



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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April 2, 2025

Charter School Board
Liberty Grove Schools
Marion County, Indiana

We have reviewed the supplemental report for Liberty Grove Schools prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana 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 black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

Supplemental Audit Report of

Liberty Grove Schools, Inc.

Marion County, Indiana

July 1, 2023 to June 30, 2024



Liberty Grove Schools, Inc.

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Liberty Grove Schools, Inc.
Marion County, Indiana
School Officials
July 1, 2023 to June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board Chair	Lynda Montgomery	07/01/22 – 11/30/23
Board Chair	Andrew Crowe	12/01/24 – 06/30/24
Founder & CEO	Morrise Harbour	07/01/23 – 06/30/24
Treasurer	Stephen Farris	07/01/22 – 11/30/23
Finance Chair	Kevin Hampton	12/01/23 – 06/30/24



Donovan CPAs

Board of Directors
Liberty Grove Schools, Inc.
Indianapolis, Indiana

We audited the financial statements of Liberty Grove Schools, Inc. (the School) as of and for the year ended June 30, 2024 and issued our report thereon dated December 12, 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 12, 2024

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Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

Liberty Grove Schools, Inc.
Marion County, Indiana
Audit Results and Comments
July 1, 2023 to June 30, 2024

Required Reports

We reviewed both biannual Form 9 reports filed by the School to the Indiana Department of Education during the fiscal year. Individual fund balances on the June 30, 2024 Form 9 did not reflect actual balances in line with the School's accounting records.

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)

Charter schools are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Charter schools shall file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

Receipts and Deposits

From a sample of seven receipts tested, two were not deposited in a timely manner. The receipts were \$250 and \$5,000 and were made ten and twenty-four days after receipt.

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)

Liberty Grove Schools, Inc.
Marion County, Indiana
Exit Conference
July 1, 2023 to June 30, 2024

The contents of this report were discussed on November 20, 2024 with Morrise Harbour (Founder & CEO), Yolanda Wide (Director of Operations), and Kim Tarin (Outside Consultant). The official response has been made a part of this report and may be found on page 5.



December 12, 2024

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

Liberty Grove Schools already has or will take the following actions to address the FY2024 Supplemental Audit Report comments:

Required Reports Response:

1. Receipts and Deposits:

We will continue to work diligently to ensure all deposits are made promptly to meet SBOA Requirements. We will also ensure that we closely administer the deposit process to rectify issues identified. The Director of Operations, along with school administration, will work to remedy the process for the FY 2024-25 School Year and beyond.

2. Form 9:

We will continue to manage the differences in timing and required reporting that exist for charter schools in the State of Indiana. We are committed to managing the timing and reporting differences that apply to charter schools in Indiana. This includes carefully monitoring cash-basis fund reporting for Form 9 submissions and making necessary adjustments. These adjustments often arise from accrual-based receivable and payable entries or retroactive grant budget approvals received after a Form 9 deadline.

To address these challenges, we are enhancing our reconciliation process to ensure individual fund cash balances on Form 9 more accurately reflect their accrual-based counterparts. However, we recognize that discrepancies may still occur due to the fundamental differences between cash-basis and accrual-based accounting methods.

Sincerely,

Morrise Harbour

Morrise Harbour
Executive Director