

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

SCHOOL CITY OF MISHAWAKA

ST. JOSEPH COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED

03/09/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Alex Newman Tracey Bolin	07-01-20 to 12-27-22 12-28-22 to 12-31-23
Superintendent of Schools	Wayne Barker Dr. Theodore Stevens	07-01-20 to 06-30-22 07-01-22 to 06-30-23
President of the School Board	Richard C. Currey Holly Parks	07-01-20 to 12-31-20 01-01-21 to 06-30-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE SCHOOL CITY OF MISHAWAKA, ST. JOSEPH COUNTY, INDIANA

This report is supplemental to our audit report of the School City of Mishawaka (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

February 21, 2023

SCHOOL CITY OF MISHAWAKA
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Financial and supplementary information are required to be reported annually on the Indiana Gateway for Government Units (Gateway) financial reporting system. The School Corporation was not in compliance with the Schedule of Capital Assets.

Variances were noted in the capital asset totals reported in Gateway compared to supporting documentation provided by the School Corporation. In addition, the School Corporation could not provide capital asset documentation that included all assets above the capitalization threshold amount of \$5,000. The School Corporation approved the omission of the Schedule of Capital Assets from the Financial Statement Audit Report.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CAPITAL ASSETS

This same comment appeared in a Management Letter addressed to school officials for the audit period ending June 30, 2020.

Condition and Context

The School Corporation did not include eight of nine assets purchased with COVID-19 - Education Stabilization Fund grant funds on the capital asset detailed ledger. In addition, the capital asset listing included items below the \$5,000 threshold established by the School Corporation's Policy 7450, Property Inventory.

SCHOOL CITY OF MISHAWAKA
AUDIT RESULTS AND COMMENTS
(Continued)

Lastly, the School Corporation could not provide evidence that a physical inventory had been completed every two years as required.

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)

RECEIPT ISSUANCE - APPLIES TO MISHAWAKA HIGH SCHOOL

Condition and Context

Twenty-five receipts were tested for timeliness of posting to the financial records. Four receipts tested were recorded in the financial system as a lump sum of multiple electronic deposits with varying dates from the prior month. This resulted in the receipts not to be recorded at the time of transaction as required. In addition, the receipt for the maturity of an investment was not recorded to the financial system until ten days after the bank deposit.

Criteria

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 7)



School City of Mishawaka

Creating a Culture of Excellence

OFFICIAL RESPONSE

Date: March 1, 2023

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: Audit Results for the 07-01-2020 to 06-30-2022 Period

School City of Mishawaka acknowledges the findings that were stated in the recent audit report of the corporation's Financial Statements and Annual Financial Reports. The corporation has implemented the Corrective Action Plans and processes for each of the items mentioned in the audit exit conference.

Tracey R. Bolin
Director of Business Services

Administrative Center

1402 South Main Street • Mishawaka, IN 46544-5297
phone [574] 254-4500 • fax [574] 254-4585 • MishawakaSchools.com

SCHOOL CITY OF MISHAWAKA
EXIT CONFERENCE

The contents of this report were discussed on February 21, 2023, with Tracey Bolin, Treasurer; Dr. Theodore Stevens, Superintendent of Schools; Rachel Dutoi, Assistant Director of Business Services; and William Pemberton, School Board member.