



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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October 27, 2022

To: The Officials of Union-North United School Corporation
Union-North United School Corporation
22601 Tyler Road
Lakeville, IN 46536

This report is supplemental to the audit report of Union-North United School Corporation (School Corporation), for the period July 1, 2019 to June 30, 2021. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Union-North United School Corporation prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2021. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 through 4.

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

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

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
UNION-NORTH UNITED SCHOOL CORPORATION
St. Joseph County, Indiana
July 1, 2019 to June 30, 2021

UNION-NORTH UNITED SCHOOL CORPORATION

St. Joseph County, Indiana
July 1, 2019 to June 30, 2021

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UNION-NORTH UNITED SCHOOL CORPORATION
SCHEDULE OF OFFICIALS
July 1, 2019 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Beth Mangus	07-01-19 to 06-30-21
Deputy Treasurer	Jill Wagoner	07-01-19 to 06-30-21
Superintendent of Schools	Mitch Mawhorter	07-01-19 to 06-30-21
President of the School Board	Karman Eash	07-01-19 to 06-30-21

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Union-North United School Corporation

We have examined the Union-North United School Corporation ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period July 1, 2019 to June 30, 2021. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period July 1, 2019 to June 30, 2021, as described in items 2021-001 through 2021-004 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period July 1, 2019 to June 30, 2021.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
October 18, 2022

UNION-NORTH UNITED SCHOOL CORPORATION
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2019 to June 30, 2021

FINDING 2021-001: OVERDRAWN CASH BALANCES

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations states in part, “The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit.”

Condition: During testing of fund balances, we noted the following funds which are not grant related with a cash balance below zero as of June 30, 2020 and June 30, 2021:

Fund	Amount Overdrawn June 30, 2020	Amount Overdrawn June 30, 2021
Book Rental	\$ 30,368	\$ -
2020 Bonds	-	13,021
Scholarships and Awards	-	500
Covid-19 Clearing Account	-	31,960

FINDING 2021-002: CLASSIFICATION OF CLEARING FUND

Criteria: Chapter 7 of the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations notes that “Clearing Accounts serve as control accounts for certain areas of the accounting system. Therefore, they must be supported by receipt and disbursement entries in the general ledger and subsidiary ledgers or other supporting records. The clearing accounts are subsidiary records only and should not be used in lieu of proper and prescribed reporting of receipts, disbursements and balances of funds of the school corporation in accordance IC 5-11-1-2...”

Condition: During fiscal year 2021, a clearing fund (Fund 9891) was created to capture COVID-19 pandemic related expenditures with the intention of getting reimbursed by a federal grant. This activity should have been set up as a federal program with a 4000, 5000, 6000 or 7000 series fund number in accordance with the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations.

FINDING 2021-003: SALES TAX PAID ON PURCHASES

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations states in part, ““Sales taxes that are paid on qualifying purchases by the unit may be the personal obligation of the responsible official or employee.”

Condition: During testing of disbursements, we noted four instances, in a sample of 35 disbursements, in which sales tax was paid by the School Corporation. The total amount of sales tax identified as paid was \$3,296.42.

UNION-NORTH UNITED SCHOOL CORPORATION
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2019 to June 30, 2021

FINDING 2021-004: CAPITAL ASSETS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual states in part, *“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.”*

Condition: During testing of capital assets, we noted the School Corporation did not have a detail listing of capital assets owned by the unit which agreed to amounts reported to Gateway. We noted that there is no documentation of physical inventory being taken every 2 years in order to verify account balances carried in the accounting records.

UNION-NORTH UNITED SCHOOL CORPORATION
EXIT CONFERENCE
July 1, 2019 to June 30, 2021

The contents of this report were discussed on October 13, 2022, with Dr. Angela Piazza, Superintendent, Abby Doyle, Corporation Treasurer, Jill Wagoner, Deputy Treasurer, and Karman Eash, School Board President.