



**STATE OF INDIANA**  
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February 12, 2021

Charter School Board  
Smith Academy for Excellence, Inc.  
725 W Washington Blvd  
Fort Wayne, IN 46802

We have reviewed the Supplemental Audit Report of Smith Academy for Excellence, Inc. prepared by Hodges Accounting & Advisory Services, LLC, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. 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 finding in the report. Page 3 contains one audit result and comment. 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.

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

Paul D. Joyce, CPA  
State Examiner

SUPPLEMENTAL AUDIT REPORT  
OF  
**SMITH ACADEMY FOR EXCELLENCE, INC.**  
ALLEN COUNTY, INDIANA  
July 1, 2019 to June 30, 2020

SMITH ACADEMY FOR EXCELLENCE, INC.

ALLEN COUNTY, INDIANA

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SMITH ACADEMY FOR EXCELLENCE, INC.  
ALLEN COUNTY, INDIANA  
School Officials  
Year Ended June 30, 2020

<u>Office</u>	<u>Official</u>	<u>Term</u>
President Board of Directors	Yul Craig Martin	04/27/2020 - 04/27/2024
Superintendent	Thomas Smith	07/01/2020 - 06/30/2021
Treasurer	Remound Wright	07/27/2020 - 07/27/2024



The Board of Directors  
Smith Academy For Excellence, Inc.

We have audited the financial statements of Smith Academy For Excellence, Inc.( the “Academy”) as of and for the year ended June 30, 2020 and have issued our report thereon dated January 6, 2021.

As part of our audit, we tested the Academy’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. Our procedures were substantially narrower in scope than an audit. Accordingly, we do not express an opinion on the Academy’s compliance with these requirements.

The results of our tests disclosed an instance of non-compliance with the requirements prescribed under the Guide. This instance is reported in the Audit Results and Comments as matters where we believe the Academy was not in compliance with those provisions.

Hodges Accounting & Advisory Services, LLC

*Hodges Accounting & Advisory Services*

Taylor, MI  
January 6, 2021

SMITH ACADEMY FOR EXCELLENCE, INC.

ALLEN COUNTY, INDIANA

Audit Results and Comments

Year Ended June 30, 2020

AVERAGE DAILY MEMBERSHIP (ADM)

**Conditions:** We selected a random sample of 8 students which was 10% of the 80 students enrolled on September 13, 2019, the Fall 2019 count day. One of the students claimed for membership was not present on the count day and did not return to the school. This student is an exception to the attending/engaged attribute.

We also selected a random sample of 9 students which was 10% of the 89 students enrolled on February 3, 2020, the Spring 2020 count day. There were no exceptions associated with this sample.

**Requirements:** Officials shall maintain records (enrollment applications, attendance records, reporting forms, etc.) which substantiate the number of students claimed for ADM. A student claimed for ADM must be an "eligible pupil". An eligible pupil is a student that is enrolled and attending. IC 20-43-1-11.5 defines "Enrolled" as registered with a school corporation to attend educational programs offered by or through the school corporation; and attending these educational programs or receiving education services. IC 20-43-1-7.5 defines "Attending" as physical or virtual presence of a student with the expectation of continued services in the education programs for which the student is registered.

The Organizer is responsible for reporting ADM to the Indiana Department of Education (IDOE). The ADM Summary Report shall provide a written certification of ADM to properly document responsibility. The ADM Summary Report must be signed by the Superintendent/Principal/Director of Schools and the Trustee/Corporate Treasurer and be uploaded to IDOE for each reporting period in the fiscal year. Supporting documentation of enrollment and attendance/engagement information by grade and school must be maintained for audit. (Accounting and Uniform Compliance Guidelines for Indiana Charter Schools, Part 9).

School Officials shall contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment applicable to the School Corporation because of incorrect reporting.

**Recommendation:** We recommend that the Academy use a count day absentee tracking list prepared by each instructor to document students absent on the count day and the date of the students' return to instruction.

SMITH ACADEMY FOR EXCELLENCE, INC.  
ALLEN COUNTY, INDIANA  
Exit Conference  
Year Ended June 30, 2020

The contents of this report were discussed on January 6, 2021 with:

Corey Smith, School Leader  
Melinda Benkovsky, VP of Finance – The Leona Group  
Renee Lindemann, Accountant – The Leona Group

The Official Response has been made a part of this report and may be found on the following page.

SMITH ACADEMY FOR EXCELLENCE, INC.

ALLEN COUNTY, INDIANA

Official Response

Year Ended June 30, 2020

AVERAGE DAILY MEMBERSHIP (ADM)

In light of the student who was reported in error on the fall 2019 ADM report, Smith Academy shall implement further processes to ensure accurate ADM reporting in the future. The academy shall use a count day absentee tracking list prepared by each instructor as recommended by the auditor. Furthermore, if the report is submitted prior to the end of the submission window, the academy shall review the report for accuracy the day the window closes regardless of accuracy and the absence of conflicts leading up to that day.

To correct the reporting error, the academy contacted the Indiana Department of Education and submitted a request for correction which was approved. There will be an adjustment made to our January 2021 tuition support payment to compensate for the error.