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December 28, 2017

Charter School Board
Renaissance Academy, Inc.
4093 West US 20
Laporte, IN 46350

We have reviewed the Supplemental Audit Report for Renaissance Academy, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2016 to June 30, 2017. 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 three audit results and comments. Management's response is on page 5.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

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

**SUPPLEMENTAL AUDIT REPORT
OF
RENAISSANCE ACADEMY, INC.**

LAPORTE COUNTY, INDIANA

July 1, 2016 to June 30, 2017



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RENAISSANCE ACADEMY, INC.
LAPORTE COUNTY, INDIANA
School Officials
July 1, 2016 to June 30, 2017

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Susan Cress	07/01/16 – 06/30/17
Head of School	Kieran McHugh	07/01/16 – 06/30/17
Treasurer	Heidi Potucek	07/01/16 – 06/30/17



Donovan CPAs

The Board of Directors
Renaissance Academy, Inc.

We have audited the financial statements of Renaissance Academy, Inc. (the “School”) as of and for the year ended June 30, 2017 and have issued our report thereon dated December 15, 2017. 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.

DONOVAN

Indianapolis, Indiana
December 15, 2017

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RENAISSANCE ACADEMY, INC.
LAPORTE COUNTY, INDIANA
Audit Results and Comments
July 1, 2016 to June 30, 2017

RECEIPTS AND DEPOSITS

The School receives cash for various purposes including textbook fees, field trips, enrollment, fundraising, and various other items. Procedures were in place to process cash collections; however, we noted 14 instances in our sample of 25 cash receipt transactions where the bank deposit was not made in a timely manner. The span of time between the date of collection and the date of deposit ranged from 7 to 13 days.

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)

MINIMUM INTERNAL CONTROL STANDARDS

Per review and discussion with school personnel, it was determined that the School was not in compliance with either of the minimum internal control requirements as set forth by IC 5-11-1-27(g).

After June 30, 2016, the legislative body of a political subdivision shall ensure that:

1. the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
2. personnel received training concerning the internal control standards and procedures adopted by the political subdivision.

(IC 5-11-1-27(g))

REQUIRED REPORTS

The School submits a Form 9 Biannual Financial Report two times per year. Upon review of the submitted Form 9s it was determined that the ending cash balance reported on the Form 9 tied to the ending cash balance as reported by the financial statements; however, the fund activity reported on the Form 9 does not accurately reflect fund activity during the year.

Charter schools are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Charter schools shall file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

RENAISSANCE ACADEMY, INC.
LAPORTE COUNTY, INDIANA
Exit Conference
July 1, 2016 to June 30, 2017

The contents of this report were discussed on December 15, 2017 with Lori Gayheart (Business Manager), Tina Bushue (Accountant), and Jack Stewart (Board Vice President). The Official Response has been made a part of this report and may be found on page 5.



SUPPLEMENTAL AUDIT REPORT RESPONSES

RECEIPTS AND DEPOSITS

The accountant employed by Renaissance is part-time. It is cost and time prohibitive for a bank deposit to be made daily. Deposits are typically made on a weekly basis unless payments are received immediately prior to school breaks, such as in the winter and spring, or during the summer, when it would be fiscally irresponsible to compensate our part-time accountant to come in to deposit small amounts of money. Monies waiting to be deposited are kept in a secure office in a secure cabinet accessible only to authorized personnel. Barring any unusual circumstances such as the school being on break, or the accountant being absent, deposits will routinely be made every week.

MINIMUM INTERNAL CONTROLS STANDARDS

On June 21, 2017 the Board adopted the minimum control standards set forth by IC 5-11-1-27(g). The training by applicable personnel that did not become required until after this audited will be conducted by the end of January 2018.

REQUIRED REPORTS

While Renaissance makes every effort to code expenses to the appropriate fund account at the time of input, occasionally transactions must be recoded after the financial period has already been reported on the Form 9. Renaissance will continue to make every effort to have the Form 9 accurately reflect fund activity during the year.

Submitted by:

Lori Gayheart
Chief Administrator