

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

EXAMINATION REPORT  
OF  
RENAISSANCE ACADEMY CHARTER  
LAPORTE COUNTY, INDIANA  
July 1, 2007 to June 30, 2009



**FILED**

05/21/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Administrator	Lori Steinhiser	07-01-07 to 06-30-10
Superintendent of Schools	Kieran McHugh	07-01-07 to 06-30-10
President of the School Board	Lori Steinhiser Mary Agba	07-01-07 to 07-12-07 07-13-07 to 06-30-10



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Renaissance Academy Charter (School Corporation), for the period of July 1, 2007 to June 30, 2009. The School Corporation's management is responsible for the financial information presented herein. 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 information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The annual report/financial statements prepared by the School Corporation were not reflective of the financial activity of the school. The School Corporation's accounting records contained numerous errors which were detected and corrected subsequent to the filing of the financial statements for the years ending June 30, 2008 and 2009.

In our opinion, except as discussed in the third paragraph, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Combining Schedule, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 10, 2010

RENAISSANCE ACADEMY CHARTER  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 191,219	\$ -	\$ 9,192	\$ (182,027)
Support services	338,228	27,114	946	(310,168)
Noninstructional services	8,812	-	-	(8,812)
Facilities acquisition and construction	57,285	-	-	(57,285)
Debt service	80,400	-	-	(80,400)
<b>Total governmental activities</b>	<b><u>\$ 675,944</u></b>	<b><u>\$ 27,114</u></b>	<b><u>\$ 10,138</u></b>	<b><u>(638,692)</u></b>
General receipts:				
Other local sources				30,542
State aid				194,543
Bonds and loans				319,360
Grants and contributions not restricted to specific programs				355,884
Other				<u>203</u>
<b>Total general receipts, interfund loans, transfers, and special items</b>				<b><u>900,532</u></b>
<b>Change in net assets</b>				<b>261,840</b>
<b>Net assets - beginning</b>				<b><u>-</u></b>
<b>Net assets - ending</b>				<b><u>\$ 261,840</u></b>
<u>Assets</u>				
Cash and investments				<b><u>\$ 261,840</u></b>
<u>Net Assets</u>				
Unrestricted				<b><u>\$ 261,840</u></b>

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

RENAISSANCE ACADEMY CHARTER  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 472,275	\$ -	\$ 22,072	\$ (450,203)
Support services	325,202	32,948	1,239	(291,015)
Noninstructional services	9,389	-	-	(9,389)
Facilities acquisition and construction	61,504	-	-	(61,504)
Debt service	791	-	-	(791)
Nonprogrammed charges	807	-	-	(807)
<b>Total governmental activities</b>	<b><u>\$ 869,968</u></b>	<b><u>\$ 32,948</u></b>	<b><u>\$ 23,311</u></b>	<b><u>(813,709)</u></b>
General receipts:				
Other local sources				64,622
State aid				460,759
Bonds and loans				63,178
Grants and contributions not restricted to specific programs				140,928
Other				532
<b>Total general receipts, interfund loans, transfers, and special items</b>				<b><u>730,019</u></b>
<b>Change in net assets</b>				<b>(83,690)</b>
<b>Net assets - beginning</b>				<b><u>261,840</u></b>
<b>Net assets - ending</b>				<b><u>\$ 178,150</u></b>
<u>Assets</u>				
Cash and investments				<b><u>\$ 178,150</u></b>
<u>Net Assets</u>				
Unrestricted				<b><u>\$ 178,150</u></b>

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

RENAISSANCE ACADEMY CHARTER  
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, 2008

	General	Public Charter Schools Program	Other	Totals
<b>Receipts:</b>				
Local sources	\$ 33,923	\$ -	\$ 23,733	\$ 57,656
State sources	203,735	-	946	204,681
Federal sources	-	338,100	17,784	355,884
Temporary loans	319,360	-	-	319,360
Other	203	-	-	203
	<u>557,221</u>	<u>338,100</u>	<u>42,463</u>	<u>937,784</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Instruction	169,260	75	21,884	191,219
Support services	171,263	166,089	876	338,228
Noninstructional services	2,047	-	6,765	8,812
Facilities acquisition and construction	57,285	-	-	57,285
Debt services	72,000	8,400	-	80,400
	<u>471,855</u>	<u>174,564</u>	<u>29,525</u>	<u>675,944</u>
Excess (deficiency) of receipts over disbursements	<u>85,366</u>	<u>163,536</u>	<u>12,938</u>	<u>261,840</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	9,000	9,000
Transfers out	(9,000)	-	-	(9,000)
	<u>(9,000)</u>	<u>-</u>	<u>9,000</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	76,366	163,536	21,938	261,840
Cash and investments - beginning	-	-	-	-
Cash and investments - ending	<u>\$ 76,366</u>	<u>\$ 163,536</u>	<u>\$ 21,938</u>	<u>\$ 261,840</u>
<b><u>Cash and Investment Assets - Ending</u></b>				
Cash and investments	<u>\$ 76,366</u>	<u>\$ 163,536</u>	<u>\$ 21,938</u>	<u>\$ 261,840</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>				
Unrestricted	<u>\$ 76,366</u>	<u>\$ 163,536</u>	<u>\$ 21,938</u>	<u>\$ 261,840</u>

