



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B49247

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

December 28, 2017

Charter School Board
Alternatives in Education, Inc.
d/b/a Marion Academy
2107 N. Riley Ave.
Indianapolis, IN 46218

We have reviewed the Supplemental Audit Report for Alternatives in Education, Inc. d/b/a Marion Academy prepared by Greenwalt CPAs, Inc., 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. Page 3 contains two 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
ALTERNATIVES IN EDUCATION, INC.
D/B/A MARION ACADEMY
MARION COUNTY, INDIANA
JULY 1, 2016 TO JUNE 30, 2017

GREENWALT^{CPAs}

We Deliver Peace of Mind

ALTERNATIVES IN EDUCATION, INC. D/B/A MARION ACADEMY
SUPPLEMENTAL AUDIT REPORT
TABLE OF CONTENTS
JUNE 30, 2017

School Officials.....	1
Transmittal Letter.....	2
Schedule of Audit Results and Comment.....	3
Exit Conference.....	4

SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
School Director Marion Academy	LaToya Black	N/A
Chairman of the Board of Directors	Regina Ashley	7/1/16 to present

PH 317 241 2999

FAX 317 240 4485



Greenwalt CPAs, Inc.
5342 W. Vermont Street
Indianapolis, IN 46224
www.greenwaltcpas.com

To the Board of Directors of
Alternatives in Education, Inc. d/b/a Marion Academy:

We have audited the financial statements of Alternatives in Education, Inc. d/b/a Marion Academy (Marion Academy) as of and for the year ended June 30, 2017 and have issued our report thereon dated December 15, 2017.

In connection with that audit and with our consideration of Marion Academy's internal controls as required by the *Guidelines for the Audits of Charter Schools Performed by Private Examiners* (Guide), issued by the Indiana State Board of Accounts, we performed procedures prescribed under the Guide for the year ended June 30, 2017.

As required by the Guide, we performed procedures to test compliance with the requirements that are applicable to Marion Academy. Our procedures were substantially narrower in scope than an audit, the objective of which is the expression of an opinion on the Marion Academy's compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance with those requirements, which are described in the accompanying Schedule of Audit Results and Comments.

The purpose of this report is solely to describe the scope of our testing over compliance with the requirements prescribed under the Guide and the results of that testing, and not to provide a legal determination of compliance with those requirements. Accordingly, this report is not suitable for any other purpose.

December 15, 2017

Greenwalt CPAs, Inc.

ALTERNATIVES IN EDUCATION, INC. D/B/A MARION ACADEMY

MARION COUNTY

SCHEDULE OF AUDIT RESULTS AND COMMENTS

Credit card transactions included sales tax

Marion Academy paid sales tax on two of the five credit card transactions selected for testing. The two transactions were for purchases of school supplies totaling \$3,006.42.

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. If sales tax is paid erroneously, a refund application may be obtained from the Sales Tax Division. Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies shall always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10.)

Daily deposits were not made

Three of the five deposit transactions selected for cash receipts testing, totaling \$5,863.19, were not deposited on the next business day.

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. 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)

ALTERNATIVES IN EDUCATION, INC. D/B/A MARION ACADEMY.

MARION COUNTY, INDIANA

EXIT CONFERENCE

The contents of this report were discussed on December 15, 2017 with school officials – LaToya Black, School Director and Regina Ashley, Board Chair. The officials concurred with our findings.