

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

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

COMPLIANCE EXAMINATION REPORT

OF

FRANKTON-LAPEL COMMUNITY SCHOOL CORPORATION

MADISON COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

03/31/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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March 31, 2025

To: The Officials of the Frankton-Lapel Community School Corporation
Frankton-Lapel Community School Corporation
Madison County, Indiana

This report is supplemental to the audit report of Frankton-Lapel Community School Corporation (School Corporation), for the period July 1, 2022 to June 30, 2024. It has been provided as a separate report so that the reader may easily identify any 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 findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report of Frankton-Lapel Community School Corporation prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2024. In our opinion, the supplemental 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 page 3.

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

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
FRANKTON-LAPEL COMMUNITY SCHOOL CORPORATION
Madison County, Indiana
July 1, 2022 through June 30, 2024

FRANKTON-LAPEL COMMUNITY SCHOOL CORPORATION

Madison County, Indiana
July 1, 2022 through June 30, 2024

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FRANKTON-LAPEL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF OFFICIALS
July 1, 2022 through June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Candace McDonald	07-01-22 to 06-30-24
Superintendent of Schools	Sterling Boles	07-01-22 to 06-30-24
President of the School Board	Tami Davis	01-01-22 to 12-31-24

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Frankton-Lapel Community School Corporation

We have examined the Frankton-Lapel Community School Corporation's ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period of July 1, 2022 through June 30, 2024. 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.

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

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 of July 1, 2022 to June 30, 2024, as described in items 2024-001 and 2024-002 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 of July 1, 2022 through June 30, 2024.


Crowe LLP

Indianapolis, Indiana
March 17, 2025

FRANKTON-LAPEL COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2022 through June 30, 2023

FINDING 2024-001: AVERAGE DAILY MEMBERSHIP (ADM) TESTING

Criteria: Officials shall maintain records (enrollment cards, records, rosters, reporting forms, etc.) which substantiate the number of students claim for ADM. The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed (Accounting and Uniform Compliance Guidelines Manual for Indiana Public Schools, Part 9).

Condition: During our testing, 2 virtual students in our sample of 60 virtual students selected for testing, was not regularly attending class during FY23. The students had no attendance in the two weeks prior to each ADM count date sampled.

The noncompliance was isolated to the virtual students sampled; no issues were noted in the sample of 60 brick and mortar students sampled.

Due to the count date issues reported above, school officials need to contact the Indiana Department of Education, Division of School Finance, to review the issues identified and determine if any steps to need to be taken to correct any attendance reporting or funding issues.

FINDING 2024-002: SCHEDULES IN ANNUAL FINANCIAL REPORT – DEBT AND LEASES

Criteria: Indiana Code 5-11-1-4(a) states, *"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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."*

Condition: Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The information entered into Gateway contained the following errors:

Debt and Leases

- The School Corporation overstated the annual lease payment for the solar paneling project lease by \$55,000 compared to the underlying amortization schedules.
- The School Corporation reported the remaining outstanding balance on the Series 2023 bonds rather than the annual lease payment due through the building corporation next year.

Adjustments were posted to the Schedule of Leases and Debt in the financial statement to correct these items.

FRANKTON-LAPEL COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE
July 1, 2022 through June 30, 2024

The contents of this report were discussed on March 14, 2025, with Candace McDonald, Treasurer, Sterling Boles, Superintendent, and Seth Bays, School Board President.