

CALVIN PUBLIC SCHOOL DISTRICT No. 321048
HUGHES COUNTY
SPECIAL AUDIT REPORT
JULY 1, 2001 THROUGH FEBRUARY 28, 2003

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

October 24, 2003

Patrons and Citizens
Calvin, Oklahoma 74531

Transmitted herewith is the Special Audit Report of the Calvin Public School District No. 321048 Hughes County, Oklahoma. We performed our special audit in accordance with the requirements of **74 O.S. 2001, § 212**.

A report of this type is critical in nature; however, we do not intend to imply that our report failed to disclose commendable features in the present accounting and operating procedures of the District.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government which is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our Office during the course of this special audit.

Sincerely,

A handwritten signature in cursive script that reads "Jeff A. McMahon".

JEFF A. McMAHAN
State Auditor and Inspector

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index of specific concerns

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**CALVIN PUBLIC SCHOOL DISTRICT No. 321048
HUGHES COUNTY
SPECIAL AUDIT REPORT
JULY 1, 2001 THROUGH FEBRUARY 28, 2003**

BOARD OF EDUCATION

James Tollett President
Mark Battershell Vice-President
Barbara Bue Clerk
Coy Edwards Member
Curtis Ayers Member
resigned November 4, 2002

SUPERINTENDENT

Leroy Orr

SECRETARY/TREASURER

Jane Buffington



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Board of Education
Calvin Public School District No. 321048
P.O. Box 127
Calvin, Oklahoma 74531

Pursuant to the citizens' petition and in accordance with the requirements of 74 O.S. 2001, § 212, we performed a special audit with respect to the Calvin Public School District No. 321048, Hughes County, Oklahoma for the period July 1, 2001 through February 28, 2003.

The objectives of our special audit primarily included, but were not limited to, the items listed in the "index of specific concerns" noted in the table of contents. Our findings and recommendations related to these procedures are presented in the accompanying report.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on the account balances or financial statements of the Calvin Public School District No. 321048, for the period July 1, 2001 through February 28, 2003. Further, due to the test nature and other inherent limitations of a special audit report, together with the inherent limitations of any internal control structure, there is an unavoidable risk that some material misstatements may remain undiscovered. This report relates only to the accounts and items specified above and does not extend to any financial statements of the District taken as a whole.

This report is intended to provide information to the petitioners, Board of Education, and Administration of the District. This restriction is not intended to limit the distribution of the report, which is a matter of public record when released.

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

August 6, 2003

CALVIN PUBLIC SCHOOL DISTRICT NO. 321048
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INTRODUCTION

The Independent School District No. 321048, Hughes County, Oklahoma, (Calvin Independent School) is an integral part of the Oklahoma State System of Public Education as described in **70 O.S. 2001, § 1-101 et seq.**, the **Oklahoma School Code**. The Board of Education of the Calvin Public School District is responsible for the supervision, management and control of the District as provided by **70 O.S. 2001, § 5-117**. Both the Board of Education and the Calvin Public School District are subject to the provisions of the **Oklahoma School Code**.

The Calvin Public School District No. 321048 is audited annually by private independent auditors, and such audit reports were available for our review. The District Board of Education prepares an annual financial statement, presenting the financial position of the District as of the close of the previous fiscal year in accordance with the requirements of **68 O.S. 2001, §3002**. The financial information presented was prepared from the District's records provided to us by the District Administration.

The State Auditor and Inspector conducted a special audit of the records of the Calvin Public School District, primarily those records relating to the petitioners' concerns listed in the "index of specific concerns" noted in the table of contents. The results of the special audit are in the following report.

BOARD OF EDUCATION FIDUCIARY RESPONSIBILITIES

The Calvin Public School Board of Education and Superintendent have an obligation to act in the best interest of Calvin Public School as a whole. This fiduciary responsibility requires all funds belonging to the District be handled with scrupulous good faith and candor. Such a relationship requires that no individual shall take personal advantage of the trust placed in him or deal in such a way as to personally benefit him. When the board of Education and the Superintendent accept responsibility to act in a fiduciary relationship, the law forbids them from acting in any manner adverse or contrary to the interest of the District.

