



STATE OF INDIANA
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B41771

STATE BOARD OF ACCOUNTS
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February 6, 2013

Charter School Board
Dr. Robert H. Faulkner Academy, Inc.
1111 West 2nd Street
Marion, IN 46952

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2010 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 one audit result and comment. Management's response is on page 5.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Dr. Robert H. Faulkner 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

DR. ROBERT H. FAULKNER ACADEMY, INC.

GRANT COUNTY, INDIANA

July 1, 2010 to June 30, 2012

Fitzgerald | Isaac LLC
Certified Public Accountants

DR. ROBERT H. FAULKNER ACADEMY, INC.

GRANT COUNTY, INDIANA

Table of Contents

	<u>Page</u>
School Officials	1
Transmittal Letter	2
Audit Results and Comments:	
Capital Assets	3
Exit Conference	4
Official Response	5

DR. ROBERT H. FAULKNER ACADEMY, INC.

GRANT COUNTY, INDIANA

School Officials

Years Ended June 30, 2012 and 2011

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Jeffrey Breckenridge	07/01/10 – 06/30/12
School Leader	Janice Adams	07/01/10 – 06/30/12
Treasurer	Arthur Faulkner	07/01/10 – 06/30/12

The Board of Directors
Dr. Robert H. Faulkner Academy, Inc.

We have audited the financial statements of **Dr. Robert H. Faulkner Academy, Inc.** (the "School") as of and for the years ended June 30, 2012 and 2011 and have issued our report thereon dated December 28, 2012. 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
December 28, 2012

DR. ROBERT H. FAULKNER ACADEMY, INC.

GRANT COUNTY, INDIANA

Audit Results and Comments

Years Ended June 30, 2012 and 2011

CAPITAL ASSETS

The School maintains a property record for accounting purposes, but this record does not include all assets in the possession of the School. A large number of assets with an initial cost of less than \$1,000 have been expensed in accordance with the School's accounting policies. A complete record of assets, whether capitalized or expensed, should be produced and maintained for disaster recovery purposes.

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 Assets 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)

DR. ROBERT H. FAULKNER ACADEMY, INC.

GRANT COUNTY, INDIANA

Exit Conference

Years Ended June 30, 2012 and 2011

The contents of this report were discussed on January 15, 2013, with Janice Adams (School Leader), Arthur Faulkner (Board Member/Treasurer), Jim Henry (Food Service Manager), and Rogina Banks (Office Manager). The Official Response has been made a part of this report and may be found on page 5.



January 25, 2013

Fitzgerald Isaac LLC
9245 N. Meridian Street, Suite 302
Indianapolis IN 46260

Re: Audit Results

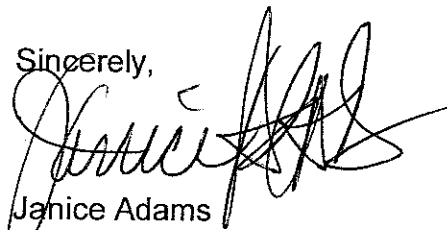
Dr. Robert H. Faulkner Academy's response to the audit result is:

CAPITAL ASSET

We now understand that all assets, both capitalized and expensed, must be included in our inventory for the purpose of disaster recovery records. Faulkner Academy will revise our inventory procedures to ensure that all assets are accounted.

Please contact us if there are further questions. Thank you for assisting us with our audit.

Sincerely,



Janice Adams
School Leader