



STATE OF INDIANA
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B56393

STATE BOARD OF ACCOUNTS
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February 12, 2021

Charter School Board
Joshua Academy, Inc.
1230 E Illinois St
Evansville, IN 47711

We have reviewed the Supplemental Audit Report for Joshua Academy, Inc. prepared by Kemper CPA Group, LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. 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 4 through 5 contain four audit results and comments. Management's response is on pages 7 through 8.

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

JOSHUA ACADEMY, INC.

Vanderburgh County, Indiana

**SUPPLEMENTAL COMPLIANCE
EXAMINATION REPORT**

Year Ended June 30, 2020



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	Zachary LaGrange	7/1/19 to 6/30/20
Board Treasurer	James Snepp	7/1/19 to 6/30/20
Board Secretary	Rhea Jones-Price	7/1/19 to 6/30/20
Finance Director	Sandy Byers	7/1/19 to 6/30/20
Principal	Arveneda McDonald	7/1/19 to 6/30/20



TRANSMITTAL LETTER

The Officials of
Joshua Academy, Inc.

We have audited the records of Joshua Academy, Inc. (Academy) for the period from July 1, 2019 to June 30, 2020, and have issued our report thereon dated January 29, 2021. As part of our audit, we tested the Academy's compliance with provisions of the *Accounting and Uniform Compliance Manual for the audits of Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contract, and grant agreements. Reported in the Audit Results and Comments are matters where we believe the Academy was not in compliance with those provisions.

A handwritten signature in black ink that reads 'Kemper CPA Group, LLP'.

Evansville, Indiana
January 29, 2021

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 Manual for the audits of Indiana Charter Schools* issued by the Indiana State Board of Accounts (Manual) during the year ended June 30, 2020. 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, 2020.

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.



Certified Public Accountants and Consultants

Evansville, Indiana
January 29, 2021

JOSHUA ACADEMY, INC.
Vanderburgh County, Indiana
Audit Results and Comments
Year Ended June 30, 2020

Bonding

Our testing revealed that the board did not establish an approved amount for a cash bond.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10: The organization should have a board approved amount for a cash bond or insurance policy that protects the organization from the designated employee or employees who commit fraud, theft, errors, and/or omission.

Credit Cards

Our testing of five credit card statements revealed that there was one statement that did not contain appropriate receipts as documentation for credit card expense reimbursement.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10: Payment shall not be made on the basis of a statement or a credit card slip only. Procedures for payments shall be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee shall be the responsibility of that officer or employee.

Textbook Rental Procedures and Use of TBR-2

Our testing of ten textbook rental receipts revealed that there were two textbook rental receipts that did not contain appropriate payment classifications for cash payments.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 10: The organization should maintain the duplicates of textbook rental receipts that determine the payment type received, whether that be cash, check, credit card payment, etc. The corresponding deposit slip should be kept to ensure that deposits are made in the same form that they are received.

JOSHUA ACADEMY, INC.
Vanderburgh County, Indiana
Audit Results and Comments
Year Ended June 30, 2020

Capital Assets

Our testing revealed that there was not a physical inventory of the capital assets performed at least every two years.

Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools Part 15: The Organization should complete a physical inventory at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records.

JOSHUA ACADEMY, INC.
Vanderburgh County, Indiana
Exit Conference
Year Ended June 30, 2020

The contents of this report were discussed on October 28, 2020, with the following persons:

Zachary LaGrange, President, James Snepp, Treasurer, Arveneda McDonald, Principal,
and Sandy Byers, Finance Director

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



Joshua Academy
1230 East Illinois Street, Evansville, IN 47711
812-601-4300
www.JoshuaAcademySchools.com
Better with a "B"

We NOW have an Indiana
Department of Education
Grade of a "B".



January 29, 2021

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

From: Zachary LaGrange, President of Board
James Snepp, Treasurer of Board
Arveneda McDonald, Principal
Sandy Byers, Finance Manager

OFFICIAL RESPONSE

For

Joshua Academy, Inc.

BONDING

Audit Comment: Our testing revealed that the board did not establish an approved amount for a cash bond.

School Response: Joshua Academy currently has an insurance policy that protects the organization from the designated employee or employees who commit fraud, theft, errors, and/or omission. Going forward we will present the policy annually to the board for approval of the policy amount.

Joshua Academy shall not discriminate against any student, teacher, or employee on the basis of race, religion, gender, or national origin. Furthermore, in regards to students, the school admits students of any race, religion, gender, color, national and ethnic origin, and disability to all the rights, privileges, programs, and activities generally accorded or made available to students at the school.



CREDIT CARDS

Audit Comment: Our testing revealed that there was one statement that did not contain appropriate receipts as documentation for credit card expense reimbursement.

School Response: The missing receipt was lost by a new employee. This staff person is now aware that all credit card receipts must be turned in. We will continue to reinforce our credit card policy.

TEXTBOOK RENTAL PROCEDURES AND USE OF TBR-2

Audit Comment: Our testing revealed that there were two textbook rental receipts that did not contain appropriate payment classifications for cash payments.

School Response: All relevant staff members are now aware of the requirements to complete the TBR-2 forms. Going forward they will mark the appropriate payment classification.

CAPITAL ASSETS

Audit Comment: Our testing revealed that there was not a physical inventory of the capital assets performed at least every two years.

School Response: Joshua Academy is currently working to complete a physical inventory. Going forward we will complete a physical inventory bi-annually.