

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CHARLES A. TINDLEY ACCELERATED SCHOOL
MARION COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED
03/01/2012

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|--|-------------|
| Schedule of Officials | 2 |
| Independent Auditor's Report on the Financial Statement and Supplementary Schedule of Expenditures of Federal Awards | 3-4 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards | 5-6 |
| Financial Statement: Statement of Receipts, Disbursements, Other Financing Source (Uses), and Cash and Investment Balances - Regulatory Basis..... | 9 |
| Notes to Financial Statement..... | 10-13 |
| Supplementary Information: Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis | 16-19 |
| Schedule of Capital Assets..... | 20 |
| Schedule of Long-Term Debt | 21 |
| Audit Results and Comments: Average Daily Membership (ADM) and Honors Diplomas - Incorrect Reporting to the State and Certified Class Lists..... | 22 |
| Credit Cards..... | 22-23 |
| Textbook Rental Fees | 23-24 |
| Deposits..... | 24 |
| Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133..... | 26-27 |
| Schedule of Expenditures of Federal Awards | 30 |
| Note to Schedule of Expenditures of Federal Awards..... | 31 |
| Schedule of Findings and Questioned Costs | 32 |
| Auditee Prepared Schedule: Summary Schedule of Prior Audit Findings | 33 |
| Exit Conference..... | 34 |
| Official Response | 35-36 |

SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|-----------------------------|--|
| Treasurer | Evan S. Hawkins | 07-01-09 to 06-30-12 |
| Superintendent of the School | Marcus C. Robinson | 07-01-09 to 06-30-12 |
| President of the School Board of Directors | Mark Bruin Randall Lewis | 07-01-09 to 06-30-11 07-01-11 to 06-30-12 |
| Treasurer of the School Board of Directors | Daniel E. Sellers | 07-01-09 to 06-30-12 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CHARLES A. TINDLEY
ACCELERATED SCHOOL, MARION COUNTY, INDIANA

We have audited the accompanying financial statement of the Charles A. Tindley Accelerated School (School Corporation), for the years ended June 30, 2010 and 2011. The financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

The School Corporation's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 24, 2012



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CHARLES A. TINDLEY
ACCELERATED SCHOOL, MARION COUNTY, INDIANA

We have audited the financial statement of the Charles A. Tindley Accelerated School (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated January 24, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, School Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 24, 2012

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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CHARLES A. TINDLEY ACCELERATED SCHOOL
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

