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April 11, 2018

Charter School Board  
Tindley Accelerated Schools Inc.  
3960 Meadows Dr.  
Indianapolis, IN 46205

We have reviewed the Supplemental Audit Report for Tindley Accelerated Schools Inc. prepared by Crowe Horwath LLP, 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 findings in the report. Pages 3 through 6 contain seven audit results and comments.

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

INDIANA STATE BOARD OF ACCOUNTS  
COMPLIANCE REPORT OF  
**TINDLEY ACCELERATED SCHOOLS INC.**

MARION COUNTY, INDIANA  
July 1, 2016 to June 30, 2017

TINDLEY ACCELERATED SCHOOLS INC.

MARION COUNTY, INDIANA  
July 1, 2016 to June 30, 2017

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TINDLEY ACCELERATED SCHOOLS INC.  
ORGANIZATION OFFICIALS  
July 1, 2016 to June 30, 2017

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<b>Office</b>	<b>Official</b>	<b>Term</b>
Chancellor and CEO	Kelli Marshall	July 1, 2016 to June 30, 2017
Chief Financial Officer	Sandra Tresselt	March 1, 2017 to June 30, 2017
Controller	Terri Anderson	July 1, 2016 to June 1, 2017
Charter Board Treasurer	Mark Bruin	July 1, 2016 to June 30, 2017

## TRANSMITTAL LETTER

Board of Trustees  
Tindley Accelerated Schools Inc.  
Indianapolis, Indiana

We have audited the financial statements of Tindley Accelerated Schools Inc. (“Organization”) for the period from July 1, 2016 to June 30, 2017, and have issued our report thereon March 22, 2018. As part of our audit, we performed certain tests of the Organization’s compliance with provisions of the Accounting and Uniform Compliance Guidelines Manual (“Manual”) for the audits of Indiana Charter Schools issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audited Results and Comments are matters where we believe the Organization was not in compliance with those provisions. However, providing an opinion on compliance with the Manual was not an objective of our tests, and accordingly, we do not express such an opinion.

The Organization’s responses to the findings identified in our report are described in the accompanying pages. The Organization’s responses were not subjected to the procedures applied in the tests of the Organization’s compliance with the Manual and, accordingly, we express no opinion on them.



Crowe Horwath LLP

Indianapolis, Indiana  
March 22, 2018

TINDLEY ACCELERATED SCHOOLS INC.  
AUDIT RESULTS AND COMMENTS  
July 1, 2016 to June 30, 2017

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**FINDING 2017-002: PENALTIES, INTEREST, AND OTHER CHARGES**

**Criteria:** Part 10 of the Indiana Charter School Manual states in part, “*Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.*”

**Condition:** During testing of vendor disbursements, we noted 1 instance in a sample of 32, in which penalties, in the amount of \$606.95, were remitted on behalf of late disbursement. Additionally, during testing of credit cards we noted 1 instance in which \$24.25 was remitted as an interest expense.

**Recommendation:** We recommend the Organization remit payment for goods and services timely in order to prevent an assessment of late charges or penalties by the vendor.

**Management Response:** Agreed – Management acknowledges that in the past, payments had not been made in a timely manner, thus incurring late fees and interest charges. However, upon the new CFO being made aware of this issue with the 15/16 school year audit results which took place in April 2017, all invoices were caught up to date for payment and new policies and procedures were put in place at that time. In addition, the organization has been in contact with our vendors to insure invoices are sent directly to the network offices for payment as opposed to the individual schools which was delaying payments. Finally, the organization is obtaining credit card statements online as opposed to waiting for the mailed copy. This has provided us the ability to make the monthly payment without undue interest fees.

**FINDING 2017-003: FORM 9 RECONCILIATION**

**Criteria:** Part 9 of the Indiana Charter School Manual states in part, “*The financial information in the Form 9 shall reflect cash basis information. The January report must include previous calendar year financial and other required information for the period of July 1 to December 31 financial data. The July report must include current calendar year financial and other required information for the period of January 1 to June 30.*”

**Condition:** During testing Crowe noted 3 of the 6 schools had an ending cash balance that didn’t reconcile to the bank reconciliation provided.

**Recommendation:** We recommend the implementation of new policies and procedures to ensure all the 12/31 and 6/30 ending cash balances reconcile to their corresponding bank reconciliation schedules.

**Management Response:** Agreed – For the 12/31/16 Form 9 submission, the balances did not match the ending cash balances in the school’s bank accounts. While we did provide documentation showing the justification for how the Form 9 balances were achieved for the 12/31/16 reports, it was apparent that there was a misunderstanding as to what the end result on the Form 9 submission was supposed to be. This issue was fixed with the 6/30/17 Form 9 submission as all 6 schools balanced to the bank accounts. Therefore, the new policies and procedures that were put in place for these reports has already been proven to be effective with the 6/30/17 submissions.

TINDLEY ACCELERATED SCHOOLS INC.  
AUDIT RESULTS AND COMMENTS  
July 1, 2016 to June 30, 2017

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**FINDING 2017-004: SCHOOL LUNCH FORMS**

**Criteria:** Part 2 and Part 17 of the Indiana Charter School Manual states in part:

*"School Food Form SF-2, Daily Record of Cash Received, categorizes cash receipts on a daily basis and must be totaled monthly."*

*"School Food Form SF-2A, Daily Record of Meals/Milk Served, records daily the number of meals/milk served and must be totaled monthly and will be a source of information for preparation of the monthly claim for federal reimbursement."*

*"School Food Form SF-3, Cash Disbursements and Fund Balance, is used to record on a daily basis the disbursements of the School Food Service Program and together with the SF-2 acts as the source information for the calculation of the fund balance as shown on the SF-3."*

**Condition:** During testing, Crowe noted the Organization failed to capture all the required data listed within the state form as prescribed by SBOA to track and reconcile daily records.

