



STATE OF INDIANA
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B47363

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

December 22, 2016

Charter School Board
Indiana Schools of Excellence, Inc.
3423 S. Michigan Street
South Bend, IN 46614

We have reviewed the Supplemental Audit Report prepared by Donovan P.C., Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. 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 Indiana Schools of Excellence, 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.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

**SUPPLEMENTAL AUDIT REPORT
OF
INDIANA SCHOOLS OF EXCELLENCE, INC.**

ST. JOSEPH COUNTY, INDIANA

July 1, 2015 to June 30, 2016



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INDIANA SCHOOLS OF EXCELLENCE, INC.
ST. JOSEPH COUNTY, INDIANA
School Officials
July 1, 2015 to June 30, 2016

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Albert Smith	07/01/15 – 06/30/16
School Leader	Tania Grimes	07/01/15 – 06/30/16
Business Manager	Bob Edmondson	07/01/15 – 06/30/16



The Board of Directors
Indiana Schools of Excellence, Inc.

We have audited the financial statements of Indiana Schools of Excellence, Inc. (the “School”) as of and for the year ended June 30, 2016, and have issued our report thereon dated December 13, 2016. 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.

DONOVAN

A handwritten signature in dark ink that reads 'DONOVAN' in a cursive, slightly stylized font.

Indianapolis, Indiana
December 13, 2016

www.cpadonovan.com

Avon Office | 5151 E. U.S. HWY 36 Avon, IN 46123 | 317.745.6411

Indianapolis Office | 9245 North Meridian Street, Ste. 302 Indianapolis, IN 46260 | 317.844.8300

INDIANA SCHOOLS OF EXCELLENCE, INC.

ST. JOSEPH COUNTY, INDIANA

Audit Results and Comments

July 1, 2015 to June 30, 2016

VENDOR DISBURSEMENTS

The School pays all bills based on statements or invoices received from the vendors. However, the School did not use the Accounts Payable Voucher (Form 523) during the audit period, as such a full account coding was not evident on every invoice selected for testing.

The Accounts Payable Voucher (Form 523) is designed to replace Claim Form 505. The form must be used in accordance with the following conditions: Charter schools may not draw a warrant or check for payment of a claim unless: (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the board having jurisdiction over the allowance of the payment of the claim. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

INDIANA SCHOOLS OF EXCELLENCE, INC.
ST. JOSEPH COUNTY, INDIANA
Exit Conference
July 1, 2015 to June 30, 2016

The contents of this report were discussed on December 13, 2016 with Samantha Smith (School Leader), Bob Edmondson (Business Manager), and Jim Shafer (Accountant). The Official Response has been made a part of this report and may be found on page 5.



Robert L. Edmondson
Business Manager

XAVIER SCHOOL OF EXCELLENCE

3423 S. Michigan Street
South Bend, IN 46614-1719

bedmondson@xaviersoe.org
www.xaviersoe.org

Direct Line (574) 231-6612
School Office (574) 231-6600
FAX (574) 231-6640

December 13, 2016

SUPPLEMENTAL AUDIT REPORT

OFFICIAL RESPONSE AND PLANNED CORRECTIVE ACTION

VENDOR DISBURSEMENTS

Although a separate Form 523 has not been used, the 5 required approvals and certifications are recorded on each Invoice although not in a formalized manner. Going forward, we will use either a separate Form 523 or a stamp that will be placed on each invoice or document presented for payment that will organize the information keeping it consistent and in one location.

Respectfully,

XAVIER SCHOOL OF EXCELLENCE

Robert L. Edmondson
Business Manager