



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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September 19, 2013

Charter School Board
Timothy L. Johnson Academy, Inc.
4615 Werling Drive
Fort Wayne, IN 46806

We have reviewed the Financial Statements and Independent Auditors' Report prepared by Fitzgerald/Isaac LLC, Independent Public Accountants, for the period July 1, 2011 to June 30, 2012. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Timothy L. Johnson Academy, Inc., as of June 30, 2012, and the results of its operations for the periods then ended, on the basis of accounting described in the report.

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

The Financial Statements and Independent Auditors' Report and the Supplemental Audit Report are filed in our office as a matter of public record.

State Board of Accounts

TIMOTHY L. JOHNSON ACADEMY, INC.

Financial Statements and Federal Single Audit Report

June 30, 2012

TIMOTHY L. JOHNSON ACADEMY, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Timothy L. Johnson Academy, Inc.

We have audited the accompanying statement of financial position of **Timothy L. Johnson Academy, Inc.** (the "School") as of June 30, 2012 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Timothy L. Johnson Academy, Inc. as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2013 on our consideration of the School's internal control over financial reporting and on 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.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 statements. 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.

Abigail Isaac

Indianapolis, IN
June 25, 2013

TIMOTHY L. JOHNSON ACADEMY, INC.

Statement of Financial Position

<u>Assets</u>	<u>June 30, 2012</u>
Current assets:	
Cash	\$ 373,513
Accounts receivable:	
State education support	1,038,015
Grants	35,507
Other	1,825
Prepaid expenses	6,000
Total current assets	<u>1,454,860</u>
Vehicles and equipment	167,133
Less: accumulated depreciation	(73,025)
Vehicles and equipment, net	<u>94,108</u>
	<u>\$ 1,548,968</u>
<u>Liabilities and Net Assets</u>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 217,204
Current portion of long-term debt	11,596
Total current liabilities	<u>228,800</u>
Accrued interest on Common School Fund loans	38,306
Long-term debt	310,870
Total liabilities	<u>577,976</u>
Unrestricted net assets	<u>970,992</u>
	<u>\$ 1,548,968</u>

See accompanying notes to financial statements.

TIMOTHY L. JOHNSON ACADEMY, INC.

Statement of Activities

	Year Ended June 30, 2012
<u>Revenue, Gains and Support</u>	
State education support	\$ 2,076,031
Grant revenue	702,753
Student fees	2,037
Other	23,462
Total revenue, gains and support	<u>2,804,283</u>
<u>Expenses</u>	
Program services:	
Educational instruction	1,359,624
Education support	547,932
Administrative	670,716
Total expenses	<u>2,578,272</u>
Increase in net assets	226,011
Net assets, beginning of year	<u>744,981</u>
Net assets, end of year	<u>\$ 970,992</u>

See accompanying notes to financial statements.

TIMOTHY L. JOHNSON ACADEMY, INC.

Statement of Cash Flows

	Year Ended June 30, 2012
<u>Operating Activities</u>	
Change in net assets	\$ 226,011
Adjustment to reconcile change in net assets to cash flows from operating activities:	
Depreciation	43,101
Change in:	
Accounts receivable	(19,759)
Prepaid expenses	(6,000)
Accounts payable and accrued expenses	42,018
Refundable advances	(6,614)
Net cash provided by operating activities	<u>278,757</u>
<u>Investing Activities</u>	
Purchase of property and equipment	(14,020)
Net cash used by investing activities	<u>(14,020)</u>
<u>Financing Activities</u>	
Principal repayments of vehicle loan	(8,143)
Net cash used by financing activities	<u>(8,143)</u>
Net increase in cash	256,594
Cash, beginning of year	<u>116,919</u>
Cash, end of year	<u>\$ 373,513</u>
Supplementary information:	
Cash payments for interest expense	\$ 3,351
Non-cash investing and financing activity:	
Vehicle acquired under financing contract	\$ 56,995

See accompanying notes to financial statements.

TIMOTHY L. JOHNSON ACADEMY, INC.

Notes to Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies

General

Timothy L. Johnson Academy, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24 and is sponsored by Ball State University. The School has entered into a service agreement with The Leona Group, LLC, a limited liability company organized in the State of Michigan, to provide educational programming, personnel functions, building operations, and business administration services.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition

Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by public schools in the same geographic area. Funding from the State of Indiana is based on enrollment, and is paid in equal monthly installments in January through December following the start of the school year. Revenue is recognized in the year in which the educational services are rendered.

A portion of the School's revenue is the product of cost reimbursement grants. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred.

