



STATE OF INDIANA
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B58207

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

December 30, 2021

Charter School Board
Believe Schools, Inc.
2540 N Capitol Ave
Indianapolis, IN 46208

We have reviewed the Supplemental Audit Report for Believe Schools, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. 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 three 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
BELIEVE SCHOOLS, INC.

MARION COUNTY, INDIANA

July 1, 2020 to June 30, 2021



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BELIEVE SCHOOLS, INC.
MARION COUNTY, INDIANA
School Officials
July 1, 2020 to June 30, 2021

<u>Officer</u>	<u>Official</u>	<u>Term</u>
Chair of Board of Directors	Christl Glier	07/01/20 – 06/30/21
Founder & Executive Director	Kimberly Neal-Brannum	07/01/20 – 06/30/21
Dean of Operations	Teagan Vonderheit	07/01/20 – 06/30/21



Donovan CPAs

The Board of Directors
Believe Schools, Inc.

We have audited the financial statements of Believe Schools, Inc. (the “School”) as of and for the year ended June 30, 2021, and have issued our report thereon dated November 30, 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.

DONOVAN

Indianapolis, Indiana
November 30, 2021

BELIEVE SCHOOLS, INC.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2020 to June 30, 2021

RECEIPTS AND DEPOSITS

We selected twenty-five receipts for testing from the School's receipt books. Of those tested, twenty-three were not deposited in a timely manner. Deposits ranged from \$1 to \$140 and were deposited between 5 and 253 days after receipt of the payment. Also, the School did not use three-part receipts and the form of payment was not identified, as required for documentation purposes.

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)

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)

PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GAAP

During our audit, we identified 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 sections of the financial statements as of and for the year ended June 30, 2021:

• Increase in assets	\$	6,667
• Increase in liabilities		83,943
• Increase to beginning of year net assets		10,000
• Decrease to the 2021 change in net assets		87,276

Since the adjustments were material, we believe the underlying deficiency could be pervasive to the entire financial statements and thus rises 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)

Indiana Code 20-24-7-1 requires each charter school to report on the generally accepted accounting principles (GAAP) basis of accounting, which requires internal controls to be established by the School to ensure accurate financial reporting.

BELIEVE SCHOOLS, INC.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2020 to June 30, 2021

VENDOR DISBURSEMENTS

The Board of Directors did not review cash disbursements on a monthly basis.

The Accounts Payable Voucher (Form 523) is designed to replace Claim Form 505. The form must be used in accordance with the following conditions: Charter schools may not draw a warrant or check for payment of a claim unless: (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the board having jurisdiction over the allowance of the payment of the claim. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

BELIEVE SCHOOLS, INC.
MARION COUNTY, INDIANA
Exit Conference
July 1, 2020 to June 30, 2021

The contents of this report were discussed on November 30, 2021 with Teagan Vonderheit (Dean of Operations), Christl Glier (Chair of Board of Directors), Kimberly Neal-Brannum (Founder and Executive Director) and Debbie Grove (Outside Consultant). The Official Response has been made a part of this report and may be found on page 6.



BELIEVE

BELIEVE Circle City High School

Acceleration. Agency. Autonomy.

To Whom it may concern:

Please see responses to the Draft State Board of Accounts Report. The following items are steps that BELIEVE Schools, Inc is actively taking to ensure these errors do not occur again.

Receipts & Deposits

BELIEVE Schools, Inc will ensure that deposits are made in a timely manner within the designated time frame outlined by the SBOA -- 1 business day. Additionally, BELIEVE Schools has acquired a three copy receipt book that will be used to track and record deposits.

Vendor Disbursements

BELIEVE Schools, Inc will ensure that all AP Voucher Registers are reviewed and approved by the Board of Directors during monthly board meetings. This will be noted and documented in the meeting minutes each month.

GAAP

BELIEVE Schools is aware of and will make the journal entries that will need to be made at year-end - regarding the deferred rent journal entry that caused the finding.

Teagan Vonderheit
Dean of Operations

www.believeschools.org
@believeschoolsindy
admin@believeschools.org
317-643-2523