

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

SUPPLEMENTAL COMPLIANCE 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



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of the Kokomo School Corporation (School Corporation), for the period from July 1, 2020 to June 30, 2022. 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 our 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

January 25, 2023

KOKOMO SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Condition and Context

Of the 25 brick and mortar students tested, the School Corporation could not provide supporting documentation for 3 students to ensure they were properly enrolled.

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

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 assets records.

The Columbian Elementary School building was sold in September 2021; however, the building and other related assets were still included in its capital assets records as active assets. These assets should have been removed from the capital asset inventory.

Additionally, the School Corporation purchased equipment with grant funds totaling \$438,016, which were not added to the capital assets records.

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 January 25, 2023, with Robert McIntire, Treasurer; Dr. Mike Sargent, Superintendent of Schools; Lewis Hall, President of the School Board; David Emry, Vice President of the School Board; and Lisa Ellison, Secretary of the School Board.