**Controls and Compliance**

Renaissance Charitable Foundation Inc. ("RCF") has included a restriction in the Bylaws that persons with a financial interest in our partner organization, Renaissance Administration LLC, cannot comprise a majority of the RCF Board of Directors. Today, the RCF Board has three members with only 1 inside director. The directors are:

- Daniel H. O'Connell is a tax, business and estate planning attorney in Tucson, Arizona;
- Ann Merkel has 30 years of experience in commercial, private and nonprofit banking in Indianapolis;
- Steven R. Ko is the Chief Financial Officer of Renaissance Administration LLC.

Every year, RCF undergoes an audit and obtains audited financials from its auditing firm, BKD. Every year, the audits have consistently revealed “no weaknesses” and “no significant adjustments”.

RCF uses BKD as its auditing firm, which is not the same firm that Renaissance Administration uses. We believe the strategy of using a different auditing firm greatly enhances the credibility of both audit results. Having a separate auditing firm creates the opportunity for a “fresh look” at the numbers. While each auditing firm focuses on the entity in question, because of the significant relationship between the 2 entities, there is a greater likelihood that more of the actual transactions and reported numbers will be reviewed and tracked to its source by an external party.

RCF holds 4 Board Meetings each year during which the activities of the Foundation are reviewed with the Board. Discussion items include major activities of the Foundation as well as the current interim audited financials. On a yearly basis, the audited financials and tax returns are also reviewed during the Board Meeting.

RCF is and always has been registered to solicit charitable gifts in every state where that is required. Each year, RCF files charitable solicitation registration statements with regulators in 39 different states. Nearly every year, RCF receives a contribution from at least one donor in every state. Every year, RCF makes a grant to at least one charity in every state. RCF also awards grants to international charities.

Our systems and operations have been subject of reviews by two major banks with no critical risk areas found. In addition we are SSAE 16 compliant.

**Overview of SSAE 16:** The Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting on Controls at a Service Organization, was finalized by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA) in January 2010. SSAE 16 effectively replaces SAS 70 as the authoritative guidance for reporting on service organizations. SSAE 16 was formally issued in April 2010 and became effective on June 15, 2011. Renaissance is routinely audited by an independent outside accounting firm for compliance with SSAE 16.

User organizations that obtain a Service Auditor's Report from their service organization(s) receive valuable information regarding the service organization's controls and the effectiveness of those controls. The user organization receives a detailed description of the service organization's controls and an independent assessment of whether the controls were placed in operation, suitably designed, and operating effectively (in the case of a Type II report).

User organizations should provide a Service Auditor's Report to their auditors. This will greatly assist the user auditor in planning the audit of the user organization's financial statements. Without a Service Auditor's Report, the user organization would likely have to incur additional costs in sending their auditors to the service organization to perform their procedures.