



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B47365

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December 22, 2016

Charter School Board  
Mays Community Academy  
929 South St  
Mays, IN 46155

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. Pages 3 and 4 contain three audit results and comments. Management's response is on pages 6 through 8.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Mays 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  
NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED  
d/b/a MAYS COMMUNITY ACADEMY**

RUSH COUNTY, INDIANA

July 1, 2015 to June 30, 2016



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**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**d/b/a MAYS COMMUNITY ACADEMY**  
**RUSH 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	Nansi Custer	07/01/15 – 06/30/16
CEO	Carissa Williams	07/01/15 – 06/30/16
Head of School	David Doyle	07/01/15 – 08/30/15
Director of Operations	Melissa Morgan	09/01/15 – 06/30/16



The Board of Directors  
Northern Rush County Schools Incorporated

We have audited the financial statements of Northern Rush County Schools Incorporated d/b/a Mays Community Academy, (the “School”) as of and for the year ended June 30, 2016, and have issued our report thereon dated December 14, 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 script.

Indianapolis, Indiana  
December 14, 2016

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**d/b/a MAYS COMMUNITY ACADEMY**  
**RUSH COUNTY, INDIANA**  
**Audit Results and Comments**  
**July 1, 2015 to June 30, 2016**

**RECEIPTS AND DEPOSITS**

The School receives money from various sources and issues receipts. Based on our testing, we noted the following issues relating to the School's receipting processes and documentation of the deposits:

- The School was only able to locate receipt books for the period of March to June 2016. As such, we were unable to test receipts for the full year under review.
- The School does not keep adequate documentation of cash receipts. Funds received in cash are kept separate from other receipts and are deposited in a lump sum. No documentation is kept to allow for tracing an individual cash receipt to a specific deposit.
- Due to the issues above, we were able to only trace 11 of 25 receipts selected to bank deposits. Of those receipts, we noted that two were not deposited timely, which is more than a 10% error rate and requires a finding.

Standard forms must be utilized for cash receipts. The form is to be pre-numbered by the printing supplier in duplicate, five receipts to the page. A receipt must be written on the form each time any money is received by the charter school regardless of whether it is in the form of cash, check, money order, bank card/credit card, EFT (all on which must be indicated as payment type and amount) or other negotiable instrument. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

All charter school money must be deposited in the designated depository not 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)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of payers. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**d/b/a MAYS COMMUNITY ACADEMY**  
**RUSH COUNTY, INDIANA**  
**Audit Results and Comments**  
**July 1, 2015 to June 30, 2016**

**PAYROLL POLICIES AND COMPLIANCE**

We attempted to review payroll for compliance with guidelines. We were unable to adequately complete the testing as the School was unable to provide employment contracts for the majority of employees selected for testing.

All compensation and benefits paid to employees must be included in the labor contract or salary schedule unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**REQUIRED REPORTS**

We examined the Form 9 reports submitted by the School for the period of July 1, 2015 to June 30, 2016. We noted that the total cash balance per the Form 9 did not agree to the School's financial records. The Form 9 was under-reported by \$83,907. Additionally, the Form 9 did not include funds for the School's various federal grants.

Charter schools are required to submit a Form 9 Biannual Financial Report two times per year during the months of January and July. The financial information in the Form 9 shall reflect cash basis information. The January report must include previous calendar year financial and other required information for the period of July 1 to December 31 financial data. The July report must include current calendar year financial and other required information for the period of January 1 to June 30. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9)

Charter schools are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Charter schools shall file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**d/b/a MAYS COMMUNITY ACADEMY**  
**RUSH COUNTY, INDIANA**  
**Exit Conference**  
**July 1, 2015 to June 30, 2016**

The contents of this report were discussed on December 13, 2016 with Carissa Williams (CEO), Nansi Custer (President of the Board of Directors), and Greg Jarman (Treasurer of Board of Directors). The Official Response has been made a part of this report and may be found on page 6-8.



Donovan CPAs  
9345 N. Meridian Street, Suite 302  
Indianapolis, IN 46260

RE: Official response to Indiana State Board of Accounts compliance finding:

### RECEIPTS AND DEPOSITS

*Finding:*

The School receives money from various sources and issues receipts. Based on our testing, we noted the following issues relating to the School's receipting processes and documentation of the deposits:

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- The School does not keep adequate documentation of cash receipts. Funds received in cash are kept separate from other receipts and are deposited in a lump sum. No documentation is kept to allow for tracing an individual cash receipt to a specific deposit.
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*School Response:*

Northern Rush County Schools, Incorporated d/b/a Mays Community Academy's official response to the above finding is as follows: Our first year was a time of finding our best practices and we had many changes throughout the year. We changed school leaders two times and administrative assistants two times as well. We also had software changes. While examining the process of cash receipts, the following process was put into place. A handwritten receipt is being given to for all receipts regardless of the type of transaction. For lunch deposits, our new software allows us to track the type of receipt (cash, check, charge, etc) and the student the deposit goes with. Receipt books are to be promptly turned over to the CEO upon becoming full. It is the opinion of management these changes will facilitate the changes necessary for compliance.

**PAYROLL POLICIES AND COMPLIANCE**

*Finding:*

We attempted to review payroll for compliance with guidelines. We were unable to adequately complete the testing as the School was unable to provide employment contracts for the majority of employees selected for testing.

All compensation and benefits paid to employees must be included in the labor contract or salary schedule unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

*School Response:*

Northern Rush County Schools, Incorporated d/b/a Mays Community Academy's official response to the above finding is as follows: All staff have been given current job assignments and have agreed to and signed necessary documentation for compliance of this payroll policy. All job assignments are being kept as hard copies in two separate locations as well as being stored electronically.

**REQUIRED REPORTS**

*Finding:*

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*School Response:*

Northern Rush County Schools, Incorporated d/b/a Mays Community Academy's official response to the above finding is as follows: Form 9 forms have been done manually. During year one of our school, funding is very limited and the Form 9 was done manually both times. Steps are being taken to correct formatting and we are also looking into possibly outsourcing the completion on our Form 9 if it is cost effective. The adjustment for the misstatement will be made in the December 31, 2016 form 9 filing.

Sincerely,



Carissa Williams, CEO

12/14/2016

12,14,2016