



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B44233

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September 30, 2014

Charter School Board
Friends of Canaan, Inc. d/b/a
Canaan Community Academy
8775 N. Canaan Main Street
Canaan, IN 47224

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac, LLC, Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. 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.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Friends of Canaan, Inc. d/b/a Canaan Community Academy was prepared in accordance with the guidelines established by the State Board of Accounts.

The Supplemental Audit Report and the Financial Statements and Independent Auditors' Report are filed in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

SUPPLEMENTAL AUDIT REPORT
OF
FRIENDS OF CANAAN, INC.
d/b/a
CANAAN COMMUNITY ACADEMY
JEFFERSON COUNTY, INDIANA
July 1, 2013 to June 30, 2014

FRIENDS OF CANAAN, INC.
d/b/a
CANAAN COMMUNITY ACADEMY

JEFFERSON COUNTY, INDIANA

Table of Contents

	<u>Page</u>
School Officials	1
Transmittal Letter	2
Audit Results and Comments:	
Receipts and Deposits	3
Required Reports	3
Exit Conference	4
Official Response	5

FRIENDS OF CANAAN, INC.
d/b/a
CANAAN COMMUNITY ACADEMY

JEFFERSON COUNTY, INDIANA

School Officials

Year Ended June 30, 2014

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Barry Smith	07/01/13 – 06/30/14
Chief Academic Officer	Deena Schafer	07/01/13 – 06/30/14
Chief Operating Officer	Tara Hayes	07/01/13 – 06/30/14

The Board of Directors
Friends of Canaan, Inc.

We have audited the financial statements of **Friends of Canaan, Inc. d/b/a Canaan Community Academy** (the "School") as of and for the year ended June 30, 2014 and have issued our report thereon dated August 22, 2014. 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.



Indianapolis, IN
August 22, 2014

FRIENDS OF CANAAN, INC.
d/b/a
CANAAN COMMUNITY ACADEMY

JEFFERSON COUNTY, INDIANA

Audit Results and Comments

Year Ended June 30, 2014

RECEIPTS AND DEPOSITS

The School collects amounts for various items including school lunch, after school care program, various fundraisers and donations. In our sample of 25 cash receipts transactions we noted 20 instances where the bank deposit was not made in a timely manner, in most cases deposits occurred a week or more after the collection date.

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)

REQUIRED REPORTS

ADM reports were submitted as required; however, signed and dated copies of the reports were not maintained by the building level administrator.

The building level administrator (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the Organizer, shall provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9)

FRIENDS OF CANAAN, INC.
d/b/a
CANAAN COMMUNITY ACADEMY

JEFFERSON COUNTY, INDIANA

Exit Conference

Year Ended June 30, 2014

The contents of this report were discussed on September 8, 2014 with Tara Hayes (Chief Operating Officer), Donna Taylor (Lead Academic Officer), Candi Risk (Board Member), and Kenneth Miller (Board Member). The Official Response has been made a part of this report and may be found on page 5.

Canaan Community Academy

8775 N. Canaan Main Street

P.O. Box 20

Canaan, IN. 47224

(812) 839-0003

Date: 09/04/2014

By: Tara Hayes: Chief Operation Officer

RE: Audit Review Improvements

July 2013 – June 2014

A. Receipts and Deposits

1. Canaan Community Academy monies will be deposited in the designated depository no 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.

B. Required Reports: ADM Reports

1. Canaan Community Academy building level administrator will be responsible reporting and maintaining proper filing ADM count. This administrator will provide a written certification of the ADM and provide proper documentation that will include, but not limited to, a statement detailing the names and location of the records used to substantiate ADM claim.

Name: Tara Hayes

Title: Chief Operation Officer

Date: September 4, 2014