SUPPLEMENTAL AUDIT REPORT

OF

SPRINGVILLE COMMUNITY AND RURAL FOUNDATION, INC. d/b/a SPRINGVILLE COMMUNITY ACADEMY

LAWRENCE COUNTY, INDIANA

July 1, 2022 to June 30, 2023

Donovan CPAs

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SPRINGVILLE COMMUNITY AND RURAL FOUNDATION, INC.
d/b/a SPRINGVILLE COMMUNITY ACADEMY
LAWRENCE COUNTY, INDIANA
School Officials
July 1, 2022 to June 30, 2023

Office	Official	Term
President of Board of Directors	Kevin Smith	07/01/22 – 06/30/23
Academy Administrator	Jayme Davis	07/01/22 – 06/30/23
Treasurer of Board of Directors	Beth Feldman	07/01/22 – 06/30/23

Donovan CPAs

The Board of Directors
Springville Community and Rural Foundation Inc.

We audited the financial statements of Springville Community and Rural Foundation, Inc. d/b/a Springville Community Academy (the "School") as of and for the year ended June 30, 2023 and issued our report thereon dated February 28, 2024. 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 we believe the School was not in compliance with those provisions.

DONOVAN

Donovan

Indianapolis, Indiana
February 28, 2024

SPRINGVILLE COMMUNITY AND RURAL FOUNDATION, INC.
d/b/a SPRINGVILLE COMMUNITY ACADEMY
LAWRENCE COUNTY, INDIANA
Audit Results and Comments
July 1, 2022 to June 30, 2023

RECEIPTS AND DEPOSITS

We selected a sample of twenty-five receipts for testing, eleven of which were not deposited in a timely manner. The individual receipts not deposited timely ranged from $45 to $320 and were deposited between 6 and 10 days late. Of the remaining receipts, seven had no deposit support available, therefore our testing was unable to be performed. For the entire sample of twenty-five receipts, none had documentation sufficient to match the deposit form and amounts to bank deposit totals.

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)

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)

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of payors. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

CREDIT CARD POLICY AND COMPLIANCE

Of the five credit card transactions tested, the School incurred interest for the months of March ($37.84), April ($52.39) and June ($44.87) 2023.

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 employee is the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

PAYROLL COMPLIANCE

Of the fifteen employees tested, two were paid incorrect amounts (one of which was identified and corrected by the School). Additionally, one employee was paid for the wrong number of hours due to a mistake by the payroll provider.

The charter school shall maintain adequate supporting documentation for payroll to ensure that payments are made only for services rendered. Supporting documentation, such as time cards, must show signs of supervisory approval. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

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)

TICKET SALES

The School did not use ticket forms.

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)

EMPLOYEE BOND

The School did not have an employee bond.

The organizer shall designate employees who are responsible for handling a majority of the cash, receipts, and disbursements. The designated employees must have either a cash bond or an insurance policy on their behalf that protects the charter school from employee theft, fraud, errors, and omissions. The cash bond or insurance policy should represent an average amount of cash or receipts on hand during the school year. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

SPRINGVILLE COMMUNITY AND RURAL FOUNDATION, INC.
d/b/a SPRINGVILLE COMMUNITY ACADEMY
LAWRENCE COUNTY, INDIANA
Exit Conference
July 1, 2022 to June 30, 2023

The contents of this report were discussed on February 28, 2024, with Beth Feldman (Treasurer), Kevin Davis (Outside Consultant), Lynn Black (Outside Consultant), Steve Bridges (Representative of Authorizer), Shelly Blunt (Representative of Authorizer), Kevin Smith (Chair of Board of Directors), and Jayme Davis (Academy Administrator). The official responses have been made a part of this report and may be found on pages 6 and 7.

Springville
Community
Academy

126 Brick Street
Springville, IN 47462
(812) 508-6078

February 28, 2024

Donovan CPAs
9292 N. Meridian Street, Suite 150
Indianapolis, IN 46260

Subject: Response SBOA to Audit Findings for FY22-23

Dear Erin:

Below are the Springville Community Academy responses to the SBOA audit findings for the fiscal year 2022-2023:

Response to Finding #1: Springville Community Academy (SCA) has updated its processes/ procedures to document receipts in the manner required by the Indiana State Board of Accounts (SBOA). SCA is also depositing funds received into the bank as required by SBOA. The school is located approximately 10 miles from its bank. The majority of funds received by SCA is through ACH. The school has also instituted an electronic option for payment of school lunches, extended care, and PreK. Many parents have taken advantage of this method of payment. This mitigates many of the issues with deposits as the transactions are completely electronic.

Response to Finding #2: SCA has updated its processes/procedures to pay all credit card charges immediately (some vendors require payment with a credit card) so that no transactions incur interest charges and so that the school is in compliance with the requirements of the Indiana State Board of Accounts (SBOA). When the school was first opened last year, it relied on the use of a credit card to help with cash flow challenges. Our bank has since offered us a pre-paid debit card that we can transfer funds to as needed to make these types of purchases. It offers security and incurs no interest charges.

Response to Finding #3: SCA has updated its processes/procedures for payroll to ensure that the payroll processed by the outside payroll provider is accurate and matches exactly to the payroll information submitted. Timecards are used by employees and are used to validate the payroll hours and payments processed. The payroll summary is double checked by SCA office manager and then signed off by the Academy Administrator before the payroll provider processes the payroll.

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Springville Community Academy

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Response to Finding #4: SCA has updated its processes/procedures for ticket sales to comply with the IN State Board of Accounts requirements. The school now uses prenumbered tickets for all of Extra Curricular activities and then includes those tickets sold for a particular event to the deposit ticket it supports. The school uses the SA-4 Ticket Sales Form as prescribed by the SBOA.

Response to Finding #5: SCA has obtained a $50,000 bond for the Treasurer position and a $30,000 policy for each employee who handles funds at the school as required by SBOA. We misunderstood that school theft insurance policy to cover these positions but found it was not sufficient. This has now been rectified.

Please let us know if you need anything further to address the findings. We appreciate all of your work and expertise in conducting the SCA audit.

Sincerely,

Beth Feldman

Beth Feldman, Treasurer