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March 29, 2021

Charter School Board  
Montessori Academy at Geist, Inc.  
6058 W 900 N  
McCordsville, IN 46055

We have reviewed the Supplemental Audit Report for Montessori Academy at Geist, 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. Pages 3 through 5 contain six audit results and comments. Management's response is on pages 7 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  
OF  
MONTESSORI ACADEMY AT GEIST, INC.**

**HANCOCK COUNTY, INDIANA**

**JULY 1, 2019 TO JUNE 30, 2020**



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**MONTESSORI ACADEMY AT GEIST, INC.  
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JULY 1, 2019 TO JUNE 30, 2020**

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**MONTESSORI ACADEMY AT GEIST, INC.  
HANCOCK COUNTY, INDIANA  
SCHOOL OFFICIALS  
JULY 1, 2019 TO JUNE 30, 2020**

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board President	Nick Wright	07/01/19 – 06/30/20
Board Treasurer	Uriah Ellis	07/01/19 – 06/30/20
Executive Director	Cindy Schuler	07/01/19 – 06/30/20



CliftonLarsonAllen LLP  
CLAcconnect.com

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Montessori Academy at Geist, Inc.  
McCordsville, Indiana

We have audited the consolidated financial statements of Montessori Academy at Geist, Inc. (the School) as of and for the year ended June 30, 2020, and have issued our report thereon dated February 25, 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  
February 25, 2021

**MONTESSORI ACADEMY AT GEIST, INC.  
HANCOCK COUNTY, INDIANA  
AUDIT RESULTS AND COMMENTS  
JULY 1, 2019 TO JUNE 30, 2020**

**GENERAL DISBURSEMENTS TESTING**

We selected forty (40) general disbursements for testing. Of the 40 disbursements selected, the School was unable to provide invoices and AP vouchers for thirteen (13) of the disbursements. We were therefore unable to review the disbursements for any of the compliance attributes.

Of the remaining 26 disbursements tested, we were either unable to observe or determined the following exception occurred:

- If invoices were certified by employees (9 occurrences)
- If the board approved invoices (9 occurrences)
- If written contracts for vendors were retained (11 occurrences)
- Sales tax was improperly paid (16 occurrences)
- If expense was attributable to the School (9 occurrences)
- If cash payments were made (9 occurrences)
- If disbursement was a payment for an expenditure or a donation (10 occurrences)

Of the forty (40) disbursements selected for testing, we noted one (1) invoice where a late fee of \$39 was incurred and paid. We also noted one (1) invoice that included penalties and /or interest of \$48.79.

The charter school must establish procedures for the initiation, approval, and use of purchase requisitions and purchase orders. The procedures must include limits on approval of purchase orders after the purchase to emergency situations and all blanket purchases must have a fixed monetary limit. Upon receipt of the goods or services a charter school employee must verify the condition, quantity, and quality of the goods or services prior to payment of the invoice/bill/contract. Supporting documentation, such as invoices, shall be compared to purchase orders to ensure the prices, quantities, etc. are correct prior to payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

**CREDIT CARD TESTING**

One (1) of the five (5) credit card payments selected for testing included payment for a late fee.

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, Part 10)

**ADM TESTING**

The following issues were noted in completing ADM testing of seventy-five (75) students:

- Enrollment documents are required to be maintained by the Indiana Department of Education (IDOE) for each student.
  - The process used did not result in maintaining consistent and complete enrollment records for four (4) of the seventy-five (75) students tested for enrollment. The 4 selections were missing all enrollment documents.

**MONTESSORI ACADEMY AT GEIST, INC.  
HANCOCK COUNTY, INDIANA  
AUDIT RESULTS AND COMMENTS (CONTINUED)  
JULY 1, 2019 TO JUNE 30, 2020**

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

**PAYROLL POLICIES AND PROCEDURES**

Twenty-five (25) employees were selected for testing. Of the 25 employees selected, sixteen (16) were found to not have any type of written employment agreement or contract. As such, we were unable to determine if they were being paid their correct rates. Of the 25 employees selected, five (5) were not paid the correct rate based on the contract provided.

The charter school shall maintain adequate supporting documentation for payroll to ensure that payments are made only for services rendered. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

All compensation and benefits paid to employees must be included in the labor contract or salary schedule unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**GENERAL RECEIPTS TESTING**

We selected forty (40) general receipts for testing. Of the 40 disbursements selected, the School was unable to provide deposit slips for twenty (20) of the receipts. We were therefore unable to review and determine if they were deposited in a timely manner and if they were deposited in the same form in which they were received.

