



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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July 17, 2023

Charter School Board
Friends of Canaan, Inc.
d/b/a Canaan Community Academy
8775 N Canaan Main Street
Madison, IN 47250

We have reviewed the Supplemental Audit Report for Friends of Canaan, Inc. d/b/a Canaan Community Academy, prepared by CliftonLarsonAllen LLP, 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 finding in the report on page 3. Management's response is on page 5.

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

**FRIENDS OF CANAAN, INC.
DBA: CANAAN COMMUNITY ACADEMY
JEFFERSON COUNTY, INDIANA**

SUPPLEMENTAL AUDIT REPORT

JULY 1, 2021 TO JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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**FRIENDS OF CANAAN, INC.
DBA: CANAAN COMMUNITY ACADEMY
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**FRIENDS OF CANAAN, INC.
DBA: CANAAN COMMUNITY ACADEMY
JEFFERSON COUNTY, INDIANA
SCHOOL OFFICIALS
JULY 1, 2021 TO JUNE 30, 2022**

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	David Herring	07/01/21 - 06/30/22
Chief Administrator Officer	Rhonda Pennington	07/01/21 - 06/30/22
Chief Operations Officer	Kristi Allard	07/01/21 - 06/30/22



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Friends of Canaan, Inc.
dba: Canaan Community Academy
Canaan, Indiana

We have audited the financial statements of Friends of Canaan, Inc. dba: Canaan Community Academy (the School) as of and for the year ended June 30, 2022, and have issued our report thereon dated March 27, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
March 27, 2023

**FRIENDS OF CANAAN, INC.
DBA: CANAAN COMMUNITY ACADEMY
JEFFERSON COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS
JULY 1, 2021 TO JUNE 30, 2022**

AVERAGE DAILY MAINTENANCE (ADM) TESTING – ENROLLMENT DOCUMENTATION

Enrollment documents are required to be maintained by the Indiana Department of Education (IDOE). In addition, the School has adopted a policy requiring additional documents to be obtained at enrollment. The School did not maintain consistent and complete enrollment records for one (1) students of the forty-one (40) students tested for enrollment.

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 20-43-1-11.5 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 for Indiana Charter Schools, Part 9).

**FRIENDS OF CANAAN, INC.
DBA: CANAAN COMMUNITY ACADEMY
JEFFERSON COUNTY, INDIANA
EXIT CONFERENCE
JULY 1, 2021 TO JUNE 30, 2022**

The contents of this report were discussed on March 27, 2023 with Rhonda Pennington (Chief Administrative Officer) and Kristi Allard (Chief Operations Officer). The Official Response has been made a part of this report and may be found on page 5.



8775 N. Canaan Main St. (P. O. Box 20) Canaan, IN 47224

812-839-0003

March 2023

To whom it may concern:

This letter is in response to the auditor finding below:

AVERAGE DAILY MAINTENANCE (ADM) TESTING – ENROLLMENT DOCUMENTATION Enrollment documents are required to be maintained by the Indiana Department of Education (IDOE). In addition, the School has adopted a policy requiring additional documents to be obtained at enrollment. The School did not maintain consistent and complete enrollment records for one (1) student of the forty (40) students tested for enrollment. 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 20-43-1-11.5 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).

Canaan Community Academy is making efforts to ensure that enrollment records are complete. Utilizing the online SIS, GradeLink, will help streamline this with the online enrollment process. Also, the nurse has been reviewing the files for accuracy and reaching out to families if something needs to be updated. The one student that the records were not complete has transferred to another school plus numerous efforts were made to get a copy of the birth certificate to complete the records.

Sincerely,

Rhonda Pennington
Chief Administrative Officer



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