CONCERNS, FINDINGS AND RECOMMENDATIONS

I. CONCERN: *Possible irregularities in gymnasium construction project.*

FINDING NO. 1: On October 10, 2000 the Board of Education approved passing a resolution authorizing the calling of a special election to authorize the issuance of general obligation bonds to build a gymnasium with a storm shelter. On December 12, 2000 a special election for the issuance of bonds in the amount of \$510,000.00 to provide funds for the purpose of "constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures, and equipment and acquiring and approving school sites". The specific project for which at least eighty-five percent (85%) of the bond proceeds were to be used was to construct, furnish, and equip a new gymnasium with a storm shelter. The bonds for this proposal was approved by the electors of the District. The \$510,000.00 was the maximum allowable bonded debt for the District.

On January 11, 2001 the District entered into a contract with Williams-Springfield Enterprises, Inc. in the amount of \$97,000 to manage the gymnasium construction project. Also, the agreement stated that the management company would prepare an estimated cost of the gymnasium project. The estimated cost, dated March 29, 2001, reflects a total estimated project cost of \$832,184.00.

On April 12 and 19, 2001, the District published in The Hughes County Times, a notice to bidders for the construction of the gymnasium. The bidding documents could be obtained from Williams-Springfield Enterprises, Inc. The bids would be accepted until 7:00 pm, May 10, 2001 at the Superintendent's office at which time all sealed bids will be publicly opened and read aloud. Although, the advertisement for opening and reading the bids was May 10, 2001 the bids were opened at the May 17, 2001 special Board meeting and then awarded at the June 11, 2001 special Board meeting. Williams-Springfield sent memorandum, addendum no. 1, notice to bidders for clarification and/or revision to the plans and specifications dated April 12, 2001 and stating that "the date of the bid opening has been postponed until May 17, 2001...".

We find no statutory authority that allows the postponing of the bid opening, therefore opening of the bids subsequent to the advertised date appears to be a violation of **61 O.S. 2001, § 110**, which states:

"All bids shall be sealed and opened only at the time and place mentioned in the bid section, and read aloud in the presence of an administrative officer of the awarding public agency. Such bid opening shall be open to the public and to all bidders."

The bid envelopes did not reflect the time and date received to assure compliance with **61 O.S. 2001, § 109**, which states:

"Any bid received by the awarding public agency or an officer or employee thereof, more than ninety-six (96) hours excluding Saturdays, Sundays and holidays before the time set for the opening of bids, or any bid so received after the time set for opening of bids, shall not be considered by the awarding public agency and shall be returned unopened to the bidder submitting same."

In addition, it appears any items which had revisions to the plans or specifications should have been re-advertised for bid, which procedure appears to be in violation of **61 O.S. 2001, § 105(1)**, which states:

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"The character of the proposed public construction contract in sufficient details that all bidders shall know exactly what their obligation will be, either in the bid notice itself or by reference to bidding documents on file in the main office of the awarding public agency[.]"

Also, the flooring and electrical work were re-advertised for bids which were opened on August 14, 2001.

We obtained the warrant registers for the general, bond, and building funds to determine the total expenditures for the construction of the gymnasium and storm shelter/safe room. As of June 23, 2003, the District had expended a total of \$821,082.70 from various funds as reflected in the following schedule of expenditures by fund and fiscal year:

Bond fund:

FY02	\$205,696.64
FY03	<u>320,757.07</u>
Total bond fund	<u>\$526,453.71</u>

General fund:

FY01	\$70,550.00
FY02	9,475.32
FY03	<u>155,258.99</u>
Total general fund	<u>\$235,284.31</u>

Building fund:

FY03	\$59,344.68
Total expenditures	<u>\$821,082.70</u>

The District has approximately \$14,400 in unpaid contract amounts.

RECOMMENDATION: We recommend the Board establish policies and procedures to ensure compliance with the **Public Competitive Bidding Act of 1974, Title 61 Oklahoma Statutes, Section 101 et seq.**

FINDING NO. 2: The petitioners were concerned that some of the drains were covered with concrete that had to be fixed at an additional cost to the District. We reviewed the bid for the concrete and plumbing work to determine if additional payments were made to these contractors. The bid for the concrete work was for the amount of \$139,000.00 plus two (2) change orders totaling \$2,895.62 for a total contract of \$141,895.62. The change orders were increases due to price of materials increase. The plumbing contract was for the complete supply of labor and necessary equipment as per plans and specifications for \$15,000.00. The bid for materials was for \$18,535.00, which was paid directly to vendor. The total expenditures through June 23, 2003 to the concrete and plumbing contractors was \$141,895.62 and \$15,000.00, respectively. Based on the information, it appears there was no additional cost to correct the problems involving the drains.

RECOMMENDATION: No recommendation required.

