



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

February 29, 2024

Charter School Board
Joshua Academy, Inc.
Vanderburgh County, Indiana

We have reviewed the audit report of Joshua Academy, Inc. which was opined upon by Kemper CPA Group, LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Joshua Academy, Inc. as of June 30, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Kemper CPA Group, LLP prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for Joshua Academy, Inc., was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

JOSHUA ACADEMY, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2023

(With Independent Auditor's Report Thereon)



JOSHUA ACADEMY, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Joshua Academy, Inc.
Evansville, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Joshua Academy, Inc. (Academy) (a nonprofit organization), which comprise the statement of cash receipts and disbursements as of June 30, 2023, and the related statement of functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the cash receipts and disbursements and functional expenses of the Academy as of June 30, 2023, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

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 and *Guidelines for the Audits of Charter Schools Performed by Private Examiners* as issued by the Indiana State Board of Accounts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. These financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements.

Board of Directors
Joshua Academy, Inc.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



October 26, 2023

Certified Public Accountants and Consultants
Evansville, Indiana

JOSHUA ACADEMY, INC.
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
Year Ended June 30, 2023

Cash receipts:	
State basic grant	\$ 2,402,772
Other state support	187,566
Federal grant revenue	625,114
School food services	341,420
Student fees	19,204
Child care fees	74,626
Contributions	10,696
Textbook rental and sale	5,984
Fundraising income	11,925
Other income	35,728
	<hr/>
Total cash receipts	<u>3,715,035</u>
Cash disbursements:	
Salaries and wages	1,599,419
Payroll taxes	128,639
Employee benefits	283,244
Training and professional development	3,207
Professional fees	401,979
Utilities	104,092
Repairs and maintenance	35,954
Equipment rental	8,963
Supplies	299,388
Student transportation	2,655
Insurance	23,937
Telephone	11,153
Postage and printing	5,367
Travel	11,798
Advertising	31,608
Food purchases	131,804
Books and periodicals	64,050
Uniforms	4,862
Other expenses	13,390
Building and equipment expense	61,805
Computer expense	12,864
Dues and fees	495
Bank service charges	2,069
	<hr/>
Total cash disbursements	<u>3,242,742</u>
Increase in cash	472,293
Cash, beginning of year	1,475,631
	<hr/>
Cash, end of year	<u><u>\$ 1,947,924</u></u>

JOSHUA ACADEMY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Student Services	Management and General	Fundraising	Total
Salaries and wages	\$ 1,322,108	\$ 277,311	\$ 0	\$ 1,599,419
Payroll taxes	103,964	24,675	0	128,639
Employee benefits	222,711	60,533	0	283,244
Training and professional development	225	2,982	0	3,207
Professional fees	140,393	255,271	6,315	401,979
Utilities	0	104,092	0	104,092
Repairs and maintenance	0	35,954	0	35,954
Equipment rental	0	7,013	1,950	8,963
Supplies	247,225	50,324	1,839	299,388
Student transportation	2,655	0	0	2,655
Insurance	0	23,937	0	23,937
Telephone	9,381	1,772	0	11,153
Postage and printing	5,367	0	0	5,367
Travel	7,214	4,584	0	11,798
Advertising	0	31,608	0	31,608
Food purchases	12,294	112,705	6,805	131,804
Books and periodicals	64,050	0	0	64,050
Uniforms	4,862	0	0	4,862
Other expenses	1,000	8,727	3,663	13,390
Building and equipment expense	5,400	56,405	0	61,805
Computer expense	12,864	0	0	12,864
Dues and fees	368	127	0	495
Bank service charges	0	1,905	164	2,069
	<u>\$ 2,162,081</u>	<u>\$ 1,059,925</u>	<u>\$ 20,736</u>	<u>\$ 3,242,742</u>

JOSHUA ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Organization and Summary of Significant Accounting Policies

A. Organization

Joshua Academy, Inc. (Academy) is a not-for-profit organization that provides primary education for children in kindergarten through grade six. The Academy is incorporated under the laws of the State of Indiana and is a public charter school sponsored by the Evansville-Vanderburgh School Corporation, which granted a charter to the Academy under Indiana Code 20-24-3-1.

B. Basis of Accounting

The accompanying financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. On that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash receipts and disbursements basis differ from generally accepted accounting principles primarily because the effects of revenue not collected, and expenses not paid at the date of the financial statement are not included in the financial statement.

C. Cash

The Academy maintains its cash balance in a checking account at a local financial institution. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2023, the Academy had \$1,520,048 in excess of FDIC insurance coverage.

