



STATE OF INDIANA
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January 27, 2020

Charter School Board
Avondale Meadows Academy, Inc.
d/b/a/ United Schools of Indianapolis
3980 Meadows Dr.
Indianapolis, IN 46205

We have reviewed the Supplemental Audit Report for Avondale Meadows Academy, Inc. d/b/a/ United Schools of Indianapolis prepared by Greenwalt CPAs, Inc., 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. Pages 3 through 5 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 OF
AVONDALE MEADOWS ACADEMY, INC. D/B/A
UNITED SCHOOLS OF INDIANAPOLIS
MARION COUNTY, INDIANA
JULY 1, 2018 TO JUNE 30, 2019

GREENWALT^{CPAs}

We Deliver Peace of Mind

AVONDALE MEADOWS ACADEMY, INC. D/B/A
UNITED SCHOOLS OF INDIANAPOLIS
SUPPLEMENTAL AUDIT REPORT
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SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director - United Schools of Indianapolis	Kelly Herron	N/A
Director of Business Affairs - United Schools of Indianapolis	Janie Seivers	N/A
Chairman of the Board Of Directors	Kelly Braverman	08/25/2017 - to date



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

To the Board of Directors of Avondale Meadows Academy, Inc.
d/b/a United Schools of Indianapolis:

We have audited the financial statements of Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis (USI) as of and for the year ended June 30, 2019 and have issued our report thereon dated December 13, 2019.

In connection with that audit and with our consideration of USI'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, 2019.

As required by the Guide, we performed procedures to test compliance with the requirements that are applicable to USI. Our procedures were substantially narrower in scope than an audit, the objective of which is the expression of an opinion on USI'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.

Greenwalt CPAs, Inc.

December 13, 2019

AVONDALE MEADOWS ACADEMY, INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

MARION COUNTY

SCHEDULE OF AUDIT RESULTS AND COMMENTS

Ticket sales for events were not deposited timely.

The three ticket sales selected were not deposited within the next business day. For one of the three ticket sales events selected, the ticket sales were properly documented on an SA - 4 form, but the form was not signed.

Tickets, goods for sale, billings and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the charter school (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10). 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).

Management response:

Moving forward the Business Manager will review the process with appropriate staff and confirm the correct documentation with every bank deposit.

Textbook rental documents were not properly maintained for the Vision Academy and Avondale Meadows Academy.

For the two textbook rentals tested from Vision Academy and Avondale Meadows Academy, there was no TBR-2 form and no supporting documentation for student, signature of officer, and receipt given to payer.

Accounting and uniform compliance guidelines:

This form is to be pre-numbered and printed in triplicate. The form, one set for each student, is to be prepared when textbooks and related materials are issued to the student. The form provides for the date the textbooks were issued, the name of the student and the total fee collected. The completed form shall be signed by the issuing officer who could be the treasurer or someone designated by the treasurer to issue the textbooks and collect the rental fees. If the volume of transactions for grades with a fixed list (applicable to all students) of books and materials is great enough to demand it, a copy of the printed list may be attached to the TBR-2 form and the form processed with a reference to such attached list instead of further itemization.

The original of Form TBR-2 is to be given the payer (student or parent). The duplicate is to be retained by the issuing officer and the triplicate is to remain intact in the book. The duplicate, together with rental fees collected, must be transmitted daily to the treasurer. The treasurer may direct the issuing officer to deposit all fees collected each day and submit an acknowledged, duplicate deposit slip with duplicate copies of Form TBR-2. The treasurer may also require the issuing officer to submit a summary or recap sheet of all fees collected by grade or other designated categories. If this is done, the total of the summary or recap sheet must agree with the amount on the duplicate deposit sheet as well as the total of all TBR-2 forms submitted for the day. All duplicates of Form TBR-2 shall be filed alphabetically, by student last names, in the office of the treasurer for audit purposes. A separate TBR-2 shall be issued each time a payment is made.

