

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

XAVIER SCHOOL OF EXCELLENCE  
ST. JOSEPH COUNTY, INDIANA

July 1, 2009 to June 30, 2011



**FILED**

03/16/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Vito C. Bianco	07-01-09 to 06-30-12
Director of School	Barbara Huber Tania Grimes	07-01-09 to 06-30-11 07-01-11 to 06-30-12
President of the School Board	Yolanda Turner-Smith	07-01-09 to 06-30-12



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE XAVIER SCHOOL OF EXCELLENCE, ST. JOSEPH COUNTY, INDIANA

We have audited the accompanying financial statement of the Xavier School of Excellence (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated March 1, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 1, 2012



**STATE OF INDIANA**  
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STATE BOARD OF ACCOUNTS  
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE XAVIER SCHOOL OF EXCELLENCE, ST. JOSEPH COUNTY, INDIANA

We have audited the financial statement of the Xavier School of Excellence (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated March 1, 2012. 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 the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is 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 School Corporation's management, School Board, others within the entity, 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. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 1, 2012

## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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XAVIER SCHOOL OF EXCELLENCE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ -	\$ 2,263,488	\$ 1,831,687	\$ (38,625)	\$ 393,176	\$ 2,288,547	\$ 2,366,612	\$ (41,164)	\$ 273,947
Debt Service	-	-	-	-	-	2,450,000	2,476,113	26,113	-
Textbook Rental	-	-	38,625	38,625	-	16,329	31,379	15,050	-
Early Childhood Intervention (First Steps)	-	-	-	-	-	3,346	-	-	3,346
Title I FY 09-10	-	158,332	156,722	-	1,610	15,001	14,484	(2,127)	-
Title I FY 10-11	-	-	-	-	-	96,850	106,843	2,127	(7,866)
Improving Teaching Quality, No Child Left, Title II, Part A	-	16,076	16,076	-	-	-	-	-	-
Public Charter School ESEA Title X, Part C	-	150,000	351,340	-	(201,340)	-	-	-	(201,340)
SPED B Pass Through Revenue	-	52,115	40,435	-	11,680	35,134	65,741	-	(18,927)
Fiscal Stabilization - Education	-	32,561	32,561	-	-	-	-	-	-
Title I - Grants to LEAs	-	108,974	101,818	-	7,156	18,790	30,422	-	(4,476)
Special Education - Part B	-	57,551	56,484	-	1,067	16,880	3,250	-	14,697
Totals	\$ -	\$ 2,839,097	\$ 2,625,748	\$ -	\$ 213,349	\$ 4,940,877	\$ 5,094,844	\$ (1)	\$ 59,381

The notes to the financial statement are an integral part of this statement.

XAVIER SCHOOL OF EXCELLENCE  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation (primary government).

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include revenue from local governmental units other than school corporations, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, and revenue for or on behalf of the School Corporation.

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, and revenue for or on behalf of the School Corporation.

XAVIER SCHOOL OF EXCELLENCE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Temporary loans which include money received from a loan obtained from AQS to pay current expenses prior to the receipt of state revenue.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

*F. Other financing sources and uses*

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

XAVIER SCHOOL OF EXCELLENCE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level.

**Note 3. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 4. Risk Management**

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement any replacement items purchased.

**Note 5. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

XAVIER SCHOOL OF EXCELLENCE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

*B. Teachers' Retirement Fund*

*Plan Description*

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

XAVIER SCHOOL OF EXCELLENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010

	General	Debt Service	Textbook Rental	Early Childhood Intervention (First Steps)	Title I FY 09-10	Title I FY 10-11	Improving Teaching Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	15,492	-	-	-	-	-	-
State sources	747,167	-	-	-	-	-	-
Federal sources	-	-	-	-	158,332	-	16,076
Temporary loans	1,500,829	-	-	-	-	-	-
Total receipts	<u>2,263,488</u>	-	-	-	<u>158,332</u>	-	<u>16,076</u>
Disbursements:							
Current:							
Instruction	704,657	-	38,625	-	156,722	-	13,076
Support services	574,750	-	-	-	-	-	3,000
Noninstructional services	9,337	-	-	-	-	-	-
Facilities acquisition and construction	402,657	-	-	-	-	-	-
Debt services	140,286	-	-	-	-	-	-
Total disbursements	<u>1,831,687</u>	-	<u>38,625</u>	-	<u>156,722</u>	-	<u>16,076</u>
Excess (deficiency) of receipts over disbursements	<u>431,801</u>	-	<u>(38,625)</u>	-	<u>1,610</u>	-	-
Other financing sources (uses):							
Transfers in	-	-	38,625	-	-	-	-
Transfers out	<u>(38,625)</u>	-	<u>-</u>	-	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(38,625)</u>	-	<u>38,625</u>	-	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>393,176</u>	-	<u>-</u>	-	<u>1,610</u>	-	<u>-</u>
Cash and investments - ending	<u>\$ 393,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,610</u>	<u>\$ -</u>	<u>\$ -</u>

