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December 23, 2019

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, 2018 to June 30, 2019. 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, 2018 to June 30, 2019



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SEVEN OAKS CLASSICAL SCHOOL, INC.
MONROE COUNTY, INDIANA
School Officials
July 1, 2018 to June 30, 2019

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board President	Matt Wolf	07/01/18 – 06/30/19
Board Treasurer	Ian Jonathan Hall	07/01/18 – 06/30/19
Headmaster	Dr. Stephen Shipp	07/01/18 – 06/30/19
Business Manager	Scott Reynolds	08/01/18 – 06/30/19



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, 2019, and have issued our report thereon dated December 13, 2019. 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 13, 2019

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SEVEN OAKS CLASSICAL SCHOOL, INC.
MONROE COUNTY, INDIANA
Audit Results and Comments
July 1, 2018 to June 30, 2019

CASH RECEIPTS AND DEPOSITS

From a sample of twenty-five receipts tested, eighteen were not deposited in a timely manner.

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. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

CREDIT CARD POLICY AND COMPLIANCE

Of the five credit card transactions tested, the School did not have vouchers for three of the transactions.

Payment shall not be made on the basis of a statement or a credit card slip only. Procedures for payments shall be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee is the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

SEVEN OAKS CLASSICAL SCHOOL, INC.
MONROE COUNTY, INDIANA
Exit Conference
July 1, 2018 to June 30, 2019

The contents of this report were discussed on December 13, 2019 with Dr. Stephen Shipp (Headmaster), Scott Reynolds (Business Manager), and Ian Jonathan Hall (Board Treasurer). The Official Response has been made a part of this report and may be found on page 5.



December 13, 2019

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 FY2019 supplemental audit report comments:

1. **Cash Receipts and Deposits:** All monies received by the school during the year were deposited in the same form received. We will take steps to improve the timeliness of deposits so that monies are deposited not later than the business day following receipt.
2. **Credit Card Policy and Compliance:** The three noted credit card transactions were phone payments made by a former employee to increase available credit. Such employees was instructed subsequently not to take such actions again and she complied with that directive. All subsequent payments have been appropriately documented with payment vouchers, paid bills, and receipts.

Sincerely,

A handwritten signature in black ink, appearing to be a stylized name, possibly "J. S.", written over a horizontal line.

Seven Oaks Classical School Management