

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CROWN POINT COMMUNITY SCHOOL CORPORATION

LAKE COUNTY, INDIANA

July 1, 2013 to June 30, 2015



**FILED**  
07/15/2016



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Change Orders .....	4
Curricular Materials .....	4
Official Response .....	5
Exit Conference .....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Matthew D. Ruess Gene A. Williams	07-01-13 to 02-26-16 02-27-16 to 06-30-16
Superintendent of Schools	Dr. Teresa A. Eineman	07-01-13 to 12-31-16
President of the School Board	Scott T. Angel Gerald A. Caravana Scott T. Angel	01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-16



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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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE CROWN POINT COMMUNITY  
SCHOOL CORPORATION, LAKE COUNTY, INDIANA

This report is supplemental to our audit report of the Crown Point Community School Corporation (School Corporation), for the period from July 1, 2013 to June 30, 2015. 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 and Federal Single Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://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.

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

May 31, 2016

CROWN POINT COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

**CHANGE ORDERS**

The School Board did not approve all contract change orders as required by Indiana Statute. The Learning Center Construction project had three change orders to the contract; however, only one of the three change orders was approved by the School Board.

Indiana Code 36-1-12-18(a) states:

"If, in the course of the construction, reconstruction, or repair of a public work project, it becomes necessary to change or alter the original specifications, a change order may be issued to add, delete, or change an item or items in the original contract. The change order becomes an addendum to the contract and must be approved and signed by the board and the contractor. "

**CURRICULAR MATERIALS**

The School Corporation used an estimated shipping charge to calculate textbook rental (TBR) charges to be adopted by the School Board. The actual shipping charges were not known until after the Fall when the books were received and after the School Board had adopted the fees to be charged. The actual shipping costs were less than the estimated charges and resulted in higher fees charged.

Indiana Code 20-26-12-2 stated in part during the audit period:

"(a) A governing body may purchase from a publisher any curricular material selected by the proper local officials. The governing body may rent the curricular materials to students enrolled in any public or nonpublic school that is:

- (1) in compliance with the minimum certification standards of the state board; and
- (2) located within the attendance unit served by the governing body.

The annual rental rate may not exceed twenty-five percent (25%) of the retail price of the curricular materials.

(b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than fifteen percent (15%) of the retail price of curricular materials that have been:

- (1) extended for usage by students under section 24(e) of this chapter; and
- (2) paid for through rental fees previously collected."

# CROWN POINT COMMUNITY SCHOOL CORPORATION



200 E. North Street  
Crown Point, Indiana 46307  
Phone: (219) 663-3371  
Fax: (219) 662-4304

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## BUSINESS OFFICE

Mr. Paul Joyce, CPA  
State Examiner  
State Board of Accounts  
302 W. Washington St., Room E418  
Indianapolis, In 46204

June 7, 2016

RE: CPCSC Response

Dear Mr. Joyce:

We had our final exit conference on Tuesday, May 31, 2016 with the State Board of Accounts regarding the audit period of July 1, 2013 through June 30, 2015. We would like to thank the representatives from the State Board of Accounts for their professionalism and thoroughness with which they conducted themselves throughout the process of forming an expression of opinion. We are pleased there were no federal findings. A couple of "Comments" were provided for our benefit. We have reviewed our internal procedures for these two items with the following resolutions.

### Change Orders

The CPCSC Learning Center construction project has three change orders. One change order has been approved prior to project completion. The other two change orders will be approved at the June 27 School Board meeting. It should be noted that the change orders were related to a new educational facility that was completed in less than a year. It was completed on-time and under-budget.

### Curricular Materials

The School Corporation made every effort to obtain reliable shipping charges from publishers to calculate textbook rental (TBR) for adoption by the School Board for the upcoming year. Actual shipping charges were not known until the fall when books were received and invoiced by the publisher and in some instances were less than estimated. Textbook rental calculations are under review and will be adjusted as needed, although beginning in 2015-16 charges for some adopted materials were eliminated in an effort to provide a one-to-one device at little or no increase in cost to parents. Additionally, curriculum delivered electronically precludes the need for shipping.

Respectfully submitted,

Dr. Teresa A. Eineman  
Superintendent of Schools

Gene A. Williams  
Treasurer

CROWN POINT COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on May 31, 2016, with Matthew D. Ruess, former Treasurer; Gene A. Williams, Treasurer; Dr. Teresa A. Eineman, Superintendent of Schools; and Scott T. Angel, President of the School Board.