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December 9, 2020

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

We have reviewed the Supplemental Audit Report for Dugger Union Community School Corporation prepared by Greenwalt CPAs, Inc., Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. 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 findings in the report. Pages 3 through 4 contain four audit results and comments.

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

SUPPLEMENTAL AUDIT REPORT OF
DUGGER UNION COMMUNITY
SCHOOL CORPORATION

SULLIVAN COUNTY, INDIANA
JULY 1, 2019 TO JUNE 30, 2020

DUGGER UNION COMMUNITY SCHOOL CORPORATION
SUPPLEMENTAL AUDIT REPORT
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SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Kyle Foli	07/01/2018 – 6/30/2019
President of Board of Directors	Gina Lovelace	07/01/2019 – to date
Treasurer	Tina Hubbard	07/01/2018 – 7/31/2020
Principal	Darin Simpson	07/01/2018 – to date



Greenwalt CPAs, Inc.
5342 W. Vermont Street
Indianapolis, IN 46224
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To the Board of Directors of
Dugger Union Community School Corporation:

We have audited the financial statements of Dugger Union Community School Corporation (the School) as of and for the year ended June 30, 2020 and have issued our report thereon dated November 18, 2020.

In connection with that audit and with our consideration of the School's internal controls as required by the *Guidelines for the Audits of Charter Schools Performed by Private Examiners* (Guide), issued by the Indiana State Board of Accounts, we performed procedures prescribed under the Guide for the year ended June 30, 2020.

As required by the Guide, we performed procedures to test compliance with the requirements that are applicable to the School. Our procedures were substantially narrower in scope than an audit, the objective of which is the expression of an opinion on the School's compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance with those requirements, which is described in the accompanying Schedule of Audit Results and Comments.

The purpose of this report is solely to describe the scope of our testing over compliance with the requirements prescribed under the Guide and the results of that testing, and not to provide a legal determination of compliance with those requirements. Accordingly, this report is not suitable for any other purpose.

Greenwalt CPAs, Inc.

November 18, 2020

DUGGER UNION COMMUNITY SCHOOL CORPORATION

SULLIVAN COUNTY

SCHEDULE OF AUDIT RESULTS AND COMMENTS

Ticket sales for events were not deposited timely.

2 out of 5 ticket sales selected were not deposited within the next business day.

All charter school money must be deposited in the designated depository not later than the business day following the receipt of funds on business days of the depository in the same form in which the funds were received. Timely receipts and deposits are required to provide the organizer and charter school administration with current information necessary for all financial decisions (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8).

Management response:

The SBOA changed the rules in August 2020. We are no longer required to deposit cash/checks daily, but instead in a "reasonable" timeframe. We are currently working through our internal controls process to deem what "reasonable" should be for our School.

Cash receipts were not provided timely.

For 6 out of the 40 cash receipts selected, receipts were not provided in a timely fashion. Receipts appear to be issued 2 - 5 days after the check date.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. All charter school money must be deposited in the designated depository not later than the business day following the receipt of funds on business days of the depository in the same form in which the funds were received. Timely receipts and deposits are required to provide the organizer and charter school administration with current information necessary for all financial decisions (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8).

Management response:

Receipts will be written at the time payment is presented.

DUGGER UNION COMMUNITY SCHOOL CORPORATION

SULLIVAN COUNTY

SCHEDULE OF AUDIT RESULTS AND COMMENTS

The Form 9 Financial Information form did not agree to the cash records of the school at December 31, 2019 and June 30, 2020.

During the course of the 2020 audit, we identified a Alumni Association cash account used for scholarships to School students. While the account is held on behalf of another organization, the account was opened with the School's employer identification number and should be included in the financial records. This was not properly reported on the Form 9 at December 31, 2019 and June 30, 2020.

Charter schools are required to submit a Form 9 Biannual Financial Report two times per year during the months of January and July. The financial information in the Form 9 shall reflect cash basis information and shall be reported utilizing the State Board of Accounts prescribed chart of accounts. The January report must include previous calendar year financial and other required information for the period of July 1 to December 31 financial data. The July report must include current calendar year financial and other required information for the period of January 1 to June 30.

Charter schools must file Form 9 information electronically with the Office of School Finance. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 5).

Management response:

The Fred Boyd Math Scholarship is not an asst controlled by Dugger Union Community Schools; however, is currently held under the School's Employer Identification Number. As such, the balance will be included on future Form 9 submissions.

2019 - 2020 enrollment forms could not be provided to support proper enrollment for certain students.

For 10 out of 55 students selected, no enrollment form could be provided. In each case, it appeared that parents completed a manual form rather than an electronic form and the manual form was discarded without being scanned as support for proper enrollment. For each of those 10 students, the School was able to provide a birth certificate or immunization records and attendance records.

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8).

Management response:

Going forward, any paper forms used for enrollment will be saved in a file as proof of enrollment for the necessary number of years to satisfy audit requirements.

DUGGER UNION COMMUNITY SCHOOL CORPORATION

SULLIVAN COUNTY, INDIANA

EXIT CONFERENCE

The contents of this report were discussed on November 18, 2020 with Darin Simpson (Principal), Mindy Feese (Current Treasurer), Tamara Chaney and Deanna Myers (Outsourced Bookkeepers with Milestone Accounting), and Kyle Foli (Board Member). The officials concurred with our findings.