



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B54594

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

March 11, 2020

Charter School Board
Ignite Achievement Academy, Inc.
1002 W 25th St.
Indianapolis, IN 46208

We have reviewed the Supplemental Audit Report for Ignite Achievement Academy, 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 five audit results and comments. Management's response is on pages 6 through 9.

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
IGNITE ACHIEVEMENT ACADEMY, INC.

MARION COUNTY, INDIANA

July 1, 2018 to June 30, 2019



TABLE OF CONTENTS

	Page
School Officials	1
Transmittal Letter	2
Audit Results and Comments:	
Required Reports	3
Receipts and Deposits	3
Income Eligibility	4
Ticket Sales	4
Payroll Compliance	4
Exit Conference	5
Official Response	6

IGNITE ACHIEVEMENT ACADEMY, INC.
MARION COUNTY, INDIANA
School Officials
July 1, 2018 to June 30, 2019

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board Chair	Rod Haywood	07/01/18 – 05/13/19
	Dr. Demetrees Hutchins	05/14/19 – 06/30/19
Business Operations Manager	April Hubbard	07/01/18 – 06/30/19
Head of School	Shy-Quon Ely II	07/01/18 – 06/30/19



Donovan CPAs

The Board of Directors
Ignite Achievement Academy

We have audited the financial statements of Ignite Achievement Academy, Inc. (the “School”) as of and for the year ended June 30, 2019, and have issued our report thereon dated January 27, 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 27, 2020

www.cpadonovan.com

Avon | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

IGNITE ACHIEVEMENT ACADEMY, 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 accurately reflect the cash activity of the School. The ending cash balance reported on the Form 9 did not agree to the School’s records; the Form 9 reported \$1,042,945 of cash as of June 30, 2019, while the actual cash balance per the internal records was \$893,344. Additionally, the School did not properly separate grants by fund on the Form 9.

A fund, as used in the Charter School Manual, represents moneys set aside for specific activities of a school corporation. A fund constitutes a complete accounting entity and all financial transactions, both receipts and disbursements, are to be recorded in the fund to which they pertain. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3)

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. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9)

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)

RECEIPTS AND DEPOSITS

The School is required to issue receipts for all cash and checks collected on site. For two of the fifteen receipts selected for testing, the form of payment (cash, check, etc.) was not identified. Additionally, the School did not make timely deposits for twelve of the fifteen receipts selected for testing.

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)

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)

IGNITE ACHIEVEMENT ACADEMY, INC.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2018 to June 30, 2019

INCOME ELIGIBILITY

The School did not require the completion of applications to verify income eligibility for textbook reimbursement assistance.

The department shall adopt procedures that must be followed by applicants in order for them to qualify for assistance under this chapter. These procedures must include obtaining information needed by the family and social services administration to determine if the recipient is a child who is a member of a qualifying family (as defined in IC 12-14-28-1), including the familial relationship of the child to the head of the household. The financial eligibility standard for an applicant under this chapter must be the same criteria used for determining eligibility for receiving free or reduced lunches under the national school lunch program. [Indiana Code 20-33-5-2 (Procedures to qualify for assistance)].

TICKET SALES

The School sold tickets for various events during the year. The School did not keep support for the number of tickets sold that reconciles to the corresponding deposit information.

The designated charter school employee shall be responsible for the proper accounting for all tickets and must keep a record of the number purchased, the number issued for sale, and the number returned. The designee must see that proper accounting is made for the cash received from those sold. All tickets shall be pre-numbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the charter school, the charter school's receipt issued therefore must show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

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)

PAYROLL COMPLIANCE

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

Unless specifically authorized by statute, severance pay, or other payments to employees upon separation from employment, must be supported by the written opinion of the attorney for the charter school stating that the payments are 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)

IGNITE ACHIEVEMENT ACADEMY, INC.
MARION COUNTY, INDIANA
Exit Conference
July 1, 2018 to June 30, 2019

The contents of this report were discussed on January 23, 2020 with Mr. Shy-Quon Ely II (Head of School), Ms. Nadia Miller, and Ms. April Hubbard (Business Operations Manager). The Official Response has been made a part of this report and may be found on page 6.



