

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

JOSHUA ACADEMY, INC.
VANDERBURGH COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

02/10/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Finance Director/Treasurer	Sandy Byers	07-01-09 to 06-30-12
Executive Director/Superintendent	Pamela J. Decker	07-01-09 to 06-30-12
President of the School Board	Rev. Larry Rascoe	07-01-09 to 06-30-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE JOSHUA ACADEMY, INC., VANDERBURGH COUNTY, INDIANA

We have audited the accompanying financial statement of the Joshua Academy, Inc., (School Corporation), for the years ended June 30, 2010 and 2011. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated January 4, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 4, 2012



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE JOSHUA ACADEMY, INC., VANDERBURGH COUNTY, INDIANA

We have audited the financial statement of the Joshua Academy, Inc., (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated January 4, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 4, 2012

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

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JOSHUA ACADEMY, INC.
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

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	Cash and Investments 07-01-09	Receipts	Disbursements	Cash and Investments 06-30-10	Receipts	Disbursements	Cash and Investments 06-30-11
General	\$ 203,572	\$ 1,496,223	\$ 1,488,901	\$ 210,894	\$ 1,698,636	\$ 1,715,184	\$ 194,346
School Lunch	17,451	141,352	141,489	17,314	166,954	148,496	35,772
Textbook Rental	-	29,993	29,993	-	28,055	27,423	632
Joint Services and Supply - Special Education Cooperative	2,557	42,318	42,254	2,621	42,806	45,427	-
Welborn Grant	4,000	41,597	39,433	6,164	40,645	32,834	13,975
Youth Leadership Grant	60	866	926	-	-	-	-
Donations, Gifts and Trusts	345	-	345	-	-	-	-
Erate	-	-	-	-	840	840	-
Title I - 2008-2009	230	5,763	5,993	-	-	-	-
Title I - 2009-2010	-	101,431	89,177	12,254	5,441	17,695	-
Title I - 2010-2011	-	-	-	-	100,208	100,197	11
Improving Teaching Quality, No Child Left, Title II, Part A	1,145	9,768	8,737	2,176	4,854	7,030	-
Public Charter School ESEA Title X, Part C	-	-	30,267	(30,267)	72,900	42,633	-
Fiscal Stabilization - Education	6,497	44,063	50,560	-	-	-	-
Title I - Grants to LEAs	-	71,311	71,456	(145)	10,395	10,250	-
Special Education - Part B	-	26,999	23,441	3,558	30,946	34,504	-
Title II Part D - Education Technology	-	132,713	118,780	13,933	14,287	28,220	-
Lunch Room Equipment	-	23,709	23,709	-	-	-	-
Totals	<u>\$ 235,857</u>	<u>\$ 2,168,106</u>	<u>\$ 2,165,461</u>	<u>\$ 238,502</u>	<u>\$ 2,216,967</u>	<u>\$ 2,210,733</u>	<u>\$ 244,736</u>

The notes to the financial statement are an integral part of this statement.

JOSHUA ACADEMY, INC.
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources which include distributions from the State of Indiana to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

JOSHUA ACADEMY, INC.
NOTES TO FINANCIAL STATEMENT
(Continued)

Federal sources which include distributions from the federal government to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

JOSHUA ACADEMY, INC.
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Fund Accounting

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

JOSHUA ACADEMY, INC.
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

The School Corporation may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

JOSHUA ACADEMY, INC.
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Report of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the School Corporation. It is presented as intended by the School Corporation.

JOSHUA ACADEMY, INC.
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	School Lunch	Textbook Rental	Joint Services and Supply - Special Education Cooperative	Welborn Grant	Youth Leadership Grant	Donations, Gifts and Trusts	Title I - 2008-2009	Title I - 2009-2010
Cash and investments - beginning	\$ 203,572	\$ 17,451	\$ -	\$ 2,557	\$ 4,000	\$ 60	\$ 345	\$ 230	\$ -
Receipts:									
Local sources	83,933	23,800	8,558	-	41,597	866	-	-	-
State sources	1,412,290	675	21,435	-	-	-	-	-	-
Federal sources	-	116,877	-	42,318	-	-	-	5,763	101,431
Total receipts	<u>1,496,223</u>	<u>141,352</u>	<u>29,993</u>	<u>42,318</u>	<u>41,597</u>	<u>866</u>	<u>-</u>	<u>5,763</u>	<u>101,431</u>
Disbursements:									
Current:									
Instruction	749,841	-	29,505	40,096	361	926	345	5,993	76,134
Support services	444,257	26,564	488	2,158	37,643	-	-	-	4,425
Noninstructional services	9,992	112,845	-	-	-	-	-	-	-
Facilities acquisition and construction	196,797	2,080	-	-	1,429	-	-	-	8,618
Debt services	88,014	-	-	-	-	-	-	-	-
Total disbursements	<u>1,488,901</u>	<u>141,489</u>	<u>29,993</u>	<u>42,254</u>	<u>39,433</u>	<u>926</u>	<u>345</u>	<u>5,993</u>	<u>89,177</u>
Excess (deficiency) of receipts over disbursements	<u>7,322</u>	<u>(137)</u>	<u>-</u>	<u>64</u>	<u>2,164</u>	<u>(60)</u>	<u>(345)</u>	<u>(230)</u>	<u>12,254</u>
Cash and investments - ending	<u>\$ 210,894</u>	<u>\$ 17,314</u>	<u>\$ -</u>	<u>\$ 2,621</u>	<u>\$ 6,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,254</u>

