

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
COMMUNITY SCHOOLS OF FRANKFORT
CLINTON COUNTY, INDIANA
July 1, 2017 to June 30, 2019



FILED
01/15/2020

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Compensation and Benefits	4-5
Annual Financial Report	5
Exit Conference.....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Leslie L. Michael	07-01-17 to 12-31-19
Superintendent of Schools	Donald W. DeWeese	07-01-17 to 06-30-21
President of the School Board	Sandra L. Miller Karen Sutton	01-01-17 to 12-31-18 01-01-19 to 12-31-19



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TO: THE OFFICIALS OF THE COMMUNITY SCHOOLS OF FRANKFORT, CLINTON COUNTY, INDIANA

This report is supplemental to our audit report of the Community Schools of Frankfort (School Corporation), for the period from July 1, 2017 to June 30, 2019. 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 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

December 19, 2019

COMMUNITY SCHOOLS OF FRANKFORT
AUDIT RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

Condition and Context

A similar comment also appeared in prior Report B51469.

Compensation for the positions noted below were not established in a labor contract, salary ordinance, resolution, or salary schedule adopted by the by the School Board for the audit period.

Treasurer/Director of Finance
Maintenance Director

Subsequent to the audit period, the contracts for these employees have been prepared, but not signed by the Superintendent of Schools or by the School Board.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

Indiana Code 20-26-4-8 states:

"Notwithstanding any other law, the president and secretary of the governing body of a school corporation are entitled, on behalf of the school corporation, to sign any contract, including employment contracts and contracts for goods and services. However, each contract must be approved by a majority of all members of the governing body. In the absence of either the president or secretary of the governing body, the vice president is entitled to sign the contracts with the officer who is present."

COMMUNITY SCHOOLS OF FRANKFORT
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 20-26-5-6 states:

"All powers delegated to the governing body of a school corporation under section 1 or 4 of this chapter are subject to all laws subjecting the school corporation to regulation by a state agency, including the state superintendent, state board of accounts, state police department, fire prevention and building safety commission, department of local government finance, environmental rules board, state school bus committee, state department of health, and any local governmental agency to which the state has been delegated a specific authority in matters other than educational matters and other than finance, including plan commissions, zoning boards, and boards concerned with health and safety."

ANNUAL FINANCIAL REPORT

Condition and Context

The School Corporation did not complete the capital assets section of the Annual Financial Report submitted into the Indiana Gateway for Government Units financial reporting system.

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](#)."

COMMUNITY SCHOOLS OF FRANKFORT
EXIT CONFERENCE

The contents of this report were discussed on December 19, 2019, with Leslie L. Michael, Treasurer; Donald W. DeWeese, Superintendent of Schools; and Karen Sutton, President of the School Board.