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December 21, 2020

Charter School Board  
Invent Learning Hub, Inc.  
1849 E Pleasant Run Pkwy S Dr.  
Indianapolis, IN 46203

We have reviewed the Supplemental Audit Report for Invent Learning Hub, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. 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.

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

Paul D. Joyce, CPA  
State Examiner

**SUPPLEMENTAL AUDIT REPORT  
OF  
INVENT LEARNING HUB, INC.**

MARION COUNTY, INDIANA

July 1, 2019 to June 30, 2020



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**INVENT LEARNING HUB, INC.**  
**MARION COUNTY, INDIANA**  
**School Officials**  
**July 1, 2019 to June 30, 2020**

<u>Officer</u>	<u>Official</u>	<u>Term</u>
Chair of Board of Directors	Paul Smith	07/01/19 – 06/30/20
Executive Director	Aleicha Ostler	07/01/19 – 06/30/20
Treasurer of Board of Directors	Trevor Butler	07/01/19 – 06/30/20



# Donovan CPAs

The Board of Directors  
Invent Learning Hub, Inc.

We have audited the financial statements of Invent Learning Hub, Inc. (the “School”) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 10, 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  
December 10, 2020

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**INVENT LEARNING HUB, INC.**  
**MARION COUNTY, INDIANA**  
**Audit Results and Comments**  
**July 1, 2019 to June 30, 2020**

**RECEIPTS AND DEPOSITS**

We selected forty receipts for testing from the School's receipt books. Of those tested, twenty-nine were not deposited in a timely manner. These untimely deposits ranged from \$5 to \$150 and were made between six and sixty days from the date of the receipt.

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)

**FINANCIAL REPORTING**

We reviewed the Form 9s submitted by the School for semi-annual periods July 1, 2019 to December 31, 2019 and January 1, 2020 to June 30, 2020. At June 30, 2020, the School reported negative balances of \$156,754, and \$251,346 in funds 200 and 300, respectively, that did not pertain to awaiting reimbursements.

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)

**CREDIT CARD PROCEDURES AND DISBURSEMENTS**

We selected five credit card payments for testing. We noted one instance where interest in the amount of \$180.87 was paid. We also noted one instance where a late fee in the amount of \$1.72 was paid.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other changes paid by the government unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**INVENT LEARNING HUB, INC.**  
**MARION COUNTY, INDIANA**  
**Audit Results and Comments**  
**July 1, 2019 to June 30, 2020**

**PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GAAP**

During the course of our audit, we identified multiple adjustments to the trial balance originally presented to us by School management that, individually and in the aggregate, represented a material effect on the financial statements. These adjustments affected the following accounts as of June 30, 2020:

• Increase to grants receivable	\$ 66,290
• Increase to fixed assets	480,848
• Decrease to long-term liabilities	26,084
• Increase to beginning of year net assets	518,102
• Increase to the 2020 change in net assets	55,120

Since the adjustments were material, we believe the underlying deficiency could be pervasive to the entire financial statements and thus rise to the level of a material weakness.

The charter school's accounting system must facilitate the preparation of the periodic financial reports for administrative review and the required year-end financial statements. All accounting transactions must be supported by adequate documentation. Transaction entries are supported by an explanation of the reason of the entry and must show an evidence of supervisory approval. (Accounting and Uniform Compliance Guidelines for Indiana Charter Schools, Part 8).

**INVENT LEARNING HUB, INC.**  
**MARION COUNTY, INDIANA**  
**Exit Conference**  
**July 1, 2019 to June 30, 2020**

The contents of this report were discussed on November 30, 2020 with Aleicha Ostler (Executive Director), Paul Smith (Board Member), Josh Edwards (Manager), and Brian Anderson (Consultant). The Official Response has been made a part of this report and may be found on page 6.



December 4, 2020

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

Invent Learning Hub has already or will take the following actions to address the FY2020 supplemental audit report comments:

1. As a small school, it is challenging for our staff to leave the building daily to deposit \$5 when it comes in. However, we recognize the need to deposit funds timely and we will continue to work towards depositing funds on a daily basis if at all possible.
2. We will continue to manage the differences in timing and required reporting that exist for charter schools in the state of Indiana. As part of that, we will monitor our cash basis fund reporting on our Form 9 submission and adjust as necessary. Adjustments are typically required when we either make accrual-based receivable and payable adjustments or when we receive retroactive grant budget approvals after a reporting deadline has already passed.
3. We already changed the way we process credit card payments. We do not anticipate interest charges or a late fee of \$1.72 occurring again.
4. We do not agree with the context of finding number 4. We do not believe this represents a material weakness that is pervasive to the entire financial statements. ILH's first year of operation began on July 1, 2019. The vast majority of the significant adjustments occurred as a result of one large facility purchase and renovation transaction that took place over the last few months of the fiscal year prior to opening and the first few months of our first fiscal year as a charter school. Philanthropic entities put together a very helpful transaction for the school and the financial details of that transaction were not run through the school. This was discovered and improved the school's financial position and did not impact cash in any way. This was also a one-time occurrence.

Sincerely,

*Aleisha Ostler*

INVENT LEARNING Hub Management

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