FINDING NO. 3: While reviewing the contracts between the District and the vendors awarded the bids for the gymnasium construction project, we noted that the total amount of the approved contracts was not encumbered at the time the contract was approved. It appears the District received invoices for partial payment at which time the invoice amount was encumbered. At the time the contracts are approved by the District, the total amount of the contracts is obligated and must be encumbered. It appears encumbering only a portion of the contract amount is a violation of **70 O.S. 2001, § 5-135(D)**, which states:

"Prior to the issuance of a purchase order, the encumbrance clerk must first determine that the encumbrance will not exceed the balance of the appropriation to be charged. The encumbrance clerk shall charge the appropriate appropriation accounts and credit the affected encumbrances outstanding accounts with the encumbrances. A copy of the encumbrance or purchase order may be used as the authority for the designated school personnel to complete the purchasing process. Encumbrances must be submitted to the board of education in the order of their issuance on a monthly basis, subject to a monthly business cycle cut-off date determined by the board of education. Approved encumbrances shall be listed in the minutes by the minute clerk."

RECOMMENDATION: We recommend the Board comply with **70 O.S. 2001, § 5-135(D)** to assure appropriations are available.

FINDING NO. 4: We noted at the May 7, 2001 regular meeting that the Board of Education approved to purchase three (3) lots from Lynval and Sue Woodruff at a price of \$22,500.00. On May 18, 2002, a warranty deed for the easterly 75 ft. of lot one (1) and all of lots five (5) and six (6) block 32, Town of Calvin was issued to Calvin Public School. We found no appraisals for the property purchased to assure the District paid a reasonable price for the three (3) lots.

RECOMMENDATION: We recommend the Board obtain appraisal for land purchased to assure that it paid a fair value for the property.

II. CONCERN: *Possible irregularities in child nutrition program.*

FINDING NO. 1: The petitioner's alleged that the District was one hundred percent (100%) free meals, with only certain employees or Board members being billed for their child/children's meals. We obtained a list of the District employees from the payroll ledger and the Board members from the minutes to determine if they had children attending school and if they qualified for free or reduced meals or were charged full price.

The District maintains a ledger book for each grade that reflects the students name, status of eligibility (free, reduced, or paid meals), date, meals eaten, and balance due. We traced employees' and Board members' children to the ledgers determining if the student received free meals, reduced price meals or were charged the full price. We traced the students receiving free or reduced priced meals to the approved application for free or reduced meals on file at the school. These applications are approved by the District if the individuals meet certain eligibility requirements. Also, we selected some of the students that were charged for meals to verify payment to the District.

We reviewed employee applications for free/reduced meals to determine if they met eligibility requirements. The gross salaries listed on the applications for District employees were traced to a detailed earnings report that reflects their gross salary paid by the District. The following exceptions were noted:

FISCAL YEAR 2003:

1. Four (4) applications submitted by employees and approved by the Superintendent appear to have salaries listed on the application that are less than their actual salary paid by the District. If the correct salaries were reported, three (3) of the individuals would have qualified for reduced priced meals instead of free meals and one (1) individual would not have qualified for free or reduced priced meals.

2. It appeared one (1) application was submitted which did not list the employee and it was approved for free meals by the Superintendent. If the employee's salary was included on the application the individual would not have qualified for free or reduced price meals.

FISCAL YEAR 2002:

1. Three (3) applications submitted by employees and approved by the former secretary/treasurer appear to have salaries listed on the application that are less than their actual salary paid by the District. If the employees' correct salaries were reported, it appears the individuals would have qualified for reduced priced meals instead of free meals.

The Department of Education's School Food Service Compliance Document for the Child Nutrition Program states:

"Any school food authority has the authority to verify an application for cause at any time, including those who are eligible through Direct Certification. For cause applications are verified outside the random or focused sample process. A for cause verification is when an SFA has reason to believe that an application is not correct or information has come to the SFA's attention that questions the validity of the application..."

The Superintendent and secretary/treasurer were both aware of the salaries received by the employees, but still approved the false applications. During an interview, the Superintendent stated he did not question any of the salaries listed on applications by employees because it might be discrimination.

Also, the application for free and reduced price meals, signed by the applicant, states:

"I certify that all of the above information is true and correct that all income is reported. I understand that this information is being given for the receipt of federal funds, that school officials may verify the information on the application, and that deliberate misrepresentation of the information may subject me to prosecution under applicable state and federal laws."

We selected some of the students whose parent/parents or guardian were employees or Board members of the District that did not receive free meals to determine if charges were being made for meals and payments had been received. The following exceptions were noted.

