

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

RENAISSANCE ACADEMY CHARTER

LAPORTE COUNTY, INDIANA

July 1, 2009 to June 30, 2011



**FILED**

04/24/2012



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Administrator	Lori Steinhiser	07-01-09 to 06-30-12
Superintendent of Schools	Kieran McHugh	07-01-09 to 06-30-12
President of the School Board	Mary Agba Joe Merrion Susan Cress	07-01-09 to 06-30-10 07-01-10 to 06-30-11 07-01-11 to 06-30-12



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE RENAISSANCE ACADEMY CHARTER, LAPORTE COUNTY, INDIANA

We have examined the financial statement of the Renaissance Academy Charter (School Corporation), for the period of July 1, 2009 to June 30, 2011. The School Corporation's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, Other Financing Sources( Uses) and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the School Corporation's management, School Board, and others within the entity, 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 21, 2012

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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RENAISSANCE ACADEMY CHARTER  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 108,407	\$ 1,337,239	\$ 974,112	\$ 471,534	\$ 1,198,302	\$ 1,142,467	\$ -	\$ 527,369
Textbook Rental	1,309	3,728	1,318	3,719	1,262	-	-	4,981
Playground	6,190	20,304	21,124	5,370	15,604	15,990	-	4,984
Miscellaneous Programs	3,250	2,104	-	5,354	9,132	4,505	(3,483)	6,498
Extra-Curricular Activities	(1,009)	16,079	19,474	(4,404)	84	382	4,702	-
Junior High Field Trip	2,556	-	2,876	(320)	12,121	8,417	(1,218)	2,166
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	17,648	17,648	-	-	-	-	-
Other Federal Programs	-	45,000	18,000	27,000	51,520	56,000	-	22,520
Public Charter School ESEA Title X, Part C	-	90,802	120,103	(29,301)	-	-	-	(29,301)
Fiscal Stabilization - Education	57,428	27,602	85,026	4	-	4	-	-
Special Education - Part B	-	22,506	20,715	1,791	-	1,791	-	-
Totals	<u>\$ 178,131</u>	<u>\$ 1,583,012</u>	<u>\$ 1,280,396</u>	<u>\$ 480,747</u>	<u>\$ 1,288,025</u>	<u>\$ 1,229,556</u>	<u>\$ 1</u>	<u>\$ 539,217</u>

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

RENAISSANCE ACADEMY CHARTER  
NOTES TO FINANCIAL STATEMENT

**Note 1. 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.

The accompanying financial statement presents the financial information for the School Corporation (primary government).

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory 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.

*C. Cash and Investments*

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

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

RENAISSANCE ACADEMY CHARTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

RENAISSANCE ACADEMY CHARTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Other Financing Sources and Uses*

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level.

**Note 3. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

RENAISSANCE ACADEMY CHARTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Risk Management**

The School Corporation may be 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; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

**Note 5. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

RENAISSANCE ACADEMY CHARTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. Teachers' Retirement Fund*

*Plan Description*

The Indiana Teachers' Retirement Fund (TRF) is 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 Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent 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.

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

*Funding Policy and Annual Pension Cost*

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.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

RENAISSANCE ACADEMY CHARTER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010