| | Cash and Investments 07-01-09 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-10 | Receipts | Disbursements | Other Financing Sources (Uses) | Cash and Investments 06-30-11 |
|--|-------------------------------------|---------------------|---------------------|--------------------------------------|-------------------------------------|---------------------|---------------------|--------------------------------------|-------------------------------------|
| General | \$ 426,246 | \$ 2,764,338 | \$ 2,790,295 | \$ (64,011) | \$ 336,278 | \$ 2,880,102 | \$ 2,827,101 | \$ (88,189) | \$ 301,090 |
| School Lunch | 3,029 | 152,589 | 124,493 | - | 31,125 | 126,675 | 112,066 | - | 45,734 |
| Textbook Rental | - | 23,373 | 23,373 | - | - | 14,752 | 14,752 | - | - |
| National Governors Grant | 21,054 | - | 13,295 | - | 7,759 | - | 4,677 | - | 3,082 |
| Teacher's Wish Fund | - | - | - | - | - | 1,550 | - | - | 1,550 |
| MISC Grants/Donations | 58,926 | - | 58,926 | - | - | - | - | - | - |
| Extra-Curricular | 623 | 188 | - | - | 811 | 536 | - | - | 1,347 |
| School Administration | 50,000 | 273,656 | 276,829 | - | 46,827 | 496,780 | 456,394 | - | 87,213 |
| School Technology | - | - | - | - | - | 1,200 | 1,000 | - | 200 |
| Title I 2008-2009 | 38,453 | 17,670 | 48,655 | (7,468) | - | - | - | - | - |
| Title I Aware | 25,000 | - | 25,000 | - | - | - | - | - | - |
| Title I 2009-2010 | - | 203,518 | 207,989 | 7,468 | 2,997 | 27,328 | 2,256 | (28,069) | - |
| Title I 2010-2011 | - | - | - | - | - | 133,270 | 158,111 | 28,069 | 3,228 |
| IDEA | 11,201 | - | 2,160 | (9,041) | - | - | - | - | - |
| Special Ed Carryover | - | - | 9,041 | 9,041 | - | - | - | - | - |
| 09-10 Special Ed | - | 66,440 | 54,541 | - | 11,899 | - | 11,899 | - | - |
| 10-11 Special Ed | - | - | - | - | - | 58,530 | 58,200 | - | 330 |
| Improving Teaching Quality, No Child Left, Title II, Part A | - | - | - | - | - | 4,869 | 5,219 | - | (350) |
| Facilities Grant | - | 160,360 | 225,018 | 64,658 | - | 157,420 | 246,388 | 88,968 | - |
| Fiscal Stabilization - Education | - | 90,493 | 90,493 | - | - | - | - | - | - |
| Title I - Grants to LEAs | - | 146,248 | 116,391 | - | 29,857 | 41,681 | 71,538 | - | - |
| Special Education - Part B | - | 49,770 | 49,770 | - | - | 42,196 | 42,196 | - | - |
| Education Technology | - | 94,774 | 94,750 | - | 24 | 3,226 | 3,250 | - | - |
| School Lunch Equipment | - | 7,299 | 7,299 | - | - | - | - | - | - |
| Education Jobs | - | - | - | - | - | 88,704 | 88,704 | - | - |
| Totals | \$ 634,532 | \$ 4,050,716 | \$ 4,218,318 | \$ 647 | \$ 467,577 | \$ 4,078,819 | \$ 4,103,751 | \$ 779 | \$ 443,424 |

The notes to the financial statement is an integral part of this statement.

CHARLES A. TINDLEY ACCELERATED SCHOOL
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

CHARLES A. TINDLEY ACCELERATED SCHOOL
NOTES TO FINANCIAL STATEMENT
(Continued)

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

F. Other financing sources and uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

CHARLES A. TINDLEY ACCELERATED SCHOOL
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 2. Budgets

The operating budget is prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following fiscal year.

Note 3. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 4. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlement. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 5. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

CHARLES A. TINDLEY ACCELERATED SCHOOL
NOTES TO FINANCIAL STATEMENT
(Continued)

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

CHARLES A. TINDLEY ACCELERATED SCHOOL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

