

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF  
MONUMENT LIGHTHOUSE CHARTER SCHOOL  
MARION COUNTY, INDIANA  
July 1, 2008 to June 30, 2010



**FILED**  
03/08/2011



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robert Stearns	07-01-08 to 06-30-11
President of the School Board	Michael Ronan Thakena Hogue	07-01-08 to 06-30-10 07-01-10 to 06-30-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE MONUMENT LIGHTHOUSE  
CHARTER SCHOOL, MARION COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monument Lighthouse Charter School (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2009 and 2010, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 14, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 14, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE MONUMENT LIGHTHOUSE  
CHARTER SCHOOL, MARION COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monument Lighthouse Charter School (School Corporation), as of and for the years ended June 30, 2009 and 2010, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, school board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 14, 2011

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	Program Receipts			Net (Disbursement) Receipts and Changes in Net Assets
	Disbursements	Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
Instruction	\$ 1,556,719	\$ -	\$ 95,487	\$ (1,461,232)
Support services	1,214,034	11,142	271,038	(931,854)
Noninstructional services	285,913	-	-	(285,913)
Facilities acquisition and construction	684,917	-	-	(684,917)
Debt service	281,054	-	-	(281,054)
Nonprogrammed charges	26	-	-	(26)
Total governmental activities	\$ 4,022,663	\$ 11,142	\$ 366,525	(3,644,996)
General receipts:				
Property taxes				724,557
Other local sources				12,539
State aid				2,157,876
Bonds and loans				399,739
Grants and contributions not restricted to specific programs				353,671
Investment earnings				1,325
Total general receipts				3,649,707
Change in net assets				4,711
Net assets - beginning				268,667
Net assets - ending				\$ 273,378
 <u>Assets</u>				
Cash and investments				\$ 273,378
Total assets				\$ 273,378
 <u>Net Assets</u>				
Restricted for:				
Unrestricted				\$ 273,378
Total net assets				\$ 273,378

The notes to the financial statements are an integral part of this statement.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>	Net (Disbursement) Receipts and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions		
Governmental activities:					
Instruction	\$ 2,025,341	\$ -	\$ 81,322	\$ (1,944,019)	
Support services	1,732,015	31,832	335,508	(1,364,675)	
Noninstructional services	326,937	-	-	(326,937)	
Facilities acquisition and construction	1,448,990	-	-	(1,448,990)	
Debt service	35,261	-	-	(35,261)	
Total governmental activities	<u>\$ 5,568,544</u>	<u>\$ 31,832</u>	<u>\$ 416,830</u>	<u>(5,119,882)</u>	
General receipts:					
Other local sources				208,276	
State aid				3,089,634	
Bonds and loans				577,306	
Grants and contributions not restricted to specific programs				1,374,022	
Sale of property				1	
Investment earnings				662	
Total general receipts				<u>5,249,901</u>	
Change in net assets				130,019	
Net assets - beginning				<u>273,378</u>	
Net assets - ending				<u>\$ 403,397</u>	
<u>Assets</u>					
Cash and investments				\$ 403,397	
Total assets				<u>\$ 403,397</u>	
<u>Net Assets</u>					
Unrestricted				<u>\$ 403,397</u>	
Total net assets				<u>\$ 403,397</u>	

The notes to the financial statements are an integral part of this statement.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009

