



STATE OF INDIANA
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B42254

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May 22, 2013

Charter School Board
Rock Creek Community Academy, Inc.
11525 Highway 31
Sellersburg, IN 47172

We have reviewed the Financial Statements and Independent Auditors' Reports prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2010 to June 30, 2012. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Rock Creek Community Academy, Inc., as of June 30, 2011 and 2012, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In addition to the report presented herein, a Supplemental Audit Report for Rock Creek Community Academy, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

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

State Board of Accounts

ROCK CREEK COMMUNITY ACADEMY, INC.

Financial Statements and Federal Single Audit Report

June 30, 2012 and 2011

ROCK CREEK COMMUNITY ACADEMY, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Rock Creek Community Academy, Inc.

We have audited the accompanying statements of financial position of **Rock Creek Community Academy, Inc.** as of June 30, 2012 and 2011 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred above present fairly, in all material respects, the financial position of **Rock Creek Community Academy, Inc.** as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2013 on our consideration of **Rock Creek Community Academy, Inc.**'s internal control over financial reporting and on 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 audits.

Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Raymond Isaac

Indianapolis, IN
February 27, 2013

ROCK CREEK COMMUNITY ACADEMY, INC.

Statements of Financial Position

	June 30	
Assets	2012	2011
Current assets:		
Cash and cash equivalents	\$ 543,353	504,711
Accounts receivable:		
State education support	1,148,386	1,060,217
Grants	18,418	102,200
Prepaid expenses	26,974	27,835
Total current assets	1,737,131	1,694,963
Property and equipment:		
Furniture, fixtures, and equipment	740,305	247,006
Accumulated depreciation	(142,326)	(40,506)
Property and equipment, net	597,979	206,500
	\$ 2,335,110	1,901,463
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 348,081	207,474
Current portion of long-term debt	25,583	-
Refundable advances	-	1,250
Deferred revenue	105,500	100,112
Total current liabilities	479,164	308,836
Accrued interest on Common School Fund loans	43,993	675
Long-term debt	1,195,501	1,082,951
Total liabilities	1,718,658	1,392,462
Unrestricted net assets	616,452	509,001
	\$ 2,335,110	1,901,463

See accompanying notes to financial statements.

ROCK CREEK COMMUNITY ACADEMY, INC.

Statements of Activities

Revenue, Gains and Support	Year Ended June 30	
	2012	2011
State education support	\$ 2,296,773	2,121,048
Grant revenue	353,175	356,599
Student fees	301,107	324,278
Contributions	17,885	3,485
Other	63,556	47,126
Total revenue, gains and support	<u>3,032,496</u>	<u>2,852,536</u>
<u>Expenses</u>		
Program services:		
Educational instruction	1,859,311	1,320,866
Education support	469,964	357,924
Administrative	595,770	616,220
Total expenses	<u>2,925,045</u>	<u>2,295,010</u>
Increase in net assets	107,451	557,526
Net assets (deficiency), beginning of year	<u>509,001</u>	<u>(48,525)</u>
Net assets, end of year	<u>\$ 616,452</u>	<u>509,001</u>

See accompanying notes to financial statements.

ROCK CREEK COMMUNITY ACADEMY, INC.

Statements of Cash Flows

	Year Ended June 30	
Operating Activities	2012	2011
Change in net assets	\$ 107,451	557,526
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	101,820	40,506
Change in:		
Accounts receivable	(4,388)	(1,162,417)
Prepaid expenses	861	(27,835)
Accounts payable and accrued expenses	183,925	207,413
Refundable advances	(1,250)	1,250
Deferred revenue	5,388	(2,202)
Net cash provided (used) by operating activities	393,807	(385,759)
Investing Activities		
Purchase of property and equipment	(343,298)	(247,006)
Net cash used by investing activities	(343,298)	(247,006)
Financing Activities		
Proceeds from State of Indiana loans	-	1,082,951
Principal repayments of note payable	(11,867)	-
Net cash provided by financing activities	(11,867)	1,082,951
Net increase in cash	38,642	450,186
Cash and cash equivalents, beginning of year	504,711	54,525
Cash and cash equivalents, end of year	\$ 543,353	504,711
Supplementary information:		
Cash payments for interest expense	\$ 7,333	73
Non-cash investing and financing activities:		
Assets obtained under debt obligation	\$ 150,000	-

See accompanying notes to financial statements.

