



STATE OF INDIANA
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March 11, 2019

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

We have reviewed the Supplemental Audit Report for Thurgood Marshall Leadership Academy prepared by Dulin, Ward & DeWald, Inc., Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. 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 findings in the report. Pages 3 and 4 contain three audit results and comments. Management's response is on page 6.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

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

SUPPLEMENTAL AUDIT REPORT
OF
FORT WAYNE URBAN LEAGUE CENTER FOR
EDUCATION INCORPORATED D/B/A
THURGOOD MARSHALL
LEADERSHIP ACADEMY

Allen County, Indiana

July 1, 2017 to June 30, 2018

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FORT WAYNE URBAN LEAGUE CENTER FOR EDUCATION INCORPORATED
D/B/A THURGOOD MARSHALL LEADERSHIP ACADEMY
SCHOOL OFFICIALS
Year ended June 30, 2018

OFFICE	OFFICIAL	TERM
Treasurer	Kirby Moss	07/01/17 to 06/30/18
Principal	Harold Stevens	07/01/17 to 06/30/18
Chairman of the School Board	Leroy Jackson	07/01/17 to 03/31/18
Chairman of the School Board	Sheila Moore	04/01/18 to 06/30/18



Dulin, Ward & DeWald, Inc.
CPAs & ADVISORS

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Offices Located in Ft. Wayne and Marion, Indiana

Board of Directors
Fort Wayne Urban League Center for Education Incorporated
d/b/a Thurgood Marshall Leadership Academy
Fort Wayne, Indiana

We have audited the records of the Fort Wayne Urban League Center for Education Incorporated d/b/a Thurgood Marshall Leadership Academy (a nonprofit organization) for the period from July 1, 2017 to June 30, 2018, 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 Fort Wayne Urban League Center for Education Incorporated d/b/a Thurgood Marshall Leadership Academy for the year ended June 30, 2018.

Fort Wayne, Indiana
February 15, 2019

FORT WAYNE URBAN LEAGUE CENTER FOR EDUCATION INCORPORATED
D/B/A THURGOOD MARSHALL LEADERSHIP ACADEMY,
ALLEN COUNTY
AUDIT RESULTS AND COMMENTS
Year ended June 30, 2018

1. Internal Control – receipts and deposits

The School receives cash payments for various purposes, including fundraisers and activity fees. Of 21 deposits tested totaling \$1,547.09, twelve deposits totaling \$1,151.29 were not deposited within one business day of receiving 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.

During 2018, it was noted that a substitute teacher had no social security withholding reported on her 2017 W-2.

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)

2. 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)

3. Penalties, Interest and Other Charges

The School paid a late payment charge of \$15.64 on a bill for recycle and dumpster services.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10 - Prescribed Forms, Taxes, and General information)

**FORT WAYNE URBAN LEAGUE CENTER FOR EDUCATION INCORPORATED
D/B/A THURGOOD MARSHALL LEADERSHIP ACADEMY
ALLEN COUNTY
EXIT CONFERENCE**

The contents of this report were discussed on February 14, 2019 with:

Larry Gist – Chairman of the Board

Kirby Moss – Board Treasurer

Mikki Curry – Principal, Thurgood Marshall Leadership Academy

Tiffani Cooper – Accountant, American Quality Schools (via telephone)

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

**FORT WAYNE URBAN LEAGUE CENTER FOR EDUCATION INCORPORATED
D/B/A THURGOOD MARSHALL LEADERSHIP ACADEMY
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 Center for Education Incorporated and its Board have no liability or responsibility for payment in this matter.

OTHER FINDING

The School concurs with the other findings and will work with the management company to resolve the issues.