



STATE OF INDIANA
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February 3, 2015

Charter School Board
Avondale Meadows Academy
3980 Meadows Drive
Indianapolis, IN 46205

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. Page 3 contains two audit results and comments. Management response is on page 5.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Avondale Meadows 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
AVONDALE MEADOWS ACADEMY
MARION COUNTY, INDIANA
July 1, 2013 to June 30, 2014

AVONDALE MEADOWS ACADEMY

MARION COUNTY, INDIANA

Table of Contents

| | <u>Page</u> |
|-----------------------------|-------------|
| School Officials..... | 1 |
| Transmittal Letter | 2 |
| Audit Results and Comments: | |
| Receipts and Deposits | 3 |
| Credit Card | 3 |
| Exit Conference..... | 4 |
| Official Response | 5 |

AVONDALE MEADOWS 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 | Charles Garcia | 07/01/13 – 06/30/14 |
| School Leader | Kelly Herron | 07/01/13 – 06/30/14 |
| Treasurer | Luanne Brown Janie Seivers | 07/01/13 – 11/30/13 12/01/13 – 06/30/14 |

The Board of Directors
Avondale Meadows Academy, Inc.

We have audited the financial statements of **Avondale Meadows Academy** (the “School”) as of and for the year ended June 30, 2014 and have issued our report thereon dated December 22, 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
December 22, 2014

AVONDALE MEADOWS ACADEMY

MARION COUNTY, INDIANA

Audit Results and Comments

July 1, 2013 to June 30, 2014

RECEIPTS AND DEPOSITS

The School collects amounts for various purposes including contributions, textbook fees, student lunch, field trips, fundraisers, school fees, and other items. In our sample of 25 cash receipts transactions we noted that:

- Prenumbered receipts are generally not prepared for payments received other than electronic transfers. Receipts are prepared solely to document the bank deposit.
- In 3 instances, the bank deposit was not made in a timely manner. The length of time between receipt of funds and deposit in the bank ranged from 4 to 6 days.

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)

CREDIT CARD

The School utilizes a credit card for certain purchases, the use of which is governed by internal policies. In our examination of five credit card payment transactions, we noted one payment for \$2,000 that was not supported by either the credit card statement or individual purchase receipts.

Payment shall not be made on the basis of a statement or a credit card slip only. Procedures for payments shall be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or an employee shall be the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

AVONDALE MEADOWS ACADEMY

MARION COUNTY, INDIANA

Exit Conference

July 1, 2013 to June 30, 2014

The contents of this report were discussed on January 12, 2015 with Kelly Herron (School Leader), Lauren Rush (Chief Operations Officer), and John Ackerman (Finance Committee Chair). The Official Response has been made a part of this report and may be found on page 5.

Receipts and Deposits

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

We agree that there were a few instances in which deposits to the bank were not made within the time frame dictated by the SBOA.

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 or envelopes with detachable receipts 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.

In the future, bank deposits will be made in a timely manner, within 24 hour of payment receipt whenever possible.

Credit Card

We agree that there was some missing documentation for a credit card payment made in December 2013. This was the first month for a new business manager and she'd not been fully onboarded on this important process.

Corrective Action:

Back-up documentation for all credit card payments will be maintained in the business office.