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December 19, 2018

Charter School Board  
Indianapolis Academy of Excellence, Inc.  
1145 E 22nd St  
Indianapolis, IN 46202

We have reviewed the Supplemental Audit Report for Indianapolis Academy of Excellence, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. 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 two audit results and comments. 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  
INDIANAPOLIS ACADEMY OF EXCELLENCE, INC.**

MARION COUNTY, INDIANA

July 1, 2017 to June 30, 2018



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**INDIANAPOLIS ACADEMY OF EXCELLENCE, INC.**  
**MARION COUNTY, INDIANA**  
**School Officials**  
**July 1, 2017 to June 30, 2018**

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Bill Harris	07/01/17 – 06/30/18
School Leader/Treasurer	Tara Gustin	07/01/17 – 06/30/18



# Donovan CPAs

The Board of Directors  
Indianapolis Academy of Excellence, Inc.

We have audited the financial statements of Indianapolis Academy of Excellence, Inc. (the “School”) as of and for the year ended June 30, 2018 and have issued our report thereon dated December 11, 2018. 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

Indianapolis, Indiana  
December 11, 2018

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**INDIANAPOLIS ACADEMY OF EXCELLENCE, INC.**

**MARION COUNTY, INDIANA**

**Audit Results and Comments**

**July 1, 2017 to June 30, 2018**

**PAYROLL POLICIES AND COMPLIANCE**

We selected fifteen employees for testing and obtained their employment contracts. The School paid two employees less than the rates per their employment contracts.

All compensation and benefits paid to employees must be included in the labor contract or salary schedule unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**CAPITAL ASSETS**

The School did not complete a capital asset inventory during the year ended June 30, 2018.

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)

**INDIANAPOLIS ACADEMY OF EXCELLENCE, INC.**

**MARION COUNTY, INDIANA**

**Exit Conference**

**July 1, 2017 to June 30, 2018**

The contents of this report were discussed on December 11, 2018, with Tara Gustin (School Leader), LaToya Pitts (Board Treasurer), Tamara Chaney (Outsourced Accountant), and Bill Harris (Board President). The official response has been made a part of this report and may be found on page 5.



A Challenge Foundation Academy

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December 11, 2018

### **Responses to Findings in the 2017-2018 Audit**

#### Finding 1

Donovan selected fifteen employees for testing and obtained their employment contracts. The School paid two employees less than the rates per their employment contracts.

IAE no longer contracts with Bookkeeping Plus which was the vendor when the errors in the calculations occurred. IAE has now engaged with Milestone Accounting and this was rectified immediately. The two employees were given the money that was owed on their contract. In the future, the School Director and the Milestone will review all contracts and payments yearly or when a new employee starts.

#### Finding 2

The School did not complete a capital asset inventory during the year ended June 30, 2018.

IAE annually has its teachers do a textbook and computer inventory at the end of the school year. Those documents are on file. As of December 9, 2018, the inventory was completed by the School Director.