298
Special Ed Preschool		84.173	20619-084-PN01	3,800	-	3,800
Special Ed Preschool		84.173	21619-084-PN01	<u>11,729</u>	<u>-</u>	<u>11,729</u>
Total - Special Education Preschool Grants				<u>17,827</u>	<u>-</u>	<u>17,827</u>
Total - Special Education Cluster(IDEA)				<u>207,335</u>	<u>75,927</u>	<u>283,262</u>
Title I Grants to Local Education Agencies						
Title I, Part A	Indiana Department of Education	84.010	S010A190014	22,262	-	22,262
Title I, Part A		84.010	S010A200014	124,176	33,887	158,063
Title I, Part A		84.010	S010A210014	<u>-</u>	<u>135,942</u>	<u>135,942</u>
Total - Title I Grants to Local Education Agencies				<u>146,438</u>	<u>169,829</u>	<u>316,267</u>

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period July 1, 2020 through June 30, 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
Rural and Low-Income School Program Rural Education	Indiana Department of Education	84.358	S424A180015	\$ 15,705	\$ -	\$ 15,705
Total - Rural Education				<u>15,705</u>	<u>-</u>	<u>15,705</u>
Title II Supporting Effective Instruction State Grants	Indiana Department of Education					
Title II, Part A		84.367	S367A170013	3,304	-	3,304
Title II, Part A		84.367	S367A180013	13,045	-	13,045
Title II, Part A		84.367	S367A190013	14,578	9,043	23,621
Title II, Part A		84.367	S367A200013	2,680	5,233	7,913
Title II, Part A		84.367	S367A210013	-	2,500	2,500
Total - Title II Supporting Effective Instruction State Grants				<u>33,607</u>	<u>16,776</u>	<u>50,383</u>
Title IV Student Support and Academic Enrichment Program	Indiana Department of Education					
Title IV Part A		84.424	S424A180015	4,568	-	4,568
Title IV Part A		84.424	S424A190015	101	18,271	18,372
Total - Title IV Student Support and Academic Enrichment Program				<u>4,669</u>	<u>18,271</u>	<u>22,940</u>
COVID-19 Education Stabilization Fund	Indiana Department of Education					
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	28,069	91,062	119,131
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	-	408,715	408,715
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U200013	-	502,083	502,083
Total - COVID-19 Education Stabilization Fund				<u>28,069</u>	<u>1,001,860</u>	<u>1,029,929</u>
Total - Department of Education				<u>435,823</u>	<u>1,282,663</u>	<u>1,718,486</u>
Total federal awards expended				<u>\$ 854,213</u>	<u>\$ 1,799,440</u>	<u>\$ 2,653,653</u>

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

NORTH VERMILLION COMMUNITY 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, 2020 to June 30, 2022. 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
North Vermillion Community School Corporation
Vermillion 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 North Vermillion Community 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 30, 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. 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 30, 2023

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

Those Charged with Governance
North Vermillion Community School Corporation
Vermillion County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Vermillion Community 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 each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

(Continued)

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 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 30, 2023

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

Federal Awards

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

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
84.425D, 84.425U	COVID-19 - Education Stabilization Fund

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

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

Section II – Financial Statement Findings

None noted.

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

Section III – Federal Award Findings and Questioned Costs

FINDING 2022-001

Subject: Child Nutrition Cluster - Procurement
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program,
Assistance Listing Numbers: 10.533, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): 83-8010
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Procurement and Suspension and Debarment
Audit Findings: Material Weakness

Criteria:

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal 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(i) states:

"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(b) states:

"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.

Cause: Management had not developed nor implemented an effective system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

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

Context: Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold, which is set at \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold of \$150,000. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources.

The School Corporation did not follow procurement requirements for purchases of milk and dairy which fell under small purchase procedures. The School Corporation did not obtain price or rate quotes from an adequate number of qualified sources for the one vendor used for the purchase of milk and dairy during FY 2021.

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 result in the loss of future federal funds to the School Corporation.

Questioned Costs: There were no questioned costs identified.

Identification as a repeat finding, if applicable: No

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

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

(Continued)

NORTH VERMILLION COMMUNITY 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

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

Criteria:

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal 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 200.334 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

2 CFR 200.302(b) states in part:

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

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 and 200.329. . . .

(3) Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. . . ."

34 CFR 76.722 states: "A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program."

(Continued)

NORTH VERMILLION COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
July 1, 2020 to June 30, 2022

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

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 Reporting compliance requirement.