	General	Title I FY08/09	Title I - School Improvement (Stimulus)	Other	Totals
<b>Receipts:</b>					
Local sources	\$ 749,515	\$ -	\$ -	\$ 48	\$ 749,563
State sources	2,304,475	-	-	514	2,304,989
Federal sources	61,222	233,951	58,498	219,412	573,083
Temporary loans	399,739	-	-	-	399,739
<b>Total receipts</b>	<b>3,514,951</b>	<b>233,951</b>	<b>58,498</b>	<b>219,974</b>	<b>4,027,374</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	1,200,752	135,170	1,726	219,071	1,556,719
Support services	1,034,825	134,405	-	44,804	1,214,034
Noninstructional services	102,772	-	-	183,141	285,913
Facilities acquisition and construction	684,917	-	-	-	684,917
Debt services	281,054	-	-	-	281,054
Nonprogrammed charges	26	-	-	-	26
<b>Total disbursements</b>	<b>3,304,346</b>	<b>269,575</b>	<b>1,726</b>	<b>447,016</b>	<b>4,022,663</b>
Excess (deficiency) of receipts over disbursements	210,605	(35,624)	56,772	(227,042)	4,711
<b>Other financing sources (uses):</b>					
Transfers in	-	75,894	-	7,939	83,833
Transfers out	(7,939)	-	-	(75,894)	(83,833)
<b>Total other financing sources (uses)</b>	<b>(7,939)</b>	<b>75,894</b>	<b>-</b>	<b>(67,955)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	202,666	40,270	56,772	(294,997)	4,711
Cash and investments - beginning	(26,330)	-	-	294,997	268,667
Cash and investments - ending	<u>\$ 176,336</u>	<u>\$ 40,270</u>	<u>\$ 56,772</u>	<u>\$ -</u>	<u>\$ 273,378</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	<u>\$ 176,336</u>	<u>\$ 40,270</u>	<u>\$ 56,772</u>	<u>\$ -</u>	<u>\$ 273,378</u>
Total cash and investment assets - ending	<u>\$ 176,336</u>	<u>\$ 40,270</u>	<u>\$ 56,772</u>	<u>\$ -</u>	<u>\$ 273,378</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Unrestricted	<u>\$ 176,336</u>	<u>\$ 40,270</u>	<u>\$ 56,772</u>	<u>\$ -</u>	<u>\$ 273,378</u>
Total cash and investment fund balance - ending	<u>\$ 176,336</u>	<u>\$ 40,270</u>	<u>\$ 56,772</u>	<u>\$ -</u>	<u>\$ 273,378</u>

The notes to the financial statements are an integral part of this statement.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010

	General	Title I FY08/09	Title I - School Improvement (Stimulus)	Other	Totals
<b>Receipts:</b>					
Local sources	\$ 240,770	\$ -	\$ -	\$ -	\$ 240,770
State sources	3,170,957	-	-	402	3,171,359
Federal sources	26,140	48,927	232,800	1,401,261	1,709,128
Temporary loans	577,306	-	-	-	577,306
<b>Total receipts</b>	<b>4,015,173</b>	<b>48,927</b>	<b>232,800</b>	<b>1,401,663</b>	<b>5,698,563</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	1,482,278	21,050	72,541	449,472	2,025,341
Support services	1,358,848	25,715	33,382	314,070	1,732,015
Noninstructional services	-	-	-	326,937	326,937
Facilities acquisition and construction	997,739	-	152,550	298,701	1,448,990
Debt services	35,261	-	-	-	35,261
<b>Total disbursements</b>	<b>3,874,126</b>	<b>46,765</b>	<b>258,473</b>	<b>1,389,180</b>	<b>5,568,544</b>
Excess (deficiency) of receipts over disbursements	141,047	2,162	(25,673)	12,483	130,019
<b>Other financing sources (uses):</b>					
Transfers in	7,939	-	-	69,535	77,474
Transfers out	(27,103)	(42,432)	-	(7,939)	(77,474)
<b>Total other financing sources (uses)</b>	<b>(19,164)</b>	<b>(42,432)</b>	<b>-</b>	<b>61,596</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	121,883	(40,270)	(25,673)	74,079	130,019
Cash and investments - beginning	176,336	40,270	56,772	-	273,378
Cash and investments - ending	<u>\$ 298,219</u>	<u>\$ -</u>	<u>\$ 31,099</u>	<u>\$ 74,079</u>	<u>\$ 403,397</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ 298,219	\$ -	\$ 31,099	\$ 74,079	\$ 403,397
<b>Total cash and investment assets - ending</b>	<b><u>\$ 298,219</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 31,099</u></b>	<b><u>\$ 74,079</u></b>	<b><u>\$ 403,397</u></b>
<b>Cash and Investment Fund Balance - Ending</b>					
Unrestricted	\$ 298,219	\$ -	\$ 31,099	\$ 74,079	\$ 403,397
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 298,219</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 31,099</u></b>	<b><u>\$ 74,079</u></b>	<b><u>\$ 403,397</u></b>