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

RENAISSANCE ACADEMY CHARTER  
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	Public Charter Schools Program	Fiscal Stabilization	Other	Totals
<b>Receipts:</b>					
Local sources	\$ 80,708	\$ -	\$ -	\$ 16,863	\$ 97,571
State sources	482,830	-	-	1,239	484,069
Federal sources	-	83,500	57,428	-	140,928
Temporary loans	63,178	-	-	-	63,178
Other	496	-	-	36	532
<b>Total receipts</b>	<b>627,212</b>	<b>83,500</b>	<b>57,428</b>	<b>18,138</b>	<b>786,278</b>
<b>Disbursements:</b>					
<b>Current:</b>					
Instruction	314,602	153,259	-	4,414	472,275
Support services	258,772	65,744	-	686	325,202
Noninstructional services	2,614	-	-	6,775	9,389
Facilities acquisition and construction	60,898	256	-	350	61,504
Debt services	791	-	-	-	791
Nonprogrammed charges	132	-	-	675	807
<b>Total disbursements</b>	<b>637,809</b>	<b>219,259</b>	<b>-</b>	<b>12,900</b>	<b>869,968</b>
Excess (deficiency) of receipts over disbursements	(10,597)	(135,759)	57,428	5,238	(83,690)
<b>Other financing sources (uses):</b>					
Transfers in	46,687	-	-	4,050	50,737
Transfers out	(4,049)	(27,778)	-	(18,910)	(50,737)
<b>Total other financing sources (uses)</b>	<b>42,638</b>	<b>(27,778)</b>	<b>-</b>	<b>(14,860)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32,041	(163,537)	57,428	(9,622)	(83,690)
Cash and investments - beginning	76,366	163,536	-	21,938	261,840
Cash and investments - ending	<u>\$ 108,407</u>	<u>\$ (1)</u>	<u>\$ 57,428</u>	<u>\$ 12,316</u>	<u>\$ 178,150</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	<u>\$ 108,407</u>	<u>\$ (1)</u>	<u>\$ 57,428</u>	<u>\$ 12,316</u>	<u>\$ 178,150</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Unrestricted	<u>\$ 108,407</u>	<u>\$ (1)</u>	<u>\$ 57,428</u>	<u>\$ 12,316</u>	<u>\$ 178,150</u>

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

RENAISSANCE ACADEMY CHARTER  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets - Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

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, liabilities, 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 public charter schools program accounts for the financial resources received from the Indiana Department of Education for charter school implementation.

The fiscal stabilization-education (Stimulus) fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

RENAISSANCE ACADEMY CHARTER  
NOTES TO FINANCIAL INFORMATION  
(Continued)

B. 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. 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.

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.

Note 3. Budgets

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

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and 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. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. 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 become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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.

RENAISSANCE ACADEMY CHARTER  
NOTES TO FINANCIAL INFORMATION  
(Continued)

State statute (IC 5-13-9) authorizes 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.

Note 6. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>	<u>2009</u>
General Fund	Other governmental	\$ 9,000	\$ 4,049
Public Charter School Program	General Fund	-	27,778
Other governmental	General Fund	-	18,910
Totals		<u>\$ 9,000</u>	<u>\$ 50,737</u>

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

Note 7. 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 this 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 members' 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. That 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

RENAISSANCE ACADEMY CHARTER  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Funding Policy and Annual Pension Cost

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

Teacher's Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teacher's 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 members' 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:

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

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.

Note 8. Subsequent Events

Common School Loan

On November 20, 2009, the School Corporation received a Common School Loan from the State of Indiana for \$109,373 for operational expenses to be paid back over the next twenty years.

Qualified School Construction Bond

On January 18, 2010, the School Corporation received \$392,367 in Qualified School Construction Bonds for building renovations from the Indiana Finance Authority to be paid back over the next ten years.

