



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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November 26, 2018

Charter School Board
Dugger Union Community Schools Corporation
7356 E Co Rd 50 S
Dugger, IN 47848

We have reviewed the Supplemental Audit Report for Dugger Union Community Schools Corporation prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report. Page 3 contains one audit result and comment. Management's response is on pages 5 through 6.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

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

SUPPLEMENTAL AUDIT REPORT
OF
DUGGER UNION COMMUNITY SCHOOLS CORPORATION

SULLIVAN COUNTY, INDIANA

July 1, 2017 to June 30, 2018



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DUGGER UNION COMMUNITY SCHOOLS CORPORATION
SULLIVAN COUNTY, INDIANA
School Officials
July 1, 2017 to June 30, 2018

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Kyle Foli	07/01/17 – 06/30/18
Treasurer	Tina Hubbard	07/01/17 – 06/30/18
Principal	Darin Simpson	07/01/17 – 06/30/18



Donovan CPAs

The Board of Directors
Dugger Union Community Schools Corporation

We have audited the financial statements of Dugger Union Community Schools Corporation, (the "School") as of and for the year ended June 30, 2018, and have issued our report thereon dated November 19, 2018. As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.

DONOVAN

Indianapolis, Indiana
November 19, 2018

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DUGGER UNION COMMUNITY SCHOOLS CORPORATION
SULLIVAN COUNTY, INDIANA
Audit Results and Comments
July 1, 2017 to June 30, 2018

PAYROLL COMPLIANCE

We tested 15 employees to ensure they had the appropriate employment agreements and that their paid wages agreed to the agreements. The school was unable to provide employment agreements for two of the employees.

The charter school shall maintain adequate supporting documentation for payroll to ensure that payments are made only for services rendered. Supporting documentation, such as time cards, must show signs of supervisory approval. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

All compensation and benefits paid to employees must be included in the labor contract or salary schedule unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

DUGGER UNION COMMUNITY SCHOOL CORPORATION
SULLIVAN COUNTY, INDIANA
Exit Conference
July 1, 2017 to June 30, 2018

The contents of this report were discussed on November 19, 2018 with Darin Simpson (Principal), Tamara Chaney, and Deanna Myers (Outsourced Bookkeepers with Milestone Accounting). The official response has been made a part of this report and may be found on page 5.



Dugger Union Community School Corporation

7356 E. Co. Rd. 50 S.
Dugger, IN 47848
(812) 648-7109
duggerunionschools.org

November 19, 2018

Donovan CPAs
9345 N. Meridian St., Suite 302
Indianapolis, IN 46260

RE: Official Response to Indiana State Board of Accounts Compliance
Finding(s)

PAYROLL COMPLIANCE

Finding:

We tested 15 employees to ensure they had the appropriate employment agreements and that their paid wages agreed to the agreements. The school was unable to provide employment agreements for two of the employees.

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School Response:

Agreements have been created for all positions, including bus drivers and substitute teachers, for the 2018-19 school year.

Sincerely,

Darin Simpson, Jr./Sr. High School Administrator
Dugger Union Community Schools

11/19/18
Date