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January 21, 2022

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 CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. 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 finding in the report. Page 3 contains one audit result and comment. 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  
RENAISSANCE ACADEMY, INC.  
LAPORTE COUNTY, INDIANA  
JULY 1, 2020 TO JUNE 30, 2021**



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**RENAISSANCE ACADEMY, INC.  
LAPORTE COUNTY, INDIANA  
TABLE OF CONTENTS  
JULY 1, 2020 TO JUNE 30, 2021**

|                                     |          |
|-------------------------------------|----------|
| <b>SCHOOL OFFICIALS</b>             | <b>1</b> |
| <b>INDEPENDENT AUDITORS' REPORT</b> | <b>2</b> |
| <b>AUDIT RESULTS AND COMMENTS</b>   | <b>3</b> |
| <b>EXIT CONFERENCE</b>              | <b>4</b> |
| <b>OFFICIAL RESPONSE</b>            | <b>5</b> |

**RENAISSANCE ACADEMY, INC.  
LAPORTE COUNTY, INDIANA  
SCHOOL OFFICIALS  
JULY 1, 2020 TO JUNE 30, 2021**

| <u>Office</u>                   | <u>Official</u> | <u>Term</u>         |
|---------------------------------|-----------------|---------------------|
| President of Board of Directors | Ann Bates       | 07/01/20 – 06/30/21 |
| Head of School                  | Kieran McHugh   | 07/01/20 – 06/30/21 |
| Administrator                   | Lori Gayheart   | 07/01/20 – 06/30/21 |



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Renaissance Academy, Inc.  
La Porte, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Renaissance Academy, Inc. (the School), as of and for the year ended June 30, 2021, and have issued our report thereon dated December 20, 2021. 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Indianapolis, Indiana  
December 20, 2021



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**RENAISSANCE ACADEMY, INC.  
LAPORTE COUNTY, INDIANA  
AUDIT RESULTS AND COMMENTS  
JULY 1, 2020 TO JUNE 30, 2021**

**VENDOR DISBURSEMENTS TESTING**

Sales tax can be avoided or reimbursed for purchases eligible under the state tax exemption guidelines. There were five (5) instances of the forty (40) selections where the School paid sales tax.

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. If sales tax is paid erroneously, a refund application may be obtained from the Sales Tax Division (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

**RENAISSANCE ACADEMY, INC.  
LAPORTE COUNTY, INDIANA  
EXIT CONFERENCE  
JULY 1, 2020 TO JUNE 30, 2021**

The contents of this report were discussed with Kieran McHugh (Head of School), Lori Gayheart (Administrator), Tina Bushue (Accountant), and Jack Stewart (Vice President of the Board) on December 17, 2021. The officials concurred with our audit finding. The Official Response has been made part of this report and may be found on page 5.



## SUPPLEMENTAL AUDIT REPORT RESPONSES

### VENDOR DISBURSEMENTS TESTING

The guidance from SBOA regarding sales tax indicates that Charter schools are eligible for exemption on sales tax, and if it is paid erroneously, there is a process to request a refund. While for obvious reasons, not paying sales tax is typically the preferred practice, nothing in that guidance seems to suggest that it is a requirement that Charter schools do this.

All Renaissance employees are instructed to use the tax-exempt certificate when making purchases on behalf of the school. However, sometimes, especially when the process of obtaining the ability to purchase tax-exempt from some vendors is very time consuming and/or cumbersome, they do not. Often, vendors that make tax-exempt purchasing an easier process charge more for the product, service, or delivery than those that do not, making it more fiscally responsible to pay the sales tax those instances. In addition, it is beneficial due to limited school resources such as time and money to have salaried staff share in the burden of researching, selecting, and then purchasing approved classroom and school supplies. They most often do this on their own time. Failing to reimburse the full amount paid on the occasion that it happens that the purchase is not made tax-exempt will lead to staff being unwilling to make purchases on behalf of the school or choose the lowest price available when doing so. Renaissance will continue to ask staff to purchase tax exempt and will utilize the refund request process whenever feasible.

Submitted by:

*Lori Gayheart*

Lori Gayheart  
Chief Administrator

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