



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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May 9, 2023

Charter School Board
The Nature School of Central Indiana, Inc.
6102 Boy Scout Rd
Indianapolis, IN 46226

We have reviewed the Supplemental Audit Report for The Nature School of Central Indiana, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 and 4. Management's response is on page 6.

The report is filed with this letter 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
THE NATURE SCHOOL OF CENTRAL INDIANA, INC.**

MARION COUNTY, INDIANA

July 1, 2021 to June 30, 2022



TABLE OF CONTENTS

	Page
School Officials	1
Transmittal Letter	2
Audit Results and Comments:	
Required Reports - Form 9 Reporting.....	3
Vendor Disbursements	3
Form Usage.....	3
Payroll Compliance.....	4
Exit Conference	5
Official Response	6

THE NATURE SCHOOL OF CENTRAL INDIANA, INC.
MARION COUNTY, INDIANA
School Officials
July 1, 2021 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chair of Board of Directors	Courtney Ke	07/01/21 – 06/30/22
Treasurer	Karinda Holland	07/01/21 – 06/30/22
Head of School	Dr. Susan Fries	07/01/21 – 06/30/22



Donovan CPAs

The Board of Directors
The Nature School of Central Indiana, Inc.

We have audited the financial statements of The Nature School of Central Indiana, Inc. (the “School”) as of and for the year ended June 30, 2022, and have issued our report thereon dated February 28, 2023. 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
February 28, 2023

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THE NATURE SCHOOL OF CENTRAL INDIANA, INC.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2021 to June 30, 2022

REQUIRED REPORTS - FORM 9 REPORTING

We reviewed the biannual Form 9 reports filed by the School to the Indiana Department of Education for the 2021-2022 school year. While the cash balance reported on Form 9 as of June 30, 2022 agreed, the negative individual fund balances reported on Form 9 do not agree with the fund activity per the financial records.

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)

VENDOR DISBURSEMENTS

In our sample of twenty-five disbursements selected for testing, two included sales tax. Charters schools are exempt from paying 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. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

FORM USAGE

The School did not use the SBOA prescribed form, nor any other equivalent form, for accounts payable vouchers during the 2021-2022 school year.

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)

THE NATURE SCHOOL OF CENTRAL INDIANA, INC.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2021 to June 30, 2022

PAYROLL COMPLIANCE

The School did not have contracts for hourly employees.

The charter school shall maintain adequate supporting documentation for payroll to ensure that payments are made only for services rendered. Supporting documentation, such as time cards, must show signs of supervisory approval. (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)

THE NATURE SCHOOL OF CENTRAL INDIANA, INC.
MARION COUNTY, INDIANA
Exit Conference
July 1, 2021 to June 30, 2022

The contents of this report were discussed on February 28, 2023 with Karinda Holland (Treasurer). The Official Response has been made a part of this report and may be found on page 6.



February 28, 2023

To Whom It May Concern:

Here are my responses to The Nature School, Inc. SBOA Audit Results:

1. The grant receivable does not agree to the negative balances on the Form 9. The Form 9 is outsourced because the school did not have the software to prepare this and I did not realize that the receivable did not match the negative balances as of June 30, 2022. I will make sure that I reconcile this in the future.
2. There were some invoices that we paid sales tax because the purchase was made through Amazon with a personal amazon prime account. We do receive a material supply fee from each family and therefore use this money for when it is necessary to pay sales tax. We feel the sales tax at amazon would be less than shipping charges at another vendor.
3. I was not aware that there was a form that needed to be completed for accounts payable. The Executive Director approved the payments by reviewing the invoices and signing the checks. We will use this voucher going forward.
4. We did not have contracts for our hourly employees but we did have a time sheet showing their hours worked that we use for payroll. We have given each employee, both salaried and hourly, a contract for the 2022-23 school year.

Thank you,

Karinda Holland, Accountant
The Nature School, Inc.
6102 Boy Scout Road
Indianapolis, IN 46226