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March 17, 2021

Charter School Board
Muncie Public Charter School of Inquiry, Inc.
d/b/a Inspire Academy
2801 E 16th St
Muncie, IN 47302

We have reviewed the Supplemental Audit Report for Muncie Public Charter School of Inquiry, Inc. d/b/a Inspire Academy 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. Pages 3 through 4 contain four audit results and comments. Management's response is on pages 6 through 8.

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
MUNCIE PUBLIC CHARTER SCHOOL OF INQUIRY, INC.
DBA: INSPIRE ACADEMY
DELAWARE COUNTY, INDIANA
JULY 1, 2019 TO JUNE 30, 2020



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CONSULTING

**MUNCIE PUBLIC CHARTER SCHOOL OF INQUIRY, INC.
DBA: INSPIRE ACADEMY
DELAWARE COUNTY, INDIANA
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JULY 1, 2019 TO JUNE 30, 2020**

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**MUNCIE PUBLIC CHARTER SCHOOL OF INQUIRY, INC.
DBA: INSPIRE ACADEMY
DELAWARE COUNTY, INDIANA
SCHOOL OFFICIALS
JULY 1, 2019 TO JUNE 30, 2020**

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Leslie Draper	2012 – June 2018, October 2018 – Present
Financial Manager	Brittany Pickett	August 2019 – Present
Board President	Thomas Schroeder	July 2019 – Present
Board Treasurer	David Wentland	July 2020 – Present



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Muncie Public Charter School of Inquiry, Inc.
DBA: Inspire Academy
Muncie, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Inspire Academy, as of and for the year ended June 30, 2020, and have issued our report thereon dated January 19, 2021. 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
January 19, 2021

**MUNCIE PUBLIC CHARTER SCHOOL OF INQUIRY, INC.
DBA: INSPIRE ACADEMY
DELAWARE COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS
JULY 1, 2019 TO JUNE 30, 2020**

LATE PAYMENT FEES

During testing, it was noted that there was one (1) out of the forty (40) disbursements tested in which the invoices were paid late and late fees were incurred.

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 charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

TRAVEL CLAIMS REIMBURSEMENT SUPPORT

The charter school was unable to provide documentation to support that travel expense for one (1) of the five (5) travel reimbursements tested.

The charter school shall only reimburse employees for travel expenses when appropriate claims are submitted. The claims must be in writing, itemized, and supported with original receipts, and documentation that the trip was for charter school business. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

AVERAGE DAILY MAINTENANCE (ADM) TESTING

Enrollment documents are required to be maintained by the Indiana Department of Education (IDOE). In addition, the School has adopted a policy requiring additional documents to be obtained at enrollment. The School did not maintain consistent and complete enrollment records for ten (10) students of the sixty-nine (69) tested for enrollment.

Records such as paper or electronic enrollment applications, as well as copies of birth certificates and proof of residency, etc. as determined by policy or normal practice by the school should be maintained.

In addition, it was noted there was one (1) student of the sixty-nine (69) tested for attendance was included on the attendance register and ADM submitted to the state but was marked as withdrawn from the school in August 2019 prior to the count date.

Attendance information maintained by the school should be complete and accurate as enrollment figures are reported to the IDOE twice a year to determine school funding.

**MUNCIE PUBLIC CHARTER SCHOOL OF INQUIRY, INC.
DBA: INSPIRE ACADEMY
DELAWARE COUNTY, INDIANA
EXIT CONFERENCE
JULY 1, 2019 TO JUNE 30, 2020**

AVERAGE DAILY MAINTENANCE (ADM) TESTING (CONTINUED)

Officials shall maintain records (enrollment applications, attendance records, reporting forms, etc.) which substantiate the number of students claimed for ADM. A student claimed for ADM must be an "eligible pupil". An eligible pupil is a student that is enrolled and attending. IC 20-43-1-11: "'Eligible pupil' refers to an individual who qualifies as an eligible pupil under IC 20- 43-4-1". IC 20-43-1-11.5 defines "Enrolled" as registered with a school corporation to attend educational programs offered by or through the school corporation; and attending these educational programs or receiving education services. IC 20-43-1-7.5 defines "Attending" as physical or virtual presence of a student with the expectation of continued services in the education programs for which the student is registered.

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 IDOE 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 9)

School officials shall contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment to the school because of incorrect reporting.

CREDIT CARD TESTING

The charter school was unable to provide documentation to support a portion of all five (5) credit card payments tested.

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 shall be the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Manual, Part 10)

**MUNCIE PUBLIC CHARTER SCHOOL OF INQUIRY, INC.
DBA: INSPIRE ACADEMY
DELAWARE COUNTY, INDIANA
EXIT CONFERENCE
JULY 1, 2019 TO JUNE 30, 2020**

The contents of this report were discussed with Brittany Pickett, Financial Manager, Leslie Draper, Executive Director, and Thomas Schroeder, Board President on January 5, 2021. The officials concurred with our audit findings.