RENAISSANCE ACADEMY CHARTER  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Reassessment and Property Taxes

Tax bills for 2007 payable 2008 should have been mailed in April as payments are due in semi-annual installments by May 10 and November 10. Due to the reassessment order of the prior year property values, the County is unable to complete the trending required by state statutes to complete the reassessment process for 2008 until the ordered reassessment of the prior year is completed. To assist all governmental entities fund current year expenses, the Department of Local Government Finance approved the preparation of provisional tax bills. Provisional tax bills are based upon tax bills for 2006 paid in 2007. It is not yet known when the provisional tax bills will be mailed or the anticipated due dates.

RENAISSANCE ACADEMY CHARTER  
 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, 2008

	Title I	Textbook Rental	Playground Fund	Annual Fund Drive	Extracurricular Activities	Junior High Field Trip	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ 6,704	\$ 1,250	\$ 9,309	\$ 6,470	\$ 23,733
State sources	-	946	-	-	-	-	946
Federal sources	17,784	-	-	-	-	-	17,784
<b>Total receipts</b>	<b>17,784</b>	<b>946</b>	<b>6,704</b>	<b>1,250</b>	<b>9,309</b>	<b>6,470</b>	<b>42,463</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	18,284	3,600	21,884
Support services	-	876	-	-	-	-	876
Noninstructional services	-	-	4,322	-	-	2,443	6,765
<b>Total disbursements</b>	<b>-</b>	<b>876</b>	<b>4,322</b>	<b>-</b>	<b>18,284</b>	<b>6,043</b>	<b>29,525</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>17,784</b>	<b>70</b>	<b>2,382</b>	<b>1,250</b>	<b>(8,975)</b>	<b>427</b>	<b>12,938</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	9,000	-	9,000
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>17,784</b>	<b>70</b>	<b>2,382</b>	<b>1,250</b>	<b>25</b>	<b>427</b>	<b>21,938</b>
Cash and investments - beginning	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ 17,784</u>	<u>\$ 70</u>	<u>\$ 2,382</u>	<u>\$ 1,250</u>	<u>\$ 25</u>	<u>\$ 427</u>	<u>\$ 21,938</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	<u>\$ 17,784</u>	<u>\$ 70</u>	<u>\$ 2,382</u>	<u>\$ 1,250</u>	<u>\$ 25</u>	<u>\$ 427</u>	<u>\$ 21,938</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Unrestricted	<u>\$ 17,784</u>	<u>\$ 70</u>	<u>\$ 2,382</u>	<u>\$ 1,250</u>	<u>\$ 25</u>	<u>\$ 427</u>	<u>\$ 21,938</u>

RENAISSANCE ACADEMY CHARTER  
 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

	Title I	Textbook Rental	Playground Fund	Annual Fund Drive	Extracurricular Activities	Junior High Field Trip	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ -	\$ 6,953	\$ 2,000	\$ 3,259	\$ 4,651	\$ 16,863
State sources	-	1,239	-	-	-	-	1,239
Other	-	-	36	-	-	-	36
<b>Total receipts</b>	<b>-</b>	<b>1,239</b>	<b>6,989</b>	<b>2,000</b>	<b>3,259</b>	<b>4,651</b>	<b>18,138</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	-	-	-	3,809	605	4,414
Support services	-	-	-	-	686	-	686
Noninstructional services	-	-	2,506	-	2,196	2,073	6,775
Facilities acquisition and construction	-	-	-	-	350	-	350
Nonprogrammed charges	-	-	675	-	-	-	675
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>3,181</b>	<b>-</b>	<b>7,041</b>	<b>2,678</b>	<b>12,900</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>1,239</b>	<b>3,808</b>	<b>2,000</b>	<b>(3,782)</b>	<b>1,973</b>	<b>5,238</b>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	3,874	176	4,050
Transfers out	(17,784)	-	-	-	(1,126)	-	(18,910)
<b>Total other financing sources (uses)</b>	<b>(17,784)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,748</b>	<b>176</b>	<b>(14,860)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(17,784)</b>	<b>1,239</b>	<b>3,808</b>	<b>2,000</b>	<b>(1,034)</b>	<b>2,149</b>	<b>(9,622)</b>
<b>Cash and investments - beginning</b>	<b>17,784</b>	<b>70</b>	<b>2,382</b>	<b>1,250</b>	<b>25</b>	<b>427</b>	<b>21,938</b>
<b>Cash and investments - ending</b>	<b>\$ -</b>	<b>\$ 1,309</b>	<b>\$ 6,190</b>	<b>\$ 3,250</b>	<b>\$ (1,009)</b>	<b>\$ 2,576</b>	<b>\$ 12,316</b>
<b>Cash and Investment Assets - Ending</b>							
<b>Cash and investments</b>	<b>\$ -</b>	<b>\$ 1,309</b>	<b>\$ 6,190</b>	<b>\$ 3,250</b>	<b>\$ (1,009)</b>	<b>\$ 2,576</b>	<b>\$ 12,316</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Unrestricted</b>	<b>\$ -</b>	<b>\$ 1,309</b>	<b>\$ 6,190</b>	<b>\$ 3,250</b>	<b>\$ (1,009)</b>	<b>\$ 2,576</b>	<b>\$ 12,316</b>

