



**STATE OF INDIANA**  
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December 29, 2015

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, 2014 to June 30, 2015. 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. Pages 4 and 5 contain four audit result and comments. Management's response is on pages 7 and 8.

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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

**JOSHUA ACADEMY, INC.**

**Vanderburgh County, Indiana**

**SUPPLEMENTAL COMPLIANCE  
EXAMINATION REPORT**

**Year Ended June 30, 2015**

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**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 – Prior	Rev. Larry Rascoe	7/1/14 to 6/30/15
President of the Charter School Board – Current	Ms. Dionne Blue	7/1/15 to present
Executive Director	Pamela Decker	7/1/14 to 6/30/15
Treasurer	Amber Henry	7/1/14 to 6/30/15
Finance Manager	Sandra Byers	7/1/14 to 6/30/15



**TRANSMITTAL LETTER**

Board of Directors  
Joshua Academy, Inc.

We have audited the statement of cash receipts and disbursements of Joshua Academy, Inc. (Academy) for the year ended June 30, 2015 and have issued our report thereon dated November 19, 2015. In conjunction with that audit, we also examined the Academy's compliance during the year ended June 30, 2015 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 8 herein.

*Kemper CPA Group, LLP*

Evansville, Indiana  
November 19, 2015

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, 2015. 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, 2015.

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

*Kemper CPA Group, LLP*

Evansville, Indiana  
November 19, 2015

Certified Public Accountants and Consultants

**JOSHUA ACADEMY, INC.**  
**Vanderburgh County, Indiana**  
**Audit Results and Comments**  
**Year Ended June 30, 2015**

**Receipts and Deposit**

Our testing revealed that the Academy does not make deposits within one business day following receipt of the funds.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 8: All charter school money must be deposited in the designated depository not later than the business day following the receipt of funds on business days of the depository in the same form in which the funds were received. Timely receipts and deposits are required to provide the organizer and charter school administration with current information necessary for all financial decisions.

**Bond Coverage**

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

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.

**Credit Cards**

Our testing revealed that the Academy does not have all receipts associated with credit card purchases.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10: Payment on credit cards will not be made on the basis of a statement or credit card slip only. Procedures for payments are processed the same as for any other claim. Supporting documents such as paid bills and receipts must be available.

**JOSHUA ACADEMY, INC.**  
**Vanderburgh County, Indiana**  
**Audit Results and Comments**  
**Year Ended June 30, 2015**

**Cash Disbursements**

Our testing revealed that the amount the Academy paid for a claim exceeded the amount of the expense on the supporting documents.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 8: Supporting documentation, such as invoices, shall be compared to purchase orders to ensure the prices, quantities, etc. are correct prior to payment.

**JOSHUA ACADEMY, INC.**  
**Vanderburgh County, Indiana**  
**Exit Conference**  
**Year Ended June 30, 2015**

The contents of this report were discussed on October 1, 2015, with the following persons:

Dr. Dionne Blue  
Pamela Decker  
Amber Henry  
Sandy Byers

The Official Response has been made a part of this report and may be found on pages 7 – 8.



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Evansville, Indiana 47711  
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October 1, 2015

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

From: Dr. Dionne Blue, President of Board  
Amber Henry, Treasurer of Board  
Pamela Decker, Executive Director  
Sandy Byers, Finance Manager

**OFFICIAL RESPONSE**  
**For**  
**Joshua Academy, Inc.**

**RECEIPTS AND DEPOSIT**

**Audit Comment:** Our testing revealed that the Academy does not make deposits within one business day following receipt of the funds.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools  
Part 8: All charter school money must be deposited in the designated depository not later than the business day following the receipt of funds on business days of the depository in the same form in which the funds were received. Timely receipts and deposits are required to provide the organizer and charter school administration with current information necessary for all financial decisions.

**School Response:** Joshua Academy, Inc. will stamp checks with the date they are received to ensure funds are deposited within one business day of receipt.

## BOND COVERAGE

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

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: Joshua Academy, Inc. increased our coverage on May 15, 2015.

## CREDIT CARDS

Audit Comment: Our testing revealed that the Academy does not have all receipts associated with credit card purchases.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10: Payment on credit cards will not be made on the basis of a statement or credit card slip only. Procedures for payments are processed the same as for any other claim. Supporting documents such as paid bills and receipts must be available.

School Response: Joshua Academy's credit card policy requires receipts be turned in with credit card purchases. The policy will be reinforced and individuals that do not turn in receipts will have their privileges suspended.

## CASH DISBURSEMENTS

Audit Comment: Our testing revealed that the amount the Academy paid for a claim exceeded the amount of the expense on the supporting documents.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 8: Supporting documentation, such as invoices, shall be compared to purchase orders to ensure the prices, quantities, etc. are correct prior to payment.

School Response: The tested claim was overpaid by 3 dollars due to a keying error. Invoices will continue to be reviewed by the individual processing the check and the individuals signing the check.