January 19, 2021

CliftonLarsonAllen LLP
9365 Counselors Row, Suite 200
Indianapolis, IN 46240

Detailed below is the Official Response to Audit Results and Comments relative to the review of Muncie Public Charter School of Inquiry, Inc.'s (the School") compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State of Accounts.

LATE PAYMENT FEES

Audit Results and Comment: During testing, it was noted that there was one (1) out of the forty (40) disbursements tested in which the invoices were paid late and late fees were incurred.

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 charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (*Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10*)

Response: The School strives to ensure that no late fees are paid on any expenses; nevertheless, the School will continue to track payment due dates and to provide payments in a timely manner. The School has noted that due to the COVID-19 pandemic, both invoices and payments are being received later than expected via postal mail.

TRAVEL CLAIMS REIMBURSEMENT SUPPORT

Audit Results and Comment: The charter school was unable to provide documentation to support that travel expense for one (1) of the five (5) travel reimbursements tested.

The charter school shall only reimburse employees for travel expenses when appropriate claims are submitted. The claims must be in writing, itemized, and supported with original receipts, and documentation that the trip was for charter school business. (*Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8*)

Response: The School will ensure that reimbursements are not issued prior to collecting

proper documentation. The School will also identify ways to preserve receipts and documentation that are provided by staff.

AVERAGE DAILY MAINTENANCE (ADM) TESTING

Audit Results and Comment: Enrollment documents are required to be maintained by the Indiana Department of Education (IDOE). In addition, the School has adopted a policy requiring additional documents to be obtained at enrollment. The School did not maintain consistent and complete enrollment records for ten (10) students of the sixty-nine (69) tested for enrollment.

Records such as paper or electronic enrollment applications, as well as copies of birth certificates and proof of residency, etc. as determined by policy or normal practice by the school should be maintained.

In addition, it was noted there was one (1) student of the sixty-nine (69) tested for attendance was included on the attendance register and ADM submitted to the state but was marked as withdrawn from the school in August 2019 prior to the count date.

Attendance information maintained by the school should be complete and accurate as enrollment figures are reported to the IDOE twice a year to determine school funding.

Officials shall maintain records (enrollment applications, attendance records, reporting forms, etc.) which substantiate the number of students claimed for ADM. A student claimed for ADM must be an "eligible pupil". An eligible pupil is a student that is enrolled and attending. IC 20-43-1-11: "Eligible pupil" refers to an individual who qualifies as an eligible pupil under IC 20-43-4-1". IC 20-43-1-11.5 defines "Enrolled" as registered with a school corporation to attend educational programs offered by or through the school corporation; and attending these educational programs or receiving education services. IC 20-43-1-7.5 defines "Attending" as physical or virtual presence of a student with the expectation of continued services in the education programs for which the student is registered. 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 IDOE 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 9). School officials shall contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment to the school because of incorrect reporting.

Response: While there is a process in place for new student enrollment, the School is faced with the challenge of accepting all students with or without proper documentation in accordance with the McKinney-Vento Act. The School will continue to implement the enrollment process and collect as much information and documentation as possible.

In regards to the student attendance on count days, all staff involved in capturing student attendance will be trained and reminded of the procedures to do so accurately as to avoid any discrepancies. The data that the student in question was included on the attendance register and ADM submitted to the state was indeed correct. The error was that the student was listed as withdrawn in August prior to the count day in our SIS system. Additionally, the School did identify and provide appropriate documentation to the auditors documenting that the student in question was in fact in attendance, enrolled, and actively participating in programming at the School on count day, September 13, 2020, and will provide the same documentation to the IDOE Division of School Finance.

CREDIT CARD TESTING

Audit Results and Comment: The charter school was unable to provide documentation to support for a portion of all five (5) credit card payments tested.

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 shall be the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Manual, Part 10)

Response: The School has created a log system for all staff that have approval to use a school-issued credit card. The logs will allow the school to track school credit card usage and approval to ensure that receipts are collected. The School is also working on a way for staff to securely upload all receipts to support purchases immediately to reduce the risk of losing or misplacing them.

Muncie Public Charter School of Inquiry, Inc. DBA Inspire Academy acknowledges the SBOA findings on the audit for 7/1/19 - 6/30/20. There are procedures in place at Inspire Academy regarding the correction of late fees, receipt documentation, and ADM documentation.

The procedures will be reviewed again with all employees so that we can prevent these findings in the future.



Leslie Draper
Executive Director
Inspire Academy- A School of Inquiry
2801 E. 16th St.
Muncie, IN 47302

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