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 2)

**FORM 9**

The Form 9 report filed for December 31, 2019 was not filed until March 30, 2020, but was due February 26, 2020. We recommend that policies and procedures be reviewed and strengthened to ensure the report is able to be filed and certified within the required timeframe.

**MONTESSORI ACADEMY AT GEIST, INC.  
HANCOCK COUNTY, INDIANA  
AUDIT RESULTS AND COMMENTS (CONTINUED)  
JULY 1, 2019 TO JUNE 30, 2020**

**FORM 9 (CONTINUED)**

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 and shall be reported utilizing the State Board of Accounts prescribed chart of accounts. 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)

**MONTESSORI ACADEMY AT GEIST, INC.  
HANCOCK COUNTY, INDIANA  
EXIT CONFERENCE  
JULY 1, 2019 TO JUNE 30, 2020**

The contents of this report were discussed on February 16, 2021 with Uriah Ellis (Board President), Cindy Schuler (Executive Director), Jennifer Gosch (Assistant Executive Director), and Tina Spencer (Outsourced Accountant). The Official Response has been made a part of this report and may be found on pages 7 and 8.



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February 12, 2021

In response to the audit findings, we are implementing new policies and procedures to effectively manage our internal controls to ensure compliance with SBOA regulations. The following describe our planned policies and procedures in detail.

**I. General Disbursements**

Vouchers will be created for all invoices and signed off on by the Business Office (or designee) and Registrar. Vouchers and invoices will be sent to Bookkeeping Plus for disbursement to vendors. The Board has created a process of oversight to govern approval for any payments over \$3000. Completed vouchers, invoices, and check stubs will be kept on file in the Business Office in vendor files.

**II. Credit card**

With the addition of new staff members in recent months to cover responsibilities in our Business Office we will be able to ensure timely payments. We will have an internal calendar to track due dates of payments. A system of checks and balances will be implemented so that an individual separate from the cardholder will be responsible for reconciling receipts and credit card statements. Additionally, we will implement a process of printing and filing all credit card receipts by month.

**III. ADM Testing**

With expanded use of the Student Information System, PowerSchool, we will be better equipped to manage student enrollment. The documents required for enrollment are: birth certificate, proof of residency, student information/health form, and a student services history. Our school registrar will be responsible for providing families with appropriate enrollment information and processing enrollment applications. Before a student begins classes at GMA, an administrator will review and verify that all enrollment forms have been received.

**IV. Payroll Policies and Procedures**

All GMA employee contracts will be reviewed by HR and Administration in July to ensure accuracy of pay rates and benefits packages. New hire onboarding to include review of contract and benefits, rate of pay, receipt of staff handbook, as well as distribution of keys, building fob, and technology agreement will be completed prior to the first day of employment by HR or a representative of the Administration. Additionally, all contracts will be presented to the Board for approval prior to employee onboarding.

## **V. General Receipts**

A new policy regarding cash transactions will guide protocols for handling such matters at GMA. All staff members will be required to use an established Google Sheets tracking system to document receipt of cash or check payments for various student activities in the classroom setting. This includes, but is not limited to, collection of funds for field trips, class parties, and other special events. Staff will record the date of the transaction, name of the student, amount received, and check numbers (if applicable) on a Google Sheet shared between the staff member and the Business Office. All money collected by staff members will be turned into the Business Office the same day it is collected. No money will be kept overnight in classrooms. Before the funds are accepted by the Business Office, all amounts will be verified by both the staff member collecting the funds and either the Business Office or Registrar. Each will retain a copy of the receipt verifying the amount collected. All monies received by the Business Office will be deposited within 24 hours of receipt.

## **VI. Form 9**

We believe that our third-party partnership with Bookkeeping Plus will provide ample support and accountability to ensure timely completion of Form 9. This is already evidenced by the on-time submission of Form 9 for January 2021.

Jennifer Gosch, Interim Director, [jgosch@gma.k12.in.us](mailto:jgosch@gma.k12.in.us)  
Jamie Rahmany, Operations Coordinator, [jrahmany@gma.k12.in.us](mailto:jrahmany@gma.k12.in.us)