	General	Textbook Rental	Playground	Miscellaneous Programs	Extra- Curricular Activities	Junior High Field Trip
Cash and investments - beginning	\$ 108,407	\$ 1,309	\$ 6,190	\$ 3,250	\$ (1,009)	\$ 2,556
Receipts:						
Local sources	58,664	-	20,304	2,104	16,079	-
Intermediate sources	17,239	-	-	-	-	-
State sources	745,823	3,728	-	-	-	-
Federal sources	-	-	-	-	-	-
Temporary loans	501,740	-	-	-	-	-
Other	13,773	-	-	-	-	-
Total receipts	<u>1,337,239</u>	<u>3,728</u>	<u>20,304</u>	<u>2,104</u>	<u>16,079</u>	<u>-</u>
Disbursements:						
Current:						
Instruction	303,380	-	-	-	19,474	2,876
Support services	251,863	1,318	11,489	-	-	-
Noninstructional services	3,031	-	4,138	-	-	-
Facilities acquisition and construction	256,691	-	230	-	-	-
Debt services	157,716	-	-	-	-	-
Nonprogrammed charges	1,431	-	5,267	-	-	-
Total disbursements	<u>974,112</u>	<u>1,318</u>	<u>21,124</u>	<u>-</u>	<u>19,474</u>	<u>2,876</u>
Excess (deficiency) of receipts over disbursements	<u>363,127</u>	<u>2,410</u>	<u>(820)</u>	<u>2,104</u>	<u>(3,395)</u>	<u>(2,876)</u>
Cash and investments - ending	<u>\$ 471,534</u>	<u>\$ 3,719</u>	<u>\$ 5,370</u>	<u>\$ 5,354</u>	<u>\$ (4,404)</u>	<u>\$ (320)</u>

RENAISSANCE ACADEMY CHARTER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2010  
 (Continued)

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Other Federal Programs	Public Charter School ESEA Title X, Part C	Fiscal Stabilization - Education	Special Education - Part B	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 57,428	\$ -	\$ 178,131
Receipts:						
Local sources	-	45,000	-	-	-	142,151
Intermediate sources	-	-	-	-	-	17,239
State sources	17,648	-	-	-	22,506	789,705
Federal sources	-	-	90,802	27,602	-	118,404
Temporary loans	-	-	-	-	-	501,740
Other	-	-	-	-	-	13,773
Total receipts	<u>17,648</u>	<u>45,000</u>	<u>90,802</u>	<u>27,602</u>	<u>22,506</u>	<u>1,583,012</u>
Disbursements:						
Current:						
Instruction	17,648	-	49,310	11,840	20,715	425,243
Support services	-	-	33,598	7,671	-	305,939
Noninstructional services	-	-	-	-	-	7,169
Facilities acquisition and construction	-	-	37,195	65,515	-	359,631
Debt services	-	18,000	-	-	-	175,716
Nonprogrammed charges	-	-	-	-	-	6,698
Total disbursements	<u>17,648</u>	<u>18,000</u>	<u>120,103</u>	<u>85,026</u>	<u>20,715</u>	<u>1,280,396</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>27,000</u>	<u>(29,301)</u>	<u>(57,424)</u>	<u>1,791</u>	<u>302,616</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 27,000</u>	<u>\$ (29,301)</u>	<u>\$ 4</u>	<u>\$ 1,791</u>	<u>\$ 480,747</u>

RENAISSANCE ACADEMY CHARTER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Textbook Rental	Playground	Miscellaneous Programs	Extra- Curricular Activities	Junior High Field Trip
Cash and investments - beginning	\$ 471,534	\$ 3,719	\$ 5,370	\$ 5,354	\$ (4,404)	\$ (320)
Receipts:						
Local sources	82,745	-	15,604	9,132	84	12,121
State sources	971,778	1,262	-	-	-	-
Temporary loans	93,779	-	-	-	-	-
Other	50,000	-	-	-	-	-
Total receipts	<u>1,198,302</u>	<u>1,262</u>	<u>15,604</u>	<u>9,132</u>	<u>84</u>	<u>12,121</u>
Disbursements:						
Current:						
Instruction	484,534	-	-	949	50	5,596
Support services	437,939	-	-	-	-	-
Noninstructional services	1,959	-	-	2,365	-	2,821
Facilities acquisition and construction	100,180	-	4,381	1,191	-	-
Debt services	117,855	-	-	-	332	-
Nonprogrammed charges	-	-	11,609	-	-	-
Total disbursements	<u>1,142,467</u>	<u>-</u>	<u>15,990</u>	<u>4,505</u>	<u>382</u>	<u>8,417</u>
Excess (deficiency) of receipts over disbursements	<u>55,835</u>	<u>1,262</u>	<u>(386)</u>	<u>4,627</u>	<u>(298)</u>	<u>3,704</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	4,702	-
Transfers out	-	-	-	(3,483)	-	(1,218)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,483)</u>	<u>4,702</u>	<u>(1,218)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>55,835</u>	<u>1,262</u>	<u>(386)</u>	<u>1,144</u>	<u>4,404</u>	<u>2,486</u>
Cash and investments - ending	<u>\$ 527,369</u>	<u>\$ 4,981</u>	<u>\$ 4,984</u>	<u>\$ 6,498</u>	<u>\$ -</u>	<u>\$ 2,166</u>