XAVIER SCHOOL OF EXCELLENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	Public Charter School ESEA Title X, Part C	SPED B Pass Through Revenue	Fiscal Stabilization - Education	Title I - Grants to LEAs	Special Education - Part B	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Local sources	-	-	-	-	-	15,492
State sources	-	-	-	-	-	747,167
Federal sources	150,000	52,115	32,561	108,974	57,551	575,609
Temporary loans	-	-	-	-	-	1,500,829
Total receipts	<u>150,000</u>	<u>52,115</u>	<u>32,561</u>	<u>108,974</u>	<u>57,551</u>	<u>2,839,097</u>
Disbursements:						
Current:						
Instruction	130,097	40,435	32,561	101,657	45,834	1,263,664
Support services	93,372	-	-	161	10,650	681,933
Noninstructional services	-	-	-	-	-	9,337
Facilities acquisition and construction	127,871	-	-	-	-	530,528
Debt services	-	-	-	-	-	140,286
Total disbursements	<u>351,340</u>	<u>40,435</u>	<u>32,561</u>	<u>101,818</u>	<u>56,484</u>	<u>2,625,748</u>
Excess (deficiency) of receipts over disbursements	<u>(201,340)</u>	<u>11,680</u>	<u>-</u>	<u>7,156</u>	<u>1,067</u>	<u>213,349</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	38,625
Transfers out	-	-	-	-	-	(38,625)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(201,340)</u>	<u>11,680</u>	<u>-</u>	<u>7,156</u>	<u>1,067</u>	<u>213,349</u>
Cash and investments - ending	<u>\$ (201,340)</u>	<u>\$ 11,680</u>	<u>\$ -</u>	<u>\$ 7,156</u>	<u>\$ 1,067</u>	<u>\$ 213,349</u>

XAVIER SCHOOL OF EXCELLENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Debt Service	Textbook Rental	Early Childhood Intervention (First Steps)	Title I FY 09-10	Title I FY 10-11	Improving Teaching Quality, No Child Left, Title II, Part A
Cash and investments - beginning	\$ 393,176	\$ -	\$ -	\$ -	\$ 1,610	\$ -	\$ -
Receipts:							
Local sources	19,842	-	5,739	-	-	-	-
State sources	1,843,385	-	10,590	3,346	-	-	-
Federal sources	77,400	-	-	-	15,001	96,850	-
Temporary loans	347,920	2,450,000	-	-	-	-	-
Total receipts	2,288,547	2,450,000	16,329	3,346	15,001	96,850	-
Disbursements:							
Current:							
Instruction	1,052,059	-	31,379	-	14,484	106,590	-
Support services	663,348	8,213	-	-	-	253	-
Noninstructional services	23,979	-	-	-	-	-	-
Facilities acquisition and construction	212,386	2,467,900	-	-	-	-	-
Debt services	414,840	-	-	-	-	-	-
Total disbursements	2,366,612	2,476,113	31,379	-	14,484	106,843	-
Excess (deficiency) of receipts over disbursements	(78,065)	(26,113)	(15,050)	3,346	517	(9,993)	-
Other financing sources (uses):							
Transfers in	-	26,113	15,050	-	-	2,127	-
Transfers out	(41,164)	-	-	-	(2,127)	-	-
Total other financing sources (uses)	(41,164)	26,113	15,050	-	(2,127)	2,127	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(119,229)	-	-	3,346	(1,610)	(7,866)	-
Cash and investments - ending	\$ 273,947	\$ -	\$ -	\$ 3,346	\$ -	\$ (7,866)	\$ -

