



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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March 28, 2014

Charter School Board
Joshua Academy, Inc.
1230 East Illinois Street
Evansville, IN 47711

We have reviewed the Supplemental Audit Report prepared by Kemper CPA Group, LLP, Independent Public Accountants, for the period July 1, 2012 to June 30, 2013. 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 4 contains one audit result and comment. Management's response is on page 6.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Joshua Academy, Inc. 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.

State Board of Accounts

JOSHUA ACADEMY, INC.

Vanderburgh County, Indiana

**SUPPLEMENTAL COMPLIANCE
EXAMINATION REPORT**

Year Ended June 30, 2013



JOSHUA ACADEMY, INC.

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JOSHUA ACADEMY, INC.

SCHOOL OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Charter School Board	Rev. Larry Rasco	7/1/12 to 6/30/13
Executive Director	Pamela Decker	7/1/12 to 6/30/13
Treasurer	Amy Oglesby	7/1/12 to 10/31/12
Treasurer	Michele Graham	11/1/12 to 6/30/13
Director of Finance	Sandra Byers	7/1/12 to 6/30/13



TRANSMITTAL LETTER

Board of Directors
Joshua Academy, Inc.

We have audited the statement of cash receipts and disbursement of Joshua Academy, Inc. (Academy) for the year ended June 30, 2013 and have issued our report thereon dated March 5, 2014. In conjunction with that audit, we also examined the Academy's compliance during the year ended June 30, 2013 with the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts. The results of that supplemental compliance examination and our independent accountant's report thereon are reflected on pages 3 through 6 herein.

Kemper CPA Group, LLP

Evansville, Indiana
March 5, 2014

Certified Public Accountants and Consultants



INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
Joshua Academy, Inc.

We have examined Joshua Academy, Inc.'s (Academy) compliance with the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts (Manual) during the year ended June 30, 2013. Management is responsible for the Academy's compliance with those requirements. Our responsibility to express an opinion on the Academy's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the requirements prescribed by the Indiana State Board of Accounts in *Guidelines for the Audits of Charter Schools Performed by Private Examiners*, and, accordingly, included examining, on a test basis, evidence about the Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Academy's compliance with specified requirements.

Our examination disclosed certain instances of noncompliance with the Manual, as described in the Audit Results and Comments.

In our opinion, except for the noncompliance described in the third paragraph, the Academy complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2013.

This report is intended solely for the information and use of management, the Board of Directors, and the Indiana State Board of Accountants, and is not intended to be and should not be used by anyone other than these specified parties.

Kemper CPA Group, LLP

Evansville, Indiana
March 5, 2014

Certified Public Accountants and Consultants

JOSHUA ACADEMY, INC.
Vanderburgh County, Indiana
Audit Results and Comments
Year Ended June 30, 2013

Proper Bonding

Our testing revealed that the Academy does not have bonding for all persons designated as cash handlers. Further the bond amount is not adequate.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 8: The organizer shall designate employees who are responsible for handling a majority of the cash, receipts, and disbursements for the school. The designated employees must have either a cash bond or an insurance policy on their behalf that protects the charter school from employee theft, fraud, errors, and omissions. The cash bond or insurance policy should represent an average amount of cash or receipts on hand during the school year.

JOSHUA ACADEMY, INC.
Vanderburgh County, Indiana
Exit Conference
Year Ended June 30, 2013

The contents of this report were discussed on December 11, 2013, with the following persons:

Rev. Larry Rascoe
Pamela Decker
Michele Graham
Sandra Byers

The Official Response has been made a part of this report and may be found on page 6.



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January 30, 2014

To: State Board of Accounts
302 West Washington St.
Room E418
Indianapolis, IN 46204-2765

From: Rev. Larry Rascoe, President of Board
Michele, Graham, Treasurer of Board
Pamela Decker, Executive Director
Sandy Byers, Finance Director

OFFICIAL RESPONSE
For
Joshua Academy, Inc.

PROPER BONDING

Audit Comment: Our testing revealed that the Academy does not have bonding for all persons designated as cash handlers. Further the bond amount is not adequate.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 8:
The organizer shall designate employees who are responsible for handling a majority of the cash, receipts, and disbursements for the school. The designated employees must have either a cash bond or an insurance policy on their behalf that protects the charter school from employee theft, fraud, errors, and omissions. The cash bond or insurance policy should represent an average amount of cash or receipts on hand during the school year.

School Response: We are currently in the process of looking into an insurance policy that will protect the charter school from theft, fraud, errors, and omissions from any person that is operating within the scope of charter school.