



STATE OF INDIANA
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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 Supplemental Audit Report prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2010 to June 30, 2012. 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. Pages 3 through 4 contain four audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Reports for Rock Creek Community Academy Inc. 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.

State Board of Accounts

SUPPLEMENTAL AUDIT REPORT

OF

ROCK CREEK COMMUNITY ACADEMY, INC.

CLARK COUNTY, INDIANA

July 1, 2010 to June 30, 2012

Fitzgerald | Isaac LLC
Certified Public Accountants

ROCK CREEK COMMUNITY ACADEMY, INC.

CLARK COUNTY, INDIANA

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ROCK CREEK COMMUNITY ACADEMY, INC.

CLARK COUNTY, INDIANA

School Officials

Years Ended June 30, 2012 and 2011

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chair of Board of Directors	Don Haas	07/01/10 – 06/30/12
Principal	Sara Hauselman	07/01/10 – 06/30/12
Treasurer	Susan Miller	07/01/10 – 06/30/12

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. 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.

Fitzgerald / Isaac LLC

Indianapolis, IN
February 27, 2013

ROCK CREEK COMMUNITY ACADEMY, INC.

CLARK COUNTY, INDIANA

Audit Results and Comments

Years Ended June 30, 2012 and 2011

CREDIT CARD POLICY AND COMPLIANCE

The School utilizes a credit card with The Bank of Oldham County for various purchases, the use of which is addressed in a formal credit card policy. In our audit of ten credit card payments, we noted that invoice documentation for certain purchases could not be provided on two monthly statements.

Payment shall not be made on the basis of a statement or a credit card slip only. Procedures for payments shall be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

PREPAID LUNCHES RECONCILIATION

The School receives prepayments for school lunches and issues tickets to account for lunch purchases. In our audit, we noted that the School is not reconciling a listing of students and their prepaid balances to the prepaid lunch cash balance by use of Form SF-2 or other means.

Subsidiary records by student must be routinely reconciled to the cash balance and at month end. The School Food Prescribed Forms and any approved computerized forms will be required to be maintained...to accurately account for prepaid items. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 17)

ROCK CREEK COMMUNITY ACADEMY, INC.

CLARK COUNTY, INDIANA

Audit Results and Comments, Continued

CAPITAL ASSETS

The School maintains its own fixed asset record. All assets are purchased by the School with the exception of certain leased assets, and are titled in the name of the School when applicable. The school building is leased. The School conducts an annual physical inventory of its capital assets, but does not reconcile the fixed asset physical inventory to the accounting records.

Every charter school must have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory must be recorded on the applicable Capital Assets Ledger. A complete inventory shall be taken for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 15)

VENDOR DISBURSEMENTS

We selected and examined a sample of 44 cash disbursement transactions from throughout the 2012 and 2011 fiscal years. Within this sample we noted that the account number to which the payment was to be charged was not always indicated.

- In 2011, 4 of 22 transactions had no account coding on the AP voucher.
- In 2011, an additional 7 of 22 transactions had no fund number indicated on the AP voucher.
- In 2012, 20 of 22 transactions had no fund number indicated on the AP voucher.

A fund, as used in the manual, represents money set aside for specific activities of a school corporation. A fund constitutes a complete accounting entity and all financial transactions, both receipts and disbursements, are to be recorded in the fund to which they pertain. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3)

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 Charter Schools, Part 10)

ROCK CREEK COMMUNITY ACADEMY, INC.

CLARK COUNTY, INDIANA

Exit Conference

Years Ended June 30, 2012 and 2011

The contents of this report were discussed on March 18, 2013, 2013, with Sara Hauselman (Principal), Karen Rogers (Business Manager), John Secor (Board President), Susan Miller (Treasurer), Jeff Dethy (Board Member), Marian Winslow (Board Secretary), and Lori Serak (Ball State University representative). The Official Response has been made a part of this report and may be found on page 6.

ROCK CREEK COMMUNITY ACADEMY, INC.

11525 Highway 31
Sellersburg, IN 47172
Telephone: 812-246-9271

OFFICIAL RESPONSE
Years Ended June 30, 2012 and 2011

TO: Unit Officials
FROM: Susan J. Miller (Treasurer)
RE: Corrective Action for Findings for Years Ended June 30, 2012 and 2011

The following corrective actions for Findings for Years Ended June 30, 2012 and 2011 are as follows:

- **CREDIT CARD POLICY AND COMPLIANCE:**
Credit Card Statements will be reconciled by credit card receipts or paid bills only and not by the credit card slip. Immediate action has been taken.
- **PREPAID LUNCHES RECONCILIATION:**
Rock Creek Community Academy is in the process of creating a computer program that will track and reconcile subsidiary records by student and routinely reconciled to a cash balance at month end. Program will be ready for 2013-2014 school year.
- **CAPITAL ASSETS:**
At the end of each school year, a physical inventory of all capital assets will be reconciled to the accounting records to ensure the records reflect their acquisition value. Action will be taken at end of 2012-2013 school year.
- **VENDOR DISBURSEMENTS:**
Above finding has been discussed with Bookkeeping Plus regarding the importance of including the accounting code and fund number on the AP voucher in order to ensure complete accounting. Immediate action has been taken.

Signed:

Susan J Miller, Treasurer

4/8/13