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AN EQUAL OPPORTUNITY EMPLOYER

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January 21, 2010

Board of Directors
American Student Achievement
Institute Incorporated
4601 East Morningside Drive
Bloomington, IN 47408

We have reviewed the audit report prepared by Bray & Associates, CPAs, LLC, Independent Public Accountants, for the period September 1, 2006 to August 31, 2008. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the American Student Achievement Institute Incorporated, as of August 31, 2008, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

American Student Achievement
Institute Incorporated

Financial Statements

For the Years Ended August 31, 2008 and 2007

AMERICAN STUDENT ACHIEVEMENT INSTITUTE, INC.
Bloomington, Indiana 47401

INDEX

	Page
Independent Auditor's Report-----	1
Statements of Assets, Liabilities and Net Assets-Cash Basis-----	2
Statements of Support, Revenue and Expenses-Cash Basis-----	3
Notes to Financial Statements -----	4-5
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards-----	6-7

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INDIANA CERTIFIED PUBLIC
ACCOUNTANTS SOCIETY

INDEPENDENT AUDITORS REPORT

To the Board of Trustees
American Student Achievement Institute Inc.
Bloomington, In 47408

We have audited the accompanying statements of assets, liabilities, and net assets-cash basis of the American Student Achievement Institute, Inc. (a non-profit corporation) as of August 31, 2008 and 2007 and the related statements of support, revenue, and expenses-cash basis for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 described in note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of American Student Achievement Institute Incorporated as of August 31, 2008 and 2007, and the support, revenue, and expenses for the years then ended, on the basis of accounting described in note 1, in conformity with accounting principles generally accepted in the United States of America..

In accordance with Government Standards, we have also issued a report dated December 1, 2008 on our consideration of the American Student Achievement Institute, Inc. internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Bray & Associates CPA's
Bray & Associates CPA's, LLC
Greencastle, Indiana 46135
December 1, 2008

American Student Achievement Institute, Inc.

Statements of Assets, Liabilities and Net Assets-Cash Basis

	August 31, 2008	August 31, 2007
Assets		
Current Assets:		
Cash in Bank	\$ 767,050	\$ 1,381,296
Certificate of Deposit	<u>1,250,000</u>	<u>0</u>
Total Assets	\$ <u>2,017,050</u> \$	\$ <u>1,381,296</u>

Liabilities and Net Assets

Liabilities:		
Held for School	\$ <u>22,733</u>	\$ <u>23,022</u>
Total Liabilities	\$ 22,733	\$ 23,022
Net Assets:		
Unrestricted	<u>1,994,317</u>	<u>1,358,274</u>
Total Net Asset	\$ 1,994,317	\$ 1,358,274
Total Liabilities and Net Assets	\$ <u>2,017,050</u>	\$ <u>1,381,296</u>

See Accompanying Notes and Accountant's Report

American Student Achievement Institute Inc.
Statement of Support, Revenue and Expenses- Cash Basis
Fiscal Years Ended August 31, 2008 and 2007

	August 31, 2008	August 31, 2007
Support and Revenue:		
Grants State and Federal	\$ 267,201	\$ 772,485
Grants Other	740,800	0
Interest	35,708	30,707
Fees Earned	<u>965,387</u>	<u>1,125,709</u>
Total Support and Revenue	\$ 2,009,096	\$ 1,928,901
 Expenses:		
Program Expense		
Schools	\$ 356,859	\$ 341,349
Workshops	111,356	120,749
Payroll & Related Expense	524,516	369,829
Supplies	18,994	22,268
Travel, Lodging, Meals	38,968	30,433
Other Program Expenses	85,424	132,119
Printing	<u>53,003</u>	<u>38,297</u>
Total Program Expenses	\$ 1,189,120	\$ 1,055,044
 Administrative Expenses		
Payroll & Related Expense	\$ 103,603	\$ 78,857
Occupancy	30,318	26,091
Office Supplies	2,111	2,474
Communications	12,431	12,879
Other Fees and Cost	<u>35,470</u>	<u>27,067</u>
Total Administrative Expenses	\$ 183,933	\$ 147,368
Total Expenses	\$ <u>1,373,053</u>	\$ <u>1,202,412</u>
Net Increase (Decrease) in Net Assets	636,043	726,489
Beginning Net Assets	<u>1,358,274</u>	<u>631,785</u>
Ending Net Assets	\$ <u>1,994,317</u>	\$ <u>1,358,274</u>

American Student Achievement Institute Incorporated
Notes to Financial Statements
Fiscal years ending August 31, 2008 and 2007

Note 1 -Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

American Student Achievement Institute Incorporated (ASAI) is a not-for-profit Indiana Corporation organized in 2000 with an August 31 year end. ASAI assists Indiana schools in meeting their education requirements and goals of various rules and regulations promulgated by the U.S. Department of Education and Indiana Education Department. ASAI is certified by the State of Indiana to approve the schools plans.

Basis of Accounting

ASAI maintains its books and records on the cash basis of Accounting. This basis of Accounting recognizes income when cash is received rather than when earned and expenses when paid rather than when incurred. Cash basis of Accounting is a method other than generally accepted Accounting principles.

Grants

ASAI received grants from the U.S. Department of Education further administered by the Indiana Office of Twenty-First Century Scholars. Any dollars and all interest not spent must be returned to the grantor.

Sub-Grants-contracted services

These monies are paid directly to the various school corporations to help offset additional costs to the school corporation in preparing their plans to meet the new requirements.

Risk

ASAI exceeded the FDIC insurance amount in its bank account during the year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

Taxes

The Internal Revenue Service issued ASAI a 501(c)(3) statue, hence no amounts have been allocated for State or Federal income taxes

American Student Achievement Institute, Inc.
Notes to Financial Statements
Fiscal years ending August 31, 2008 and 2007

Continued

Functional Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statements of Support, Revenue, and Expense. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Lease Obligation

ASAI has the following lease obligations:

FYE	8-31-09	\$ 26,236.
FYE	8-31-10	\$ 10,224.

Pension Plan

ASAI provides a pension plan for employees that meet certain eligibility requirements. Pension expense was \$ 14,875 in 2007 and \$ 18,116 in 2008.

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

To the Board of Trustees
American Student Achievement Institute, Inc.

We have audited the financial statements of the American Student Achievement Institute, Inc. (a nonprofit organization) as of August 31, 2008 and 2007, and have issued our report thereon dated December 1, 2008. 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 American Student Achievement Institute, Inc. internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance with laws and Regulations

As part of obtaining reasonable assurance about whether American Student Achievement Institute, Inc. financial statements are 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.

This report is intended solely for the information and use of the audit committee, management, others within the organization and 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.

Bray & Associates CPA's, LLC
Greencastle, Indiana 46135
December 1, 2008