1. One (1) employee had an unpaid balance in the amount of \$1,020.30 as of June 30, 2002. Also, it appears this employee submitted an application for free/reduced price meals for the 2003 fiscal year. Her application failed to accurately state her true salary, which disqualified her from the program. The total charges for fiscal year 2003 should have been \$296.70 creating a total unpaid balance of \$1,317.00.

2. One (1) Board member had an unpaid balance in the amount of \$46.80, although school record reflected a zero balance.

3. One (1) employee had an unpaid balance in the amount of \$36.10, which appears to be due to a receipting error by the District.

Also, we noted that fifteen (15) other students had outstanding balances over \$100 as of June 30, 2003 totaling \$3,363.10.

The District's teacher, support personnel and student policies state "lunch bills will be sent out monthly". The secretary stated that bills for outstanding meals were usually sent out approximately every six (6) weeks.

The non-collection of payments for meals may be a violation of **Article 10, § 17** of the **Constitution of Oklahoma**, which states:

"The Legislature shall not authorize any county or subdivision thereof, city, town, or incorporated district, to become a stockholder in any company, association, or corporation, or to obtain or appropriate money for, or levy any tax for, or to loan its credit to any corporation, association, or individual."

RECOMMENDATION: We recommend the proper authorities review this finding. Also, we recommend the Oklahoma Department of Education review this finding to determine the impact it had to aid received from the Department and take action, as it deems necessary. In addition, we recommend the Board of Education establish and implement policies and procedures for the collection of charges for meals.

FINDING NO. 2: The Superintendent stated the District's employees were not charged for meals and that he was unaware of any Board policy allowing the employees to eat free. Also, he stated that this practice was inherited when he came to the school. The District does not maintain records of the employees who eat at the cafeteria, only a total number of adults that eat for that particular day. Based on this information, it appears the District does not include the benefit for the meals on the employee's W-2 and therefore may be in violation of the Internal Revenue Code and IRS regulations. Also, the gift of the meals to the employees could be a possible violation of **Article 10 § 17** of the **Constitution of Oklahoma** cited above.

RECOMMENDATION: We recommend this practice be discontinued and properly reported. Also, we recommend that the proper authorities review this finding.

III. CONCERN: *Possible irregularities in Superintendent's employment contract.*

FINDING NO. 1: On July 24, 2000, the Board of Education entered into an employment contract with the Superintendent. "The term of the contract shall be for a period of 12 months, beginning July 1, 2000 and ending June 30, 2004. The contract reflects a base salary of \$68,320 with increments of \$3,000 plus any negotiated raises, one-third (1/3) of the Employees Group Insurance program rate for the employee, and fringe benefits, as listed below.

"The District pays professional dues for CCOSA and OASA. The District pays Teachers retirement contribution for employee and full social security contribution for employee.

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The employee may purchase commodities through the school district for personal use, providing the employee either pays the vendor directly or reimburses the school district. The employee shall be reimbursed for all expenses incurred while on school related trips. The district will pay actual automobile expenses or mileage (state rate) whenever his personal automobile is used for either school or personal use.

The district shall provide a teacherage, with all utilities paid, for the Superintendent, but requires him to live therein. An automobile will be provided by the district for the Superintendent, for school and personal use, with all bills paid by the school district. He shall be on call 24 hours per day."

During the Fiscal Years ended June 30, 2002 and 2003, the Superintendent received a gross salary of \$78,613.94 and \$78,991.29, respectively. The employee portion of the social security was a deduction from the gross salary, the other fringes were paid directly.

Based on the Superintendent's contract and the deductions from his salary, we calculated the total gross salary to be received and the employee's portion was paid directly into the retirement system.

	FY2002	FY2003
Base salary	\$71,320.00	\$71,320.00
Employee social security paid by District	5,455.98	5,455.96
Total salary	\$76,016.00	\$76,016.00
Salary paid	\$78,613.94	\$78,991.29
Overpayment to Superintendent	\$ 1,837.96	\$ 2,215.31

It appears the Superintendent received compensation in excess of his contract for the Fiscal Years ended 2002 and 2003 in the amounts of \$1,837.96 and \$2,215.31, respectively, for a total of \$4,053.27.

RECOMMENDATION: We recommend the Board of Education review this finding and seek reimbursement from the Superintendent for the overpayment of his salary. Also, we recommend the Board review the salary paid to the Superintendent in the previous year to determine if overpayments were made.