| | General | School Lunch | Textbook Rental | National Governors Grant | MISC Grants/ Donations | Extra-Curricular | School Administration | Title I 2008-2009 | Title I Aware | Title I 2009-2010 |
|---|------------|--------------|-----------------|--------------------------|------------------------|------------------|-----------------------|-------------------|---------------|-------------------|
| Cash and investments - beginning | \$ 426,246 | \$ 3,029 | \$ - | \$ 21,054 | \$ 58,926 | \$ 623 | \$ 50,000 | \$ 38,453 | \$ 25,000 | \$ - |
| Receipts: | | | | | | | | | | |
| Local sources | 98,750 | 27,315 | 13,899 | - | - | 188 | 273,656 | - | - | - |
| State sources | 2,657,452 | 758 | 9,474 | - | - | - | - | - | - | - |
| Federal sources | - | 124,516 | - | - | - | - | - | 17,670 | - | 203,518 |
| Other | 8,136 | - | - | - | - | - | - | - | - | - |
| Total receipts | 2,764,338 | 152,589 | 23,373 | - | - | 188 | 273,656 | 17,670 | - | 203,518 |
| Disbursements: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Instruction | 1,529,088 | - | 23,248 | - | - | - | 51,043 | 46,036 | - | 181,877 |
| Support services | 999,703 | 334 | 125 | 13,295 | - | - | 87,002 | 2,619 | - | 25,717 |
| Noninstructional services | 67,622 | 123,371 | - | - | - | - | 33,358 | - | - | - |
| Facilities acquisition and construction | 129,732 | 788 | - | - | - | - | 71,730 | - | 25,000 | 395 |
| Debt services | 64,150 | - | - | - | 58,926 | - | 33,696 | - | - | - |
| Total disbursements | 2,790,295 | 124,493 | 23,373 | 13,295 | 58,926 | - | 276,829 | 48,655 | 25,000 | 207,989 |
| Excess (deficiency) of receipts over disbursements | (25,957) | 28,096 | - | (13,295) | (58,926) | 188 | (3,173) | (30,985) | (25,000) | (4,471) |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - | 7,468 |
| Transfers out | (64,011) | - | - | - | - | - | - | (7,468) | - | - |
| Total other financing sources (uses) | (64,011) | - | - | - | - | - | - | (7,468) | - | 7,468 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (89,968) | 28,096 | - | (13,295) | (58,926) | 188 | (3,173) | (38,453) | (25,000) | 2,997 |
| Cash and investments - ending | \$ 336,278 | \$ 31,125 | \$ - | \$ 7,759 | \$ - | \$ 811 | \$ 46,827 | \$ - | \$ - | \$ 2,997 |

CHARLES A. TINDLEY ACCELERATED SCHOOL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

| | IDEA | Special Ed Carryover | 09-10 Special Ed | Facilities Grant | Fiscal Stabilization - Education | Title I - Grants to LEAs | Special Education - Part B | Education Technology | School Lunch Equipment | Totals |
|---|-----------|-------------------------|---------------------|---------------------|--|--------------------------------|----------------------------------|-------------------------|------------------------------|------------|
| Cash and investments - beginning | \$ 11,201 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 634,532 |
| Receipts: | | | | | | | | | | |
| Local sources | - | - | - | - | 28 | 80 | 30 | 24 | - | 413,970 |
| State sources | - | - | - | - | - | - | - | - | - | 2,667,684 |
| Federal sources | - | - | 66,440 | 160,360 | 90,465 | 146,168 | 49,740 | 94,750 | 7,299 | 960,926 |
| Other | - | - | - | - | - | - | - | - | - | 8,136 |
| Total receipts | - | - | 66,440 | 160,360 | 90,493 | 146,248 | 49,770 | 94,774 | 7,299 | 4,050,716 |
| Disbursements: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Instruction | 2,000 | - | 36,131 | - | 1,503 | 866 | 41,519 | - | - | 1,913,311 |
| Support services | 160 | 475 | 16,700 | - | 47,770 | 12,253 | 6,541 | 52,010 | - | 1,264,704 |
| Noninstructional services | - | - | - | - | - | - | - | - | 7,299 | 231,650 |
| Facilities acquisition and construction | - | 8,566 | 1,710 | 64,658 | 35,337 | 103,272 | 1,710 | 42,740 | - | 485,638 |
| Debt services | - | - | - | 160,360 | 5,883 | - | - | - | - | 323,015 |
| Total disbursements | 2,160 | 9,041 | 54,541 | 225,018 | 90,493 | 116,391 | 49,770 | 94,750 | 7,299 | 4,218,318 |
| Excess (deficiency) of receipts over disbursements | (2,160) | (9,041) | 11,899 | (64,658) | - | 29,857 | - | 24 | - | (167,602) |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | - | 9,041 | - | 64,658 | - | - | - | - | - | 81,167 |
| Transfers out | (9,041) | - | - | - | - | - | - | - | - | (80,520) |
| Total other financing sources (uses) | (9,041) | 9,041 | - | 64,658 | - | - | - | - | - | 647 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (11,201) | - | 11,899 | - | - | 29,857 | - | 24 | - | (166,955) |
| Cash and investments - ending | \$ - | \$ - | \$ 11,899 | \$ - | \$ - | \$ 29,857 | \$ - | \$ 24 | \$ - | \$ 467,577 |

