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February 19, 2020

Charter School Board
Northern Rush County Schools, Inc.
d/b/a Mays Community Academy
929 South Street
Mays, IN 46155

We have reviewed the Supplemental Audit Report for Northern Rush County Schools, Inc. d/b/a Mays Community Academy prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. 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 through 4 contain five audit results and comments. Management's response is on page 6.

The Supplemental Audit Report and associated audited Financial Statements 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, 2018 to June 30, 2019



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NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
d/b/a MAYS COMMUNITY ACADEMY
RUSH COUNTY, INDIANA
School Officials
July 1, 2018 to June 30, 2019

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board President	Nansi Custer	07/01/18 – 06/30/19
Chief Executive Officer	Carissa Williams	07/01/18 – 06/30/19
Principal	Shannon New	07/01/18 – 06/30/19



Donovan CPAs

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, 2019, and have issued our report thereon dated January 30, 2020. 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

Indianapolis, Indiana
January 31, 2020

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
d/b/a MAYS COMMUNITY ACADEMY
RUSH COUNTY, INDIANA
Audit Results and Comments
July 1, 2018 to June 30, 2019

RECEIPTS AND DEPOSITS

The School issues receipts for various fees such as lunch fees, textbook fees, and after school program fees. Of the forty receipts we tested, nine receipts were not deposited timely, three receipts were not completely filled out, and three receipts were not able to be traced back to the date of the deposit.

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)

The form is to be prenumbered 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)

TRAVEL REIMBURSEMENTS

We examined a sample of three reimbursement claims that occurred in the audit period. The reimbursements included travel and parking reimbursements. The School was not able to provide support for one selection.

If the charter school authorizes travel advances, it must have a policy identifying the individual who may receive an advance, the use and purpose of the advance, the information that is required to account for the advance, a reconciliation of actual expenses (upon return for the trip) versus amounts advanced, and the refunding of any excess money that was in advanced in a timely manner. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

PAYROLL COMPLIANCE

We tested a sample of fifteen employees out of forty-three total employees. We noted that the School did not have completed contracts for three out of fifteen employees tested.

The charter school shall maintain adequate supporting documentation for payroll to ensure that payments are made only for services rendered. Supporting documentation, such as timecards, must show signs of supervisory approval. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
d/b/a MAYS COMMUNITY ACADEMY
RUSH COUNTY, INDIANA
Audit Results and Comments
July 1, 2018 to June 30, 2019

SCHOOL LUNCH ELIGIBILITY

The School claims reimbursement for school lunch and for textbooks. In two out of three months tested, the School claimed fewer meals than actual meals served.

Charter schools should have internal controls in place to provide reasonable assurance that their goals and objectives are accomplished; laws, regulations, and good business practices are complied with; assets are safeguarded; and accurate and reliable data are maintained. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

FINANCIAL REPORTING

We reviewed the Form 9s submitted by the School for semi-annual periods July 1, 2018 to December 31, 2018 and January 1, 2019 to June 30, 2019. Activity reported in individual funds did not reflect actual activity in those funds in line with the School's financial records. Also, the CSP fund activity was not reported on the Form 9s.

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, 2018 to June 30, 2019

The contents of this report were discussed on January 29, 2020 with Carissa Williams (Director/Chief Executive Officer) and Nansi Custer (Board President). The Official Response has been made a part of this report and may be found on page 6.



January 31, 2020

RESPONSE TO SBOA REPORT

Receipts and Deposits – New staff has been hired and new processes in place for both receiving funds in the building as well as making deposits at the bank. The new processes and procedures that have been implemented will ensure more accurate and timely receipts and deposits.

Travel Reimbursements – A new position of Chief of Staff has been added in the building. This position is responsible for maintaining all employee records as well as reimbursement requests. The addition of this additional staff and procedures put in place will ensure collection and retention of proper travel receipts and reimbursements.

Payroll Compliance – All employees are currently given employment agreements. All agreements are being retained by the new position hired for the 2019-2020 school year. These records are being collected and maintained by the Chief of Staff.

School Lunch Eligibility – Mays Community Academy became eligible for a different lunch program for the school year beginning July 1, 2018. The changes in lunch programs created a change in required record keeping. The transition from the old system to the new system created some confusion in the numbers to report in the SIS being used. Working with the representative from the state with the lunch program has created new procedures which will ensure correct reporting for the 2019-2020 school year and moving forward.

Financial Reporting – Mays Community Academy has transitioned to a CPA for monthly preparation of the required financial reports. The same CPA will be preparing and submitting the Form 9. It is our feeling that by utilizing the same CPA for both the financial statements and the Form 9 will alleviate any discrepancy moving forward.

Krissi Williams, CEO