The notes to the financial statements are an integral part of this statement.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUND  
For the Year Ended June 30, 2009

	<u>Agency Fund</u>
Cash and investment fund balance - ending	\$ <u>385</u>
Net assets:	
Cash and investments	\$ <u>385</u>
Total net assets - cash and investment basis held in trust	\$ <u>385</u>

The notes to the financial statements are an integral part of this statement.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUND  
For the Year Ended June 30, 2010

	<u>Agency Fund</u>
Cash and investment fund balance - ending	<u>\$ (3,295)</u>
Net assets:	
Cash and investments	<u>\$ (3,295)</u>
Total net assets - cash and investment basis held in trust	<u>\$ (3,295)</u>

The notes to the financial statements are an integral part of this statement.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

These financial statements present the School Corporation (primary government). There are no significant component units which require inclusion.

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The title I, FY08/09 fund accounts for the federal grant distributions and cash disbursements for this program.

The title I - school improvement (stimulus) fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of federal title I programs.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide and governmental fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any proprietary funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. The School Corporation does not have any restricted net assets.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

F. Interfund Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

II. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The School Corporation does not have a deposit policy for custodial credit risk. At December 31, 2010, the School Corporation had deposit balances in the amount of \$674,405.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended December 31, 2009 and 2010, were as follows:

Transfer From	Transfer To	2009	2010
General Fund	Other Governmental Funds	\$ 7,939	\$ 27,103
Other Governmental Funds	Title I FY08/09	75,894	-
Title I FY08/09	Other Governmental Funds	-	42,432
Other Governmental Funds	General Fund	-	7,939
		\$ 83,833	\$ 77,474
Totals		\$ 83,833	\$ 77,474

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

III. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the School Corporation during the period were \$26,696.

The School Corporation ceased its participation in PERF effective February 9, 2009.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Teachers' Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

The School Corporation's contributions to the plan during the period were \$23,759.

The School Corporation ceased its participation in TRF effective December 31, 2008.

3. Defined Contribution Pension Plan

Plan Description

Effective January 1, 2009, the School Corporation began participation in a Section 403(b) retirement plan sponsored by the Indiana Public Charter School Association for the benefit of its employees.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The Principal Financial Group issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

The Principal Financial Group  
711 High Street  
Des Moines, IA 50392-0001  
1-800-986-3343

Funding Policy

Under the plan, the School Corporation will match 100% of employee contributions not to exceed 4% of compensation for the plan year. Additional contributions may be made to the plan at the discretion of the board of directors. No discretionary contributions were made during the period.

The School Corporation's contributions to the plan during the period were \$33,519.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009

	School Lunch	Playground	Title I FY07/08	Title II Part A	Federal Start Up	Totals
Receipts:						
Local sources	\$ 48	\$ -	\$ -	\$ -	\$ -	\$ 48
State sources	514	-	-	-	-	514
Federal sources	219,412	-	-	-	-	219,412
<b>Total receipts</b>	<b>219,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>219,974</b>
Disbursements:						
Current:						
Instruction	-	8,459	36,404	-	174,208	219,071
Support services	-	3,771	37,624	2,959	450	44,804
Noninstructional services	183,141	-	-	-	-	183,141
<b>Total disbursements</b>	<b>183,141</b>	<b>12,230</b>	<b>74,028</b>	<b>2,959</b>	<b>174,658</b>	<b>447,016</b>
Excess (deficiency) of receipts over disbursements	36,833	(12,230)	(74,028)	(2,959)	(174,658)	(227,042)
Other financing sources (uses):						
Transfers in	-	-	-	2,959	4,980	7,939
Transfers out	-	-	(75,894)	-	-	(75,894)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(75,894)</b>	<b>2,959</b>	<b>4,980</b>	<b>(67,955)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36,833	(12,230)	(149,922)	-	(169,678)	(294,997)
Cash and investments - beginning	(36,833)	12,230	149,922	-	169,678	294,997
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash and Investment Fund Balance - Ending</b>						
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2010

