



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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March 2, 2020

Charter School Board  
Matchbook Learning Schools of Indiana, Inc.  
1163 N Belmont Ave  
Indianapolis, IN 46222

We have reviewed the Supplemental Audit Report for Matchbook Learning Schools of Indiana, 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. Pages 3 through 4 contain four audit results and comments. Management's response is on page 6.

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  
MATCHBOOK LEARNING SCHOOLS OF INDIANA, INC.**

MARION COUNTY, INDIANA

July 1, 2018 to June 30, 2019



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**MATCHBOOK LEARNING SCHOOLS OF INDIANA, 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	Russell Menyhart	07/01/18 – 06/30/19
Business Manager	Donald Stewart	07/01/18 – 06/30/19
Head of School	Amy Swann	07/01/18 – 06/30/19



# Donovan CPAs

The Board of Directors  
Matchbook Learning Schools of Indiana, Inc.

We have audited the financial statements of Matchbook Learning Schools of Indiana, Inc. (the “School”) as of and for the year ended June 30, 2019, and have issued our report thereon dated February 5, 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  
February 5, 2020

**MATCHBOOK LEARNING SCHOOLS OF INDIANA, INC.**

**MARION COUNTY, INDIANA**

**Audit Results and Comments**

**July 1, 2018 to June 30, 2019**

**REQUIRED REPORTS**

The fund balances shown on the School's Form 9 at June 30, 2019 did not accurately reflect the balances in those funds when compared to activity shown on the School's trial balance. As a result, the ending cash balance shown on the School's Form 9 at June 30, 2019 did not match the School's cash balance. The cash balance reported on the Form 9 was overstated by \$432,101.

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)

**VENDOR DISBURSEMENTS**

The School did not use accounts payable vouchers for any vendor disbursements.

The Accounts Payable Voucher (Form 523)...must be used in accordance with the following conditions: Charter schools may not draw a warrant or check for payment of a claim unless: (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the board having jurisdiction over the allowance of the payment of the claim. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

Officials and employees are required to use State Board of Accounts prescribed or approved Forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**MATCHBOOK LEARNING SCHOOLS OF INDIANA, INC.**  
**MARION COUNTY, INDIANA**  
**Audit Results and Comments**  
**July 1, 2018 to June 30, 2019**

**CREDIT CARD USAGE**

The School utilized credit cards for various expenditures during the year. The supporting invoices were not maintained with the credit card statements and were not provided.

Payment shall not be made on the basis of a statement or a credit card slip only. Procedures for payments shall be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee is the responsibility of that officer or employee. (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))

**MATCHBOOK LEARNING SCHOOLS OF INDIANA, INC.**

**MARION COUNTY, INDIANA**

**Exit Conference**

**July 1, 2018 to June 30, 2019**

The contents of this report were discussed on January 27, 2020 with Donald Stewart (Director of Operations), Amy Swann (Head of School), and Michael Cosack (Board Member). The Official Response has been made a part of this report and may be found on page 6.

The fund balances shown on Matchbook Learning Schools of Indiana Form 9 at June 30, 2019 did not accurately reflect the balances in those funds when compared to activity shown on the School's trial balance.

**Matchbook Learning will continue to work with the Department of Education and implement internal controls working with the accountant and a second read to allow the proper cash balances to the Form 9 with the financials.**

Matchbook Learning did not use accounts payable vouchers for vendor disbursements during the period.

**Matchbook Learning implemented a two-person signature approval for all invoices that is in line with standards set forth by the State Board of Accounts.**

Matchbook Learning Schools of Indiana credit card invoices were not maintained with the credit card statements throughout the year.

**Matchbook learning implemented an internal control of a filing system to ensure all credit card receipts will be maintained with the credit card statement for each billing cycle.**

Matchbook Learning Schools of Indiana was out of compliance with the internal controls training.

**Matchbook Learning has established measures to ensure all employees that affect the financials are trained in accordance with the standards set forth.**



Donald Stewart  
Director of Operations  
Matchbook Learning