CHARLES A. TINDLEY ACCELERATED SCHOOL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

| | General | School Lunch | Textbook Rental | National Governors Grant | Teacher's Wish Fund | Extra-Curricular | School Administration | School Technology | Title I 2009-2010 | Title I 2010-2011 |
|---|------------|--------------|-----------------|--------------------------|---------------------|------------------|-----------------------|-------------------|-------------------|-------------------|
| Cash and investments - beginning | \$ 336,278 | \$ 31,125 | \$ - | \$ 7,759 | \$ - | \$ 811 | \$ 46,827 | \$ - | \$ 2,997 | \$ - |
| Receipts: | | | | | | | | | | |
| Local sources | 40,500 | 29,055 | 10,386 | - | 1,550 | 536 | 496,780 | - | - | - |
| State sources | 2,839,602 | 688 | 4,366 | - | - | - | - | 1,200 | - | - |
| Federal sources | - | 96,932 | - | - | - | - | - | - | 27,328 | 133,270 |
| Total receipts | 2,880,102 | 126,675 | 14,752 | - | 1,550 | 536 | 496,780 | 1,200 | 27,328 | 133,270 |
| Disbursements: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Instruction | 1,585,028 | - | 14,752 | - | - | - | 57,718 | - | (4,093) | 86,220 |
| Support services | 1,101,169 | 1,111 | - | 4,677 | - | - | 274,344 | 1,000 | 6,349 | 71,251 |
| Noninstructional services | 81,696 | 109,777 | - | - | - | - | 79,053 | - | - | - |
| Facilities acquisition and construction | 28,845 | 1,178 | - | - | - | - | 40,279 | - | - | 640 |
| Debt services | 30,363 | - | - | - | - | - | - | - | - | - |
| Nonprogrammed charges | - | - | - | - | - | - | 5,000 | - | - | - |
| Total disbursements | 2,827,101 | 112,066 | 14,752 | 4,677 | - | - | 456,394 | 1,000 | 2,256 | 158,111 |
| Excess (deficiency) of receipts over disbursements | 53,001 | 14,609 | - | (4,677) | 1,550 | 536 | 40,386 | 200 | 25,072 | (24,841) |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | 114,401 | - | - | - | - | - | - | - | - | 28,069 |
| Transfers out | (202,590) | - | - | - | - | - | - | - | (28,069) | - |
| Total other financing sources (uses) | (88,189) | - | - | - | - | - | - | - | (28,069) | 28,069 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (35,188) | 14,609 | - | (4,677) | 1,550 | 536 | 40,386 | 200 | (2,997) | 3,228 |
| Cash and investments - ending | \$ 301,090 | \$ 45,734 | \$ - | \$ 3,082 | \$ 1,550 | \$ 1,347 | \$ 87,213 | \$ 200 | \$ - | \$ 3,228 |

CHARLES A. TINDLEY ACCELERATED SCHOOL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

