

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

**Paul D. Joyce, CPA
State Examiner**

SUPPLEMENTAL COMPLIANCE REPORT

OF

KOKOMO SCHOOL CORPORATION

HOWARD COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/10/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michelle Cronk Robert McIntire	07-01-22 to 09-30-22 10-01-22 to 06-30-25
Superintendent of Schools	Dr. Michael Sargent	07-01-22 to 06-30-25
President of the School Board	Lisa Hemmeger Lewis Hall David Emry Lisa Ellison	07-01-22 to 12-31-22 01-01-23 to 12-31-23 01-01-24 to 12-31-24 01-01-25 to 06-30-25



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INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

TO: THE OFFICIALS OF THE KOKOMO SCHOOL CORPORATION, HOWARD COUNTY, INDIANA

This report is supplemental to the audit report of the Kokomo School Corporation (School Corporation), for the period from July 1, 2022 to June 30, 2024. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with the Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

February 27, 2025

KOKOMO SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

The same comment also appeared in prior Report B60714.

Condition and Context

Of the 28 brick and mortar students tested, 4 were missing birth certificates for age verification, 19 were missing proof of residency, and 1 was marked as in person but was attending virtual.

Of the 62 virtual students tested, 10 were missing birth certificates, 28 were missing proof of residency, and 3 marked as virtual were attending in person.

Criteria

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CAPITAL ASSETS

The same comment also appeared in prior Report B60714.

KOKOMO SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Condition and Context

The School Corporation is required to maintain an updated record of capital assets. During testing, we identified some assets that were not properly removed or added to the capital asset records.

In fiscal year 2023-2024, the School Corporation showed a reduction in capital assets on its Annual Financial Report which was verified to a list of buses for removal. Four of these buses were tested as part of the capital asset testing and were still included on the capital asset report. Verification by School Corporation Officials showed that the registrations were no longer on file indicating the buses had been disposed. The total value of buses on this list was \$422,216.

The School Corporation also purchased playground equipment with grant funds. One of the three playgrounds purchased at a cost of \$78,874 was not included on the capital asset record. Additionally, none of the playground equipment was included on a separate inventory system used by the School Corporation to track federal equipment.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

KOKOMO SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 27, 2025, with Robert McIntire, Treasurer; Dr. Michael Sargent, Superintendent of Schools; Lisa Ellison, President of the School Board; David Emry, School Board member; and Lewis Hall, School Board member.