RENAISSANCE ACADEMY CHARTER  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended June 30, 2009

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:	
Leasehold Improvements	\$ 75,836
Machinery and equipment	8,770
Classroom materials	<u>174,277</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 258,883</u>

RENAISSANCE ACADEMY CHARTER  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2009

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Common School Loans	\$ 375,885	\$ -

RENAISSANCE ACADEMY CHARTER  
EXAMINATION RESULTS AND COMMENTS

FINANCIAL REPORT OPINION MODIFICATION

The Annual Reports (Form 9) which were presented for examination did not agree to the School Corporation's financial records. The Annual Reports were based on incomplete records. Bank reconciliations and ledger adjustments were later performed retroactively by a Certified Public Accountant. The Annual Reports which were provided did not represent the financial status of the School Corporation on June 30, 2008 and 2009. Therefore, the State Board of Accounts was unable to provide an unqualified opinion on the Independent Auditors' Report for the financial statements. The difference between the Annual Report cash balance and the reconciled bank balances are as follows:

<u>Cash Balance</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>
Annual Report	\$ 261,840	\$ 178,150
Reconciled Bank	<u>128,080</u>	<u>285,202</u>
Variance	<u>\$ (133,760)</u>	<u>\$ 107,052</u>

Accounting records and other public records must be maintained in a manner that will support accurate financial statements. Anything other than an unqualified opinion on the Independent Auditor's Report on the financial statements may have adverse financial consequences with the possibility of an increase in interest rate cost to the taxpayers of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

PRESCRIBED FORMS

The following prescribed or approved forms were not always in use by the School Corporation:

- (1) Fund Ledger and Ledger of Receipts (Form 508)
- (2) Accounts Payable Voucher (Form 523)
- (3) Check in Duplicate (Form 509)
- (4) Receipt in Duplicate (Form 517)

The following prescribed forms were not in use for the Extracurricular Activities Fund:

- (1) Purchase Order and Accounts Payable Voucher (Form SA-1)
- (2) Check and Register of Checks (Form SA-2)
- (3) Receipt and Register of Receipts (Form SA-3)
- (4) Financial Report (School Extracurricular Account) (Form SA-5-1)

RENAISSANCE ACADEMY CHARTER  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (5) Cash Reconciliation and Outstanding Check List (Form SA-5-2)
- (6) Detail of Receipts and Expenditures by Funds (Form SA-5-3)
- (7) Extracurricular Ledger (Form SA-6)

All governmental units are required by law to use the forms prescribed by the State Board of Accounts; however, if it is desirable to use a different form or to have a prescribed form modified to conform for computer applications, a letter and copies of the proposed form may be submitted to the State Board of Accounts for approval. No form should be printed and placed into use, other than a prescribed form, without prior approval.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9) (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

RECEIPTS AND DEPOSITS

- (1) Receipts were not issued for all collections remitted to the Charter School.
- (2) Collections were deposited to the bank only once or twice a month.
- (3) Duplicate deposit slips were not retained for examination.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

IC 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

AVERAGE DAILY MEMBERSHIP (ADM) - LACK OF RECORDS

Records were not presented for examination to support the ADM claimed by the School Corporation.

Officials should maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM. The building level official (Principal, Assistant Principal, etc.) responsible for reporting ADM to the School Corporation Central Office, should provide a written certification of ADM to properly document responsibility. The certification should 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. (The School Administrator and Uniform Compliance Guidelines, Volume 182)

RENAISSANCE ACADEMY CHARTER  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Prescribed Accounts Payable Vouchers were not prepared for disbursements.
- (2) Invoices were not approved by the Board of Directors.
- (3) Invoices did not include evidence to support receipt of goods or services.

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

RENAISSANCE ACADEMY CHARTER  
EXIT CONFERENCE

The contents of this report were discussed on February 10, 2010, with Joseph Merrion, School Board member; Kieran McHugh, Superintendent of Schools; and Lori Steinhiser, Administrator.