

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION

HENRY COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED

03/23/2023

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Result and Comment: Annual Financial Report	4
Official Response	5
Exit Conference.....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Bryce Welsh	07-01-20 to 06-30-23
Superintendent of Schools	Jediah T. Behny	07-01-20 to 06-30-23
President of the School Board	Wade Beatty	07-01-20 to 06-30-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CHARLES A. BEARD MEMORIAL
SCHOOL CORPORATION, HENRY COUNTY, INDIANA

This report is supplemental to our audit report of the Charles A. Beard Memorial School Corporation (School Corporation), for the period from July 1, 2020 to June 30, 2022. 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 opinions 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

March 14, 2023

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

Condition and Context

The School Corporation had not established effective internal controls over the financial and other information entered annually into the Annual Financial Report via the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA), Schedule of Leases and Debt, and Schedule of Assets.

Although one employee prepared and entered the information into Gateway, another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

Due to the lack of effective internal controls, the following errors were identified:

1. The SEFA presented for audit included various errors totaling \$1,649,644 with a net effect on the SEFA of \$238,342.
2. The Schedules of Leases and Debt included errors totaling \$186,351.
3. The Schedule of Capital Assets included errors totaling \$840,928.

Adjustments were proposed, accepted by the School Corporation, and made to the SEFA, Schedule of Leases and Debt, and Schedule of Capital Assets.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity 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](#)."

Charles A. Beard Memorial School Corporation

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Knightstown, Indiana 46148

School Board

Wade Beatty, President
Cynthia Neal, Vice President
Gerald Leonard, Secretary
Tom Schaetzle
Monica Van Hoy
Graham Richardson
Melissa Toth



Jediah Behny
Superintendent

Voice: 765-345-5101
Fax: 765-345-5103

Official Response

Date: March 22, 2023

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Charles A Beard Memorial School Corporation would like to provide an official response to the notes and results of the FY 20-21 and FY 21-22 audit. While we concur with the results and notes of the audit we would like to note that all of the information required for completion of the capital assets report had not been received at the time of the report submission. We were unaware at the time that we could go back to and correct the Gateway report after it was submitted. There was also some confusion as to how the Child nutrition cluster was to be reported on the SEFA through the Covid period which caused a large discrepancy in how it was reported.

Bryce Welsh
Business Manager/Treasurer

AN EQUAL OPPORTUNITY EMPLOYER

CHARLES A. BEARD MEMORIAL SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 14, 2023, with Bryce Welsh, Treasurer; Jediah T. Behny, Superintendent of Schools; Wade Beatty, President of the School Board; and Melissa Toth, School Board member.