



STATE OF INDIANA
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December 22, 2016

Charter School Board
Rural Community Academy
2385 IN-63
Sullivan, IN 47882

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 findings in the report. Page 3 contains one audit result and comment. Management's response is on page 5.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Rural Community Academy 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
RURAL COMMUNITY SCHOOLS, INC.

SULLIVAN COUNTY, INDIANA

July 1, 2015 to June 30, 2016



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RURAL COMMUNITY SCHOOLS, INC.
SULLIVAN COUNTY, INDIANA
School Officials
July 1, 2015 to June 30, 2015

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Meleah Sullivan	07/01/15 – 06/30/16
School Leader/Treasurer	Susie Pierce	07/01/15 – 06/30/16



The Board of Directors
Rural Community Schools, Inc.

We have audited the financial statements of Rural Community Schools, Inc. (the “School”) as of and for the year ended June 30, 2016 and have issued our report thereon dated December 12, 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 dark ink that reads 'DONOVAN' in a cursive style.

Indianapolis, Indiana
December 12, 2016

www.cpadonovan.com

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RURAL COMMUNITY SCHOOLS, INC.
SULLIVAN COUNTY, INDIANA
Audit Results and Comments
July 1, 2015 to June 30, 2016

CASH RECEIPTS AND DEPOSITS

The School receives payments for various purposes, including membership fees, meal purchases, fundraising, and field trips. In our sample of 25 cash receipts transactions from throughout the year, we noted 15 instances where the payment received was not deposited timely. The length of time between the receipt of payment and deposit in the bank ranged from 17 days to 49 days.

All charter school money must be deposited in the designated depository no 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)

RURAL COMMUNITY SCHOOLS, INC.
SULLIVAN COUNTY, INDIANA
Exit Conference
July 1, 2015 to June 30, 2016

The contents of this report were discussed on December 12, 2016, with Meleah Sullivan (Board President), Susie Pierce (School Leader/Treasurer), Leona Davis (in-coming CFO), and Tanna Jo Weszley (in-coming School Leader). The official response has been made a part of this report and may be found on page 5.

Mailing Address
P.O. Box 85
Graysville, IN 47852
Phone 812-382-4500

Rural Community Academy
"A Public School Where Every Child Soars"
www.rcsi.k12.in.us

Physical Address
2385 N. State Road 63
Sullivan, IN 47882
Fax 812-382-4055

December 12, 2016

To: Donovan, Certified Public Accountants and Advisors

You have audited the financial statements of Rural Community Schools, Inc. dba Rural Community Academy, as of and for the year ended June 30, 2016 and have issued your report thereon dated December 12, 2016. As part of your audit, you 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 you found we were not in compliance. Below is our response to those compliance findings.

CASH DEPOSITS AND RECEIPTS

Deposits and receipts were not taken to the bank in a timely matter. It is agreed that the finding is correct in that we have not made timely deposits. We are rectifying those findings by finding an alternative way to get deposits to the bank by changing banks to be closer to meet SBOA requirements.

Sincerely,


Susie Pierce, School Leader


Meleah Sullivan, RCSI Board President