| | 09-10 Special Ed | 10-11 Special Ed | Improving Teaching Quality, No Child Left, Title II, Part A | Facilities Grant | Title I - Grants to LEAs | Special Education - Part B | Education Technology | Education Jobs | Totals |
|---|---------------------|---------------------|--|---------------------|--------------------------------|----------------------------------|-------------------------|-------------------|------------|
| Cash and investments - beginning | \$ 11,899 | \$ - | \$ - | \$ - | \$ 29,857 | \$ - | \$ 24 | \$ - | \$ 467,577 |
| Receipts: | | | | | | | | | |
| Local sources | - | - | - | - | (79) | (31) | (24) | - | 578,673 |
| State sources | - | - | - | - | - | - | - | - | 2,845,856 |
| Federal sources | - | 58,530 | 4,869 | 157,420 | 41,760 | 42,227 | 3,250 | 88,704 | 654,290 |
| Total receipts | - | 58,530 | 4,869 | 157,420 | 41,681 | 42,196 | 3,226 | 88,704 | 4,078,819 |
| Disbursements: | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction | 9,249 | 47,200 | - | - | 43,970 | 38,946 | - | 88,704 | 1,967,694 |
| Support services | 2,650 | 11,000 | 5,119 | - | 12,584 | 3,250 | 3,250 | - | 1,497,754 |
| Noninstructional services | - | - | 100 | - | - | - | - | - | 270,626 |
| Facilities acquisition and construction | - | - | - | 88,968 | 14,984 | - | - | - | 174,894 |
| Debt services | - | - | - | 157,420 | - | - | - | - | 187,783 |
| Nonprogrammed charges | - | - | - | - | - | - | - | - | 5,000 |
| Total disbursements | 11,899 | 58,200 | 5,219 | 246,388 | 71,538 | 42,196 | 3,250 | 88,704 | 4,103,751 |
| Excess (deficiency) of receipts over disbursements | (11,899) | 330 | (350) | (88,968) | (29,857) | - | (24) | - | (24,932) |
| Other financing sources (uses): | | | | | | | | | |
| Transfers in | - | - | - | 88,968 | - | - | - | - | 231,438 |
| Transfers out | - | - | - | - | - | - | - | - | (230,659) |
| Total other financing sources (uses) | - | - | - | 88,968 | - | - | - | - | 779 |
| Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses | (11,899) | 330 | (350) | - | (29,857) | - | (24) | - | (24,153) |
| Cash and investments - ending | \$ - | \$ 330 | \$ (350) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 443,424 |

CHARLES A. TINDLEY ACCELERATED SCHOOL
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

| <u>Primary Government</u> | <u>Ending Balance</u> |
|---|--------------------------------|
| School Capital Assets: | |
| Capital assets, not being depreciated: | |
| Land | \$ 125,000 |
| Buildings | 619,207 |
| Improvements other than buildings | 3,304,080 |
| Machinery and equipment | <u>1,375,958</u> |
| Total capital assets, not being depreciated | <u><u>\$ 5,424,245</u></u> |

CHARLES A. TINDLEY ACCELERATED SCHOOL
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

The School has entered into the following debt:

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|---------------------------|--------------------------------|---|
| School debt: | | |
| Notes and loans payable | \$ 1,426,603 | \$ - |
| Bonds payable: | | |
| General obligation bonds: | | |
| Construction Bonds | <u>3,271,671</u> | <u>182,836</u> |
| Total debt | <u>\$ 4,698,274</u> | <u>\$ 182,836</u> |

CHARLES A. TINDLEY ACCELERATED SCHOOL
AUDIT RESULTS AND COMMENTS

**AVERAGE DAILY MEMBERSHIP (ADM) AND HONORS DIPLOMAS -
INCORRECT REPORTING TO THE STATE AND CERTIFIED CLASS LISTS**

The information presented for audit indicated enrollment figures on Form 30A, Report of Average Daily Membership (ADM) for State Support, were correct; however, enrollment documentation supporting reported ADM was not certified by the building level principal for the enrollment count dates of September 18, 2009, and September 17, 2010.

The number of Honors Diplomas as reported did not agree with documentation regarding the number of students who were issued Honors Diplomas.

The differences between the Honors Diplomas reported and the verified figures are shown below:

| <u>School Year</u> | <u>Count as Reported on Form 30A</u> | <u>Honors Diplomas Based on Documentation Provided</u> | <u>Difference</u> |
|------------------------|--|--|-------------------|
| 2008-2009 | 0 | 6 | (6) |
| 2009-2010 | 8 | 7 | 1 |

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

CREDIT CARDS

The employees were using credit cards to purchase items without an approved credit card policy. Most charges to the credit cards were for travel and meals purchased during events and meetings.

