



**STATE OF INDIANA**  
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October 29, 2013

Charter School Board  
Indiana Connections Academy, Inc.  
6640 Intech Boulevard, Suite 250  
Indianapolis, IN 46278

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac, LLC, Independent Public Accountants, for the period January 1, 2012 to June 30, 2012. 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. Page 3 contains two audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Indiana Connections Academy, Inc., was prepared in accordance with the guidelines established by the State Board of Accounts.

The Supplemental Audit Report and the Financial Statements and Independent Auditors' Report are filed in our office as a matter of public record.

*State Board of Accounts*

SUPPLEMENTAL AUDIT REPORT

OF

**INDIANA CONNECTIONS ACADEMY, INC.**

MARION COUNTY, INDIANA

January 1, 2012 to June 30, 2012

INDIANA CONNECTIONS ACADEMY, INC.

MARION COUNTY, INDIANA

Table of Contents

	<u>Page</u>
School Officials .....	1
Transmittal Letter .....	2
Audit Results and Comments:	
Textbook Reimbursement .....	3
Eligibility Verifications .....	3
Exit Conference .....	4
Official Response .....	5

INDIANA CONNECTIONS ACADEMY, INC.

MARION COUNTY, INDIANA

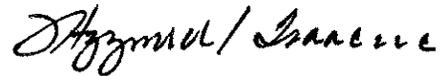
School Officials

January 1, 2012 to June 30, 2012

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Jerry Windle	01/01/12 – 06/30/12
Principal	Melissa Brown	01/01/12 – 06/30/12
Treasurer	Carl Heck	01/01/12 – 06/30/12

The Board of Directors  
Indiana Connections Academy, Inc.

We have audited the financial statements of **Indiana Connections Academy, Inc.** (the "School") as of June 30, 2012 and for the period from January 1, 2012 to June 30, 2012 and have issued our report thereon dated June 3, 2013. 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.



Indianapolis, IN  
September 17, 2013

INDIANA CONNECTIONS ACADEMY, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

January 1, 2012 to June 30, 2012

TEXTBOOK REIMBURSEMENT

The School utilizes an internally-produced Family Income Form for the purpose of determining student eligibility for federal and state assistance programs. While the data being obtained is generally sufficient, the form is not as thorough as the Form 521 required for use by the Indiana Department of Education and does not contain evidence of the person responsible for the eligibility determination.

Charter schools must provide accurate information to the Indiana Department of Education pertaining to the number of students that received free/reduced textbooks. If a variance occurs between the charter school records and the report provided the IDOE, then written communication must also request a determination if any increases or decreases in funding will result to the charter school because of the variance. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8).

ELIGIBILITY VERIFICATIONS

In our audit of income eligibility for benefits under the State's textbook reimbursement program, the School could not produce evidence that data submitted on eligibility applications had been verified by reference to supporting documentation.

An error for purposes of the test-check is an approved application, attempted to be verified that cannot be verified by the program participants with requested income verification information (i.e., paycheck stub, W-2, etc.). Program participants who have an application that cannot be verified are not always dropped from the free and reduced-price meal program and corrections in reporting and additional testing does not always occur. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 17).

The department shall adopt procedures that must be followed by applicants in order for them to qualify for assistance under this chapter. These procedures must include obtaining information needed by the family and social services administration to determine if the recipient is a child who is a member of a qualifying family (as defined in IC 12-14-28-1), including the familial relationship of the child to the head of the household. The financial eligibility standard for an applicant under this chapter must be the same criteria used for determining eligibility for receiving free or reduced lunches under the national school lunch program. [Indiana Code 20-33-5-2 (Procedures to qualify for assistance)].

INDIANA CONNECTIONS ACADEMY, INC.

MARION COUNTY, INDIANA

Exit Conference

January 1, 2012 to June 30, 2012

The contents of this report were discussed on October 21, 2013, with Robert Rhinesmith III (Board Treasurer), Shawn Soltz (Accounting Director, Connections Education), and Brenda Little (Accounting Manager, Connections Education). The Official Response has been made a part of this report and may be found on page 5.



Indiana Connections Academy

SBOA Compliance Audit Responses

#### TEXTBOOK REIMBURSEMENT

The school is currently evaluating the method by which family income information is obtained and the related requirement to use the Form 521 in determining eligibility for textbook reimbursement. The school agrees with this requirement and is currently working on a resolution for this matter.

#### ELIGIBILITY VERIFICATION

Per IC 20-33-5-2, the financial eligibility standard for an applicant must be the same criteria used for determining the eligibility for receiving free or reduced price lunches under the National School Lunch Program. In determining eligibility, the school utilizes the USDA's Income Eligibility Guidelines for Free and Reduced-Price Meals. The school understands that the USDA's Verification process is not a determination of eligibility but rather a confirmation of eligibility only required for entities receiving free and reduced price meals under the National School Lunch Program and School Breakfast Program. The school will contact the Indiana Department of Education for clarification and guidance on verification requirements for schools that do not serve meals.