Cause: Management had not established an effective system of internal controls that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

Context: Although, the School Treasurer and the Superintendent worked independently to compile the information for the Elementary and Secondary School Emergency Relief (ESSER) annual data reports (Reports) reports and then reviewed each other's notes and prepared the annual data reports, the control was not effective and did not detect and allow correction of errors prior to submission.

Due to the lack of effective internal controls, the Reports contained the following errors:

-ESSER I, Annual Year 1 Report

The School Corporation did not file this report. According to the detailed disbursements, no ESSER funds were expended for the applicable date range. However, the full-time employee numbers should have been reported. These numbers were 117.5 at 3/13/20 and 113.5 at 9/30/20.

- ESSER I, Annual Year 2 Report

The School Corporation did not enter the correct amounts for the following categories:

- Addressing Physical Health & Safety - Personal Services - Salaries.

The appropriated amount of \$44,000 was reported instead of the actual disbursement of \$36,377.

- Meeting Student's Academic, Social, Emotional, and Other Needs - Supplies.

The appropriated amount of \$73,390 was reported instead of the actual disbursement of \$796.

- ESSER II, Annual Year 2 Report

The School Corporation did not enter the correct amount for the Meeting Student's Academic, Social, Emotional, and Other Needs – Supplies category. The appropriated amount of \$408,715 was report instead of the actual disbursement of \$400,439.

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

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

Questioned Costs: There were no questioned costs identified.

Identification as a repeat finding, if applicable: No

Recommendation: We recommended that the School Corporation's management establish internal controls to ensure compliance and comply with the grant agreement and the Reporting compliance requirement.

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



North Vermillion Community School Corporation

5551 North Falcon Drive Cayuga, IN 47928

Office: 765-492-4033 Fax: 765-492-7001



Daniel A. Nelson
Superintendent
dnelson@nvc.k12.in.us

Michele Harrison
Treasurer
sharriso@nvc.k12.in.us

Deb Harding
Administration Assistant
dharding@nvc.k12.in.us

CORRECTIVE ACTION PLAN

FINDING 2022-001

Contact Person Responsible for Corrective Action: Christy Nale
Contact Phone Number: 765-492-5411

View of Responsible Official:

Procurement request for milk and dairy was requested from the West Central Educational Service Center. After not receiving the bid request in a timely manner, the procurement bid was received from the Wilson Education Center. The North Vermillion Community School Corporation was unaware that the Wilson Education Center was not IDOE approved in 2021. The IDOE approved cooperative list was not made available to our corporation, and not easily accessible on the IDOE School Nutrition link.

Description of Corrective Action Plan:

The corrective action has been made as the Wilson Education Center was approved as a Cooperative Procurement site in 2022 by the IDOE.

Anticipated Completion Date:

No anticipated date, the Corrective Action has already been completed.



North Vermillion Community School Corporation

5551 North Falcon Drive Cayuga, IN 47928

Office: 765-492-4033 Fax: 765-492-7001



Daniel A. Nelson
Superintendent
dnelson@nvc.k12.in.us

Michele Harrison
Treasurer
sharriso@nvc.k12.in.us

Deb Harding
Administration Assistant
dharding@nvc.k12.in.us

CORRECTIVE ACTION PLAN

FINDING 2022-002

Contact Person Responsible for Corrective Action: Shelly Harrison, Corporation Treasurer
Contact Phone Number: 765-492-5102

Views of Responsible Official:

We concur to the findings; however, while completing the ESSER Reports, some formatting errors of the provided spreadsheet created some questions by the North Vermillion officials prompting a clarification email to the DOE. Since the formatting errors were not addressed and all completed boxes on the North Vermillion ESSER Report spreadsheet turned green (indicating the correct amounts on the spreadsheet), the North Vermillion officials felt the ESSER report submitted was correct.

Description of Corrective Action Plan:

To correct the internal control issue, the Superintendent and Corporation Treasurer will work independently as well as collaboratively on the ESSER Reports. Prior to submitting any future report, the corporation officials will document their work by signing off and dating the report prior to submission to the DOE.

To rectify the incorrect dollar amount on the Yearly ESSER Report Spreadsheet, the corporation treasurer and superintendent will work collaboratively to correct the amounts on either the ESSER I Year End Report and the ESSER II Year 2 and/or Year End Report.

Anticipated Completion Date:

Both the Internal Control and ESSER I corrective actions have been corrected, with the ESSER I Final Expenditure Report being completed and signed off on.

The ESSER II corrective actions will be completed on the upcoming ESSER III Year End Report when that report is due.