RENAISSANCE ACADEMY CHARTER  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Other Federal Programs	Public Charter School ESEA Title X, Part C	Fiscal Stabilization - Education	Special Education - Part B	Totals
Cash and investments - beginning	\$ -	\$ 27,000	\$ (29,301)	\$ 4	\$ 1,791	\$ 480,747
Receipts:						
Local sources	-	51,520	-	-	-	171,206
State sources	-	-	-	-	-	973,040
Temporary loans	-	-	-	-	-	93,779
Other	-	-	-	-	-	50,000
Total receipts	-	51,520	-	-	-	1,288,025
Disbursements:						
Current:						
Instruction	-	227	-	-	1,791	493,147
Support services	-	6,495	-	4	-	444,438
Noninstructional services	-	-	-	-	-	7,145
Facilities acquisition and construction	-	16,021	-	-	-	121,773
Debt services	-	33,257	-	-	-	151,444
Nonprogrammed charges	-	-	-	-	-	11,609
Total disbursements	-	56,000	-	4	1,791	1,229,556
Excess (deficiency) of receipts over disbursements	-	(4,480)	-	(4)	(1,791)	58,469
Other financing sources (uses):						
Transfers in	-	-	-	-	-	4,702
Transfers out	-	-	-	-	-	(4,701)
Total other financing sources (uses)	-	-	-	-	-	1
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(4,480)	-	(4)	(1,791)	58,470
Cash and investments - ending	\$ -	\$ 22,520	\$ (29,301)	\$ -	\$ -	\$ 539,217

RENAISSANCE ACADEMY CHARTER  
EXAMINATION RESULTS AND COMMENTS

**CONFLICT OF INTEREST**

The School Corporation entered into a lease with V & K, LLC for the rental of the school building in 2007. The owners of V & K, LLC (Vicki and Kieran Mc Hugh), are also employees of the School Corporation. The amount paid to V & K, LLC during the examination period totaled \$244,000.

The School Corporation entered into a contract with Radtke Engineering for engineering services relating to the sewer line connection. The total paid to Radtke Engineering during the examination period was approximately \$13,050. The Radtke Engineering company is owned by Gary Radtke, who also serves on the School Board.

A Uniform Conflict of Interest Disclosure does not appear to have been filed disclosing the above mentioned transactions.

During the examination period, Indiana Code 35-44-1-3 stated in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony. . .

(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served ... (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6).

(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . .

RENAISSANCE ACADEMY CHARTER  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant . . .

(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-9-2-2) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (2) of whose support is provided during a year by the public servant."

***OVERDRAWN FUND BALANCES***

The Extra-Curricular Activities Fund and the Junior High Field Trip Fund were overdrawn at June 30, 2010. The Public Charter School ESEA Title X, Part C Fund was overdrawn at June 30, 2010 and 2011

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

***FUND SOURCES AND USES***

On January 18, 2010, the School Corporation received \$392,367 in Qualified School Construction Bonds for building renovations from the Indiana Finance Authority.

Bond proceeds were incorrectly recorded in the General Fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

RENAISSANCE ACADEMY CHARTER  
EXIT CONFERENCE

The contents of this report were discussed on February 21, 2012, with Jack Stewart, Vice President of the School Board; Lori Steinhiser, Administrator; and Ann Bates, School Board member. The officials concurred with our findings.