D. Receipts

Receipts come primarily from resources provided under the Indiana Charter Schools Act. Under the Act, the Academy receives an amount per student in relation to funding received by public schools in the same geographic area. This state basic grant from the State of Indiana is based on enrollment, and is paid in equal monthly installments, which are recognized as revenue when received.

The Academy also receives revenue related to cost reimbursement grants, which is also recognized as revenue when reimbursements are received.

Note 2 – Date of Management’s Review

The Academy has evaluated subsequent events through October 26, 2023, the date which the financial statements were available to be issued.

Note 3 – Income Taxes

The Academy is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Academy believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Academy files its Form 990 in the U.S. federal jurisdiction and the office of the state’s attorney general for the State of Indiana.

JOSHUA ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 4 – Defined Benefit Retirement Plans

A. Teachers’ Retirement Fund

Plan Description: Certified employees participate in the Indiana Teachers’ Retirement Fund (TRF), a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS). 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 INPRS Board of Trustees, most requirements of the system, and gives the school corporations 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, plus the interest credited to the member’s account. School corporations may elect to make contributions on behalf of the members.

Funding Policy: Plan members are required to contribute 3% of their annual creditable compensation, set by state statute. The Academy is required to contribute at an actuarially determined rate (6.0% for the year ended June 30, 2023), as established, and which may be amended, by the INPRS Board of Trustees. The Academy did elect to make the annuity contributions on behalf of each member. Contributions to TRF for the year ended June 30, 2023 totaled \$101,649, and equaled the required contributions for the year.

B. Public Employees’ Retirement Fund

Plan Description: Non-certified employees participate in the Public Employees’ Retirement Fund (PERF), a cost-sharing multiple-employer defined benefit pension plan administered by the INPRS. All full-time employees are eligible to participate in PERF. State statutes (IC 5-10.2 and 5-10.3) govern, through the INPRS Board of Trustees, most requirements of the system, and give the employer 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 member contributions, plus the interest credited to the member’s account. Employers may elect to make the contributions on behalf of the member.

Funding Policy: Plan members are required to contribute 3% of their annual creditable compensation, set by state statute. The Academy is required to contribute at an actuarially determined rate (11.20% for the year ended June 30, 2023), as established, and which may be amended, by the INPRS Board of Trustees. The Academy did elect to make the annuity contributions on behalf of each member. Contributions to PERF for the year ended June 30, 2023, totaled \$45,465, and equaled the required contributions for the year.

INPRS administers both of these plans, and issues publicly available financial reports for each, which include financial statements and required supplementary information. These reports may be obtained by contacting INPRS, 1 North Capital Street, Suite 001, Indianapolis, Indiana 46204, or by calling 888-526-1687.

JOSHUA ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 5 – Leases

The Academy leases two copiers under cancelable operating leases. The lease agreements provide for minimum future rental payments as of June 30, 2023, as follows:

2024	\$ 2,842
2025	2,640
2026	2,640
2027	2,640
2028	880
Total minimum rentals	<u>\$ 11,642</u>

Rental expense for the leases totaled \$4,190 for the year ended June 30, 2023.

Note 6 – Concentration

Amount received under the state basic grant totaled 65% of all cash receipts in fiscal year 2023.

Note 7 – Contingencies

The Academy receives funding from federal agencies, state agencies, and from private contributions. These funds are to be used for designated purposes only. For government agency grants, if based upon the grantors' review, the funds are considered not to have been used for the intended purpose, the grantors may request refund of monies advanced, or refuse to reimburse the Academy for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the Academy's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

Note 8 – Related Parties

The Board Treasurer works for the accounting firm that processes the Academy's payroll, files quarterly payroll returns and property tax returns. During the year ended June 30, 2023 the Academy paid the firm approximately \$5,300.

JOSHUA ACADEMY, INC.
SUPPLEMENTARY INFORMATION
Year Ended June 30, 2023

The following supplementary information is required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners*.



**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

Board of Directors
Joshua Academy, Inc.
Evansville, Indiana

We have audited the financial statements of Joshua Academy, Inc. as of and for the year ended June 30, 2023, and our report thereon dated October 26, 2023, which expressed an unmodified opinion on the financial statements, appears on pages 1, 2, and 3. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Receivables, Capital Assets, and Accounts Payable, which are the responsibility of management, are presented for the purpose of additional analysis and are not a required part of financial statements. Such information has not been subject to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

October 26, 2023

Kemper CPA Group, LLP
Certified Public Accountants and Consultants
Evansville, Indiana

JOSHUA ACADEMY, INC.
SUPPLEMENTARY INFORMATION
Year Ended June 30, 2023

Schedule of Receivables

Education fund	\$ 2,795
Textbook fund	1,350
Special education fund	8,266
Children's zone	16,961
Student learning	22,029
Title I income	79,979
Title II income	4,026
Title IV income	3,745
ESSER III	33,633
ESSER II	1,489
Cell Grant	48,477
	\$ 222,750

Schedule of Capital Assets

Moveable equipment	\$ 116,879
Fixed equipment	50,314
Kitchen equipment	36,702
Building	1,407,402
School bus	4,000
Technology	58,627
Land	346,827
	\$ 2,020,751

Schedule of Accounts Payable

General fund	\$ 109
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JOSHUA ACADEMY, INC.
OTHER REPORT
Year Ended June 30, 2023

The reports presented herein were prepared in addition to another report prepared for the Academy as listed below:

Supplemental Compliance Examination Report of Joshua Academy, Inc.

