



STATE OF INDIANA
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December 30, 2014

Charter School Board
Enlace Academy, Inc.
3725 North Kiel Avenue, 2nd Floor
Indianapolis, IN 46224-1228

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac, LLC, Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. 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 and 4 contain three audit results and comments. Management's response is on page 6.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Enlace Academy, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Supplemental Audit Report and the Financial Statements and Independent Auditors' Report are filed in our office as a matter of public record.

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

SUPPLEMENTAL AUDIT REPORT

OF

ENLACE ACADEMY, INC.

MARION COUNTY, INDIANA

July 1, 2013 to June 30, 2014

Fitzgerald | **Isaac** LLC
Certified | Public Accountants

ENLACE ACADEMY, INC.

MARION COUNTY, INDIANA

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ENLACE ACADEMY, INC.

School Officials

July 1, 2013 to June 30, 2014

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Martin Dezelan	07/01/13 – 06/30/14
School Leader/ Treasurer	Kevin Kubacki	07/01/13 – 06/30/14
Business Manager	Denise Castellanos	07/01/13 – 06/30/14

The Board of Directors
Enlace Academy, Inc.

We have audited the financial statements of **Enlace Academy, Inc.** (the "School") as of and for the year ended June 30, 2014 and have issued our report thereon dated October 31, 2014. 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.



Indianapolis, IN
October 31, 2014

ENLACE ACADEMY, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

July 1, 2013 to June 30, 2014

VENDOR DISBURSEMENTS

We selected and examined a sample of 40 cash disbursement transactions from throughout the year. Within this sample we noted that in all 40 instances, proper account coding was not present on the accounts payable voucher. The only account identification included on the accounts payable voucher was the object code.

A fund, as used in the manual, represents money set aside for specific activities of a school corporation. A fund constitutes a complete accounting entity and all financial transactions, both receipts and disbursements, are to be recorded in the fund to which they pertain. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3)

Officials and employees are required to use State Board of Accounts prescribed or approved Forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

PAYROLL COMPLIANCE

We examined the payroll contracts for all twelve employees who were paid by the School during the payroll period ended March 14, 2014. Out of the population, four of the employees did not have a signed contract on file in the School's employee records.

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)

ENLACE ACADEMY, INC.

MARION COUNTY, INDIANA

Audit Results and Comments, Continued

RECEIPTS AND DEPOSITS

The School receives cash for various purposes including field trips and afterschool care. From a population of 23 cash receipts, we noted the following:

- Written receipts are prepared to document a bank deposit, but written receipts are not written consistently at the point of payment.
- For 14 of the 23 receipts examined, the deposit was not made in a timely manner. Deposits occurred as long as four months after the date of receipt.

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. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

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)

ENLACE ACADEMY, INC.

MARION COUNTY, INDIANA

Exit Conference

July 1, 2013 to June 30, 2014

The contents of this report were discussed on November 20, 2014 with Kevin Kubacki (School Leader), Dennis Casey (Board Member), and Brian Anderson (Consultant). The Official Response has been made a part of this report and may be found on page 6.

ENLACE ACADEMY

November 20, 2014

Fitzgerald | Isaac LLC
9245 N. Meridian Street, Suite 302
Indianapolis, IN 46260

Enlace Academy has already taken action to address the audit comments. Specifically, changes made are:

1. All vouchers now include the complete account number information and not just the object code.
2. All employees for the current school year have signed offer letters on file, which include employee compensation amounts.
3. The school has a process in place to deposit funds in a timely manner. In the first year of operation, the school received so little in terms of funds to deposit and the staffing level was very small. It was often not practical, or even safe, for the Business Manager to leave the building during the school day. Now that enrollment has grown, staffing allows for timely deposits. Additional staff include an After School Coordinator who is the central receiver of payments and a front desk person so the Business Manager does not also hold responsibility for monitoring the front desk.

Sincerely,

Enlace Academy Management