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February 10, 2020

Charter School Board
Irvington Community Schools, Inc.
5751 E University Ave
Indianapolis, IN 46219

We have reviewed the Supplemental Audit Report for Irvington Community Schools, 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 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.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

SUPPLEMENTAL AUDIT REPORT
OF
IRVINGTON COMMUNITY SCHOOLS, INC.

MARION COUNTY, INDIANA

July 1, 2018 to June 30, 2019



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IRVINGTON COMMUNITY SCHOOLS, INC.
MARION COUNTY, INDIANA
School Officials
July 1, 2018 to June 30, 2019

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chair of Board of Directors	Suzanne Koehler	07/01/18 – 06/30/19
Chief Financial Officer	Harold Allen	07/01/18 – 06/30/19
Chief Executive Officer	Tim Mulherin	07/01/18 – 06/30/19



Donovan CPAs

The Board of Directors
Irvington Community Schools, Inc.

We have audited the financial statements of Irvington Community Schools, Inc. (the “School”) as of and for the year ended June 30, 2019, and have issued our report thereon dated January 21, 2020. 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
January 21, 2020

IRVINGTON COMMUNITY SCHOOLS, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

July 1, 2018 to June 30, 2019

REQUIRED REPORTS

The School is required to file two biannual financial reports (“Form 9”) that reflect its cash activity. The School reported a negative balance in funds 300 and 5200 that did not pertain to awaiting reimbursements. Additionally, the activity reported in the funds, particularly those related to federal grants (funds 4100 to 6890) did not appear to reflect actual activity in line with financial detail provided by the School.

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

Charter schools are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Charter schools shall file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

MINIMUM INTERNAL CONTROL STANDARDS

Per review and discussion with school personnel, it was 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))

IRVINGTON COMMUNITY SCHOOLS, INC.

MARION COUNTY, INDIANA

Exit Conference

July 1, 2018 to June 30, 2019

The contents of this report were discussed on January 21, 2020 with Tim Mulherin (Chief Executive Officer), Harold Allen (Chief Financial Officer), Tom Lannan (Board Treasurer), and Richard Berger (Board Member) The Official Response has been made a part of this report and may be found on page 5.



Irvington Community Schools, Inc.

5751 E University Ave
Indianapolis, IN 46219
317.357.3770 / 317.357.3786 (fax)
www.ics-charter.org

January 21, 2020

Re: 2018-2019 Audit Results

1. **REQUIRED REPORTS** - The School is required to file two biannual financial reports ("Form 9") that reflect its cash activity. The School reported a negative balance in funds 300 and 5200 that did not pertain to awaiting reimbursements. Additionally, the activity reported in the funds, particularly those related to federal grants (funds 4100 to 6890) did not appear to reflect actual activity in line with financial detail provided by the School.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the charter school. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10) Charter schools are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Charter schools shall file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

RESPONSE – Irvington Community Schools is aware of the importance of accurate fund reporting and will ensure that moving forward proper controls and procedures are in place to accurately report fund balances.

2. **MINIMUM INTERNAL CONTROL STANDARDS** - Per review and discussion with school personnel, it was 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))

Irvington Community School, Inc. Campuses:

Irvington Community Elementary School: 6705 E. Julian Avenue, Indianapolis, IN 46219 / 317.357.5359 / (f) 317.357.9752
Irvington Community Middle School: 6040 E. Pleasant Run Pkwy. S. Drive, Indianapolis, IN 46219 / 317.357.3850 / (f) 317.357.3860
Irvington Preparatory Academy: 5751 E. University Avenue, Indianapolis, IN 46219 / 317.357.3770 / (f) 317.357.8650.3786


RESPONSE – All required staff have performed the required minimum internal control standards for Irvington Community Schools as of August 1, 2019. As any required position turns over, part of their on-boarding will be the requirement of completing the minimum internal control standards training.



1.21.2020

Tim Mulherin, CEO

Date



1/21/2020

Harold Allen, CFO

Date

Irvington Community School, Inc. Campuses:

Irvington Community Elementary School: 6705 E. Julian Avenue, Indianapolis, IN 46219 / 317.357.5359 / (f) 317.357.9752
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