FINDING NO. 2: The Superintendent's contract reflects that he receives the following fringe benefits:

1. employees portion of social security
2. employees portion of retirement
3. school automobile or will pay actual expenses for his personal automobile for business or personal use
4. house with all bills paid

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We reviewed the Superintendent's W-2 for the calendar year 2002 to verify that all fringe benefits were properly reported. The W-2 reflects wages paid as \$74,816.85 and \$0 for fringe benefits.

Based on the benefits paid and provided to the Superintendent, it appears that of the fringe benefits were not properly reported to the Internal Revenue Service.

RECOMMENDATION: We recommend the Board review this finding and previous W-2's to determine the total compensation that was paid and issue amended W-2's or other appropriate documents to insure compliance with the Internal Revenue Service Code and IRS regulations.

IV. CONCERN: *Possible irregularities in the Superintendent's travel expenditures.*

FINDING NO. 1: We reviewed the general fund warrant registers and the activity fund expenditure registers for the Fiscal Year 2002 and July 1, 2002 through February 28, 2003 to obtain the expenditures reimbursed to the Superintendent or paid directly to the vendor for travel. Also, we obtained a detailed object report for the general fund travel expenditures from the secretary/treasurer. The following expenditures were made for the Superintendent's travel:

GENERAL FUND FY02

Date	Warrant no.	Amount	Purpose
09/04/01	66	157.98	hotel bill for administrative conference - purchase order issued to Comfort Suites and reimbursement made to Superintendent - no documentation of conference or itemized invoice attached
06/24/02	1375	110.00	direct billing for hotel room for Oklahoma Schools Advisory Council meeting - no documentation of conference

GENERAL FUND FY03

08/05/02	71	69.86	hotel room - administrative conference
09/30/02	288	127.76	gasoline (21.50) and postage (106.26)

ACTIVITY FUND FY02

Date	Sub-Account	Voucher no.	Amount	Purpose
03/01/02	Petty cash	228	39.87	meals Commodity Distribution workshop (12.95 and softball pants 26.92)
04/15/02	Petty cash	301	47.16	parking and meals - school board workshop
10/01/01	Coke & candy	95	25.14	meals - 4 th grade outdoor classroom
04/01/02	Coke & candy	288	113.82	meals - Superintendent's honor roll trip 2 nd semester Chili's -Shawnee - no documentation of individuals eating

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04/15/02	Coke & candy	313	161.55	meals & bowling Superintendent's honor roll trip - McAlester - no documentation of individuals participating
06/01/02	Athletics	338	72.75	meals - girls basketball camp - Ben's BBQ Durant (11 girls and coach) reimbursement to the Superintendent and not the Coach that took them

ACTIVITY FUND FY03

09/30/02	Coke & candy	47	27.63	meals - Colt conference for FFA officers
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We noted that payment of expenditures was not always supported by an itemized invoice as required by 70 O.S. 2001, § 5-135(E), there was no documentation of the conference or meeting, and the Superintendent reimbursed one (1) employee for meals purchased and then he was reimbursed by the District.

70 O.S. 2001, § 5-135(E), states in part:

"The encumbrance clerk, however, shall not pay any bill unless it is, or is properly supported by, an itemized invoice clearly describing each item, its unit price, and its total cost."

RECOMMENDATION: We recommend the Board establish and implement policies and procedures to assure compliance with purchasing laws. Also, we recommend no payment be made without a properly itemized invoice to support the expenditure to comply with Oklahoma Statutes.

FINDING NO. 2: The District has four (4) fuel credit cards that are used by the Superintendent to purchase fuel. Also, fuel is purchased at a local convenience store. We reviewed the purchase orders for the fuel expenditures noting the following exceptions:

1. The payments to CITGO Petroleum Corp. were not supported by an itemized signed invoice and payments to the other vendors were supported by copies of invoices as required by 70 O.S. 2001, § 5-135(E).
2. Payments were made to CITGO Petroleum Corp. without documentation that the goods had been received as required by 70 O.S. 2001, § 5-135(E).
3. The purchases made by the Superintendent did not reflect whether they were for business or personal use.

RECOMMENDATION: We recommend the Board establish policies and procedures to document expenses for business and personal use to assure all reimbursements are properly compensated. Also, we recommend that all compensation be properly reported. Payments for undocumented expenditures should be prohibited as required by Oklahoma Statutes. The Board should review this finding to determine if a corrected W-2 should be submitted.

