

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

KOKOMO SCHOOL CORPORATION

HOWARD COUNTY, INDIANA

July 1, 2020 to June 30, 2022



**FILED**  
02/08/2023



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michelle Cronk Robert McIntire	07-01-20 to 09-30-22 10-01-22 to 06-30-23
Superintendent of Schools	Dr. Jeff Hauswald Dr. Mike Sargent	07-01-20 to 06-30-21 07-01-21 to 06-30-23
President of the School Board	Karen Sosbe Crystal Sanburn Lisa Hemmeger Lewis Hall	07-01-20 to 12-31-20 01-01-21 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 06-30-23



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Kokomo School Corporation (School Corporation), for the period of 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 January 25, 2023, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of 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 determination of financial statement amounts. 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 School Corporation'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 School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth Kelley, CPA, CFE  
Deputy State Examiner

January 25, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

**Report on Compliance for Each Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited the Kokomo School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* 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. 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.

***Qualified Opinion on COVID-19 - Education Stabilization Fund***

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Education Stabilization Fund for the period of July 1, 2020 to June 30, 2022.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2020 to June 30, 2022.

***Basis for Qualified and Unmodified Opinions***

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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

***Matter Giving Rise to Qualified Opinion on COVID-19 - Education Stabilization Fund***

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding 84.425 COVID-19 - Education Stabilization Fund, as described in item 2022-001 for Equipment and Real Property Management. Compliance with such requirement is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

***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.

***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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

**Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 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 item 2022-001, to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or 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* require 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2020 to June 30, 2022, and the related notes to the financial statement. We issued our report thereon dated January 25, 2023, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information 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 itself, 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.



Beth Kelley, CPA, CFE  
Deputy State Examiner

January 25, 2023

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
<b>Department of Agriculture</b>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2022	\$ -	\$ -	\$ -	\$ 784,208
School Breakfast Program							
National School Lunch Program	Indiana Department of Education	10.555	FY 2021	-	2,651	-	-
National School Lunch Program/After School Snacks			FY 2021	-	275,586	-	-
Federal Commodities			FY 2022	-	-	-	2,310,157
National School Lunch Program			FY 2022	-	-	-	322,121
Federal Commodities							
Total - National School Lunch Program				-	278,237	-	2,632,278
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2021	-	1,925,482	-	-
Summer Food Service Program for Children			FY 2022	-	-	-	64,150
Summer Food Service Program for Children							
COVID-19 - Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2022	-	589,325	-	-
COVID-19 - Summer Food Service Program for Children							
Total - Summer Food Service Program for Children				-	2,514,807	-	64,150
Fresh Fruits and Vegetables Program	Indiana Department of Education	10.582	FY 2022	-	-	-	149,407
Fresh Fruit & Vegetable							
Total - Child Nutrition Cluster				-	2,793,044	-	3,630,043
Fresh Fruits and Vegetables Program	Indiana Department of Education	10.582	FY 2021	-	34,152	-	-
Fresh Fruit & Vegetable							
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2021	-	53,680	-	-
Head Start Snacks Program			FY 2022	-	-	-	34,994
Head Start Snack Program Kokomo			FY 2022	-	-	-	51,247
Head Start Snack Program Peru							
Total - Child and Adult Care Food Program				-	53,680	-	86,241
Farm to School Grant Program	Indiana Department of Education	10.575	FY2022	-	-	-	9,400
Farm to School Grant Program							
COVID-19 - Pandemic EBT Administrative Costs	Indiana Department of Education	10.649	FY2022	-	-	-	3,063
Pandemic EBT							
Total - Department of Agriculture				-	2,880,876	-	3,728,747
<b>Department of the Treasury</b>							
COVID-19 - Coronavirus Relief Fund	Direct Grant	21.019	FY 2021	-	1,331	-	-
COVID-19 - Coronavirus Relief Fund							
Total - Department of the Treasury				-	1,331	-	-

