



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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May 22, 2013

Charter School Board
Montessori Academy at Geist, Inc.
13942 E. 96th Street, Suite 120
McCordsville, IN 46055

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2011 to June 30, 2012. 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. Pages 3 through 4 contain four audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Montessori Academy at Geist, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Supplemental Audit Report and the Financial Statements and Independent Auditors' Report are filed in our office as a matter of public record.

State Board of Accounts

SUPPLEMENTAL AUDIT REPORT
OF
MONTESSORI ACADEMY AT GEIST, INC.
HANCOCK COUNTY, INDIANA
July 1, 2011 to June 30, 2012

MONTESSORI ACADEMY AT GEIST, INC.

HANCOCK COUNTY, INDIANA

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MONTESSORI ACADEMY AT GEIST, INC.

HANCOCK COUNTY, INDIANA

School Officials

Year Ended June 30, 2012

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Carla Howie	07/01/11 – 06/30/12
Principal	Trisha Armstrong	07/01/11 – 06/30/12
Treasurer	Jennifer Thompson	07/01/11 – 06/30/12

The Board of Directors
Montessori Academy at Geist, Inc.

We have audited the financial statements of **Montessori Academy at Geist, Inc.** (the "School") as of and for the year ended June 30, 2012 and have issued our report thereon dated March 8, 2013. 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.



Indianapolis, IN
March 8, 2013

MONTESSORI ACADEMY AT GEIST, INC.

HANCOCK COUNTY, INDIANA

Audit Results and Comments

Year Ended June 30, 2012

CAPITAL ASSET INVENTORY

The School maintains a record of capital assets; however, it has not performed an inventory of such assets as verification of the accounting records.

Every charter school shall have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory must be recorded on the applicable Capital Assets Ledger. A complete inventory must 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 10)

TRAVEL CLAIMS

The School utilizes a standard form for reimbursement of travel expense; however, it has not adopted a formal written travel policy.

Each charter school shall adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

MONTESSORI ACADEMY AT GEIST, INC.

HANCOCK COUNTY, INDIANA

Audit Results and Comments, Continued

PAYROLL POLICIES AND COMPLIANCE

We selected fifteen employees with which to test the process for calculating, accumulating and recording payroll expense. From our examination, the School could not produce an employee contract or other documentation for three individuals to support their pay rate.

The charter school must establish a payroll schedule that details amounts paid annually, biweekly, hourly, etc. for all employees that are not included on a labor contract. (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 authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

VENDOR DISBURSEMENTS

In our sample of forty-five vendor disbursements, we noted that on forty of those, the Accounts Payable Voucher did not contain an indication of the fund number. A full and complete account code is necessary to assure proper classification of the expenditure.

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)

Official 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)

MONTESSORI ACADEMY AT GEIST, INC.

HANCOCK COUNTY, INDIANA

Exit Conference

Year Ended June 30, 2012 and June 30, 2011

The contents of this report were discussed on March 28, 2013, with Susan Fries (Principal), Jennifer Thompson (Business Manager), and Carla Howie (Board President). The Official Response has been made a part of this report and may be found on page 6.



Geist Montessori Academy
Public Charter School

April 8, 2013

Response to Geist Montessori Academy Audit:

So that Geist Montessori Academy will be in compliance with all guidelines, we will:

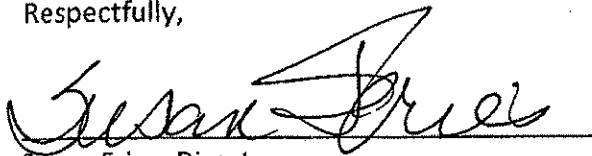
1. Conduct and complete an inventory of all capital assets owned and reflect their acquisition value. The inventory will be recorded on the applicable Capital Assets Ledger. This will be completed on or before September 1, 2013.

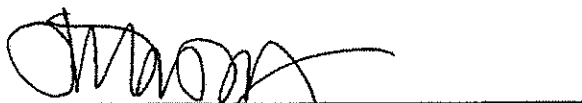
2. Adopt a written travel policy in conformity with applicable statutes on or before August 1, 2013.

3. Establish a payroll schedule that details amounts paid annually, biweekly, hourly, etc. for all employees that are not included on a labor contract. This will be completed on or before June 1, 2013.

4. Complete accounting entity and all financial transactions both receipts and disbursements, using the fund number and complete account code. This process will begin April 8, 2013.

Respectfully,


Susan Fries, Director


Jennifer Thompson, School Treasurer

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