



STATE OF INDIANA
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January 8, 2016

Charter School Board
The New Community School, Inc.
710 North Street
Lafayette, IN 47901

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. 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 pages 5.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for The New Community School, 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.

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

SUPPLEMENTAL AUDIT REPORT
OF
THE NEW COMMUNITY SCHOOL, INC.
TIPPECANOE COUNTY, INDIANA
July 1, 2013 to June 30, 2014

THE NEW COMMUNITY SCHOOL, INC.

TIPPECANOE COUNTY, INDIANA

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THE NEW COMMUNITY SCHOOL, INC.

TIPPECANOE COUNTY, INDIANA

School Officials

July 1, 2013 to June 30, 2014

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board President	Bill McCaw	07/01/13 – 06/30/14
Executive Director	Leitha Stone	07/01/13 – 06/30/14
Director of Finance and Operations	Daniel Beaver	07/01/13 – 06/30/14

The Board of Directors
The New Community School, Inc.

We have audited the financial statements of **The New Community School, Inc.** (the "School") as of and for the year ended June 30, 2014 and have issued our report thereon dated August 24, 2015. 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.



Indianapolis, IN
August 24, 2015

THE NEW COMMUNITY SCHOOL, INC.

TIPPECANOE COUNTY, INDIANA

Audit Results and Comments

July 1, 2013 to June 30, 2014

VENDOR DISBURSEMENTS

We selected and examined a sample of 28 vendor disbursement transactions from throughout the year. Within this sample we noted the following:

- In thirteen instances, payment was made via a bank cashier's check instead of following the standard payment procedure.
- In two instances, the School paid fees for late payments totaling \$94.20.
- In one instance involving a utility payment, sales tax was paid in the amount of \$40.33.
- In four instances, a partial payment was made rather than full payment of the invoice.

Any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee shall be the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

Employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the charter school. Any penalties, interest or other charges paid by the charter school may be the personal obligation of the responsible employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

THE NEW COMMUNITY SCHOOL, INC.

TIPPECANOE COUNTY, INDIANA

Exit Conference

July 1, 2013 to June 30, 2014

The contents of this report were discussed on November 12, 2015 with Anne Murphy-Kline (Board President), Leitha Stone (Executive Director), and Daniel Beaver (Director of Finance and Operations). The Official Response has been made a part of this report and may be found on page 5.

THE NEW COMMUNITY SCHOOL, INC.

TIPPECANOE COUNTY, INDIANA

OFFICIAL RESPONSE

JULY 1, 2013 TO JUNE 30, 2014

This response is to the accumulated late payments identified totaling \$94.20 and the payment of sales tax on utility services totaling \$40.33. Also identified were the issuance of cashier's checks and partial payments being made rather than full payment of an invoice.

New Community School will actively strive to eliminate any future late fees through the continual reevaluation of internal processes and oversight. These will be reviewed and noted on a monthly basis by the board.

The school administration and board are aware of the responsibility to perform in a manner that will not result in any unreasonable fees being assessed against the school.

The school has acquired a blanket utility exemption certificate that has now been applied to all accounts held in the school's name. The school is also actively working with Pherson & Associates, CPAs to review the last 3 years of utility billings to file for any tax refund, if applicable.

New Community School will severely limit or eliminate the issuance of cashier's checks unless guaranteed funds are required as a source of payment. As a note, the school has utilized payments in this fashion over the last 10 years as a part of internal standard procedure without issue to this point.

New Community School will strive to eliminate partial payments of invoices that are not specifically billed in that fashion.