JOSHUA ACADEMY, INC.
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A	Public Charter School ESEA Title X, Part C	Fiscal Stabilization - Education	Title I - Grants to LEAs	Special Education - Part B	Title II Part D - Education Technology	Lunch Room Equipment	Totals
Cash and investments - beginning	\$ 1,145	\$ -	\$ 6,497	\$ -	\$ -	\$ -	\$ -	\$ 235,857
Receipts:								
Local sources	-	-	-	-	-	-	-	158,754
State sources	-	-	-	-	-	-	-	1,434,400
Federal sources	9,768	-	44,063	71,311	26,999	132,713	23,709	574,952
Total receipts	9,768	-	44,063	71,311	26,999	132,713	23,709	2,168,106
Disbursements:								
Current:								
Instruction	4,721	-	25,038	63,495	21,830	-	-	1,018,285
Support services	4,016	-	10,442	7,961	1,611	47,237	-	586,802
Noninstructional services	-	-	-	-	-	-	23,709	146,546
Facilities acquisition and construction	-	30,267	15,080	-	-	71,543	-	325,814
Debt services	-	-	-	-	-	-	-	88,014
Total disbursements	8,737	30,267	50,560	71,456	23,441	118,780	23,709	2,165,461
Excess (deficiency) of receipts over disbursements	1,031	(30,267)	(6,497)	(145)	3,558	13,933	-	2,645
Cash and investments - ending	\$ 2,176	\$ (30,267)	\$ -	\$ (145)	\$ 3,558	\$ 13,933	\$ -	\$ 238,502

JOSHUA ACADEMY, INC.
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011

	General	School Lunch	Textbook Rental	Joint Services and Supply - Special Education Cooperative	Welborn Grant	Erate	Title I - 2009-2010
Cash and investments - beginning	\$ 210,894	\$ 17,314	\$ -	\$ 2,621	\$ 6,164	\$ -	\$ 12,254
Receipts:							
Local sources	62,802	23,661	8,848	-	40,645	-	-
State sources	1,485,834	702	19,207	-	-	840	-
Federal sources	-	142,591	-	42,806	-	-	5,441
Temporary loans	150,000	-	-	-	-	-	-
Total receipts	<u>1,698,636</u>	<u>166,954</u>	<u>28,055</u>	<u>42,806</u>	<u>40,645</u>	<u>840</u>	<u>5,441</u>
Disbursements:							
Current:							
Instruction	824,817	-	26,638	39,374	-	-	17,541
Support services	445,338	35,679	785	2,807	32,834	840	154
Noninstructional services	188	111,053	-	-	-	-	-
Facilities acquisition and construction	311,399	1,764	-	3,246	-	-	-
Debt services	133,442	-	-	-	-	-	-
Total disbursements	<u>1,715,184</u>	<u>148,496</u>	<u>27,423</u>	<u>45,427</u>	<u>32,834</u>	<u>840</u>	<u>17,695</u>
Excess (deficiency) of receipts over disbursements	<u>(16,548)</u>	<u>18,458</u>	<u>632</u>	<u>(2,621)</u>	<u>7,811</u>	<u>-</u>	<u>(12,254)</u>
Cash and investments - ending	<u>\$ 194,346</u>	<u>\$ 35,772</u>	<u>\$ 632</u>	<u>\$ -</u>	<u>\$ 13,975</u>	<u>\$ -</u>	<u>\$ -</u>