Accounts Receivable

Accounts receivable relate primarily to activities funded under federal grants and legislation enacted by the State of Indiana. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

TIMOTHY L. JOHNSON ACADEMY, INC.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies, Continued

Taxes on Income

Timothy L. Johnson Academy, Inc. has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the School would be subject to tax on income unrelated to its tax-exempt purpose. For the year ended June 30, 2012, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional standards require the School to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. The tax years ending 2011, 2010, and 2009 are open to audit for both federal and state purposes.

Vehicles and Equipment

Purchases of these assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives for vehicles and equipment range from three to eight years.

Subsequent Events

The School evaluated subsequent events through June 25, 2013, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required. See Note 5 for disclosure of subsequent events.

TIMOTHY L. JOHNSON ACADEMY, INC.

Notes to Financial Statements

(2) Accounts Receivable

Accounts receivable for state education support as of June 30, 2012 represent amounts due relating to the following sources:

Tuition support	\$ 980,258
Special education grant	41,527
Prime time grant	<u>16,230</u>
Total.....	<u>\$1,038,015</u>

Tuition support is determined by state law and is dependent upon the geographic location of the school and is indexed to the poverty data of the enrolled students. The payment schedule is likewise determined by state law, with tuition support payable in equal monthly installments in the calendar year following the start of the school year. Upon revocation or termination of the charter, the payment streams will cease and any unpaid amounts will be applied to the unpaid balance of notes from the Indiana Common School Fund (see Note 3).

(3) Long-Term Debt

Long-term debt at June 30, 2012 was comprised of:

Notes payable to the Indiana Common School Fund	\$273,613
Note payable to Mercedes-Benz Financial Services USA, LLC	<u>48,853</u>
	322,466
Less: current maturities	<u>(11,596)</u>
	<u>\$310,870</u>

The notes payable to the Indiana Common School Fund are comprised of two separate notes, each of which requires semi-annual payments of principal and interest over a period of 20 years, with interest at 4% per annum. In 2011, the Indiana Common School Fund granted a moratorium on loan payments. Payments are scheduled to commence again on July 1, 2013. The last note matures July 1, 2029. The notes are secured by unpaid tuition support distributions (see Note 2).

TIMOTHY L. JOHNSON ACADEMY, INC.

Notes to Financial Statements

(3) Long-Term Debt, Continued

In August 2011, the School executed a loan agreement with Mercedes-Benz Financial Services USA LLC to purchase a bus in the amount of \$56,995. The note is payable in monthly installments of \$1,134, including interest at 7.2% per annum.

Future maturities of long-term debt are as follows:

<u>Year Ended June 30:</u>	
2013	\$ 11,596
2014	28,133
2015	28,973
2016	29,875
2017	17,648
Thereafter	<u>206,241</u>
	<u>\$322,466</u>

(4) Leases

The School leases its school facilities and certain items of office equipment under operating leases. The School leased two buildings under leases that expired June 30, 2012. In July 2012, the School executed a five-year lease with East Allen County Schools, an Indiana public school corporation. Under the lease, the School is responsible for its share of real estate taxes, maintenance, insurance, and utilities. The School also has an option to purchase the building in the final year of the lease for \$225,000. Lease expense under operating leases for the year ended June 30, 2012 was \$237,653.

Future minimum obligations under operating leases are as follows:

<u>Year Ended June 30:</u>	
2013	\$48,668
2014	52,668
2015	52,668
2016	48,389
2017	4,000

TIMOTHY L. JOHNSON ACADEMY, INC.

Notes to Financial Statements

(5) Commitments

The School has executed a management agreement with The Leona Group, LLC (“Leona”), whereby Leona provides management, administrative, and educational programming services. This agreement remains in effect so long as the School maintains its charter, but may be terminated by either party with appropriate advance notice. Under terms of the agreement, the School has agreed to pay an amount equal to 12% of revenues, as defined, for such services. Aggregate payments to Leona under this agreement were \$260,476 for the year ended June 30, 2012.

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay to Ball State University an annual administrative fee equal to 3% of state tuition support. The charter remains in effect until June 30, 2013, and is renewable thereafter by mutual consent. Payments under this charter agreement were \$58,815 for the year ended June 30, 2012.

In May 2013, the School severed its relationship with Ball State University. Effective July 1, 2013, the School will operate under a charter granted by Trine University.

(6) Retirement Plan

The School participates in a Section 401(k) retirement plan sponsored by The Leona Group, LLC for the benefit of its employees. Under the plan, the School will match 100% of employee contributions not to exceed 6% of compensation for the plan year. Additional contributions may be made to the plan at the discretion of the board of directors. No discretionary contributions were made in 2012. Retirement plan expense for the year ended June 30, 2012 was \$41,468.

TIMOTHY L. JOHNSON ACADEMY, INC.

Notes to Financial Statements

(7) Risks and Uncertainties

The School provides educational instruction services to families residing in Allen and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2012, substantially all of the accounts receivable balance was due from the State of Indiana. In addition, deposits maintained at Charter One Bank frequently exceed the FDIC insurance limit.