ROCK CREEK COMMUNITY ACADEMY, INC.

Notes to Financial Statements

June 30, 2012 and 2011

(1) Summary of Significant Accounting Policies

General

Rock Creek Community Academy, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24-3-1 and is sponsored by Ball State University. The School commenced operations as of July 1, 2010.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition

Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by public schools in the same geographic area. Funding from the State of Indiana is based on enrollment, and is paid in equal monthly installments in January through December following the start of the school year. Revenue is recognized in the year in which the educational services are rendered.

A portion of the School's revenue is the product of cost reimbursement grants. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred.

Accounts Receivable

Accounts receivable relate primarily to activities funded under federal grants and legislation enacted by the State of Indiana. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

ROCK CREEK COMMUNITY ACADEMY, INC.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies, Continued

Taxes on Income

Rock Creek Community Academy, Inc. has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the School would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2012 and 2011, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional standards require the School to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. The tax years ending 2011 and 2010 are open to audit for both federal and state purposes.

Property and Equipment

Purchases of these assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs and equipment purchases with a unit cost of less than \$1,000 are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

Textbooks	5 years
Leasehold improvements.....	7-8 years
Furniture and equipment	3-5 years

ROCK CREEK COMMUNITY ACADEMY, INC.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies, Continued

Fundraising Activity

During 2012 and 2011, a related parent teacher organization (the "Organization") performed various fundraising functions in support of the School. The Organization was originally formed as RCCA PTS, Inc. on March 1, 2011, but operated under the School's tax identification number. The Organization voluntarily dissolved in February 2012 and reincorporated as Rock Creek Extracurricular Organization, Inc. on March 15, 2012 with its own tax identification number. Prior to becoming a separate legal entity, the Organization had revenues and expenses in 2012 of \$22,873 and \$32,428, respectively, and \$47,174 and \$26,632, respectively in 2011. This activity is not included in the accompanying financial statements.

Subsequent Events

The School evaluated subsequent events through February 27, 2013, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

(2) Accounts Receivable

Accounts receivable for state education support as of June 30, 2012 and 2011 represent amounts due relating to the following sources:

	<u>2012</u>	<u>2011</u>
Tuition support	\$1,045,021	991,993
Special education grant	79,585	63,198
Honors grant	1,800	-
Vocational education grant.....	10,165	5,026
Prime Time grant.....	<u>11,815</u>	<u>-</u>
	<u>\$1,148,386</u>	<u>1,060,217</u>

ROCK CREEK COMMUNITY ACADEMY, INC.

Notes to Financial Statements

(2) Accounts Receivable, Continued

Tuition support is determined by state law and is dependent upon the geographic location of the school and is indexed to the poverty data of the enrolled students. The payment schedule is likewise determined by state law, with tuition support payable in equal monthly installments in the calendar year following the start of the school year. Upon revocation or termination of the charter, the payment streams will cease and any unpaid amounts will be applied to the unpaid balance of notes from the Indiana Common School Fund (see Note 3).

(3) Long-Term Debt

Long-term debt as of June 30, 2012 and 2011 was comprised of:

	<u>2012</u>	<u>2011</u>
Notes payable to Indiana Common School Fund.....	\$1,082,951	1,082,951
Note payable to Mobilease Modular Space, Inc.....	<u>138,133</u>	<u>-</u>
	1,221,084	1,082,951
Less current portion.....	<u>(25,583)</u>	<u>-</u>
	<u>\$1,195,501</u>	<u>1,082,951</u>

Notes payable to the Indiana Common School Fund represent two notes, each of which requires semi-annual payments of principal and interest over a period of 20 years with interest at 4% per annum. In 2011, the Indiana Common School Fund granted a moratorium on loan payments. Repayment obligations under the notes will commence on July 1, 2013. The notes mature January 1, 2033 and are secured by unpaid tuition support distributions (see Note 2).