1002 W 25th Street
Indianapolis, IN 46208

PH: (317) 226-4242

www.igniteindy.org

Donovan CPAs
9292 N. Meridian Street, Suite 150
Indianapolis, IN 46260

RE: Official response to Indiana State Board of Accounts compliance findings:

REQUIRED REPORTS:

Finding:

The School is required to file two biannual financial reports (“Form 9”) that accurately reflect the cash activity of the School. The ending cash balance reported on the Form 9 did not agree to the School’s records; the Form 9 reported \$1,042,945 of cash as of June 30, 2019, while the actual cash balance per the internal records was \$893,344. Additionally, the School did not properly separate grants by fund on the Form 9.

A fund, as used in the Charter School Manual, represents moneys set aside for specific activities of a school corporation. A fund constitutes a complete accounting entity and all financial transactions, both receipts and disbursements, are to be recorded in the fund to which they pertain. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3)

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. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9)

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)

School Response:

Due to this finding Ignite Achievement Academy will be transitioning to a new external CPA firm who has a greater knowledge of charter school accounting and can provide oversight and assistance to Ignite’s leadership in this area. Ignite Achievement Academy will institute an internal two-tier verification process to be followed prior to submission of Form 9.

RECEIPTS AND DEPOSITS:

Finding:

The School is required to issue receipts for all cash and checks collected on site. For two of the fifteen receipts selected for testing, the form of payment (cash, check, etc.) was not identified. Additionally, the School did not make timely deposits for twelve of the fifteen receipts selected for testing.

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)

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)

School Response:

Due to this finding Ignite Achievement Academy will ensure that staff is trained on how to note the method of payment when completing written receipts. The business office will verify that all written receipts are completed in detail. The business office will make timely deposits into our depository following receipt of funds.

INCOME ELIGIBILITY:

Finding:

The School did not require the completion of applications to verify income eligibility for textbook reimbursement assistance.

The department shall adopt procedures that must be followed by applicants in order for them to qualify for assistance under this chapter. These procedures must include obtaining information needed by the family and social services administration to determine if the recipient is a child who is a member of a qualifying family (as defined in IC 12-14-28-1), including the familial relationship of the child to the head of the household. The financial eligibility standard for an applicant under this chapter must be the same criteria used for determining eligibility for receiving free or reduced lunches under the national school lunch program. [Indiana Code 20-33-5-2 (Procedures to qualify for assistance)].

School Response:

Ignite Achievement Academy has made the completion of the Textbook Reimbursement Assistance form a requirement as a part of the enrollment process beginning the 2019-2020 school year.

TICKET SALES:

Finding:

The School sold tickets for various events during the year. The School did not keep support for the number of tickets sold that reconciles to the corresponding deposit information.

The designated charter school employee shall be responsible for the proper accounting for all tickets and must keep a record of the number purchased, the number issued for sale, and the number returned. The designee must see that proper accounting is made for the cash received from those sold. All tickets shall be pre-numbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the charter school, the charter school's receipt issued therefore must show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

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)

School Response:

Ignite Achievement Academy, beginning the 2019-2020 school year has provided documentation, training for our athletic director on the prescribed SBOA policy of accounting for ticket sales at all extra-curricular events as well as the creation of standard operating procedures on file in the business office.

PAYROLL COMPLIANCE:

Finding:

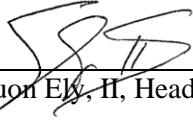
During the year, the School paid severance pay to one employee without obtaining a written opinion from an attorney.

Unless specifically authorized by statute, severance pay, or other payments to employees upon separation from employment, must be supported by the written opinion of the attorney for the charter school stating that the payments are 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 Response:

For any severance or separation pay to employees, Ignite leadership will consult with legal counsel and obtain a written opinion stating that payments are in accordance with all federal laws and regulations and state laws, as applicable.

Sincerely,



Shy-Quon El, II, Head of School

1/27/2020

Date



Dr. Demetrees Hutchins., IAA Board Chair

1/27/2020

Date