**Recommendation:** We recommend the implementation of new policies and procedures to ensure required state forms are being utilized.

**Management Response:** Somewhat agree – Management currently uses a Point of Sale System that captures and reports all necessary information required on the forms listed above. The Tindley Accelerated Point of Sale System has been approved by the DOE School Nutrition Department. The Organization will seek further approval of our Point of Sale System from the SBOA.

**FINDING 2017-005: TICKET SALES PROCEDURES**

**Criteria:** Part 8 of the Indiana Charter School Manual states in part, *"Serially pre-numbered tickets by the printing supplier shall be used for all athletic and other social activities and events for which admission is charged. Ticket sales conducted by any activity shall be accounted for as follows: The designated charter school employee shall be responsible for the proper accounting for all tickets and must keep a record of the number purchased, the number issued for sale, and the number returned. The designee must see that proper accounting is made for the cash received from those sold. All tickets shall be pre-numbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the charter school, the charter school's receipt issued therefore must show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form."*

**Condition:** During testing Crowe noted a lack in required information within the Organization's ticket form per SBOA guidelines. Additionally, Crowe noted inadequate supporting documentation being kept for items selected for testing.

**Recommendation:** We recommend the implementation of new policies and procedures to ensure all the required information is being put into the ticket form template and adequate supporting documentation is being kept.

**Management Response:** Agreed – Management instituted new policies and procedures with the start of the 16/17 school year. A standardized SA4 ticket form with all required information is now being used by all schools. In addition, management is insuring that all supporting documentation is available at the time the deposits are made and posted in Intacct and that supporting documentation is attached to the posting receipt in Intacct.

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TINDLEY ACCELERATED SCHOOLS INC.  
AUDIT RESULTS AND COMMENTS  
July 1, 2016 to June 30, 2017

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**FINDING 2017-006: RECEIPT ISSUANCE**

**Criteria:** Part 10 of the Indiana Charter School Manual states in part, *“Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. All charter school money must be deposited in the designated depository not later than the business day following the receipt of funds on business days of the depository in the same form in which the funds were received. Timely receipts and deposits are required to provide the organizer and charter school administration with current information necessary for all financial decisions.”*

**Condition:** During testing of cash receipts, we noted one instances in a sample of 32, in which multiple days had passed from when cash or checks were received and deposited.

**Recommendation:** We recommend the implementation of new policies and procedures to ensure deposits are being deposited on a daily basis in accordance with SBOA guidelines.

**Management Response:** Agreed – All six schools now have remote deposit capability so any checks received can be scanned daily. All cash received is deposited through a physical bank deposit and those are also now being made in a timely manner.

**FINDING 2017-007: TBR-2 Support Documentation**

**Criteria:** Part 10 of the Indiana Charter School Manual states in part, *“Receipts shall be issued and recorded at the time of the transaction; i.e., when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment.”*

**Condition:** During testing of Text Book Rents, we noted management was unable to provide bank deposit supporting documentation for 2 of our 5 transactions selected for testing.

**Recommendation:** We recommend the implementation of new policies and procedures to ensure support is being acquired and kept for all TBR transactions.

**Management Response:** Agreed – Policies and procedures have been put in place to insure that receipts are matched up to excel deposit spreadsheets and that all spreadsheets balance to the deposits that are made. In addition, all supporting documentation is stored on our network drive as well as being attached to the receipt posting in Intacct.

TINDLEY ACCELERATED SCHOOLS INC.  
AUDIT RESULTS AND COMMENTS  
July 1, 2016 to June 30, 2017

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**FINDING 2017-008: Expenditure Approval**

**Criteria:** Part 10 of the Indiana Charter School Manual states in part, “*AP Voucher for must be used in accordance with the following conditions the charter school may not draw a warrant or check for payment of claim unless there is a fully itemized invoice or bill for the claim, an invoice or bill is approved by the officer or person receiving the goods and services, invoice or bill is filed with the fiscal officer, the fiscal officer audits and certifies before payment that the invoice or bill is true and correct and the payment of the claim is allowed by the board having jurisdiction over the allowance of the payment of the claim.*”

**Condition:** During testing of vendor disbursements, we noted one instance in a sample of 32, in which and expenditure was missing the appropriate audit trail and approval.

**Recommendation:** We recommend the implementation of new policies and procedures to ensure support is being acquired and kept for all transactions.

**Management Response:** Somewhat agree – While we were unable to show the electronic audit trail and approval for the one instance noted, that invoice did go through the system and the check was cut from the system. So at the very least, this one instance should have shown an electronic audit trail of which particular user had input the voucher and invoice in Intacct. This piece of the audit trail was missing as well. Therefore, management believes the entire lack of audit trail to be attributed to an Intacct issue as opposed to a lack of approval issue. We do, however, have policies and procedures in place to insure the proper approvals take place through the Intacct system and that all supporting documentation is attached to the voucher/invoice in the system prior to checks being cut.

TINDLEY ACCELERATED SCHOOLS INC.  
EXIT CONFERENCE  
July 1, 2016 to June 30, 2017

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The contents of this report were discussed on November 28, 2017 with Kelli Marshall, Chancellor, Sandra Tresselt, CFO, and Mark Bruin, Charter Board Treasurer. The officials acknowledged the findings. The Official Response has been made a part of this report and may be found immediately following the findings on the previous page.