

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

HAMILTON COMMUNITY SCHOOLS

STEBEN COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
06/13/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	(Vacant)	07-01-16 to 08-21-16
	Robin Byler	08-22-16 to 07-25-18
	(Vacant)	07-26-18 to 08-03-18
	Brittany Taylor	08-04-18 to 06-30-19
Superintendent of Schools	Dr. Nicole Singer	07-01-16 to 06-30-18
	(Vacant)	07-01-18 to 07-23-18
	Anthony Cassel	07-24-18 to 06-30-19
President of the School Board	Scott Lucas	07-01-16 to 09-12-16
	Robert Gaff (interim)	09-13-16 to 11-13-16
	Mark Gould	11-14-16 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE HAMILTON COMMUNITY SCHOOLS, STEUBEN COUNTY, INDIANA

This report is supplemental to our audit report of the Hamilton Community Schools (School Corporation), for the period from July 1, 2016 to June 30, 2018. 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 opinion 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 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

April 29, 2019

HAMILTON COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

The same comment also appeared in prior Report B49586.

There were no capital asset records being maintained for the audit period.

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)

SUPPORTING SCHEDULES

The same comment also appeared in prior Report B49586.

The Schedule of Payables and Receivables and the Schedule of Capital Assets presented in the Annual Financial Report (AFR) were not accurate and did not have supporting documentation for verification. The schedules will not be included in the Other Information - Unaudited section of the Indiana State Board of Accounts Audit Report.

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](#)."

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)

HAMILTON COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

TRAINING ON INTERNAL CONTROL STANDARDS

For the period ending on June 30, 2018, the legislative body of the School Corporation failed to ensure the personnel received training concerning the internal control standards and procedures adopted by the political subdivision.

The legislative body of the School Corporation adopted internal control standards on March 14, 2016. Internal Control Training Certification Forms were not retained for the audit period; therefore, we are unable to determine if the legislative body had ensured that personnel received training.

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

The Treasurer of the School Corporation certified in the AFR on August 28, 2017, that the minimum internal control standards had been adopted by the political subdivision and personnel had received training as required. The School Board adopted the minimum level of internal control standards on March 14, 2016; however, we were unable to determine if personnel had received training due to lack of documentation. Therefore, the AFR as submitted was incorrect.

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](#)."

HAMILTON COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on April 29, 2019, with Brittany Taylor, Treasurer; Anthony Cassel, Superintendent of Schools; and Mark Gould, President of the School Board.