The note payable to Mobilease Modular Space, Inc. represents an obligation for site improvements relating to the installation of modular classrooms. The note is payable in monthly installments of \$3,185, including interest at 10% per annum, through December 2016.

ROCK CREEK COMMUNITY ACADEMY, INC.

Notes to Financial Statements

(3) Long-Term Debt, Continued

Principal maturities under the loan agreements are as follows:

<u>Year Ended June 30:</u>	
2013	\$ 25,583
2014	82,409
2015	85,368
2016	88,637
2017	72,724
Thereafter	<u>866,363</u>
	<u>\$1,221,084</u>

(4) Leases

The School leases its school facility, modular classrooms, and items of equipment under operating leases. Total expense under these operating leases for 2012 and 2011 was \$149,987 and \$134,913, respectively. Minimum future rental payments as of June 30, 2012 for all operating leases with initial, noncancellable lease terms in excess of one year are as follows:

<u>Year ending June 30:</u>	
2013	\$215,496
2014	215,496
2015	212,384
2016	86,160
2017	43,080

(5) Commitments

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the school has agreed to pay to Ball State University an annual administrative fee equal to 3% of state tuition support. The charter remains in effect until June 30, 2015, and is renewable thereafter by mutual consent. Payments under this charter agreement were \$62,701 and \$59,538 for the years ended June 30, 2012 and 2011, respectively.

ROCK CREEK COMMUNITY ACADEMY, INC.

Notes to Financial Statements

(6) Refundable Advances

The School has been awarded grants from the Indiana Department of Education to provide educational instruction. The grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. At June 30, 2011, the School had refundable grant advances in excess of expenditures of \$1,250.

(7) Retirement Plan

The School maintains a Section 403(b) retirement plan with Principal Financial Group for the benefit of its employees. Substantially all full-time employees are eligible to participate. Under the plan, the School contributes 7.5% of compensation for the plan year. Retirement plan expense for the years ended June 30, 2012 and 2011 was \$84,539 and \$63,931, respectively.

(8) Risks and Uncertainties

The School provides educational instruction services to families residing in Clark and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2012, substantially all of the accounts receivable balance was due from the State of Indiana.

ROCK CREEK COMMUNITY ACADEMY, INC.

Notes to Financial Statements

(9) Functional Expense Reporting

The costs of providing the educational activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the programs and services benefited. Following is a summary of expenses comprising each program and/or service for the years ended June 30, 2012 and 2011:

	<u>2012</u>		
	<u>Educational Instruction</u>	<u>Education Support</u>	<u>Admini- strative</u>
Salaries and wages.....	\$1,021,057	87,162	216,100
Employee benefits.....	255,811	11,871	50,675
Professional services	184,640	147,188	71,555
Staff development and recruitment.....	39,891	-	1,135
Authorizer oversight fee.....	-	-	62,701
Food costs.....	-	47,009	-
Equipment	34,624	-	-
Repairs and maintenance.....	-	25,529	-
Classroom, kitchen and office supplies.....	56,863	102,945	36,054
Occupancy.....	164,455	44,962	-
Depreciation	101,820	-	-
Interest.....	-	-	50,651
Other.....	<u>150</u>	<u>3,298</u>	<u>106,899</u>
	<u>\$1,859,311</u>	<u>469,964</u>	<u>595,770</u>

ROCK CREEK COMMUNITY ACADEMY, INC.