XAVIER SCHOOL OF EXCELLENCE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Public Charter School ESEA Title X, Part C	SPED B Pass Through Revenue	Fiscal Stabilization - Education	Title I - Grants to LEAs	Special Education - Part B	Totals
Cash and investments - beginning	\$ (201,340)	\$ 11,680	\$ -	\$ 7,156	\$ 1,067	\$ 213,349
Receipts:						
Local sources	-	-	-	-	-	25,581
State sources	-	-	-	-	-	1,857,321
Federal sources	-	35,134	-	18,790	16,880	260,055
Temporary loans	-	-	-	-	-	2,797,920
Total receipts	-	35,134	-	18,790	16,880	4,940,877
Disbursements:						
Current:						
Instruction	-	65,741	-	27,518	3,250	1,301,021
Support services	-	-	-	2,904	-	674,718
Noninstructional services	-	-	-	-	-	23,979
Facilities acquisition and construction	-	-	-	-	-	2,680,286
Debt services	-	-	-	-	-	414,840
Total disbursements	-	65,741	-	30,422	3,250	5,094,844
Excess (deficiency) of receipts over disbursements	-	(30,607)	-	(11,632)	13,630	(153,967)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	43,290
Transfers out	-	-	-	-	-	(43,291)
Total other financing sources (uses)	-	-	-	-	-	(1)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(30,607)	-	(11,632)	13,630	(153,968)
Cash and investments - ending	\$ (201,340)	\$ (18,927)	\$ -	\$ (4,476)	\$ 14,697	\$ 59,381

XAVIER SCHOOL OF EXCELLENCE  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Capital assets, not being depreciated:	
Buildings	\$ 2,450,000
Improvements other than buildings	121,280
Machinery and equipment	256,109
Furniture and Fixtures	107,009
Computer Software and Equipment	<u>246,155</u>
Total capital assets not being depreciated	<u>\$ 3,180,553</u>

XAVIER SCHOOL OF EXCELLENCE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
Dell Lease 197-001	\$ 48,228	\$ 46,776	General
Notes and loans payable:			
Dell Note #010	33,577	15,918	General
CSDA loan	247,886	46,020	General
United Bank	694,976	88,060	General
IFF Loan #16819	212,965	62,275	General
FSP Loan	45,991	45,991	General
IFF#17013	1,500,000	97,500	General
Common School Loan A0143*	406,592	-	General
Common School Loan A0160*	451,372	-	General
Common School Loan A0180*	249,490	-	General
	<u>3,891,077</u>	<u>402,540</u>	
Total debt	<u>\$ 3,891,077</u>	<u>\$ 402,540</u>	

\*Repayment has been deferred until July, 2013.

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE XAVIER SCHOOL OF EXCELLENCE, ST. JOSEPH COUNTY, INDIANA

Compliance

We have audited the compliance of the Xavier School of Excellence (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, 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. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 1, 2012

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and note are presented as intended by the School Corporation.

XAVIER SCHOOL OF EXCELLENCE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	FY 09/10 FY 10/11	\$ 156,722 -	\$ 16,610 106,842
Total for program			<u>156,722</u>	<u>123,452</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389		<u>101,818</u>	<u>30,422</u>
Total for cluster			<u>258,540</u>	<u>153,874</u>
Special Education Cluster				
Special Education - Grants to States	84.027	FY 09/10 FY 10/11	40,436 -	13,356 52,385
Total for program			<u>40,436</u>	<u>65,741</u>
ARRA- Special Education - Grants to States, Recovery Act	84.391		<u>56,485</u>	<u>3,250</u>
Total for cluster			<u>96,921</u>	<u>68,991</u>
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) Education State Grants, Recovery Act	84.394		<u>32,561</u>	<u>-</u>
Charter Schools	84.282			
Planning			150,000	-
Facilities Funding			61,920	103,230
Implementation			<u>-</u>	<u>243,250</u>
Total for program			<u>211,920</u>	<u>346,480</u>
Improving Teacher Quality State Grants	84.367		<u>16,076</u>	<u>-</u>
Total federal awards expended			<u>\$ 616,018</u>	<u>\$ 569,345</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

XAVIER SCHOOL OF EXCELLENCE  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

***Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Xavier School of Excellence (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

XAVIER SCHOOL OF EXCELLENCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.282	Title I, Part A Cluster Charter Schools

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.

XAVIER SCHOOL OF EXCELLENCE  
EXIT CONFERENCE

The contents of this report were discussed on March 1, 2012, with Vito C. Bianco, Treasurer, and Rhonda L. Davis, ISE Treasurer. Our audit disclosed no material items that warrant comment at this time.