



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B52658

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

May 9, 2019

Charter School Board
Ace Preparatory, Inc.
5326 Hillside Ave.,
Indianapolis, IN 46220

We have reviewed the Supplemental Audit Report for Ace Preparatory, Inc. prepared by CliftonLarsonAllen LLP, 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. Pages 3 through 4 contain four 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

ACE PREPARATORY, INC.

MARION COUNTY, INDIANA

JULY 1, 2017 TO JUNE 30, 2018

**ACE PREPARATORY, INC.
SUPPLEMENTAL AUDIT REPORT
TABLE OF CONTENTS**

SCHEDULE OF OFFICIALS	1
INDEPENDENT AUDITORS' SUPPLEMENTAL AUDIT REPORT	2
AUDIT RESULTS AND COMMENTS	3
EXIT CONFERENCE	4

ACE PREPARATORY, INC.

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Head of School	Anna Shults	2015 – Present
Director of Operations	Kerreisha Adams	2015 – Present



INDEPENDENT AUDITORS' SUPPLEMENTAL AUDIT REPORT

School Officials
ACE Preparatory, Inc.
Indianapolis, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of ACE Preparatory, Inc., as of and for the year ended June 30, 2018, and have issued our report thereon dated January 31, 2019.

In our audit, we noted that ACE Preparatory, Inc. failed to comply with proper bonding of employees, monthly accrual reconciliations, timely deposits and timely payment of invoices as required by the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*, as outlined in the *Guidelines of Audits of Charter Schools Performed by Private Examiners*, issued by the Indiana State Board of Accounts.

Our audit was not directed primarily toward obtaining knowledge as to whether ACE Preparatory, Inc. failed to comply with the terms of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*, issued by the Indiana State Board of Accounts, insofar as they relate to accounting matters. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding noncompliance with the above-referenced *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*, issued by the Indiana State Board of Accounts, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the board of directors and management of ACE Preparatory, Inc. and the Indiana State Board of Accounts, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
January 31, 2019

**ACE PREPARATORY, INC.
MARION COUNTY
AUDIT RESULTS AND COMMENTS**

PROPER BONDING OF DESIGNATED EMPLOYEES

There is no cash bond or insurance policy on the individual designated to handle the majority of the disbursements and receipts which protects the Academy from theft, fraud, errors, and omissions.

The organizer shall designate employees who are responsible for handling a majority of the cash, receipts, and disbursements for the school. The designated employees must have either a cash bond or an insurance policy on their behalf that protects the charter school from employee theft, fraud, errors, and omissions. The cash bond or insurance policy shall represent an average amount of cash or receipts on hand during a fiscal year (*Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8*).

MONTHLY RECONCILIATIONS MAINTAINED

The Academy could not provide sufficient documentation to support that monthly reconciliations are completed for all financial records.

All financial records must be kept up-to-date and reconciled monthly (*Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8*).

RECEIPTS AND DEPOSITS

The Academy does not deposit receipts daily. Ten instances of noncompliance were noted during inspection of a sample of 60 transactions.

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*).

**ACE PREPARATORY, INC.
MARION COUNTY
EXIT CONFERENCE**

VENDOR DISBURSEMENTS

Based on audit procedures guided by the State Board of Accounts' compliance standards, one instance of late payment fees was noted totaling \$6.06.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest, or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee (*Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10*).

**ACE PREPARATORY, INC.
MARION COUNTY
EXIT CONFERENCE**

The contents of this report were discussed with Anna Shults, Head of School, Kerreisha Adams, Director of Operations, and members of the board of directors, on January 24, 2018. The officials concurred with our audit findings.