The triplicate copy of Form TBR-2 with book list attached, if any, must be kept in the files of the issuing officer until the close of the semester. When the students return rented textbooks, the issuing officer must check the returned books to the list of those issued as shown on the copy of the files. The student shall then pay for all textbooks damaged or not returned in accordance with the policy adopted by the school officials. All money received for lost or damaged books together with the triplicate books of Form TBR-2 containing proper notations must be remitted to the treasurer. The treasurer will file the triplicate copy (complete books).

Duplicate and triplicates will remain intact in the book if the issuing officer is the treasurer.

AVONDALE MEADOWS ACADEMY, INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

MARION COUNTY

SCHEDULE OF AUDIT RESULTS AND COMMENTS, CONTINUED

The original copy of Form TBR-2 shall be given to the student if the student pays the fee. The copy serves as a receipt for the rental fees collected from the student. When book lists are used in lieu of itemization on the form (all students using the same books), a copy of the appropriate list shall be attached to the student's copy and one copy shall be retained for audit. When issuing officers other than the treasurer are designated to issue books and collect rental fees, the treasurer shall issue an official receipt to the issuing officer each time the issuing officer transmits the money or submits a certified deposit slip, to cover such fees, to said treasurer. Receipts shall be issued and recorded at the time of the transaction; i.e., when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2).

Management Response:

Moving forward all supporting documents for funds received for textbook purchases will be reviewed monthly by the Director of Business Affairs during the month-end process to ensure the appropriate documentation and signatures are on supporting documents.

Cash receipts were not deposited timely.

For 6 out of the 40 cash receipts selected, deposits were made multiple days or weeks after the corresponding cash collections occurred.

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).

Management Response:

Moving forward, we will attempt to make cash deposits on a timlier schedule.

Required report submissions were not made timely.

Portions of the January 1 through June 30, 2019 Form 9 Biannual Financial Report--the Data File and Statement of Transfers for Avondale Meadows Academy, Vision Academy, and Avondale Meadows Middle School--were submitted online to the Indiana Department of Education (IDOE) after the required submission date of August 7, 2019. These files were not submitted until August 12, 2019.

Not later than the date established by the Indiana Department of Education (IDOE) for determining ADM, and after May 31 each year, the organizer shall submit to IDOE the following information of a form prescribed by IDOE: (1) The number of students enrolled in the charter school. (2) The name and address of each student. (3) The name of the school corporation in which the student has legal settlement. (4) The name of the school corporation, if any, that the student attended during the immediately preceding school year. (5) The grade level in which the student will enroll in the charter school, IC 20-24-7-2.

AVONDALE MEADOWS ACADEMY, INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

MARION COUNTY

SCHEDULE OF AUDIT RESULTS AND COMMENTS, CONTINUED

Charter schools are required to file an annual report with the State Examiner not later than sixty (60) days after the close of each fiscal year, IC 5-1 1-1-4. In order to not duplicate efforts, the State Board of Accounts considers the combination of the two 6 month periods for each school year on the Indiana Department of Education's (IDOE) Form 9 Biannual Financial Report as the annual report for charter schools. Charter schools are required to submit a Form 9 Biannual Financial Report two times per year during the months of January and July. The financial information in the Form 9 shall reflect cash basis information.

The January report must include previous calendar year financial and other required information for the period of July 1 to December 31 financial data. The July report must include current calendar year financial and other required information for the period of January 1 to June 30. Charter schools must file Form 9 information electronically with the Office of School Finance (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9).

Management Response:

When attempting to submit required reports on 7/31/2019, the Indiana Department of Education (IDOE) had errors on their website not allowing the submission to upload. We assumed the IDOE would offer communication once the problem was resolved; instead, we were notified after the deadline that our report was not yet submitted. We immediately resubmitted successfully on 8/12/2019.

AVONDALE MEADOWS ACADEMY, INC. D/B/A
UNITED SCHOOLS OF INDIANAPOLIS
MARION COUNTY, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on December 13, 2019 with School Officials – Kelly Herron, Janie Seivers and the Finance Committee. The officials concurred with our findings.