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
<b>Federal Communications Commission</b>							
Universal Service Fund - Schools and Libraries School Technology Fund	Direct Grant	32.004	FY2022	-	-	-	264,820
Total - Federal Communications Commission				-	-	-	264,820
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
Indiana Department of Education		84.027					
Spec Ed Part B 611 FY 2019			19611-090-PN01	-	278,518	-	-
Spec Ed Part B 611 FY 2020			20611-093-PN01	-	1,509,741	-	-
IDEA ARP 611			22611-093-ARP	-	-	-	3,000
Special Ed 611B FY 20			H027A190084	-	-	-	261,519
Special Ed B/611 FY 21			H027A190084	-	-	-	1,472,162
Total - Special Education Grants to States				-	1,788,259	-	1,736,681
Special Education Preschool Grants							
Indiana Department of Education		84.173					
Special Ed Part B 619 Preschool FY 2019			19619-090-PN01	-	13,601	-	-
Special Ed Preschool 2020			20619-093-PN01	-	55,648	-	-
IDEA ARP 619			22619-093-ARP	-	-	-	-
Special Education Preschool FY21			H173A180104	-	17,719	-	-
Spec Ed B/619PRESCHOL			H173A180104	-	-	-	21,789
Spec Ed B/619 PRSCL/FY21			H173A180104	-	-	-	80,995
Spec Ed B/619/PSCHL FY22			H173A210104	-	-	-	21,049
Total - Special Education Preschool Grants				-	86,968	-	123,833
Total - Special Education Cluster (IDEA)				-	1,875,227	-	1,860,514
Adult Education - Basic Grants to States							
Lafayette School Corporation		84.002					
Adult Ed Basic Federal 19-20			FY 2021	-	18,238	-	-
Adult Education - Basic 2020-2021			FY 2021	-	47,793	-	-
Adult Education 2020-21			FY 2022	-	-	-	38,887
Adult Education 2021-22			FY 2022	-	-	-	71,209
Total - Adult Education - Basic Grants to States				-	66,031	-	110,096
Title I Grants to Local Educational Agencies							
Indiana Department of Education		84.010					
Title I Basic 20-21			18611-001-PN01	-	1,252,372	-	-
Title I Delinquent 20-21			18611-001-PN01	-	34,444	-	-
School Improvement TZ 20-21			18611-001-PN01	-	742,846	-	-
Title I Delinquent 2019-2020			S010A190014	-	23,454	-	-
Title I Basic 19-20			S010A190014	-	542,561	-	-
School Improvement Grant 1003A 19-20 - TZ			S010A190014	-	582,817	-	-
Title I 20-21			S010A200014	-	-	-	437,480
Title I Delinquent 20-21			S010A200014	-	-	-	18,202
Title I SIG TZ 20-21			S010A200014	-	-	-	380,055
Title I 21-22			S010A210014	-	-	-	1,637,856
Title I Delinquent 21-22			S010A210014	-	-	-	33,897
Title I TZ 21-22			S010A210014	-	-	-	179,064
Total - Title I Grants to Local Educational Agencies				-	3,178,494	-	2,686,554

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Career and Technical Education-Basic Grants To States	Department of Workforce Development	84.048					
Carl Perkins 2019-2020			20-0515-3500	-	66,712	-	-
Carl Perkins 2020-2021			21-0512-3500	-	167,526	-	74,311
Perkins Assessment Grant			21-0512-A020	-	-	-	4,411
Carl Perkins COVID Grant			21-0512-C020	-	20,202	-	7,346
Perkins Reserve Grant			21-0512-R020	-	-	-	19,700
Perkins Assessment Grant 21-22			22-0512-A020	-	-	-	-
Carl Perkins 2021-22			22-0512-B020	-	-	-	228,242
Perkins Planning 21-22			22-0512-C020	-	-	-	880
Total - Career and Technical Education-Basic Grants To States				-	254,440	-	334,890
Education for Homeless Children and Youth	Indiana Department of Education	84.196					
McKinney Vento 19-20			S196A190015	-	49,168	-	-
McKinney Vento Homeless 20-21			S196A200015	-	20,182	-	26,673
Total - Education for Homeless Children and Youth				-	69,350	-	26,673
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
21st CCLC 2020-21			FY2022	-	-	-	4,244
21st Century CLC Grant 19-20			S287C180014	-	41,084	-	-
21st Century CLC Grant 20-21			S287C190014	-	49,632	-	-
Total - Twenty-First Century Community Learning Centers				-	90,716	-	4,244
Gaining Early Awareness and Readiness For Undergraduate Programs	Indiana Commission for Higher Education	84.334					
Gear Up Transportation			FY2022	-	-	-	8,525
Gear Up Grant			P33S160023	-	1,119	-	-
Total - Gaining Early Awareness and Readiness For Undergraduate Programs				-	1,119	-	8,525
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III 2019-2021			01120-030	-	3,533	-	-
Title III 20-22			S365A190014	-	9,451	-	-
Title III 2019-21			S365A190014	-	-	-	874
Title III 2020-22			S365A190014	-	-	-	5,269
Total - English Language Acquisition State Grants				-	12,984	-	6,143
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title IIA 2018-2020			367A180013	-	22,431	-	-
Title IIA FY19-21			S367A190013	-	224,767	-	91,482
Title IIA FY 20-22			S367A200013	-	3,554	-	327,552
Title IIA FY 21-23			S367A210013	-	-	-	24,614
Total - Supporting Effective Instruction State Grants				-	250,752	-	443,648
School Improvement Grants	Indiana Department of Education	84.377					
School Improvement 1003G MCMS 19-20			S377A140015	-	46,586	-	-
School Improvement 1003G PP 19-20			S377A140015	-	57,134	-	-
School Improvement 1003G BAE 19-20			S377A140015	-	3,939	-	-
School Improvement 1003G BAMS 19-20			S377A140015	-	71,734	-	-
School Improvement 1003G PP 20-21			S377A140015	-	38,959	-	42,809
School Improvement 1003G BAMS 20-21			S377A140015	-	46,435	-	51,508
School Improvement 1003G MCMS 20-21			S377A140015	-	47,000	-	64,489
Total - School Improvement Grants				-	311,787	-	158,806