JOSHUA ACADEMY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number (ALN)</u>	<u>Grant Number/ Pass-through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
United States Department of Agriculture			
Child Nutrition Cluster			
Passed through Indiana Department of Education			
National School Lunch Program	10.555		\$ 197,457
School Breakfast Program	10.553		90,559
Fresh Fruit and Vegetable Program	10.582		17,861
Summer Food Service Program for Children	10.559		19,293
Total Child Nutrition Cluster			<u>325,170</u>
Total United States Department of Agriculture			<u>325,170</u>
United States Department of Education			
Special Education Cluster (IDEA)			
Special Education Grants to States	84.027A	H027A190084-2023	3,926
Special Education Grants to States	84.027A	H027A190084-2022	41,644
Special Education Grants to States	84.027A	H027A190084-2021	3,224
Special Education Grants to States	84.027X	H027X210084-2022	9,721
Special Education Grants to States	84.173A	H173A180104-2022	1,690
Total Special Education Cluster (IDEA)			<u>60,205</u>
Title I Grants to Local Educational Agencies	84.010	S010A210014-2022	28,097
Title I Grants to Local Educational Agencies	84.010	S010A200014-2023	79,979
Total Title I Grants to Local Educational Agencies			<u>108,076</u>
Supporting Effective Instruction State Grants	84.367	S367A190013-2023	4,026
Supporting Effective Instruction State Grants	84.367	S367A190013-2022	1,828
Total Supporting Effective Instruction State Grants			<u>5,854</u>
Student Support and Academic Enrichment Program	84.424	S424A210015-2023	10,000
Total Student Support and Academic Enrichment Program			<u>10,000</u>
Education Stabilization Fund			
American Rescue Plan - Elementary and Secondary School			
Emergency Relief (ARP ESSER)	84.425U	S425U200013	299,614
Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	S425D200013	90,145
Elementary and Secondary School Emergency Relief (ESSER I)	84.425D	S425D200013	16,120
Governor's Emergency Education Relief Fund	84.425C	S425C200018	1,735
Total Education Stabilization Fund			<u>407,614</u>
Total United States Department of Education			<u>591,749</u>
			<u>\$ 916,919</u>

JOSHUA ACADEMY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Note A - Basis of Accounting

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Academy under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Academy, it is not intended to and does not present the cash receipts and disbursements of the Academy.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-21, *Cost Principles for Education Institutions*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Academy has elected not to use the 10% de minimis indirect cost rates allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

Note C – Federal Loan Programs

There are no federal loan programs administered directly by the Academy.

Note D – Federal Expenditures Reconciliation

Federal revenues			
	Federal grant revenue		\$ 625,114
	School food services (federal portion)		301,242
	Total Federal Revenues		926,356
Federal expenditures			916,919
Difference			\$ 9,437

Federal expenditures are different from federal revenues due to the timing of payments made. Joshua Academy operates on a cash basis. Expenses are recorded when they are paid.



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Joshua Academy, Inc.
Evansville, Indiana

We have audited, in accordance with the 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, the financial statements of Joshua Academy, Inc. (a nonprofit organization), which comprise the statements of cash receipts and disbursements and functional expenses for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Joshua Academy, Inc.’s (Academy) internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy’s internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
Joshua Academy, Inc.


Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 26, 2023


Kramer CPA Group, LLP
Certified Public Accountants and Consultants
Evansville, Indiana



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Joshua Academy, Inc.
Evansville, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Joshua Academy, Inc.’s (Academy) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Academy’s major federal programs for the year ended June 30, 2023. The Academy’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Academy’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Academy’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Academy's internal control over compliance relevant to the audit to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 a 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Board of Directors
Joshua Academy, Inc.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants and Consultants
Evansville, Indiana

October 26, 2023

JOSHUA ACADEMY, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2023

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
No prior year findings.		

JOSHUA ACADEMY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	No
• Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
Identification of major program:	
<u>Assistance Listing Number (ALN)</u> 84.425	<u>Name of Federal Program</u> Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	No

JOSHUA ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

No current year findings.