



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B51657

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 28, 2018

Charter School Board
Seven Oaks Classical School, Inc.
200 E. Association Street
Ellettsville, IN 47429

We have reviewed the Supplemental Audit Report for Seven Oaks Classical School, 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
SEVEN OAKS CLASSICAL SCHOOL, INC.

MONROE COUNTY, INDIANA

July 1, 2017 to June 30, 2018



TABLE OF CONTENTS

	Page
School Officials	1
Transmittal Letter.....	2
Audit Results and Comments:	
Cash Receipts and Deposits.....	3
Minimum Internal Controls Requirements.....	3
Exit Conference	4
Official Response.....	5

SEVEN OAKS CLASSICAL SCHOOL, INC.
MONROE 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	Matt Wolf	07/01/17 – 06/30/18
Treasurer	Dr. Stephen Shipp	07/01/17 – 06/30/18
Headmaster	Dr. Stephen Shipp	07/01/17 – 06/30/18



Donovan CPAs

The Board of Directors
Seven Oaks Classical School, Inc.

We have audited the financial statements of Seven Oaks Classical School, Inc., (the "School") as of and for the year ended June 30, 2018, and have issued our report thereon dated November 29, 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
November 29, 2018

www.cpadonovan.com

Westside Office | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Northside Office | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

SEVEN OAKS CLASSICAL SCHOOL, INC.
MONROE COUNTY, INDIANA
Audit Results and Comments
July 1, 2017 to June 30, 2018

CASH RECEIPTS AND DEPOSITS

From a sample of 25 receipts tested during the audit, we noted the School was issuing receipts to individuals; however, for 18 instances, the School was unable to provide support that directly tied each receipt to the appropriate bank deposit.

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of payors. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

MINIMUM INTERNAL CONTROL STANDARDS

Per review and discussion with school personnel, it was determined that the School was not in compliance with either of the minimum internal control requirements as set forth by IC 5-11-1-27(g).

After June 30, 2016, the legislative body of a political subdivision shall ensure that:

1. the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
2. personnel received training concerning the internal control standards and procedures adopted by the political subdivision.

(IC 5-11-1-27(g))

SEVEN OAKS CLASSICAL SCHOOL, INC.
MONROE COUNTY, INDIANA
Exit Conference
July 1, 2017 to June 30, 2018

The contents of this report were discussed on November 29, 2018 with Dr. Stephen Shipp (Headmaster), Scott Reynolds (Business Manager), and Matt Wolf (President of Board of Directors). The Official Response has been made a part of this report and may be found on page 5.



November 29, 2018

Donovan CPAs
9292 N. Meridian Street, Suite 150
Indianapolis, IN 46260

Seven Oaks Classical School has already or will take the following actions to address the FY2018 supplemental audit report comments:

1. **Cash Receipts and Deposits:** Due to the timing of the completion of last year's audit, we were unable to implement the corrective action for this comment for the entirety of FY2018; however, we have implemented an improved deposit documentation procedure that includes tying receipt numbers to specific bank deposits.
2. **Minimum Internal Control Standards:** Since the end of FY2018, the School's board has adopted the prescribed internal control standards and procedures. We are in the process of completing required training for all appropriate personnel.

Sincerely,

A handwritten signature in black ink, appearing to be "J. D.", written over a horizontal line.

Seven Oaks Classical School Management