



STATE OF INDIANA
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December 9, 2016

Charter School Board
The New Community School
1904 Elmwood Ave
Lafayette, IN 47904

We have reviewed the Supplemental Audit Report prepared by Donovan P.C., Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. 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.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for the New Community School, 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, 2015 to June 30, 2016



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THE NEW COMMUNITY SCHOOL, INC.
TIPPECANOE COUNTY, INDIANA
School Officials
July 1, 2015 to June 30, 2016

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Anne Murphy-Kline	07/01/15 – 06/30/16
Executive Director	Leitha Stone Erin Walter	07/01/15 – 12/15/15 12/15/15 – 06/30/16
Director of Finance and Operations	Daniel Beaver	07/01/15 – 06/30/16



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, 2016 and have issued our report thereon dated December 6, 2016. 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

A handwritten signature in black ink that reads 'DONOVAN' in a cursive, slightly stylized font.

Indianapolis, Indiana
December 6, 2016

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THE NEW COMMUNITY SCHOOL, INC.
TIPPECANOE COUNTY, INDIANA
Audit Results and Comments
July 1, 2015 to June 30, 2016

CREDIT CARD POLICY AND COMPLIANCE

The School utilized business credit cards for various purchases. In our testing of five credit card statements, we noted that interest payments and penalties were paid on all five statements tested.

The State Board of Accounts will not take exception to the use of credit cards by a charter school provided the following criteria are observed:

1. The charter school must authorize credit card use through an appropriate policy.
2. Issuance and use shall be handled by an employee designated by the charter school.
3. The purposes for which the credit card may be used must be specifically stated in the policy.
4. When the purpose for which the credit card has been issued has been accomplished, the card must be returned to the custody of the designated employee.
5. The designated employee must maintain an accounting system or log which would include the names of individuals requesting the usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track expenses to provide the charter school and other administration with timely and accurate accounting information and monitoring of the accounting system.
7. 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. Additionally, 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.
8. If properly authorized, an annual fee may be paid. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

NOTE: The School is shutting down at the end of December 2016. Therefore, no official response given for the above finding.

THE NEW COMMUNITY SCHOOL, INC.
TIPPECANOE COUNTY, INDIANA
Exit Conference
July 1, 2015 to June 30, 2016

The contents of this report were discussed on November 10, 2016 with Jason King (Board President), and Dr. Brian Carpenter (Consultant).