JOSHUA ACADEMY, INC.
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title I - 2010-2011	Improving Teaching Quality, No Child Left, Title II, Part A	Public Charter School ESEA Title X, Part C	Title I - Grants to LEAs	Special Education - Part B	Title II Part D - Education Technology	Totals
Cash and investments - beginning	\$ -	\$ 2,176	\$ (30,267)	\$ (145)	\$ 3,558	\$ 13,933	\$ 238,502
Receipts:							
Local sources	-	-	-	-	-	-	135,956
State sources	-	-	-	-	-	-	1,506,583
Federal sources	100,208	4,854	72,900	10,395	30,946	14,287	424,428
Temporary loans	-	-	-	-	-	-	150,000
Total receipts	<u>100,208</u>	<u>4,854</u>	<u>72,900</u>	<u>10,395</u>	<u>30,946</u>	<u>14,287</u>	<u>2,216,967</u>
Disbursements:							
Current:							
Instruction	93,888	5,288	-	3,581	33,004	-	1,044,131
Support services	4,978	1,742	-	6,669	1,500	23,906	557,232
Noninstructional services	-	-	-	-	-	-	111,241
Facilities acquisition and construction	1,331	-	42,633	-	-	4,314	364,687
Debt services	-	-	-	-	-	-	133,442
Total disbursements	<u>100,197</u>	<u>7,030</u>	<u>42,633</u>	<u>10,250</u>	<u>34,504</u>	<u>28,220</u>	<u>2,210,733</u>
Excess (deficiency) of receipts over disbursements	<u>11</u>	<u>(2,176)</u>	<u>30,267</u>	<u>145</u>	<u>(3,558)</u>	<u>(13,933)</u>	<u>6,234</u>
Cash and investments - ending	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,736</u>

JOSHUA ACADEMY, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 27,534
Machinery and equipment	<u>298,760</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 326,294</u>

JOSHUA ACADEMY, INC.
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

The School Corporation has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Loans:		
Common School	\$ 386,339	\$ 20,782
Evansville-Vanderburgh School Corporation	150,000	50,358
Old National Bank	<u>85,744</u>	<u>40,320</u>
Total governmental activities debt	<u>\$ 622,083</u>	<u>\$ 111,460</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE JOSHUA ACADEMY, INC., VANDERBURGH COUNTY, INDIANA

Compliance

We have audited the compliance of the Joshua Academy, Inc., (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011.

Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the School Corporation's management, School Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

January 4, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

JOSHUA ACADEMY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program				
	10.553			
		FY 09/10	\$ 28,516	\$ -
		FY 10/11	-	27,607
Total for program			28,516	27,607
National School Lunch Program				
	10.555			
		FY 09/10	107,071	-
		FY 10/11	-	110,058
Total for program			107,071	110,058
Summer Food Service Program for Children (SFSPC)				
	10.559			
		FY 09/10	2,752	-
		FY 10/11	-	1,224
Total for program			2,752	1,224
Total for cluster			138,339	138,889
ARRA - Child Nutrition Discretionary Grants Limited Availability				
	10.579			
		9495	23,709	-
Total for federal grantor agency			162,048	138,889
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies				
	84.010			
		09-9495	5,993	-
		10-9495	89,176	17,695
		11-9495	-	100,197
Total for program			95,169	117,892
ARRA - Title I Grants to Local Educational Agencies				
	84.389			
		9495	71,456	10,250
Total for cluster			166,625	128,142
Special Education Cluster				
Special Education - Grants to States				
	84.027			
		FY 08/09	14209-217-PN-01	7,235
		FY 09/10	14210-217-PN-01	35,017
		FY 10/11	14211-517-PN-01	-
Total for program			42,252	45,424
ARRA - Special Education - Grants to States, Recovery Act				
	84.391			
		9495	23,442	34,205
Total for cluster			65,694	79,629

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

JOSHUA ACADEMY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act				
	84.394	9495	<u>50,560</u>	-
Charter Schools Facilities Grant	84.282	09-9495	<u>30,267</u>	<u>42,633</u>
Improving Teacher Quality State Grants	84.367			
FY 07/09		07-9495	1,145	-
FY 08/10		08-9495	7,592	2,176
FY 09/11		09-9495	<u>-</u>	<u>4,854</u>
Total for program			<u>8,737</u>	<u>7,030</u>
Education Technology State Grants Cluster				
ARRA - Education Technology State Grants, Recovery Act	84.386	S386A090014	<u>118,779</u>	<u>28,221</u>
Total for federal grantor agency			<u>440,662</u>	<u>285,655</u>
Total federal awards expended			<u>\$ 602,710</u>	<u>\$ 424,544</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

JOSHUA ACADEMY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Joshua Academy, Inc., (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2010 and 2011:

Program Title	Federal CFDA Number	2010	2011
Child Nutrition Cluster – Cash Assistance		\$ 29,471	\$ 31,963
Child Nutrition Cluster – Non-Cash Assistance		1,715	2,305
ARRA – Education Technology State Grants, Recovery Act	84.386	-	50,017

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
Child Nutrition Cluster		\$ 7,796	\$ 8,864

JOSHUA ACADEMY, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

JOSHUA ACADEMY, INC.
EXIT CONFERENCE

The contents of this report were discussed on January 4, 2012, with Sandy Byers, Finance Director/Treasurer; Pamela J. Decker, Executive Director/Superintendent; Rev. Larry Rascoe, President of the School Board; and Amy Oglesby, Treasurer of the Board. Our audit disclosed no material items that warrant comment at this time.