



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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March 17, 2025

Charter School Board
Springville Community and Rural Foundation, Inc.
d/b/a Springville Community Academy
Lawrence County, Indiana

We have reviewed the supplemental report for Springville Community and Rural Foundation, Inc. d/b/a Springville Community Academy 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 pages 3 through 5. Management's response is on pages 7 and 8.

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

Tammy R. White, CPA
Deputy State Examiner

Supplemental Audit Report of

Springville Community and Rural Foundation, Inc.
d/b/a Springville Community Academy
Lawrence County, Indiana

July 1, 2023 to June 30, 2024



**Springville Community and Rural Foundation, Inc.
d/b/a Springville Community Academy**

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Springville Community and Rural Foundation, Inc.
d/b/a Springville Community Academy
Lawrence County, Indiana
School Officials
July 1, 2023 to June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Kevin Smith	07/01/23 – 06/30/24
Board of Secretary	Justin Spoonmore	07/01/23 – 06/30/24
Treasurer of Board of Directors	Beth Feldman	07/01/23 – 06/30/24



Donovan CPAs

The Board of Directors
Springville Community and Rural Foundation Inc.
Springville, Indiana

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, 2024 and issued our report thereon dated December 18, 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 18, 2024

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Springville Community and Rural Foundation, Inc.
d/b/a Springville Community Academy
Lawrence 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, nine of which were not deposited in a timely manner. The individual receipts not deposited timely ranged from \$18 to \$224 and were deposited between six to thirteen days late.

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

The School did not obtain the required accounts payable vouchers for certain transactions. Specially, twenty-six of the twenty-nine vouchers selected for testing were not signed by the Board Treasurer or a Finance Committee member. Furthermore, eight of the twenty-nine invoices selected for testing exceeded \$15,000 and did not include the necessary authorized signatures, namely those of the Board Treasurer and a second authorized check signer.

The charter school must establish procedures for the initiation, approval, and use of purchase requisitions and purchase orders. The procedures must include limits on approval of purchase orders after the purchase to emergency situations and all blanket purchases must have a fixed monetary limit. Upon receipt of the goods or services a charter school employee must verify the condition, quantity, and quality of the goods or services prior to payment of the invoice/bill/contract. Supporting documentation, such as invoices, shall be compared to purchase orders to ensure the prices, quantities, etc. are correct prior to payment.

The Accounts Payable Voucher (Form 523) is designed to replace Claim Form 505. The form must be used in accordance with the following conditions: Charter schools may not draw a warrant or check for payment of a claim unless; (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the board having jurisdiction over the allowance of the payment of the claim. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8 and Part 2)

Springville Community and Rural Foundation, Inc.
d/b/a Springville Community Academy
Lawrence County, Indiana
Audit Results and Comments
July 1, 2023 to June 30, 2024

Form Usage

The School used a duplicate copy receipt book until January 2024, after which it began using the required triplicate copy receipt book.

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)

Payroll Compliance

Of the fifteen employees selected for testing, three were paid less than the amounts specified in their contracts, while one employee was paid more than the contractual amount. Additionally, one substitute teacher did not have an employment contract, therefore we were unable to test this specific individual.

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 retain copies of tickets sold. During the 2023-2024 school year, a total of 149 tickets valued at \$395 were sold with no records maintained by the School other than annual totals.

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)

Springville Community and Rural Foundation, Inc.
d/b/a Springville Community Academy
Lawrence County, Indiana
Audit Results and Comments
July 1, 2023 to June 30, 2024

Employee Bond

The School did not have an employee bond from July to August 2023.

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, 2023 to June 30, 2024

The contents of this report were discussed on December 18, 2024, with Corbin Dietrich (Treasurer), Kevin Davis (Outside Consultant), Jayme Davis (School Leader), Kevin Smith (Board President), and Trent Osman (Board Trustee). The official responses have been made a part of this report and may be found on pages 7-8.

Springville Community Academy

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



December 18, 2024

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

Subject: Response SBOA to Audit Findings for FY23-24

Below are the Springville Community Academy (SCA) responses to the Indiana State Board of Accounts (SBOA) audit findings for the fiscal year 2023-2024:

Finding #1 Receipts and Deposits: SCA is approximately 10 miles from the bank, which is not always conducive to making daily deposits, but we will make a concerted effort to deposit in a timely manner as prescribed by the SBOA. Also, some checks are dated ahead of time and not received by the person who usually makes the deposit, making it look like the time of receipt and deposit is longer than it should be. We have updated our processes to mark the received date on the deposit to more easily and accurately compare the received date to the deposit date.

Finding #2 Vendor Disbursements: SCA has updated its processes and procedures to include an accounts payable voucher (Form 523) for every purchase with the appropriate signatures. SCA will also establish procedures for the procurement of goods and services, including purchase orders, that meet the requirements established by the SBOA.

Finding #3 Form Usage: This was previously addressed in January of 2024 when SCA began using the required triplicate receipt book.

Finding #4 Payroll Compliance: SCA be more diligent about creating and maintaining employee contracts. The administrative staff will ensure that employees have employment contracts, and that the amount specified in their contracts is the amount they are paid. The appropriate payroll records (timecards/timeclock system) will be approved and maintained.

Finding #5 Ticket Sales: SCA updated its processes/procedures in late 2023 for ticket sales to comply with the IN State Board of Accounts requirements. The selected event was prior to the updated processes/procedures. The school has been using pre-numbered tickets for all Extra Curricular activities and then including 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.

Finding #6 Employee Bond: SCA recognizes the oversight of not having an employee bond for the specified time period. The employee bond was previously rectified and has been maintained

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Finding #6 Employee Bond: SCA recognizes the oversight of not having an employee bond for the specified time period. The employee bond was previously rectified and has been maintained since. SCA has a \$50,000 bond for the Treasurer position and a \$30,000 policy for employees who handle funds at the school as required by the SBOA.

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

Sincerely,

A handwritten signature in cursive script that reads "Corbin Dietrich".

Corbin Dietrich, Treasurer