	School Lunch	Title I FY09/10	Title II Part A	Federal Start Up	Fiscal Stabilization - Education (Stimulus)	Education Technology (Stimulus)	Totals
<b>Receipts:</b>							
State sources	\$ 402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402
Federal sources	335,106	397,575	28,764	200,000	345,066	94,750	1,401,261
<b>Total receipts</b>	<b>335,508</b>	<b>397,575</b>	<b>28,764</b>	<b>200,000</b>	<b>345,066</b>	<b>94,750</b>	<b>1,401,663</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	249,312	5,140	195,020	-	-	449,472
Support services	-	166,352	3,353	-	144,365	-	314,070
Noninstructional services	326,937	-	-	-	-	-	326,937
Facilities acquisition and construction	-	-	-	-	200,701	98,000	298,701
<b>Total disbursements</b>	<b>326,937</b>	<b>415,664</b>	<b>8,493</b>	<b>195,020</b>	<b>345,066</b>	<b>98,000</b>	<b>1,389,180</b>
Excess (deficiency) of receipts over disbursements	8,571	(18,089)	20,271	4,980	-	(3,250)	12,483
<b>Other financing sources (uses):</b>							
Transfers in	27,103	42,432	-	-	-	-	69,535
Transfers out	-	-	(2,959)	(4,980)	-	-	(7,939)
<b>Total other financing sources (uses)</b>	<b>27,103</b>	<b>42,432</b>	<b>(2,959)</b>	<b>(4,980)</b>	<b>-</b>	<b>-</b>	<b>61,596</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	35,674	24,343	17,312	-	-	(3,250)	74,079
Cash and investments - beginning	-	-	-	-	-	-	-
<b>Cash and investments - ending</b>	<b>\$ 35,674</b>	<b>\$ 24,343</b>	<b>\$ 17,312</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,250)</b>	<b>\$ 74,079</b>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ 35,674	\$ 24,343	\$ 17,312	\$ -	\$ -	\$ (3,250)	\$ 74,079
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	\$ 35,674	\$ 24,343	\$ 17,312	\$ -	\$ -	\$ (3,250)	\$ 74,079

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2009

	Payroll
Additions:	
Agency fund additions	\$ 385
Deductions:	
Agency fund deductions	-
Excess (deficiency) of total additions over total deductions	385
Cash and investment fund balance - beginning	-
Cash and investment fund balance - ending	\$ 385

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2010

	Payroll
Additions:	
Agency fund additions	\$ 152,362
Deductions:	
Agency fund deductions	156,042
Excess (deficiency) of total additions over total deductions	(3,680)
Cash and investment fund balance - beginning	385
Cash and investment fund balance - ending	\$ (3,295)

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended June 30, 2010

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 483,524
Machinery and equipment	<u>328,935</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 812,459</u>

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable	\$ 2,356,239	\$ 87,016
Total governmental activities debt	<u>\$ 2,356,239</u>	<u>\$ 87,016</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE MONUMENT LIGHTHOUSE  
CHARTER SCHOOL, MARION COUNTY, INDIANA

Compliance

We have audited the compliance of the Monument Lighthouse Charter School (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2009 and 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in item 2010-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, school board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 14, 2011

