



STATE OF INDIANA
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January 22, 2015

Charter School Board
21st Century Charter School, Inc.
d/b/a Fall Creek Academy
2540 N. Capitol Avenue
Indianapolis, IN 46208

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 through 4 contain four 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 21st Century Charter School, Inc. d/b/a Fall Creek Academy 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

COMMUNITY CHARTER NETWORK, INC.

d/b/a

FALL CREEK ACADEMY

MARION COUNTY, INDIANA

July 1, 2013 to June 30, 2014

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

COMMUNITY CHARTER NETWORK, INC.
d/b/a
FALL CREEK ACADEMY

MARION COUNTY, INDIANA

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COMMUNITY CHARTER NETWORK, INC.
d/b/a
FALL CREEK ACADEMY

MARION COUNTY, INDIANA

School Officials

July 1, 2013 to June 30, 2014

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Rollin Dick	07/01/13 – 06/30/14
School Leader(s)	Hanno Becker (K-8)	07/01/13 – 06/30/14
	Agnes Aleobua (9-12)	07/01/13 – 06/30/14
Treasurer(s)	Kyle Rouse	07/01/13 – 12/17/13
	Tracy Oliver	12/18/13 – 03/26/14
	Laura Lora	03/27/14 – 06/30/14

The Board of Directors
Community Charter Network, Inc.

We have audited the financial statements of **Community Charter Network, Inc. d/b/a Fall Creek Academy** (the “School”) as of and for the year ended June 30, 2014 and have issued our report thereon dated October 29, 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.

Fitzgerald Isaac LLC

Indianapolis, IN
October 29, 2014

COMMUNITY CHARTER NETWORK, INC.

d/b/a

FALL CREEK ACADEMY

MARION COUNTY, INDIANA

Audit Results and Comments

Year Ended June 30, 2014

CAPITAL ASSETS

The School maintains a subsidiary record of capital assets for accounting purposes; however, it has not conducted a physical inventory of such assets as verification of the accounting records.

Every charter school must have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory must be recorded on the applicable Capital Assets Ledger. A complete inventory shall be taken for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 15)

RECEIPTS AND DEPOSITS

The School receives cash payments for various items including extra-curricular activities, school lunches, fundraisers, and other activities. The School completes a written receipt at the time that the bank deposit is prepared representing a summary of amounts collected. The School does not provide a written receipt to each payer at time of payment.

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)

COMMUNITY CHARTER NETWORK, INC.

d/b/a

FALL CREEK ACADEMY

MARION COUNTY, INDIANA

Audit Results and Comments, Continued

TICKET SALES

The School charges admission to certain school events, but does not retain pre-numbered tickets or complete the SA-4 Ticket Form Reconciliation.

The designated charter school employee shall be responsible for the proper accounting for all tickets and must keep a record of the number purchased, the number issued for sale, and the number returned. The designee must see that proper accounting is made for the cash received from those sold. All tickets shall be pre-numbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the charter school, the charter school's receipt issued therefore must show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

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)

SCHOOL LUNCH ELIGIBILITY

We selected a sample of fifteen students in order to test income eligibility determinations for the school nutrition program. From our testing, we noted three students determined to qualify for free meal status for which neither an income application nor qualification by direct certification could be provided.

The local educational agency must determine household eligibility for free or reduced price meals either through direct certification or the application process at or about the beginning of the school year. [7 CFR, part 245.6(c)]

Charter schools should have internal controls in place to provide reasonable assurance that their goals and objectives are accomplished; laws, regulations, and good business practices are complied with; assets are safeguarded; and accurate and reliable data are maintained. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

COMMUNITY CHARTER NETWORK, INC.
d/b/a
FALL CREEK ACADEMY

MARION COUNTY, INDIANA

Exit Conference

July 1, 2013 to June 30, 2014

The contents of this report were discussed on November 24, 2014 with Mike Smith (Board Treasurer) and Lauren Rush (Chief Operations Officer). The Official Response has been made a part of this report and may be found on page 6.

Capital Assets

We agree that, as of June 30, 2014, the school did not have an updated physical asset inventory.

Corrective Action:

In October 2014 the school contracted with a firm to complete a full physical asset inventory. Upon receipt of inventory, we will coordinate with our accountants to align this inventory to our record of capital assets kept for accounting purposes. We will make necessary adjustments and maintain this list through regular maintenance.

Cash Receipts

We agree that, primarily due to transition in the business office of the school, receipts were not consistently provided to payers.

Corrective Action:

One staff member will be designated to receive all payments and issue all receipts at the school. A carbon copy, numbered receipt book will be used. One copy will be given to the payer at the time of payment and the other copies will be maintained at the school.

Ticket Sales

We agree that, primarily due to an athletic director transition, the school did properly account for ticket sales.

Corrective Action:

The Fall Creek Academy athletic director and business manager will be trained on how to utilize an SBOA approved form for tracking ticket sales. Athletic director will ensure that form is completed and tickets are correctly filed for every event. Business manager will review and file form.

School Lunch Eligibility

We agree that, primarily due to transition in the business office, the school was missing a few pieces lunch eligibility paperwork. This was due to improper file maintenance, not inaccurate reporting of eligibility.

Corrective Action:

The Business Manager will maintain complete files demonstrating eligibility for all students. Files will be internally audited by Chief Operations Officer.