In addition, employees were not required to retain and submit credit card receipts for purchases; therefore, credit card purchases were not adequately supported by receipts. For the five months of credit card payments reviewed the total charges were \$16,504.09, and the average amount of charges was \$3,300.82 per month. Of the total charges reviewed, there was only one receipt submitted for the purchase of supplies in the amount of \$22.50.

CHARLES A. TINDLEY ACCELERATED SCHOOL
AUDIT RESULTS AND COMMENTS
(Continued)

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TEXTBOOK RENTAL FEES

Textbook rental fees charged for the school years 2009-2010 and 2010-2011 were not properly calculated. The School charged the same amount of fees for all grades. The amount charged was not based on any calculations or actual costs.

Indiana Code 20-26-12-2 states in part:

"(a) A governing body may purchase from a publisher, any textbook selected by the proper officials. The governing bond may rent these textbooks to students enrolled. . . . The annual rental rate may not exceed twenty-five percent (25%) of the retail price of the textbooks.

CHARLES A. TINDLEY ACCELERATED SCHOOL
AUDIT RESULTS AND COMMENTS
(Continued)

(b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than fifteen percent (15%) of the retail price of a textbook that has been:

- (1) extended for usage by students under section 24(e) of this chapter; and
- (2) paid for through rental fees previously collected.

(c) This section does not limit other laws."

DEPOSITS

The internal controls established by the School Corporation require that receipts be deposited weekly or daily if a large amount of receipts are on hand. We reviewed receipts and deposits and noted that receipts were not routinely deposited daily. We identified one check for \$97, dated January 5, 2011. This check was receipted to the records and deposited on November 14, 2011. Based on review of other November receipts and deposits, money was routinely deposited weekly.

Indiana Code 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . ."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CHARLES A. TINDLEY
ACCELERATED SCHOOL, MARION COUNTY, INDIANA

Compliance

We have audited the compliance of the Charles A. Tindley Accelerated School (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the School Corporation's management, School Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 24, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the School Corporation. The schedule and note are presented as intended by the School Corporation.

CHARLES A. TINDLEY ACCELERATED SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

| Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Total Federal Awards Expended 06-30-10 | Total Federal Awards Expended 06-30-11 |
|---|---------------------------|--|---|---|
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | | |
| Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program | 10.553 | FY 2009-2010 FY 2010-2011 | \$ 15,571 - | \$ - 13,005 |
| Total for program | | | <u>15,571</u> | <u>13,005</u> |
| National School Lunch Program | 10.555 | FY 2009-2010 FY 2010-2011 | 108,945 - | - 83,927 |
| Total for program | | | <u>108,945</u> | <u>83,927</u> |
| Total for cluster | | | <u>124,516</u> | <u>96,932</u> |
| ARRA - Child Nutrition Discretionary Grants Limited Availability, Recovery Act | 10.579 | FY 2009-2010 | <u>7,299</u> | - |
| Total for federal grantor agency | | | <u>131,815</u> | <u>96,932</u> |
| <u>U.S. DEPARTMENT OF EDUCATION</u> | | | | |
| Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies | 84.010 | 09-9645 AWARE 10-9645 11-9645 | 48,655 25,000 207,989 - | - - 2,256 158,111 |
| Total for program | | | <u>281,644</u> | <u>160,367</u> |
| ARRA - Title I Grants to Local Educational Agencies, Recovery Act | 84.389 | ARRA | <u>116,390</u> | <u>71,538</u> |
| Total for cluster | | | <u>398,034</u> | <u>231,905</u> |
| Special Education Cluster Special Education - Grants to States | 84.027 | IDEA 09-9645 10-9645 11-9645 | 2,160 9,041 54,541 - | - - 11,899 58,200 |
| Total for program | | | <u>65,742</u> | <u>70,099</u> |
| ARRA - Special Education - Grants To States (IDEA Part B), Recovery Act | 84.391 | ARRA | <u>49,771</u> | <u>42,196</u> |
| Total for cluster | | | <u>115,513</u> | <u>112,295</u> |
| Education Technology State Grants Cluster ARRA - Education Technology State Grants, Recovery Act (Enhancing Education Through Technology Program) | 84.386 | 10-9645 | <u>94,750</u> | <u>3,250</u> |
| State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund) | 84.394 | 10-9645 | <u>90,494</u> | - |
| Charter Schools | 84.282 | 11-9645 | - | <u>246,388</u> |
| Improving Teacher Quality State Grants | 84.367 | 10-9645 | - | <u>5,220</u> |
| ARRA - Education Jobs Fund, Recovery Act | 84.410 | 11-9645 | - | <u>88,704</u> |
| Total for federal grantor agency | | | <u>698,791</u> | <u>687,762</u> |
| Total federal awards expended | | | <u>\$ 830,606</u> | <u>\$ 784,694</u> |