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2009 and 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (Or Other) Identifying Number	Total Federal Awards Expended 06-30-09	Total Federal Awards Expended 06-30-10
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553		\$ 12,856	\$ -
		FY07/08	51,255	8,448
		FY08/09	-	98,370
		FY09/10	-	-
Total for program			<u>64,111</u>	<u>106,818</u>
National School Lunch Program	10.555		28,794	-
		FY07/08	126,507	20,715
		FY08/09	-	207,543
		FY09/10	-	-
Total for program			<u>155,301</u>	<u>228,258</u>
Total for cluster and federal grantor agency			<u>219,412</u>	<u>335,076</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010		74,028	-
		08-9590	269,575	36,303
		09-9590	-	415,663
		10-9590	-	-
Total for program			<u>343,603</u>	<u>451,966</u>
ARRA - Title I Grants to Local Educational Agencies	84.389	S389A090014	1,726	258,474
Total for cluster			<u>345,329</u>	<u>710,440</u>
Educational Technology State Grants Cluster ARRA - Educational Technology State Grants	84.386	S318X050014	-	98,000
State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants	84.394	S394A090015	-	345,066
Charter Schools	84.282		169,678	-
		FY08/09	-	200,000
		FY09/10	-	-
Total for program			<u>169,678</u>	<u>200,000</u>
Improving Teacher Quality State Grants	84.367	09-9590	2,959	8,493
Total for federal grantor agency			<u>517,966</u>	<u>1,361,999</u>
Total federal awards expended			<u>\$ 737,378</u>	<u>\$ 1,697,075</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Monument Lighthouse Charter School (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes
Type of auditor's report issued on compliance for major programs: Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.282	Child Nutrition Cluster Title I, Part A Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants Charter Schools

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-1, CASH MANAGEMENT

Federal Agency: U.S. Department of Education  
Pass-Through Agency: Indiana Department of Education  
Federal Programs: Title I, Part A Cluster, Charter Schools  
CFDA Number: 84.010, 84.389, and 84.282  
Award Numbers: 09-9590, 10-9590, and S389A090014 for Title I, FY08/09 and FY09/10 for  
Charter Schools

Amounts received by the School Corporation for the Title I Cluster were drawn down in advance. School Corporation Officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. For the Title I Cluster, the cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for two of the twelve months during the 2009-2010 school year.

For the Charter Schools program, there was only activity in the program for ten of the twenty-four months of our audit period and the cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for two of those ten months.

EDGAR 80.20 states in part:

"(b) The financial management systems of other grantees and subgrantees must meet the following standards: . . .

(7) Cash management. Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. . . . Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Surplus cash indicates noncompliance with the cash management requirements as set forth by the grant agreement. Additionally, failure to minimize the cash on hand may cause future funding to be reduced by the pass-through agency.

We recommended that School Corporation officials develop and implement procedures and controls to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant requirements.

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reportable.

# MONUMENT LIGHTHOUSE CHARTER SCHOOL

## A-133 AUDIT CORRECTIVE ACTION PLAN FY09 and FY10

### FINDING NO. 2010-1 CASH MANAGEMENT

Finding: Amounts received by the School Corporation for the Title I Cluster were drawn down in advance. School Corporation Officials are required to review needs and draw funds as needed in accordance with federal guidelines. The drawdown requests are included in the applications for grant funds. For the Title I Cluster, the cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for two of the twelve months during the FY09/10 audit period. For the Charter School program, the cash balance of the grant exceeded the allowable cash balance based on estimated future requirements for three of the twenty-four months during the audit period.

School's comment: The school follows the system that is in place at the time by the Indiana Department of Education (IDOE). A better system is currently in place for FY11 than what was in place for prior years. As of July 2010, the IDOE has done away with cash requests and replaced them with reimbursement requests. Given the newly implemented reimbursement request procedure, we monitor our fund balances closely, and try to estimate what we are spending for the month, before we request reimbursement. If, for some reason, our fund balance exceeds our expected expenditures, then we do not make the reimbursement request. This helps eliminate excessive cash balances.

Please do not hesitate to contact me if you have any questions.

Sincerely



Howard Hammond, Controller, for  
Robert V. Stearns, Treasurer  
Lighthouse Academies of Indiana, Inc, the Organizer for,  
Monument Lighthouse Charter School

MONUMENT LIGHTHOUSE CHARTER SCHOOL  
EXIT CONFERENCE

The contents of this report were provided on February 14, 2011, to Robert Stearns, Treasurer; and Thakena Hogue, President of the School Board. Our audit disclosed no material items that warrant comment at this time.