



STATE OF INDIANA
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B52719

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May 23, 2019

Charter School Board
Timothy L. Johnson Academy, Inc.
4625 Werling Drive
Fort Wayne, IN 46806

We have reviewed the Supplemental Audit Report for Timothy L. Johnson Academy, Inc. prepared by Darnell & Meyering, P.C., 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 finding in the report. Page 3 contains one audit result and comment. Management's response is on page 5.

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
TIMOTHY L. JOHNSON ACADEMY, INC.
ALLEN COUNTY, INDIANA
July 1, 2017 to June 30, 2018

TIMOTHY L. JOHNSON ACADEMY, INC.

ALLEN COUNTY, INDIANA

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TIMOTHY L. JOHNSON ACADEMY, INC.
ALLEN COUNTY, INDIANA
School Officials
Year Ended June 30, 2018

<u>Office</u>	<u>Official</u>	<u>Term</u>
President Board of Directors	Larry Rowland	07/01/17 - 06/30/18
Superintendent	Dawn Starks	07/01/17 - 06/30/18
Treasurer	Robert Sevier	07/01/17 - 06/30/18

DARNELL & MEYERING, P.C.

Certified Public Accountants

CLINTON MEYERING, C.P.A.
RANDALL H. DARNELL, C.P.A.
DALE A. VESTRAND, C.P.A.
ANTHONY S. PANSON, C.P.A.

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MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
MICHIGAN ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Timothy L. Johnson Academy, Inc.
4625 Werling Drive
Fort Wayne, IN 46806

We have audited the financial statements of Timothy L. Johnson Academy, Inc. (the "School") as of and for the year ended June 30, 2018 and have issued our report thereon dated March 19, 2019.

As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Our procedures were substantially narrower in scope than an audit. Accordingly, we do not express an opinion on the School's compliance with these requirements.

The results of our tests disclosed instances of non-compliance with the requirements prescribed under the Guide. These instances are reported in the Audit Results and Comments as matters where we believe the School was not in compliance with those provisions.

Darnell & Meyering, P.C.

Darnell & Meyering, P.C.

Taylor, MI
March 19, 2019

TIMOTHY L. JOHNSON ACADEMY, INC.
ALLEN COUNTY, INDIANA
Audit Results and Comments
Year Ended June 30, 2018

JOURNAL ENTRIES AND TRANSACTION RECORDING

Description: We performed various audit procedures to evaluate whether or not fixed assets, accumulated depreciation, and depreciation expense were properly reported in the financial statements. Our audit procedures included an examination of journal entries and general ledger activity recorded in the financial statements and capital asset records. Several journal entries were necessary, and in the aggregate material, in order to properly record beginning accumulated depreciation and net assets in the financial statements.

Condition: The School did not prepare the journal entries to adjust beginning accumulated depreciation and beginning net assets to the ending balances of the prior fiscal year when a different accounting system was put into use. Consequently, depreciation expense was overstated in the current fiscal year in order to adjust the general ledger to the capital asset and depreciation ledgers.

Requirements:

Part 10 of the Indiana Charter School Manual includes the following requirements:

“Timely Recordkeeping: All documents and entries to records shall be done in a timely manner to ensure that accurate financial information is available to allow the charter school to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law.”

“Transaction Recording: All financial transactions pertaining to the charter school must be recorded in the records of the charter school.”

Accounting principles generally accepted in the United States of America as applied to non-profit organizations require revenue and expense transactions to be recorded in the proper period.

Recommendation: We recommend that the School prepare and record all journal entries that are required to prepare the financial statements in accordance with accounting principles generally accepted in the United States of America.

TIMOTHY L. JOHNSON ACADEMY, INC.
ALLEN COUNTY, INDIANA
Exit Conference
Year Ended June 30, 2018

The contents of this report were discussed on March 19, 2019 with:

Larry Rowlan, President

Eva Spilker, Finance Director

The Official Response has been made a part of this report and may be found on the following page.

TIMOTHY L. JOHNSON ACADEMY, INC.

ALLEN COUNTY, INDIANA

Official Response

Year Ended June 30, 2018

JOURNAL ENTRIES AND TRANSACTION RECORDING

The management company will evaluate all known relevant factors and review all financial information at year-end to ensure that any required journal entries will be recorded prior to commencement of the yearly audit.