



STATE OF INDIANA
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July 17, 2023

Charter School Board
Irvington Community Schools, Inc.
5751 East University Avenue
Indianapolis, IN 46219

We have reviewed the Supplemental Audit Report for Irvington Community Schools, 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 pages 6 and 7.

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
IRVINGTON COMMUNITY SCHOOLS, INC.

MARION COUNTY, INDIANA

July 1, 2021 to June 30, 2022



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IRVINGTON COMMUNITY SCHOOLS, 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	Carrie Kriech	07/01/21 – 06/30/22
Chief Executive Officer	James Welter	07/01/21 – 03/31/22
Chief Executive Officer	Hans Lassiter	04/01/22 – 06/30/22
Interim Chief Financial Officer	Geoffrey Cherry	07/01/21 – 06/30/22



Donovan CPAs

The Board of Directors
Irvington Community Schools, Inc.

We have audited the financial statements of Irvington Community Schools, Inc. (the “School”) as of and for the year ended June 30, 2022, and have issued our report thereon dated March 29, 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
March 29, 2023

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IRVINGTON COMMUNITY SCHOOLS, INC.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2021 to June 30, 2022

REQUIRED REPORTS - FORM 9 REPORTING

We reviewed the Form 9s covering the 2021-2022 school year. Individual fund balances and total cash reported on the June 30, 2022 Form 9 did not reflect actual balances in line with the School's accounting records. Cash reported on the Form 9 was lower than cash reported on the School's trial balance by \$1,131,161.

A fund, as used in the manual, represents money set aside for specific activities of a school corporation. A fund constitutes a complete accounting entity and all financial transactions, both receipts and disbursements, are to be recorded in the fund to which they pertain. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3)

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)

REQUIRED REPORTS - NEGATIVE FUND BALANCES

The School reported the following negative balances on the June 30, 2022 Form 9, none of which were awaiting reimbursement:

- Fund 200 \$3,799,983
- Fund 3270 12,918
- Fund 3400 705
- Fund 3720 9,482
- Fund 3769 2,908
- Fund 6890 9,011
- Fund 7910 6,893

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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)

IRVINGTON COMMUNITY SCHOOLS, INC.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2021 to June 30, 2022

RECEIPTS AND DEPOSITS

We selected a sample of twenty-five receipts for testing from the School's general ledger. We were unable to verify receipts were issued at the time of transaction as physical receipt books were not provided. Deposit support was not provided for eleven of the receipts selected. For ten of the receipts selected, deposit support was provided but documentation was not available to show that those individual receipts were included in the deposit.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of payors. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

REVIEW OF CAPITAL ASSETS

The School has not completed a complete physical inventory of capital assets since the 2018-2019 school year.

Every charter school must have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory must be recorded on the applicable Capital Asset Ledger. A complete inventory shall be taken for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 15)

IRVINGTON COMMUNITY SCHOOLS, INC.
MARION COUNTY, INDIANA
Exit Conference
July 1, 2021 to June 30, 2022

The contents of this report were discussed on March 27, 2023 with Geoffrey Cherry and Linda Heidrich (Outsourced Consultants with Orbital Consulting Group), and Rodney Iberg (Chief Operating Officer). The Official Response has been made a part of this report and may be found on pages 6 to 7.



Irvington Community Schools

2021-22 Supplemental Audit Report Management Response to Findings

Irvington Community School's 2021-22 SBOA supplemental audit found four items requiring Management's response.

1.) SBOA Finding: Receipts & Deposits

Finding: Deposit support was not provided for eleven of the receipts selected. For ten of the receipts selected, deposit support was provided but documentation was not available to show that those individual receipts were included in the deposit.

Response: The point of sale staff will be updated on the procedures already in place to assure compliance. Rod Iberg, Irvington COO, will oversee this task of compliance with the goal being the end of the next quarter (June 30, 2023)

2.) Review of Capital Assets

Finding: The School has not completed a complete physical inventory of capital assets since the 2018-2019 school year.

Response: Due to staff turnover at the school, this task was not completed. Rod Iberg, Irvington COO has been assigned to oversee compliance. The goal will be that this task is completed prior to the next audit (2022-23 audit)

3.) Required Reports - Form 9 Reporting

Finding: We reviewed the Form 9s covering the 2021-2022 school year. Individual fund balances and total cash reported on the June 30, 2022 Form 9 did not reflect actual balances in line with the School's accounting records. Cash reported on the Form 9 was lower than cash reported on the School's trial balance by \$1,131,161.

Response: The previous administration had posted \$1,175,113 PPP Loan coded to 0200-Debt account (a Form 9 account) during the July-Dec 2020 reporting period and an entry was made to correct PPP loan account in January 2021 (relocating to a non-Form 9 account as required). Also, an adjustment of \$43,840 from a previous accounting period has been accepted/approved by IDOE but is still reflected as a variance to cash. The correction created a large cash adjustment given that PPP loan is not reported on Form 9. We have reached out to IDOE to remedy this finding.

4.) Required Reports - Negative Fund Balances

Finding: The fund balance of any fund may not be reduced below zero

Response: An entry was made to correct the negative fund balances of all Funds in the current year save for Fund 200 which debt service. Linda Heidrich will reach out to IDOE to seek guidance on how to handle debt fund balances