

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

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

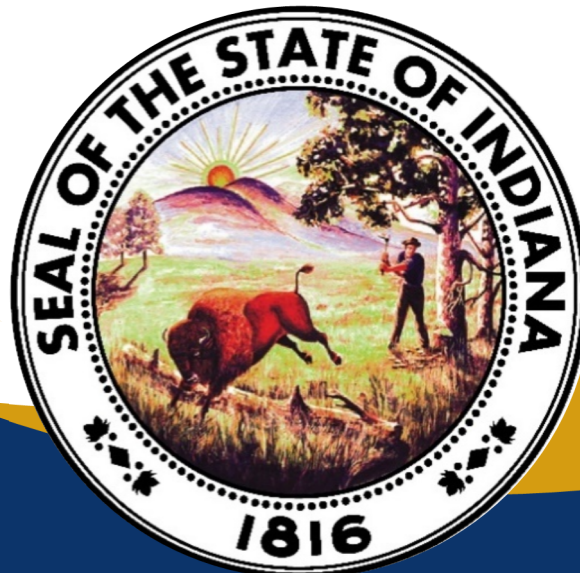
COMPLIANCE EXAMINATION REPORT

OF

FAIRFIELD COMMUNITY SCHOOLS

ELHART COUNTY, INDIANA

July 1, 2022 to June 30, 2024



**FILED**

03/25/2025



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

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March 25, 2025

To: The Officials of the Fairfield Community Schools  
Fairfield Community Schools  
Elkhart County, Indiana

This report is supplemental to the audit report of Fairfield Community Schools (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/](http://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 instance of noncompliance found as a result of these procedures.

We have reviewed the supplemental report of Fairfield Community Schools 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 pages 3 and 4.

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**  
**FAIRFIELD COMMUNITY SCHOOLS**  
Elkhart County, Indiana  
July 1, 2022 through June 30, 2024

FAIRFIELD COMMUNITY SCHOOLS

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

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FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF OFFICIALS  
July 1, 2022 through June 30, 2024

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jill Erb	07-01-22 to 06-30-24
Superintendent of Schools	Dr. Carrie Cannon	07-01-22 to 06-30-24
President of the School Board	Marilee Keim Sarah Elledge	01-01-22 to 12-31-22 01-01-23 to 12-31-24



## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of Fairfield Community Schools

We have examined Fairfield Community Schools' ("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 through June 30, 2024, as described in items 2024-001, 2024-002, and 2024-003 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*

Crowe LLP

Indianapolis, Indiana  
March 6, 2025

FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2022 through June 30, 2024

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**FINDING 2024-001: ANNUAL FINANCIAL REPORT**

**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:** During testing of Annual Financial Report submissions, we noted the fiscal year 2023 and 2024 Annual Financial Reports were submitted on September 20, 2023 (22 days late) and September 21, 2024 (23 days late), respectively.

**FINDING 2024-002: CAPITAL ASSETS**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations states in part, *"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."*

**Condition:** A physical inventory of capital assets was not performed during the two-year period of July 1, 2022 through June 30, 2024.

**FINDING 2024-003: SCHEDULES IN ANNUAL FINANCIAL REPORT – OTHER INFORMATION**

**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 error:

*Capital Assets*

The School Corporation reported \$87,377,341 in total capital assets on the Schedule of Capital Assets. The School Corporation was unable to produce a capital asset listing to materially support the reported balances.

*Accounts Receivable*

The School Corporation did not report Accounts Receivable on the Schedule of Payables and Receivables at June 30, 2024. At June 30, 2024, the School Corporation had negative fund balances totaling \$452,015 related to grant reimbursement funds which represents outstanding accounts receivable balance. An adjustment was posted to the Schedule of Payables and Receivables to report \$452,015 in Accounts Receivable.

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(Continued)

FAIRFIELD COMMUNITY SCHOOLS  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2022 through June 30, 2024

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**FINDING 2024-003** (Continued)

*Accounts Payable*

The School Corporation reported \$165,020 Accounts Payable on the Schedule of Payables and Receivables at June 30, 2024 which was supported by a calculation of recurring monthly payments for the School Corporation. At the July 11, 2024 Board meeting, \$824,625 of claims that had not yet been posted were approved for payment. Claims that were approved but not yet paid represent the total outstanding accounts payable balance as of June 30, 2024. An adjustment was posted to the Schedule of Payables and Receivables to report \$824,625 in Accounts Payable.

FAIRFIELD COMMUNITY SCHOOLS  
EXIT CONFERENCE  
July 1, 2022 through June 30, 2024

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The contents of this report were discussed on March 6, 2025, with Jill Erb, Treasurer, Monica Kegerreis, Assistant Superintendent, Brandon Penrod, Chief Financial Officer, Dr. Carrie Cannon, Superintendent, and Marilee Keim, President of the Board.