V. CONCERN: *Possible irregularities in payment of extra duty assignments.*

FINDING NO. 1: During Fiscal Year 2002, all employees, including the Superintendent, of the District signed an extra duty contract to receive payment of \$200. The contract for the extra duty assignment states the employees are to be on call as needed, twenty-four (24) hours per day, seven (7) days a week. The employees stated the extra duty pay was for working ball games or any other thing that needed to be done. It appears this was not reported on the employees' W-2 form. During Fiscal Year 2003, the employees did not receive the \$200 extra duty pay.

RECOMMENDATION: We recommend the Board establish policies and procedures for the payment of extra duty assignments to assure the salary is properly reported. Also, we recommend the extra duty contracts be specific as to the job assignments.

FINDING NO. 2: On May 5, 2002, a general fund purchase order no. 379, was issued to the Superintendent in the amount of \$1,870.00 for driving the bus 1 hour per day for 170 days. Warrant no. 1337 was issued to the Superintendent for the payment of the service. We found no documentation in the Board minutes approving the extra duty pay to the Superintendent. On December 3, 2001, the Superintendent signed an extra duty contract "to be on call as needed, 24 hours per day, 7 days per week. Said employee will be paid an extra \$200.00, per Fiscal Year, for performance of the 'extra duty'." It appears the payment of the extra duty, driving the bus, was in excess of the amount specified in the extra duty contract. Also, it appears these payments were not reported on the Superintendent's W-2 form.

RECOMMENDATION: We recommend the Board approve all extra duty assignments prior to the service being performed and that all compensation is properly reported. Also, we recommend the Board submit a corrected W-2. Further, we recommend no payments be made in excess of the extra duty contract.

VI. CONCERN: *Possible irregularities in certified and support personnel reporting.*

FINDING: The petitioners were concerned that some employees had not received credit for years of service. We were contacted by one (1) individual that was concerned they had not been given credit for years of experience for the 1996-97 Fiscal Year. We obtained a statement from the individual stating that they had been contacted by the District to substitute for the third grade teacher, because of illness. They also stated the following:

"When I walked into the classroom, [school employee] informed me there wasn't lesson plans, I'd have to make my own... I was in the classroom with the children from 8 am til 3 pm, every day that school was in. I was the teacher. I graded all papers, made out report cards, did parent teacher conferences, and administered the achievement tests."

We received a temporary certified employee and certified personnel contract from the individual dated November 1, 1996. The contracts appear to be signed only by the individual and the Superintendent. The support contract reflects payment for 6 hours per day for 120 days at \$4.75 per hour and the certified employee contract reflects payment of the base salary divided by the hours per period ($\$24,060$ divided by $7 = \$3,347.14$ per period per year) and this amount was multiplied by the percent of school days employed ($\$3,347.14 \times 2/3 = \$2,291.43$).

We received information from the Superintendent reflecting that the individual started to work on November 5, 1996 with work hours from 8:15 am to 3:00 pm, 1 hour as certified and 6 hours as assistant beginning November 1 and other days as substituting.

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The certified personnel report reflects the individual was employed as a certified employee at a fraction of a day (0.143) for 120 days that calculates to 17.16 days employed. We received an application for renewal of Oklahoma standard certificate from the individual that reflects years of experience which shows no service for 1996-97.

RECOMMENDATION: We recommend the Calvin Board of Education and the State Board of Education review this finding to determine if further action is necessary.

* * * * *

There may have been other areas of concern expressed by patrons of the District which are not addressed. Because they were noted to be either (1) unfounded, or (2) sufficient information was not available to reach a definite conclusion, they are not set out and discussed in this report.

Throughout this report there are numerous references to state statutes and legal authorities which appear to be potentially relevant to issues raised by the patrons and reviewed by this Office. The State Auditor and Inspector has no jurisdiction, authority, purpose or intent by the issuance of this report to determine the guilt, innocence, culpability or liability, if any, of any person or entity for any act, omission, or transaction reviewed and such determinations are within the exclusive jurisdiction of regulatory law enforcement, and judicial authorities designated by law.

The inclusion of cites to specific Statutes or other authorities within this report does not, and is not intended to, constitute a determination or finding by the State Auditor and Inspector that the District or any of the individuals named in this report or acting on behalf of the District have violated any statutory requirement or prohibition imposed by law. All cites and/or references to specific legal provisions are included within this report for the sole purpose of enabling the Administration and other interested parties to review and consider the cited provisions, independently ascertain whether or not District policies, procedures or practices should be modified or discontinued, and to independently evaluate whether or not the recommendations made by this Office should be implemented.