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June 18, 2024

Charter School Board  
Irvington Community Schools, Inc.  
Marion County, Indiana

We have reviewed the Supplemental Audit Report for Irvington Community Schools, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. In our opinion, the Supplemental Audit 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 and 4. Management's response is on page 6.

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  
**IRVINGTON COMMUNITY SCHOOLS, INC.**

MARION COUNTY, INDIANA

July 1, 2022 to June 30, 2023



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**IRVINGTON COMMUNITY SCHOOLS, INC.**  
**MARION COUNTY, INDIANA**  
**School Officials**  
**July 1, 2022 to June 30, 2023**

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chair of Board of Directors	Carrie Kriech	07/01/22 – 06/30/23
Chief Executive Officer	Hans Lassiter	07/01/22 – 06/30/23
Interim Chief Financial Officer	Geoffrey Cherry	07/01/22 – 06/30/23



# Donovan CPAs

The Board of Directors  
Irvington Community Schools, Inc.

We audited the financial statements of Irvington Community Schools, Inc. (the “School”) as of and for the year ended June 30, 2023, and issued our report thereon dated April 23, 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 where we believe the School was not in compliance with those provisions.

DONOVAN

Indianapolis, Indiana  
April 23, 2024

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**IRVINGTON COMMUNITY SCHOOLS, INC.**  
**MARION COUNTY, INDIANA**  
**Audit Results and Comments**  
**July 1, 2022 to June 30, 2023**

**REQUIRED REPORTS - FORM 9 REPORTING**

We reviewed the Form 9s covering the 2022-2023 school year. Individual fund balances and total cash reported on the June 30, 2023 Form 9 did not reflect actual balances in line with the School's accounting records. Cash reported on the June 2023 Form 9 was lower than cash reported on the School's trial balance by \$41,764.

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)

**REQUIRED REPORTS - NEGATIVE FUND BALANCES**

The School reported the following negative balances on the June 30, 2023 Form 9, none of which were awaiting reimbursement:

- Fund 200           \$4,592,915
- Fund 3270           15,000
- Fund 3956           4,600

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)

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the charter school. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**IRVINGTON COMMUNITY SCHOOLS, INC.**  
**MARION COUNTY, INDIANA**  
**Audit Results and Comments**  
**July 1, 2022 to June 30, 2023**

**RECEIPTS AND DEPOSITS**

We selected a sample of forty receipts for testing from the School's general ledger. Deposit support was not provided for thirty of the receipts selected.

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)

**REVIEW OF CAPITAL ASSETS**

The School has not completed a complete physical inventory of capital assets since the 2018-2019 school year.

Every charter school must have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory must be recorded on the applicable Capital Asset Ledger. A complete inventory shall be taken for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 15)

**AVERAGE DAILY MEMBERSHIP ("ADM")**

We examined the School's ADM reports for both count dates during the year ended June 30, 2023 along with supporting student rosters. We selected a sample of 60 students for testing, of which one student was improperly included on the Spring 2023 ADM report. The School must communicate this error to the Indiana Department of Education for resolution.

A student claimed for ADM must be an "eligible pupil". An eligible pupil is a student that is enrolled and attending. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9)

**IRVINGTON COMMUNITY SCHOOLS, INC.**  
**MARION COUNTY, INDIANA**  
**Exit Conference**  
**July 1, 2022 to June 30, 2023**

The contents of this report were discussed on April 16, 2024 with Geoffrey Cherry and Linda Heidrich (Outsourced Consultants with Orbital Consulting Group), and Rodney Iberg (Chief Operating Officer). The Official Response has been made a part of this report and may be found on page 6.



# Irvington Community Schools

## 2022-23 Supplemental Audit - Management Response to Findings

### 1.) Form 9 Reporting

**Response:** In support of the audit, changes were made after form 9 was submitted. This included changes brought about by a cancelled check and changes to the fund account of expenses. In the future, no changes will be made after Form 9 is submitted. All changes will be routed through the auditors.

**Responsible Person/Position:** Linda Heidrich/Staff Accountant

### 2.) Negative Fund Balance

**Response:** Previous administrator had begun moving expenses to a new fund, primarily, debt service. This task was not completed before their departure leaving a negative fund balance. Staff will contact SBOA on how to complete this task in moving large amounts of funds across funds.

**Responsible Person/Position:** Rod Iberg/COO and Linda Heidrich/Staff Accountant

### 3.) Receipts & Deposits

**Response:** The point-of-sale staff will be updated on the procedures already in place to assure compliance.

**Responsible Person/Position:** Rod Iberg/COO

### 4.) Average Daily Membership ("ADM")

**Response:** This student was mistakenly counted in the ADM count. The school will contact the state to seek remedies. Care will be taken to assure this does not happen again.

**Responsible Person/Position:** Chris Ashmore/Director of IT

### 5.) Review of Capital Assets

**Response:** Due to the lack of historical detail in the fixed assets account, the school has struggled to comply with this requirement. Management has discussed remedies and is currently developing a plan of action.

**Responsible Person/Position:** Rod Iberg/COO