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CHARLES A. TINDLEY ACCELERATED SCHOOL
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Charles A. Tindley Accelerated School (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

CHARLES A. TINDLEY ACCELERATED SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

| | |
|--|---------------|
| Type of auditor's report issued: | Unqualified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | no |
| Significant deficiencies identified? | none reported |
| Noncompliance material to financial statement noted? | no |

Federal Awards:

| | |
|--|---------------|
| Internal control over major programs: | |
| Material weaknesses identified? | no |
| Significant deficiencies identified? | none reported |
| Type of auditor's report issued on compliance for major programs: | Unqualified |
| Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | no |

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I, Part A Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CHARLES A. TINDLEY ACCELERATED SCHOOL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CHARLES A. TINDLEY ACCELERATED SCHOOL
EXIT CONFERENCE

The contents of this report were discussed on January 24, 2012, with Daniel E. Sellers, Treasurer of the School Board of Directors; Evan S. Hawkins, Treasurer; and Marcus C. Robinson, Superintendent of the School. The Official Response has been made a part of this report and may be found on pages 35 and 36.



February 3, 2012

State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204

Re: Official State Board of Accounts Audit Response

This letter is written pursuant to the Audit Exit meeting held with Kim Wesley on Tuesday, January 24, 2012, at the Charles A. Tindley Accelerated School. Following are the official responses relative to the findings from that audit.

AVERAGE DAILY MEMBERSHIP (ADM) AND HONORS DIPLOMAS – INCORRECT REPORTING TO THE STATE AND CERTIFIED CLASS LISTS

The Charles A. Tindley Accelerated School acknowledges this comment. Currently, a copy of students enrolled on count day is generated, signed by the school principal, and then filed. Moving forward, both the count day and ADM certification day student rosters will be generated, signed by the school principal, and then filed.

In addition, the Charles A. Tindley Accelerated School will ensure that Honor's Diploma recipients are reported and verified to the Indiana Department of Education in a timely and appropriate manner.

CREDIT CARDS

The Charles A. Tindley Accelerated will enhance its credit card protocols to comply with Indiana State Board of Accounts rules and regulations. In addition, the business office of the Charles A. Tindley Accelerated will ensure that sales tax will not be paid, as well as submit tax exemption forms to vendors as needed.

TEXTBOOK RENTAL FEES

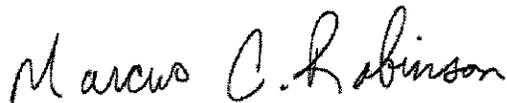
The Charles A. Tindley Accelerated School will implement a new textbook fee structure for all students throughout the middle and high school environment. The annual rental rate will not exceed 25% of the retail price of the textbook.

DEPOSITS

The Charles A. Tindley Accelerated School's internal control protocols ensure that deposits are made on a daily basis. We discovered that the identified check was misplaced by an employee and turned into the business office once located. The check was immediately deposited once received.

We wish to express our gratitude to the State Board of Accounts staff for professionally performing the audit of the Charles A. Tindley Accelerated School for the period ending June 30, 2011.

Marcus Robinson, Chancellor & Chief Executive Officer



Evan Hawkins, Chief Operating Officer & School Treasurer

