



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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January 17, 2025

Charter School Board
Allegiant Preparatory, Inc.
Marion County, Indiana

We have reviewed the Supplemental Audit Report for Allegiant Preparatory, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. 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 on page 3. Management's response is on page 5.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

Supplemental Audit Report of

Allegiant Preparatory, Inc.
Marion County, Indiana

July 1, 2023 to June 30, 2024



Allegiant Preparatory, Inc.

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Allegiant Preparatory, Inc.
Marion County, Indiana
School Officials
July 1, 2023 to June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chair of Board of Directors	Daniel Harting	07/01/23 – 06/30/24
Operations Manager	Sequoia Anderson	07/01/23 – 06/30/24
Head of School	Rick Anderson	07/01/23 – 06/30/24



Donovan CPAs

The Board of Directors
Allegiant Preparatory, Inc.
Indianapolis, Indiana

We audited the financial statements of Allegiant Preparatory, Inc. (the School) as of and for the year ended June 30, 2024 and issued our report thereon dated December 6, 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 CPAs
Indianapolis, Indiana
December 6, 2024

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Allegiant Preparatory, Inc.
Marion County, Indiana
Audit Results and Comments
July 1, 2023 to June 30, 2024

Receipts and Deposits

We selected a sample of twenty-five receipts for testing, twenty-three of which were not deposited timely. Untimely deposits ranged from eleven to forty-six days from the date of receipt and were between \$5 and \$205 in individual receipt amount.

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)

Vendor Disbursements

During our testing of the School's compliance with credit card policies and procedures, we noted multiple instances of sales tax and interest being paid. Total sales tax and interest paid in our sample were \$336.27 and \$19.24, respectively.

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

Allegiant Preparatory, Inc.
Marion County, Indiana
Exit Conference
July 1, 2023 to June 30, 2024

The contents of this report were discussed on December 6, 2024, with Rick Anderson (Head of School), Sequoia Anderson (Operations Manager), and Brian Anderson (Outsourced Consultant with Center for Innovative Education Solutions). The official response has been made a part of this report and may be found on page 5.



December 9, 2024

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

Allegiant Prep will take the following actions to address the FY2024 supplemental audit report comments:

1. We will continue to weigh the wisdom of leaving our school building short staffed to drive to the bank and deposit very small amounts of cash daily. We also will evaluate if an electronic payment system benefits our school families. If so, we will work towards eliminating the very small amount of cash handled in the building.
2. We are investigating why our local Wal-Mart is not honoring our sales tax exemption. We are not having this problem elsewhere but buying certain things in person at Wal-Mart has saved our school money over similar purchases through other means. We will work to resolve this issue.

Sincerely,

Allegiant Preparatory Academy, Inc. Management