Notes to Financial Statements

(9) Functional Expense Reporting, Continued

	<u>2011</u>		
	<u>Educational Instruction</u>	<u>Education Support</u>	<u>Admini- strative</u>
Salaries and wages.....	\$844,813	100,252	309,084
Employee benefits	181,358	16,142	78,620
Professional services	81,085	68,739	54,441
Staff development and recruitment.....	5,767	-	2,531
Authorizer oversight fee.....	-	-	59,538
Food costs.....	-	45,803	-
Equipment	21,833	-	-
Repairs and maintenance.....	-	21,359	-
Classroom, kitchen and office supplies.....	23,404	62,242	24,069
Occupancy	120,900	37,137	-
Depreciation	40,506	-	-
Interest	-	-	748
Other	<u>1,200</u>	<u>6,250</u>	<u>87,189</u>
	<u>\$1,320,866</u>	<u>357,924</u>	<u>616,220</u>

ROCK CREEK COMMUNITY ACADEMY, INC.

Schedule of Expenditures of Federal Awards

Years Ended June 30, 2012 and 2011

<u>Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Awards Expended</u>	
			<u>2012</u>	<u>2011</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-through Indiana Department of Education				
Child Nutrition Cluster				
National School Lunch Program	10.555		<u>30,193</u>	<u>25,245</u>
Total for cluster			<u>30,193</u>	<u>25,245</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-through Indiana Department of Education				
Charter Schools Program	84.282		238,453	304,127
Improving Teacher Quality State Grants	84.367		12,087	-
Total for federal grantor agency			<u>250,540</u>	<u>304,127</u>
Total federal awards expended			<u>\$ 280,733</u>	<u>329,372</u>

See accompanying Independent Auditors' Report.
See accompanying notes to this schedule.

ROCK CREEK COMMUNITY ACADEMY, INC.

Notes to the Schedule of Expenditures of Federal Awards

Years Ended June 30, 2012 and 2011

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Rock Creek Community Academy, Inc. (the "School") under programs of the federal government for the years ended June 30, 2012 and 2011. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets or cash flows of the School.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

The Board of Directors
Rock Creek Community Academy, Inc.

We have audited the financial statements of **Rock Creek Community Academy, Inc.** (the "School") as of and for the years ended June 30, 2012 and 2011 and have issued our report thereon dated February 27, 2013. 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

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

A deficiency in internal control 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the School 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*.

This report is intended for the information of the Board of Directors, management, 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.



Indianapolis, IN
February 27, 2013

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Directors
Rock Creek Community Academy, Inc.

Compliance

We have audited the compliance of **Rock Creek Community Academy, Inc.** (the "School") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the years ended June 30, 2012 and 2011. The School'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's management. Our responsibility is to express an opinion on the School'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'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's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended June 30, 2012 and 2011.

Internal Control Over Compliance

The management of the School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Board of Directors, management, 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.



Indianapolis, IN
February 27, 2013

ROCK CREEK COMMUNITY ACADEMY, INC.

Schedule of Findings and Questioned Costs

Years Ended June 30, 2012 and 2011

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
▪ Material weaknesses:	None Reported
▪ Significant deficiencies that are not considered to be material weaknesses:	None Reported
Noncompliance noted which is material to financial statements:	No

Federal Awards

Internal control over major programs:	
▪ Material weaknesses:	None Reported
▪ Significant deficiencies that are not considered to be material weaknesses:	None Reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133:	No

ROCK CREEK COMMUNITY ACADEMY, INC.

Schedule of Findings and Questioned Costs

Years Ended June 30, 2012 and 2011

I. Summary of Auditors' Results, Continued

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

84.282

Charter Schools Program

Dollar threshold used to distinguish
between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee:

No

II. Financial Statement Findings

No matters are reportable.

III. Federal Award Findings and Questioned Costs

No matters are reportable.

ROCK CREEK COMMUNITY ACADEMY, INC.

Summary Schedule of Prior Audit Findings

Years Ended June 30, 2012 and 2011

Rock Creek Community Academy, Inc. began operations with the year ended June 30, 2011. As such, the School was not subject to audit for a previous period.

ROCK CREEK COMMUNITY ACADEMY, INC.

Other Reports

Years Ended June 30, 2012 and 2011

The reports presented herein were prepared in addition to another official report prepared for the School as listed below:

Supplemental Audit Report of Rock Creek Community Academy, Inc.

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.