



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B58416

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

January 26, 2022

Charter School Board
Otwell Miller Academy, Inc.
9958 E County Rd 150 N.
Otwell, IN 47564

We have reviewed the Supplemental Audit Report for Otwell Miller Academy, 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. 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
OTWELL MILLER ACADEMY, INC.

PIKE COUNTY, INDIANA

July 1, 2020 to June 30, 2021



TABLE OF CONTENTS

	Page
School Officials	1
Transmittal Letter.....	2
Audit Results and Comments:	
Receipts and Deposits	3
Required Reports – Negative Fund Balance.....	3
Exit Conference	4
Official Response.....	5

OTWELL MILLER ACADEMY, INC.
PIKE COUNTY, INDIANA
School Officials
July 1, 2020 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board President	Jordan Hill	07/01/20 – 06/30/21
School Director	Rich Padgett	07/01/20 – 06/30/21
Board Treasurer	Courtney Huckelby	07/01/20 – 06/30/21



Donovan CPAs

The Board of Directors
Otwell Miller Academy, Inc.

We have audited the financial statements of Otwell Miller Academy, Inc., (the “School”) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 8, 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
December 8, 2021

www.cpadonovan.com

Avon | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

OTWELL MILLER ACADEMY, INC.
PIKE COUNTY, INDIANA
Audit Results and Comments
July 1, 2020 to June 30, 2021

RECEIPTS AND DEPOSITS

We tested twenty-five receipts from the School's receipt books, noting that nine were deposited untimely. These untimely deposits ranged from \$70 to \$164 and were made between ten to fourteen 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)

REQUIRED REPORTS – NEGATIVE FUND BALANCE

The School reported a negative fund balance of \$9,375 in fund 5200 that did not pertain to awaiting reimbursement.

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)

OTWELL MILLER ACADEMY, INC.
PIKE COUNTY, INDIANA
Exit Conference
July 1, 2020 to June 30, 2021

The contents of this report were discussed on December 8, 2021 with Rich Padgett (Director), and Jordan Hill (Board President). The Official Response has been made a part of this report and may be found on page 5.



Otwell Miller Academy
9958 East County Road 150 North
Otwell, Indiana 47564

Response and Corrective Action

Audit Findings of July 1, 2020 to June 30, 2021 Audit

1. RECEIPTS AND DEPOSITS

The school is refining the procedures for handling deposits and receipts in order to follow best practices and adhere to prescribed timelines. Our location being 13 miles from the nearest bank increases the difficulties of arriving at the bank prior to close of business for the bank if we wait until our own closing to drive to the bank. We are restructuring our office personnel times and the times that cash payments can be made to the school to mitigate the chances of not operating within the banking hours.

2. Required Reports-Negative Fund Balance

The negative fund balance for fund 5200 was initially recorded with the understanding that it would be reimbursable through the Special Education grant process. Due to an internal miscommunication, this understanding was not correct. We have since corrected the information flow process with the grant coordinator to avoid this mistake in the future.

Submitted By:

A handwritten signature in black ink, appearing to read "Rich Padgett", is written over the printed name.

Rich Padgett, Director Otwell Miller Academy

December 8, 2021