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November 19, 2018

Charter School Board
Muncie Public Charter School of Inquiry, Inc.
d/b/a Inspire Academy
2801 E 16th St
Muncie, IN 47302

We have reviewed the Supplemental Audit Report for Muncie Public Charter School of Inquiry, Inc. d/b/a Inspire Academy prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. 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. Management's response is on pages 5 through 6.

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
MUNCIE PUBLIC CHARTER SCHOOL OF INQUIRY, INC.
d/b/a INSPIRE ACADEMY
DELAWARE COUNTY, INDIANA
July 1, 2017 to June 30, 2018



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MUNCIE PUBLIC CHARTER SCHOOL OF INQUIRY, INC.
d/b/a INSPIRE ACADEMY
DELAWARE COUNTY, INDIANA
School Officials
July 1, 2017 to June 30, 2018

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director of Finance	Paul Runyon	07/01/17 – 06/30/18
School Leader	Leslie Draper Bridget Duggleby	07/01/17 – 06/04/18 06/04/18 – 06/30/18
President of the Board	Tom Schroeder	07/01/17 – 06/30/18



Donovan CPAs

The Board of Directors
Muncie Public Charter School of Inquiry, Inc.

We have audited the financial statements of Muncie Public Charter School of Inquiry, Inc. d/b/a Inspire Academy (the "School") as of and for the year ended June 30, 2018 and have issued our report thereon dated November 1, 2018. 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
November 1, 2018

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MUNCIE PUBLIC CHARTER SCHOOL OF INQUIRY, INC.
d/b/a INSPIRE ACADEMY
DELAWARE COUNTY, INDIANA
Audit Results and Comments
July 1, 2017 to June 30, 2018

CASH BALANCES

Per review of the School's Form 9 submission for the period of January to June 2018, we noted fund 900 was overdrawn by \$20,583. The overdrawn fund was not due to awaiting reimbursement on a reimbursement grant.

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

MINIMUM INTERNAL CONTROL STANDARDS

Per review and discussion with School personnel, we 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))

MUNCIE PUBLIC CHARTER SCHOOL OF INQUIRY, INC.
d/b/a INSPIRE ACADEMY
DELAWARE COUNTY, INDIANA
Exit Conference
July 1, 2017 to June 30, 2018

The contents of this report were discussed on November 1, 2018 with Paul Runyon (Director of Finance), Bridget Duggleby (School Leader), Tom Schroeder (Board President), and Tracy Osborne (Board Treasurer). The Official Response has been made a part of this report and may be found on pages 5 and 6.



November 1, 2018

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

Detailed below is the Official Response to Audit Results and Comments relative to the review of Muncie Public Charter School of Inquiry, Inc.'s (the "School") compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts.

CASH BALANCES

Audit Result and Comment: Per review of the School's Form 9 submission for the period of January to June 2018, we noted fund 900 was overdrawn by \$20,583. The overdrawn fund was not due to awaiting reimbursement on a reimbursement grant.

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

Response:

An adjustment has been made to bring the balance of fund 900 above zero. The School will monitor this and all other fund accounts to assure that none are reduced below zero.

MINIMUM INTERNAL CONTROL STANDARDS

Audit Result and Comment: Per review and discussion with School personnel, we 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).

2801 E. 16th St.
Muncie, IN 47302

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INSPIRE ACADEMY

A School of Inquiry

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.

Response: The School will ensure that minimum internal control standards and procedures are developed and are adopted by the School's Board of Directors and that personnel receive training concerning the internal control standards and procedures adopted.

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