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December 21, 2017

Charter School Board
Global Preparatory Academy, Inc.
2033 Sugar Grove Ave
Indianapolis, IN 46202

We have reviewed the Supplemental Audit Report for Global Preparatory Academy, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2016 to June 30, 2017. 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 three audit results and comments.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**SUPPLEMENTAL AUDIT REPORT
OF
GLOBAL PREPARATORY ACADEMY, INC.**

INDIANAPOLIS, INDIANA

July 1, 2016 to June 30, 2017



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GLOBAL PREPARATORY ACADEMY, INC.
INDIANAPOLIS, INDIANA
School Officials
July 1, 2016 to June 30, 2017

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Terry Dwyer	07/01/16 – 06/30/17
Business Manager	Linda Diakite Karressy	11/01/16 – 06/30/17
Principal	Mariama Carson	07/01/16 – 06/30/17



Donovan CPAs

The Board of Directors
Global Preparatory Academy

We have audited the financial statements of Global Preparatory Academy, Inc. (the “School”) as of and for the year ended June 30, 2017, and have issued our report thereon dated December 12, 2017. 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
December 12, 2017

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GLOBAL PREPARATORY ACADEMY, INC.
INDIANAPOLIS, INDIANA
Audit Results and Comments
July 1, 2016 to June 30, 2017

RECEIPTS AND DEPOSITS

The School receives money from various sources and issues receipts. Based on our testing, we noted the following issues relating to the School's receipting processes and documentation of the deposits:

- The School was unable to provide documentation to show that cash receipts were issued for the majority of the year. The school was only able to locate eight receipts it wrote during the year.
- The school was unable to provide deposit support for six out of eight receipts tested. No documentation was kept to allow for tracing an individual cash receipt to a specific deposit.
- Due to the issues above, we were able to only trace two of eight receipts tested to bank deposits. Of those receipts, neither was deposited in a timely manner.

Standard forms must be utilized for cash receipts. The form is to be pre-numbered by the printing supplier in duplicate, five receipts to the page. A receipt must be written on the form each time any money is received by the charter school regardless of whether it is in the form of cash, check, money order, bank card/credit card, EFT (all on which must be indicated as payment type and amount) or other negotiable instrument. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

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)

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 payers. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

MINIMUM INTERNAL CONTROL STANDARDS

Per review and discussion with school personnel, it was determined that the School was not in compliance with either of the minimum internal control requirements as set forth by IC 5-11-1-27(g).

After June 30, 2016, the legislative body of a political subdivision shall ensure that:

1. the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
2. personnel received training concerning the internal control standards and procedures adopted by the political subdivision.

(IC 5-11-1-27(g))

GLOBAL PREPARATORY ACADEMY, INC.
INDIANAPOLIS, INDIANA
Audit Results and Comments
July 1, 2016 to June 30, 2017

VENDOR DISBURSEMENTS

The School has disbursements to vendors for various operating activities. Based on our testing, we noted that the School was unable to provide adequate documentation for multiple disbursements. Of the 27 items selected, the School was unable to provide documentation for four and was unable to produce vouchers for another four.

The Accounts Payable Voucher (Form 523)...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 2)

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)

GLOBAL PREPARATORY ACADEMY, INC.
INDIANAPOLIS, INDIANA
Audit Results and Comments
July 1, 2016 to June 30, 2017

SCHOOL LUNCH ELIGIBILITY

The School determines eligibility for free and reduced meals by reviewing applications submitted by students. Of the applications tested we noted the following issues:

- The School did not keep proper documentation for the determination of eligibility. Of the 15 applications selected the School was unable to locate two. Additionally, two students were identified as being eligible for free meals based on direct certification, but the School was unable to provide support for this determination.
- The School determined the eligibility of one student incorrectly. The student's status should have been free but the School determined that the student was paid.
- Applications were not fully completed and signed by the determining official.
- The School did not perform the required 3% verification.

The local educational agency must determine household eligibility for free or reduced-price meals either through direct certification or the application process at or about the beginning of the school year. [7 CFR, part 245.6(c)]

Charter schools should have internal controls in place to provide reasonable assurance that their goals and objectives are accomplished; laws, regulations, and good business practices are complied with; assets are safeguarded; and accurate and reliable data are maintained. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

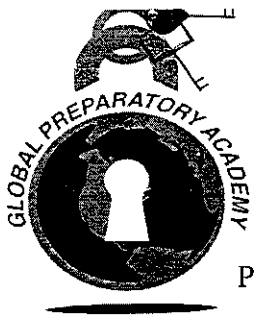
The State Board of Accounts is of the audit position charter schools shall request a written position from the Indiana Department of Education stating whether the corrective action taken was sufficient or if additional verifications need to be performed when high incidences of errors in test sample verifications are noted. The written communication to the Department of Education must also request a determination if any increases or decreases in funding will result to the charter school because of the concerns noted with the verification process. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 17)

The governing board is charged with the duty to preserve, keep, maintain, or file all the official records of the political subdivision pursuant to IC 5-15-1-1.

A public record is defined as all documentation of the informational, communicative or decision-making processes of the political subdivision in connection with the transaction of public business or governmental functions, which documentation is created, received, retained, maintained, or filed by the political subdivision as evidence of its activities or because of the information value of the data in the documentation, and which is generated on paper or paper substitutes; photographic or chemically based media; magnetic or machine readable media; or any other materials, regardless of form or characteristics. [IC 5-15-5.1-1] (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 12)

GLOBAL PREPARATORY ACADEMY, INC.
INDIANAPOLIS, INDIANA
Exit Conference
July 1, 2016 to June 30, 2017

The contents of this report were discussed on December 14, 2017 with Bill West (Board of Directors Treasurer), Jeannine Murray (Board Member), Mariama Carson (Principal), Linda Diakite Karressy (Business Manager), and Brian Anderson (Outside Consultant). The Official Response has been made a part of this report and may be found on page 7.



Global Preparatory Academy @ Riverside 44

Unlocking the world through language, experiential learning, and love

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December 18, 2017

Donovan CPAs
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Indianapolis, IN 46260

Global Preparatory Academy has already or will take the following actions to address the FY2017 supplemental audit report comments:

1. We will establish a process that allows us to better issue individual receipts for cash and checks received at the school, and to deposit those funds in a timely manner.
2. We will comply with the new internal control standards that were introduced for legislative bodies of a political subdivision in the 2017 fiscal year. The October 26th, 2017 memo from the State Board of Accounts to all charter schools clarified that they view charter schools as subject to this newly implemented law.
3. We will continue to follow our vendor disbursement processes that improved greatly throughout our first year of operation, including continuing to use the required state forms.
4. We will continue to work with IPS to improve our school lunch eligibility for all grade levels. This includes those grades that fall under GPA School Corporation reporting and IPS School Corporation reporting.

Sincerely,

Mariama Carson
CEO & Principal