TIMOTHY L. JOHNSON ACADEMY, INC.

Notes to Financial Statements

(8) Functional Expense Reporting

The costs of providing the educational activities have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the programs and services benefited. Following is a summary of expenses comprising each program and service for the year ended June 30, 2012:

	<u>Educational Instruction</u>	<u>Education Support</u>	<u>Admini- strative</u>
Salaries and employee benefits.....	\$ 987,895	94,375	295,612
Professional services.....	14,390	32,543	18,757
Staff development and recruitment	9,425	-	-
Academic services	-	-	260,476
Authorizer oversight fee	-	-	58,815
Food costs	-	163,183	-
Transportation service.....	-	127,822	-
Equipment rental and expense	5,926	18,522	-
Repairs and maintenance	-	83,786	-
Classroom, kitchen and office supplies	22,421	10,691	2,631
Occupancy	276,466	5,395	-
Insurance	-	-	15,949
Depreciation.....	43,101	-	-
Interest	-	-	14,295
Other	-	11,615	4,181
	<u>\$1,359,624</u>	<u>547,932</u>	<u>670,716</u>

TIMOTHY L. JOHNSON ACADEMY, INC.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2012

<u>Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Awards Expended</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-through Indiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553		\$ 82,905
National School Lunch Program	10.555		133,863
Total for cluster			<u>216,768</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Pass-through Indiana Department of Education			
Title I, Part A Cluster			
Grants to Local Educational Agencies	84.010		161,885
Special Education Cluster (IDEA)			
Special Education - Grants to States	84.027		48,343
Charter Schools Program	84.282		91,808
Improving Teacher Quality State Grants	84.367		9,419
Education Jobs Fund	84.410		51,764
Total for federal grantor agency			<u>363,219</u>
Total federal awards expended			<u>\$ 579,987</u>

See accompanying Independent Auditors' Report.
See accompanying notes to this schedule.

TIMOTHY L. JOHNSON ACADEMY, INC.

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2012

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Timothy L. Johnson Academy, Inc. (the "School") under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets or cash flows of the School.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

The Board of Directors
Timothy L. Johnson Academy, Inc.

We have audited the financial statements of **Timothy L. Johnson Academy, Inc.** (the "School") as of and for the year ended June 30, 2012 and have issued our report thereon dated June 25, 2013. 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

The management of the School is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures 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 School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

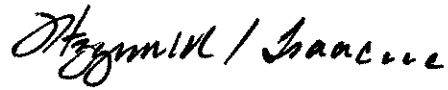
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the School are 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 for the information of the Board of Directors, management, 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.

A handwritten signature in black ink, appearing to read "Raymond L. Isaac". The signature is written in a cursive style with a large initial "R".

Indianapolis, IN
June 25, 2013

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Directors
Timothy L. Johnson Academy, Inc.

Compliance

We have audited the compliance of **Timothy L. Johnson Academy, Inc.** (the "School") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2012. The School'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's management. Our responsibility is to express an opinion on the School'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'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's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the 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, 2012.

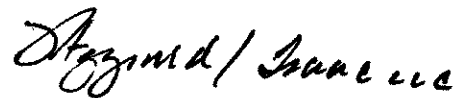
Internal Control Over Compliance

The management of the School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with requirements that could have a direct and material effect on a major federal program 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's 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 a 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 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 Board of Directors, management, 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.



Indianapolis, IN
June 25, 2013

TIMOTHY L. JOHNSON ACADEMY, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2012

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
▪ Material weaknesses:	None Reported
▪ Significant deficiencies that are not considered to be material weaknesses:	None Reported
Noncompliance noted which is material to financial statements:	No

Federal Awards

Internal control over major programs:	
▪ Material weaknesses:	None Reported
▪ Significant deficiencies that are not considered to be material weaknesses:	None Reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133:	No

TIMOTHY L. JOHNSON ACADEMY, INC.

Schedule of Findings and Questioned Costs

Year Ended June 30, 2012

I. Summary of Auditors' Results, Continued

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Part A Cluster/Grants to Local Educational Agencies
84.282	Charter Schools Program
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee: No

II. Financial Statement Findings

No matters are reportable.

III. Federal Award Findings and Questioned Costs

No matters are reportable.

TIMOTHY L. JOHNSON ACADEMY, INC.

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2012

The audit of Timothy L. Johnson Academy, Inc. for the period July 1, 2009 to June 30, 2011 reported no findings or questioned costs.

TIMOTHY L. JOHNSON ACADEMY, INC.

Other Reports

Year Ended June 30, 2012

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

Supplemental Audit Report of Timothy L. Johnson Academy, Inc.

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.