



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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December 7, 2022

Charter School Board
Aspire Charter Academy, Inc.
4900 W. 15th Avenue
Gary, IN 46406

We have reviewed the Supplemental Audit Report for Aspire Charter Academy, 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 on page 3. Management's response is on pages 5 through 7.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**SUPPLEMENTAL AUDIT REPORT
OF
ASPIRE CHARTER ACADEMY, INC.**

LAKE COUNTY INDIANA

JULY 1, 2020 TO JUNE 30, 2021



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**ASPIRE CHARTER ACADEMY, INC.
LAKE COUNTY, INDIANA
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JULY 1, 2020 TO JUNE 30, 2021**

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**ASPIRE CHARTER ACADEMY, INC.
LAKE COUNTY, INDIANA
SCHOOL OFFICIALS
JULY 1, 2020 TO JUNE 30, 2021**

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board President	Denise Dillard	07/01/20 – 06/30/21
Board Treasurer	Rachael Wright	07/01/20 – 06/30/21
School Leader	Ranae Robinson	07/01/20 – 06/30/21



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Aspire Charter Academy, Inc.
Gary, Indiana

We have audited the financial statements of Aspire Charter Academy, Inc. (the Academy) as of and for the year ended June 30, 2021 and have issued our report thereon dated January 14, 2022. As part of our audit, we tested the Academy'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 Academy was not in compliance with those provisions.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
January 14, 2022



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**ASPIRE CHARTER ACADEMY, INC.
LAKE COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS
JULY 1, 2020 TO JUNE 30, 2021**

VENDOR DISBURSEMENTS TESTING

Sales tax can be avoided or reimbursed for purchases eligible under the state tax exemption guidelines. There were five (5) instances of the twenty-five (25) selections where the Academy inappropriately paid sales tax.

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. If sales tax is paid erroneously, a refund application may be obtained from the Sales Tax Division (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

AVERAGE DAILY MAINTENANCE (ADM) TESTING – ENROLLMENT

Enrollment documents and attendance records are required to be maintained by the School in accordance with guidance by the Indiana Department of Education (IDOE). A student claimed for ADM must be an eligible pupil. During our testing, we noted that there was one (1) student of the 60 students selected that was not of age to be attending kindergarten that was included in the Fall 2020 count date.

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.

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.

AVERAGE DAILY MAINTENANCE (ADM) TESTING – REPORTING CERTIFICATIONS

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. During our testing, we noted that the Fall 2020 and Spring 2020 certifications did not include the trustee/corporate treasurer’s signature.

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).

**ASPIRE CHARTER ACADEMY, INC.
LAKE COUNTY, INDIANA
EXIT CONFERENCE
JULY 1, 2020 TO JUNE 30, 2021**

The contents of this report were discussed on January 14, 2022, with school officials Denise Dillard and Rachael Wright, along with Janet Thatcher from National Heritage Academies. Official response has been made part of this report and may be found beginning on page 5.



Response to Audit Results and Comments

Finding: *Vendor Disbursement Testing – Sales tax can be avoided or reimbursed for purchases eligible under the sales tax exemption guidelines.*


Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. If sales tax is paid erroneously, a refund application may be obtained from the Sales Tax Division (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

Response: The Academy respectfully disagrees with this comment. Although Charter schools are eligible from state sales tax on purchases, due to the agreement the Academy has with its management company, the Academy is not making the purchases directly. Any purchases made are made by the management company on the Academy's behalf. The Indiana Department of Revenue has ruled that because the management company is making purchases on behalf of the Academy, the management company must pay sales tax regardless of who is the end user of the purchase.

Finding: *Enrollment documents and attendance records are required to be maintained by the school in Accordance with guidance by the Indiana Department of Education. A student claimed for ADM must be an eligible pupil. During tested there was one (1) student of the 60 students selected that was not of age to be attending kindergarten that was included in the Fall 2020 count date.*

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 10-43-4-1". IC 20-43-1-11.5 defines "Enrolled" as registered with a school cooperation 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.

Response: In this specific situation, the first birth certificate submitted for the student was illegible. Each student is given a 30-day grace period after enrollment to submit the proper documentation. During this time is also when count day occurred so the student was included in the school count. Subsequent to count day, the student's birth certificate was submitted



which showed the student was not of age to be attending kindergarten and the student was withdrawn at that time.

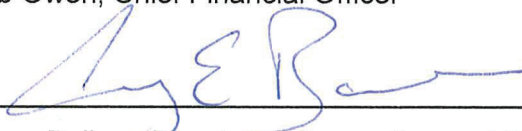
The Academy will work with the Indiana Department of Education (IDOE) to correct discrepancies, if any, because of incorrect reporting.

Finding: *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.*

Response: The individual serving as the fiscal treasurer was diagnosed with cancer during this time. He subsequently passed away and the Academy did not have sufficient time to fill the fiscal treasurer position before the ADM reports were due. The Academy does now have a new fiscal treasurer in place and will ensure all ADM reports have the second signature as required.



Bob Owen, Chief Financial Officer



Corey Balkon, Director of Accounting and Financial Reporting

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