



STATE OF INDIANA
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October 21, 2019

Charter School Board
Options Charter School – Carmel, Inc.
530 W Carmel Dr.
Carmel, IN 46032

We have reviewed the Supplemental Audit Report for Options Charter School – Carmel, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. 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 three audit results and comments. 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
OF
OPTIONS CHARTER SCHOOL - CARMEL, INC.

HAMILTON COUNTY, INDIANA

July 1, 2018 to June 30, 2019



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OPTIONS CHARTER SCHOOL - CARMEL, INC.
HAMILTON COUNTY, INDIANA
School Officials
July 1, 2018 to June 30, 2019

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman of Board of Directors	Stacy Segal	07/01/18 – 06/30/19
Treasurer of Board of Directors	Will Mattingly	07/01/18 – 06/30/19
School President and CEO	Mike Gustin	07/01/18 – 06/30/19
School Treasurer	Sherrie Bly	07/01/18 – 06/30/19



Donovan CPAs

The Board of Directors
Options Charter School - Carmel, Inc.

We have audited the financial statements of Options Charter School - Carmel, Inc. (the "School") as of and for the year ended June 30, 2019 and have issued our report thereon dated October 11, 2019. 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
October 11, 2019

OPTIONS CHARTER SCHOOL - CARMEL, INC.
HAMILTON COUNTY, INDIANA
Audit Results and Comments
July 1, 2018 to June 30, 2019

RECEIPTS AND DEPOSITS

We tested twenty-five cash receipts from the School's receipt books. Fourteen of the receipts tested were not deposited timely.

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)

PAYROLL COMPLIANCE

During the year, the School paid suspension pay to one employee without obtaining a written opinion from an attorney.

Suspension with pay must be supported by the written opinion of the attorney for the charter school stating that the suspension is in accordance with all federal laws and regulations, and state laws, as applicable. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

SCHOOL MEAL ELIGIBILITY

We tested fifteen students to determine if the School correctly determined their eligibility. The School was unable to provide adequate documentation for two students.

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)]

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)

OPTIONS CHARTER SCHOOL - CARMEL, INC.
HAMILTON COUNTY, INDIANA
Exit Conference
July 1, 2018 to June 30, 2019

The contents of this report were discussed on October 11, 2019 with Will Mattingly (Board Treasurer); Mike Gustin (School President and CEO); Jacob Brandau (School CFO) and Sherrie Bly (School Treasurer). The Official Response has been made a part of this report and may be found on pages 5 and 6.



Date: October 10th, 2019

To: Donovan CPAs

From Jacob Brandau, Chief Financial Officer

Reason: **Audit Response for Options Charter School- Carmel**

Issue One: RECEIPTS AND DEPOSITS

We tested twenty-five cash receipts from the School's receipt books. Fourteen of the receipts tested were not deposited timely.

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)

Issue One: Response

This issue was due to the Options Carmel administrative assistant dealing with the large amount of student fees that came in on our back-to-school night. The back-to-school night ended late on a Friday and the money and receipts were put in the safe. This money then did not get processed to the Treasurer until the next week. This issue will be resolved next year by instituting that the Principal is responsible for depositing the money on the evening of back to school night. Generally, our expectation is that all deposits are made on the same business day.

Issue Two: PAYROLL COMPLIANCE

During the year, the School paid suspension pay to one employee without obtaining a written opinion from an attorney.

Suspension with pay must be supported by the written opinion of the attorney for the charter school stating that the suspension is in accordance with all federal laws and regulations and state laws, as applicable. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

Issue Two: Response

We will be obtaining a written opinion from our attorney for any severance pay in the future. This issue was just on oversight on our part in the severance process.



Issue Three: SCHOOL MEAL ELIGIBILITY

We tested fifteen students to determine if the School correctly determined their eligibility. The School was unable to provide adequate documentation for two students.

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)]

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.

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Issue Three: Response

This finding was due to an unverified case number and student that we did not have paperwork for. We have instituted a new process that will involve a letter to a parent verifying their case number if they have filled out a free or reduced eligibility form with a case number but does not show up on our direct certification list. This will add another layer of oversight for the free and reduced process.

Sincerely,

Jacob Brandau, Chief Financial Officer
Options Charter Schools