



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B49014

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

November 16, 2017

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

We have reviewed the Supplemental Audit Report for Dr. Robert H. Faulkner Academy, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2016 to June 30, 2017. 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 finding in the report. Page 3 contains one audit result and comment. Management's response is on page 5.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

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

SUPPLEMENTAL AUDIT REPORT
OF
DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
July 1, 2016 to June 30, 2017



TABLE OF CONTENTS

	Page
School Officials	1
Transmittal Letter	2
Audit Results and Comments:	
Vendor Disbursements	3
Exit Conference	4
Official Response.....	5

DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
School Officials
July 1, 2016 to June 30, 2017

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Jeanne Goble	07/01/16 – 06/30/17
School Director	Janice Adams	07/01/16 – 06/30/17
School Treasurer	Arthur Faulkner	07/01/16 – 06/30/17



Donovan CPAs

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 year ended June 30, 2017 and have issued our report thereon dated November 9, 2017. 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 is one matter where we believe the School was not in compliance with those provisions.

DONOVAN

Indianapolis, Indiana
November 9, 2017

DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
Audit Results and Comments
July 1, 2016 to June 30, 2017

VENDOR DISBURSEMENTS

We selected a sample of 26 cash disbursements recorded throughout the 2016-2017 school year. In this sample, we identified three transactions where the School incurred and paid late fees on the transactions, totaling \$52.18. In addition, we found two disbursement transactions where sales tax was paid, totaling \$30.24.

Employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the charter school. Any penalties, interest, or other charges paid by the charter school may be the personal obligation of the responsible employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

DR. ROBERT H. FAULKNER ACADEMY, INC.
GRANT COUNTY, INDIANA
Exit Conference
July 1, 2016 to June 30, 2017

The contents of this report were discussed on November 9, 2017 with Mrs. Jeanne Goble (President of Board of Directors), Mrs. Kelli Dilley (Office Manager). The Official Response has been made a part of this report and may be found on page 5.



DR. ROBERT H. FAULKNER ACADEMY

“Stop • Think • Achieve”

November 6, 2017

Donovan CPAs and Advisors
9292 N. Meridian Street, Suite 150
Indianapolis, Indiana 46260

RE: Official Response

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

VENDOR DISBURSEMENTS

We selected a sample of 26 cash disbursements recorded throughout the 2016-2017 school year. In this sample, we identified three transactions where the School incurred and paid late fees on the transactions, totaling \$52.18. In addition, we found two disbursement transactions where sales tax was paid, totaling \$30.24.

Employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the charter school. Any penalties, interest, or other charges paid by the charter school may be the personal obligation of the responsible employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

Response

Dr. Robert H. Faulkner Academy will educate all employee's on the Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10 and make sure that a copy of the Tax-ID information is available for purchases solely related to school purchased items.

Dr. Robert H. Faulkner Academy (Office Manager) will make sure that all bills are paid in a manner that late fees are not incurred in accordance with Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10

Thank you for assisting with our audit.

Sincerely,

Kelli Dilley

Kelli Dilley
Office Manager

1111 West 2nd Street, Marion IN 46952 • Phone 765.662.9910 • Fax 765.662.9918

A School of Choice