



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B44812

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](http://www.in.gov/sboa)

February 12, 2015

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 July 1, 2012 to June 30, 2013. 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. Pages 3 through 4 contain two audit results and comments. Management's response is on page 6.

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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

SUPPLEMENTAL AUDIT REPORT  
OF  
**INDIANA CONNECTIONS ACADEMY, INC.**

MARION COUNTY, INDIANA

July 1, 2012 to June 30, 2013

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.....	4
Exit Conference.....	5
Official Response .....	6

INDIANA CONNECTIONS ACADEMY, INC.

MARION COUNTY, INDIANA

School Officials

July 1, 2012 to June 30, 2013

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Stacy Taylor	07/01/12 – 06/30/13
Principal	Melissa Brown	07/01/12 – 06/30/13
Treasurer	Carl Heck Robert Rhinesmith III	07/01/12 – 10/15/12 06/10/13 – 06/30/13

The Board of Directors  
Indiana Connections Academy, Inc.

We have audited the financial statements of **Indiana Connections Academy, Inc.** (the "School") as of and for the year ended June 30, 2013 and have issued our report thereon dated November 26, 2014. 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  
November 26, 2014

INDIANA CONNECTIONS ACADEMY, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

July 1, 2012 to June 30, 2013

TEXTBOOK REIMBURSEMENT

The School utilizes an internally-produced “Family Income Form” for the purpose of determining student eligibility for federal and state financial assistance programs. While the data being obtained is generally sufficient for this purpose, the form is not as thorough as the Form 521 prescribed for use by the Indiana State Board of Accounts, and does not contain evidence of either the person responsible for the eligibility determination or the official determination itself.

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).

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)

INDIANA CONNECTIONS ACADEMY, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

July 1, 2012 to June 30, 2013

ELIGIBILITY VERIFICATIONS

In our audit of income eligibility for benefits under the State of Indiana's textbook reimbursement program, the School could not produce evidence that data submitted on eligibility applications had been subject to verification 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)]

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)

INDIANA CONNECTIONS ACADEMY, INC.

MARION COUNTY, INDIANA

Exit Conference

July 1, 2012 to June 30, 2013

The contents of this report were discussed on December 17, 2014 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 6.



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.