



STATE OF INDIANA
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December 20, 2016

Charter School Board
Thurgood Marshall Academy
2310 Weisser Park Avenue
Fort Wayne, IN 46803

We have reviewed the Supplemental Audit Report prepared by Dulin, Ward & DeWald, Inc., Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. 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 3 contains two audit results and comments.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for the Thurgood Marshall Academy, 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

SUPPLEMENTAL AUDIT REPORT

OF

THURGOOD MARSHALL LEADERSHIP ACADEMY

A PROGRAM OF FORT WAYNE URBAN LEAGUE, INC.

Allen County, Indiana

July 1, 2015 to June 30, 2016

TABLE OF CONTENTS

	PAGE NO.
SCHOOL OFFICIALS.....	1
TRANSMITTAL LETTER.....	2
AUDIT RESULTS AND COMMENTS:	
Internal Control – receipts and deposits.....	3
Payroll Taxes.....	3
EXIT CONFERENCE.....	5
OFFICIAL RESPONSE.....	6

**THURGOOD MARSHALL LEADERSHIP ACADEMY, A PROGRAM OF
FORT WAYNE URBAN LEAGUE, INC.
SCHOOL OFFICIALS
Year ended June 30, 2016**

OFFICE	OFFICIAL	TERM
Treasurer	Willie Lipsey	07/01/15 to 06/30/16
Principal	Tameka Wilson	07/01/15 to 06/30/16
Chairman of the School Board	Leroy Jackson	07/01/15 to 06/30/16



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Dulin, Ward & DeWald, Inc.
CPAs & ADVISORS

Offices Located in Ft. Wayne and Marion, Indiana

Board of Directors
Thurgood Marshall Leadership Academy, a program of
Fort Wayne Urban League, Inc.
Fort Wayne, Indiana

We have audited the records of the Thurgood Marshall Leadership Academy, a program of Fort Wayne Urban League, Inc. (a nonprofit organization) for the period from July 1, 2015 to June 30, 2016, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this program are reflected in the Annual Report of Thurgood Marshall Leadership Academy, a program of Fort Wayne Urban League, Inc. for the year ended June 30, 2016.

A handwritten signature in black ink that reads "Dulin, Ward & DeWald, Inc." in a cursive script.

Fort Wayne, Indiana
December 6, 2016

**THURGOOD MARSHALL LEADERSHIP ACADEMY, A PROGRAM OF
FORT WAYNE URBAN LEAGUE, INC.
ALLEN COUNTY
AUDIT RESULTS AND COMMENTS
Year ended June 30, 2016**

1. Internal Control – receipts and deposits

During the 2015-2016 school year, the school collected monies on-site and made sixty-nine bank deposits totaling \$8,448.02. Of the sixty-nine deposits, eleven deposits, totaling \$1,207.34, were not made within one business day following the receipt of the funds.

All charter school money must be deposited in the designated depository not later than the business day following the receipts of funds on business days of the depository in the same form in which the funds were received. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8 – Internal Controls)

2. Payroll Taxes

The School has contracted with American Quality Schools, an Illinois corporation, for the management of the School. The contract outlines the responsibilities the School has delegated to the management company including the employment of teachers and the collection and payment of payroll taxes. Several teachers hired between July 1, 2012 and March 31, 2014 were inadvertently set up in the payroll system as having opted out of social security taxes, which is allowed for Illinois teachers who participate in the Illinois teachers' retirement system. However, the School's employees are Indiana employees, and Indiana does not have this option. Therefore, social security taxes were incorrectly withheld from payroll, and the School did not correctly report and has not paid its obligation for social security taxes.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10 - Prescribed Forms, Taxes, and General information)

Each charter school is responsible for compliance with all rules, regulations, guidelines and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10 - Prescribed Forms, Taxes, and General information)

(continued)

3. Payroll Taxes (continued)

Payments made or received for contractual services must be supported by a written contract. Each charter school is responsible for complying with the provision of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10 - Prescribed Forms, Taxes, and General information)

**THURGOOD MARSHALL LEADERSHIP ACADEMY, A PROGRAM OF
FORT WAYNE URBAN LEAGUE, INC.
ALLEN COUNTY
EXIT CONFERENCE**

The contents of this report were discussed on December 6, 2016 with:

Leroy Jackson – Chairman of the Board
Dr. Alfred Brothers – Vice Chair of the Board
Tiffani Cooper – Accountant, American Quality Schools (via telephone)
Tameka Wilson – Principal, Thurgood Marshall Leadership Academy
Etse Mulugeta – Director of Finance, Fort Wayne Urban League, Inc.

The officials concurred with our audit findings. The official response has been made part of this report and is on page 6.

**THURGOOD MARSHALL LEADERSHIP ACADEMY, A PROGRAM OF
FORT WAYNE URBAN LEAGUE, INC.
ALLEN COUNTY
OFFICIAL RESPONSE**

PAYROLL TAXES

The School concurs with the finding regarding the nonpayment of social security taxes. American Quality Schools (“AQS”), as agent for the Board of Directors of Thurgood Marshall Leadership Academy (“TMLA”), has the obligation to correctly withhold, report and pay to the Internal Revenue Service the social security taxes withheld from employees and the associated employer match. As indicated in the finding, social security taxes for certain AQS employees of TMLA were not appropriately withheld and paid. AQS recognizes its responsibility and liability in this matter and will be contacting the IRS to discuss the issue, the amount owed and arrange for a payment plan to resolve the issue. Fort Wayne Urban League, Inc. and its Board have no liability or responsibility for payment in this matter.

OTHER FINDING

The School concurs with the other finding and will work with the management company to resolve the issue.