



**STATE OF INDIANA**  
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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](http://www.in.gov/sboa)

June 8, 2022

Charter School Board  
Options Charter Schools  
18077 River Road, Suite 106  
Noblesville, IN 46062

We have reviewed the Supplemental Audit Report for Options Charter Schools, Inc. prepared by CliftonLarsonAllen LLP, 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 pages 5 through 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 black ink that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

**SUPPLEMENTAL AUDIT REPORT  
OF  
OPTIONS CHARTER SCHOOLS, INC.**

**HAMILTON COUNTY, INDIANA**

**JULY 1, 2020 TO JUNE 30, 2021**



**WEALTH ADVISORY | OUTSOURCING  
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**OPTIONS CHARTER SCHOOLS  
HAMILTON COUNTY, INDIANA  
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JULY 1, 2020 TO JUNE 30, 2021**

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**OPTIONS CHARTER SCHOOLS  
HAMILTON COUNTY, INDIANA  
SCHOOL OFFICIALS  
JULY 1, 2020 TO JUNE 30, 2021**

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman of Board of Directors	Matt Abbott	07/01/20 – 06/30/21
School President and CEO	Mike Gustin	07/01/20 – 06/30/21
CFO	Jake Brandau	07/01/20 – 06/30/21
School Treasurer	Jack Colwell	07/01/20 – 06/30/21



CliftonLarsonAllen LLP  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Options Charter Schools, Inc.  
Carmel, Indiana

We have audited the financial statements of Options Charter Schools, Inc. (the School) as of and for the year ended June 30, 2021 and have issued our report thereon dated April 21, 2022. 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  
April 21, 2022

**OPTIONS CHARTER SCHOOLS  
HAMILTON COUNTY, INDIANA  
AUDIT RESULTS AND COMMENTS  
JULY 1, 2020 TO JUNE 30, 2021**

**AVERAGE DAILY MAINTENANCE (ADM) TESTING**

Enrollment documents and attendance records are required to be maintained by the School in accordance with guidance by the Indiana Department of Education (IDOE). The School has a written policy stating the documents required to be obtained at enrollment. During our testing of ADM, we noted there were sixteen (16) students out of 90 selections where the School did not maintain consistent and complete enrollment records.

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).

**CREDIT CARD TESTING – INTEREST PAID**

During our testing of credit cards, there was one (1) instance of the five (5) charges tested where the School paid interest for the statement period that totaled \$237.63.

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)

**OPTIONS CHARTER SCHOOLS  
HAMILTON COUNTY, INDIANA  
EXIT CONFERENCE  
JULY 1, 2020 TO JUNE 30, 2021**

The contents of this report were discussed with Jake Brandau, Controller, and Jack Colwell, Treasurer on April 11, 2022. The officials concurred with our audit findings. The Official Response has been made a part of this report and may be found starting on page 5.



# Options Schools

**BELONG. BELIEVE. ACHIEVE.**

Date: February 18th, 2022

To: CliftonLarsonAllen LLP

From: Jacob Brandau, Chief Financial Officer

Reason: **Audit Response for Options Schools, Inc.**

## **Issue One: ADM TESTING**

Enrollment documents and attendance records are required to be maintained by the School in accordance with guidance by the Indiana Department of Education (IDOE). The School has a written policy stating the documents required to be obtained at enrollment. During our testing of ADM, we noted there were sixteen (16) students out of 90 selections where the School did not maintain consistent and complete enrollment records. Officials shall maintain records (enrollment applications, attendance records, reporting forms, etc.) that 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)

## **Issue Two: Response**

The first finding referring to registration and birth certificates was an error in filing the birth certificate copies. The necessary registration items were obtained at enrollment but birth certificate copies were not retained properly in our digital and paper files. The issue has already been addressed with the purchase and utilization of the PowerSchool registration program in 2020 that tracks and retains all registration documentation digitally and will remove the possibility of lost physical copies of registration. All students enrolled in the 20/21 school year have been processed through PowerSchool registration. Many of the issues are related to students that enrolled prior to 20/21. We have substantially reduced the number of instances of missing documents from last year’s audit and we will continue to reduce this issue down to none.

9945 Cumberland Pointe Blvd. | Noblesville, IN 46060 | **phone: 317.773.8659**

530 West Carmel Dr. | Carmel, IN 46032 | **phone: 317.815.2098**

[www.optionsschools.org](http://www.optionsschools.org)



# **Options Schools**

**BELONG. BELIEVE. ACHIEVE.**

Additionally, with the increased oversight of ADM count information, OCS will institute an ADM testing internal control that will consist of monthly samples of student registration and attendance by the CFO to insure completeness and accuracy of records per the SBOA's guidelines.

### **Issue Two: CREDIT CARD TESTING**

During our testing of credit cards, there was one (1) instance of the five (5) charges tested where the School paid late fees for the statement period that totaled \$237.63.

### **Issue Three: Response**

The \$237.63 paid was not a late fee, but a regular interest charge for a balance carried forward. The payment was made far better than agreed as required by the credit card company. This balance carried forward was an exception to Options' norm of paying all credit card balances in full each month. As we discovered through the audit process, the SBOA considers normal interest charges to be an "unreasonable fee". Subsequent to this particular instance noted by the auditors, Options paid and will continue to pay credit card balances in full monthly.

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