



STATE OF INDIANA
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February 19, 2021

Charter School Board
Indiana Online Learning Options, Inc.
6640 Intech Blvd, Ste 250
Indianapolis, IN 46278

We have reviewed the Supplemental Audit Report for Indiana Online Learning Options, Inc. prepared by CliftonLarsonAllen LLP, 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. Page 3 contains two audit results and comments. Management's response is on page 5.

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
INDIANA ONLINE LEARNING OPTIONS, INC.**

MARION COUNTY INDIANA

JULY 1, 2019 TO JUNE 30, 2020



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**INDIANA ONLINE LEARNING OPTIONS, INC.
MARION COUNTY, INDIANA
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JULY 1, 2019 TO JUNE 30, 2020**

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MARION COUNTY, INDIANA
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JULY 1, 2019 TO JUNE 30, 2020**

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Stacy Taylor	07/01/19 – 06/30/20
Executive Director	Chandre Sanchez Reyes	07/01/19 – 06/30/20
Board Treasurer	Andrew Norris	07/01/19 – 06/30/20



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Indiana Online Learning Options, Inc.
Indianapolis, Indiana

We have audited the financial statements of Indiana Online Learning Options, Inc. (IOL) as of and for the year ended June 30, 2020 and have issued our report thereon dated February 3, 2021. As part of our audit, we tested IOL'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 IOL was not in compliance with those provisions.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
February 3, 2021

**INDIANA ONLINE LEARNING OPTIONS, INC.
MARION COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS
JULY 1, 2019 TO JUNE 30, 2020**

AVERAGE DAILY MEMBERSHIP (ADM) – REQUIRED REPORTING

Indiana Online Learning Options, Inc. (IOL) is required to file two biannual ADM Summary Reports that accurately reflect the enrollment as of the count dates. During our testing of the ADM Summary Reports, it was noted that for the fall 2019 ADM Summary Reports did not include all required signatures for both Indiana Connections Academy (INCA) and Indiana Connections Career Academy (INCC). The reports included the school official's signature but did not include the trustee/corporate treasurer's signature.

The Organizer is responsible for reporting ADM to the Indiana Department of Education (IDOE). The ADM Summary Report shall provide a written certification of ADM to properly document responsibility. The ADM Summary Report must be signed by the Superintendent/Principal/Director of Schools and the Trustee/Corporate Treasurer and be uploaded to I DOE for each reporting period in the fiscal year. Supporting documentation of enrollment and attendance/engagement information by grade and school must be maintained for audit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

VENDOR DISBURSEMENTS – SALES TAX EXEMPTION

Sales tax can be avoided or reimbursed for purchases eligible under the state tax exemption guidelines. During our testing of vendor disbursements noted there were 9 instances of the 40 disbursement selections where INCA paid sales tax and noted there were 7 instances of the 40 disbursement selections where INCC paid sales tax.

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

**INDIANA ONLINE LEARNING OPTIONS, INC.
MARION COUNTY, INDIANA
EXIT CONFERENCE
JULY 1, 2019 TO JUNE 30, 2020**

The contents of this report were discussed on February 3, 2021 with the School's Executive Director, School's Board Treasurer, and representatives from Pearson Education. The Official Response has been made a part of this report and may be found on page 5.



February 5, 2021

**The Board of Directors
Indiana Online Learning Options, Inc.**

As part of the financial statement audit of Indiana Online Learning Options, Inc. ("IOL") as of and for the year ended June 30, 2020, CliftonLarsonAllen LLP tested IOL'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, and grant agreements, and has communicated Audit Results and Comments. Included herein is the Office Response to the Comments provided by CliftonLarsonAllen LLP in their report presented on February 3, 2021:


IOL Response to Comment on Required Reporting for Average Daily Membership (ADM) – The School has implemented procedures to ensure that both the School Leader and the Board Treasurer sign the ADM Summary Report submitted to the Indiana Department of Education (IDOE) for Indiana Career Connections Academy (INCC) and Indiana Connections Academy (INCA). This was immediately remediated as evidenced in the Spring 2020 ADM Summary Reports that contained both the School Leader and Board Treasurer signatures.

IOL Response to Comment on Sales Tax Exemption – The vendor disbursements selected for testing for INCA and INCC for sales tax exemption guidelines which included sales tax related to invoices that were not directly paid by the School. The selections primarily relate to invoices paid by Connections Academy of Indiana LLC on behalf of IOL as a pay agent and then submitted for reimbursement to IOL. As Connections Academy of Indiana LLC is not a tax-exempt entity and is acting as a pay agent for the School, the related sales tax cost is also invoiced to the School with the associated service and/or product by Connections Academy of Indiana LLC. The remaining selections related to disbursements for employee reimbursements, for which the employee reimbursement request included sales tax. As the employee is not tax exempt, sales tax was incurred on the employee's transaction and therefore sales tax was included in the reimbursement to the employee.

For invoices paid directly by the School, prior to invoice payment, IOL will continue to implement its review procedure to ensure sales tax is not remitted with invoice payment. Upon receipt of invoices from vendors, IOL will review invoices to verify sales tax has not been captured on the invoice prior to payment of the invoice and will provide Sales Tax Exemption certificate to vendors where sales tax has been captured on the invoice.

IOL will ensure the responses to the above Comments are incorporated immediately into the School's financial procedures.

Sincerely,

DocuSigned by:


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Chandre Sanchez Reyes
Executive Director, Indiana Online Learning Options, Inc.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

