



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B51447

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November 30, 2018

Charter School Board
The Recovery High School at Fairbanks, Inc.
d/b/a Hope Academy
8102 Clearvista Parkway
Indianapolis, IN 46256

We have reviewed the Supplemental Audit Report for The Recovery High School at Fairbanks, Inc., d/b/a Hope Academy prepared by Blue & Co., LLC, 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 finding in the report. Page 3 contains one audit result and comment. Management's response is on page 5.

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



MARION COUNTY, INDIANA

JULY 1, 2017 TO JUNE 30, 2018

HOPE ACADEMY

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HOPE ACADEMY

SCHOOL OFFICIALS
JULY 1, 2017 TO JUNE 30, 2018

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Leah Mannweiler	7/1/17 - 6/30/18
Principal	Linda Gagyi	7/1/17 - 6/30/18
Treasurer	Janine Shopp	7/1/17 - 6/30/18



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Board of Directors
The Recovery High School at Fairbanks, Inc.
d/b/a Hope Academy
Indianapolis, Indiana

We have audited the financial statements of The Recovery High School at Fairbanks, Inc., d/b/a Hope Academy (Hope Academy), as of and for the year ended June 30, 2018 and have issued our report thereon dated October 23, 2018. As part of our audit, we tested Hope Academy'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 Hope Academy was not in compliance with those provisions.

Blue & Co., LLC

Indianapolis, Indiana
October 23, 2018

HOPE ACADEMY

AUDIT RESULTS AND COMMENTS YEAR ENDED JUNE 30, 2018

Credit Card Policy, Procedures, and Disbursements

Condition:

Hope Academy receives monthly credit card statements depending on the prior month's credit card activity. In our sample of 12 credit card statements from July 1, 2017 to June 30, 2018, we noted one instance in which the check date was dated after the credit card statement due date. This late payment resulted in late fees and interest payments. These penalties and interest fees should be the responsibility of the office or employee response for the late payment, not Hope Academy

Blue further notes that a similar instance was noted during the prior year audit. However, subsequent to issuance of the prior year audit report, effective December 1, 2017, management implemented a new process which will result in timely payments being made. In addition, the one exception noted above occurred before this process was implemented. All samples tested subsequent to the effective date of the process implementation were tested with no exceptions noted.

Criteria:

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools; Part 10: General Information 10-3

Any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee shall be the responsibility of that officer or employee.

HOPE ACADEMY

EXIT CONFERENCE
JULY 1, 2017 TO JUNE 30, 2018

The contents of this report were discussed on October 16, 2018 with Janine Shopp (Treasurer) and Jane Panyard (Manager of Accounting). The official response has been made a part of this report and may be found on page 5.

HOPE ACADEMY

OFFICIAL RESPONSE
JULY 1, 2017 TO JUNE 30, 2018



October 19, 2018

Board of Directors
The Recovery High School at Fairbanks, Inc. d/b/a Hope Academy
8102 Clearvista Parkway
Indianapolis, Indiana 46256

The following management comment was made as a result of the year-end audit of the financial statements of The Recovery High School at Fairbanks, Inc. d/b/a Hope Academy (Hope Academy) for the year ended June 30, 2018.

Credit Card Policy, Procedures, and Disbursements

Hope Academy receives monthly credit card statements depending on the prior month's credit card activity. In our sample of 12 credit card statements from July 1, 2017 to June 30, 2018, we noted one instance in which the check date was dated after the credit card statement due date. These late payments resulted in late fees and interest payments. These penalties and interest fees should be the responsibility of the office or employee responsible for the late payment, not Hope Academy.

Management provided the following response to the comment:

Credit Card Policy, Procedures, and Disbursements

Effective December 1, 2017, a new process was instituted with the administrative secretary at Hope Academy, COO, Bookkeeping Plus and Treasurer in response to a comment from the prior year audit. Due to this new process being implemented in December 2017, there was one instance of a late payment prior to the policy change. Subsequent to the policy change, no late payments were noted.

Sincerely,

Janine Shopp
Treasurer