

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

BAUGO COMMUNITY SCHOOLS

ELKHART COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED
03/27/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nancy Winnicki	07-01-20 to 06-30-23
Superintendent of Schools	Byron Sanders	07-01-20 to 06-30-23
President of the School Board	Caleb Pontius Kris Seymore Chris Carithers	07-01-20 to 12-31-20 01-01-21 to 12-31-22 01-01-23 to 06-30-23



STATE OF INDIANA
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TO: THE OFFICIALS OF THE BAUGO COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

This report is supplemental to our audit report of the Baugo Community Schools (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 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

March 21, 2023

BAUGO COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

Condition and Context

The School Corporation did not complete a physical inventory of capital assets at least every two years. Additionally, the School Corporation's detailed listing of all capital assets owned had not been updated since 2017. Receipt and disbursement ledgers were used to ensure the Capital Asset Schedule amounts reported in the Annual Financial Report (AFR) were materially correct; however, these deletions and additions of capital assets during the audit period were not included on the detail listing of capital assets.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

ANNUAL ENGAGEMENT UPLOADS

Condition and Context

Annual upload requirements include year-end investment statements, detail of receipt activity for the year, detail of disbursement activity for the year, approved salary schedule for noncertified employees and amendments, and an annual vendor history report.

The School Corporation did not upload the required annual governmental unit information on the Indiana Gateway for Government Units financial reporting system.

BAUGO COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations of Indiana, Chapter 1)

This amended directive is effective with the December 2020 monthly files. . . . This is effective for 2020 annual files which will be due for upload March 1, 2021, for calendar year end units. For schools and extra-curricular accounts, this is effective for year ending June 30, 2021, which will be due August 29, 2021. Thereafter, annual files must be uploaded no later than March 1st (August 29th for schools and extra-curricular accounts) for the prior year end unless the SBOA establishes a different date. . . .

The following files and governmental unit information are required to be uploaded annually . . .

- Year-end Investment Statements . . .
- Detail of Receipts for the year
- Detail of Disbursements for the year . . .
- Annual Vendor History Report
- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund
- Additionally, for Schools only: School Lunch Prepaid Account Balance Report as of June 30 Approved Salary Schedule for Noncertified Employees and Amendments . . .
- Optional: Excel Data Capture/Data Dump (in lieu of Detail of Receipts and Disbursements)

(Amended State Examiner Directive 2018-1)

BAUGO COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on March 21, 2023, with Nancy Winnicki, Treasurer; Byron Sanders, Superintendent of Schools; Zac Quiett, Business Manager; Carol Deak, Assistant Superintendent of Schools; and Chris Carithers, President of the School Board.