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21	Passed Through to Subrecipient 06-30-22	Total Federal Awards Expended 06-30-22
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV Part A 2019-21			2019-424-107	-	73,609	-	-
Title IV Part A 20-22			H173A180104	-	87,472	-	-
Title IV 19-21			S367A190013	-	-	-	-
Title IV 20-22			S424A200015	-	-	-	54,939
Total - Student Support and Academic Enrichment Program				-	161,081	-	54,939
COVID-19 - Education Stabilization Fund	Indiana Department of Education	84.425					
Title I CARES		84.425D	7000-S425D200013	-	941,057	-	-
Governor's Emergency Relief Fund		84.425C	S425C200018	-	346,862	-	-
ESSER II		84.425D	S425D200013	-	-	-	3,849,650
ESSER III		84.425U	S425U210013	-	-	-	2,055,178
ESSER III TZ		84.425U	S425U210013	-	-	-	343,572
Federal CARES Stimulus		84.425D	S425D200013	-	-	-	711,767
Total - COVID 19 - Education Stabilization Fund				-	1,287,919	-	6,960,167
Total - Department of Education				-	7,559,900	-	12,655,199
<b>Department of Health and Human Services</b>							
<b>CCDF Cluster</b>							
Child Care and Development Block Grant	Indiana FSSA	93.575					
Building Stimulus-BAE			Bon Air Elementary	-	-	-	9,130
Building Stimulus-BLVD			Boulevard	-	-	-	5,941
Building Stimulus-EHE			Elwood Haynes	-	-	-	2,907
Building Stimulus-LPE			Lafayette Park	-	-	-	5,296
Building Stimulus-PPE			Pettit Park	-	-	-	2,274
Building Stimulus-SYC			Sycamore	-	-	-	3,386
Total - Child Care and Development Block Grant				-	-	-	28,934
Total - CCDF Cluster				-	-	-	28,934
<b>Head Start Cluster</b>							
Head Start	Direct Grant	93.600					
Head Start CARES Stimulus			05CH0101284-0502	-	168,157	-	82,303
Head Start 2020			05CH010284-05-00	-	1,723,060	-	-
Head Start 2021			05CH011910-01	-	872,488	-	1,542,870
Head Start 2022			05CH011910-02	-	-	-	712,861
Head Start COVID ARP			05HE001039-01	-	-	-	215,703
Total - Head Start				-	2,763,705	-	2,553,737
Total - Head Start Cluster				-	2,763,705	-	2,553,737
<b>Medicaid Cluster</b>							
Medical Assistance Program	Indiana Department of Education	93.778					
Medicaid Reimbursement Federal			FY2022	-	-	-	117,238
Medicaid Federal Reimbursement			FY21	-	128,321	-	-
Total - Medicaid Cluster				-	128,321	-	117,238
Total - Department of Health and Human Services				-	2,892,026	-	2,699,909
Total federal awards expended				\$ -	\$ 13,334,133	\$ -	\$ 19,348,675

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

KOKOMO SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Summary of Significant Accounting Policies**

*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 years ended June 30, 2021 and 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, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the 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 allowed under the Uniform Guidance.

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**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 weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.425	Child Nutrition Cluster COVID-19 - Education Stabilization Fund	Unmodified Qualified

Dollar threshold used to distinguish between Type A and Type B programs: \$980,484

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2022-001**

Subject: COVID-19 - Education Stabilization Fund - Equipment  
 Federal Agency: Department of Education  
 Federal Program: COVID-19 - Education Stabilization Fund  
 Assistance Listings Number: 84.425D  
 Federal Award Number and Year (or Other Identifying Number): 7000-S425D200013  
 Pass-Through Entity: Indiana Department of Education  
 Compliance Requirement: Equipment and Real Property Management  
 Audit Findings: Material Weakness, Modified Opinion

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

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

The School Corporation purchased \$438,016 of equipment with COVID-19 - Education Stabilization Fund funds. The equipment was not added to the property record which would include a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, use and condition of the property.

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

*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 award 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 200.313(d)(1) states:

"Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property."

*Cause*

Management had not established a system of internal control that would have ensured compliance with the grant agreement and the Equipment and Real Property compliance requirement.

*Effect*

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

KOKOMO SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*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 Equipment and Real Property Management compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.



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**Mission Statement**

Our mission is to develop global-minded and compassionate lifelong learners for a changing world.

**CORRECTIVE ACTION PLAN**

**FINDING 2022-001** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Robert McIntire, Director of Business

Contact Phone Number: 765-455-8000

We concur with the finding. Equipment was purchased with a total value of \$438,016 and was incorrectly purchased and recorded and reimbursed as supplies and the inventory did not correctly reflect the purchase of these items.

**Description of Corrective Action Plan:**

Kokomo School Corporation will update its internal controls process to address this issue. All staff who are a part of grant administration and purchasing will be retrained on the internal controls process and on the details of property records that must be maintained. Additionally, Kokomo School Corporation staff will review inventory records for items purchased since July 2021 to ensure that the Equipment and Real Property Management compliance requirement is met.

**Anticipated Completion Date:**

Retraining will be completed by 8/1/2023.  
Review of purchases and inventory updates will be completed by 7/1/2024.

## OTHER REPORTS

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/>.