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March 3, 2015

Charter School Board  
East Chicago Lighthouse Charter School  
3916 Pulaski Street  
East Chicago, IN 46312

We have reviewed the Supplemental Audit Report prepared by Fitzgerald/Isaac, LLC, Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. 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 3 and 4 contain two audit result and comments. Management's response is on page 6.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for East Chicago Lighthouse Charter School 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

**EAST CHICAGO LIGHTHOUSE CHARTER SCHOOL**

LAKE COUNTY, INDIANA

July 1, 2013 to June 30, 2014

**Fitzgerald** | **Isaac** LLC  
Certified Public Accountants

EAST CHICAGO LIGHTHOUSE CHARTER SCHOOL

LAKE COUNTY, INDIANA

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EAST CHICAGO LIGHTHOUSE CHARTER SCHOOL

LAKE COUNTY, INDIANA

School Officials

July 1, 2013 to June 30, 2014

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Eddie Harvey	07/01/13 – 06/30/14
Superintendent	Jamila Newman Jeremy Williams	07/01/13 – 09/30/13 10/01/13 – 06/30/14
Treasurer	Howard Hammond	07/01/13 – 06/30/14

The Board of Directors  
Lighthouse Academies of Northwest Indiana, Inc.

We have audited the financial statements of **East Chicago Lighthouse Charter School** (the "School") as of and for the year ended June 30, 2014 and have issued our report thereon dated February 12, 2015. 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. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.



Indianapolis, IN  
February 12, 2015

EAST CHICAGO LIGHTHOUSE CHARTER SCHOOL

LAKE COUNTY, INDIANA

Audit Results and Comments

July 1, 2013 to June 30, 2014

CASH RECEIPTS AND DEPOSITS

In our audit, we examined records relating to cash received at the school pertaining to such items as uniform sales, student fees, fundraising, and field trips. From a sample of 25 cash receipt transactions comprising items from the 2014 fiscal year, we noted nine instances where funds were not deposited timely. Collections were held for periods of 5 to 24 days before being deposited.

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. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

VENDOR DISBURSEMENTS

In our audit, we examined 22 vendor disbursements from throughout the fiscal year and noted the following issues:

1. Twelve vouchers had a printed signature on the approval line and were not dated, creating a question as to whether these vouchers were produced without actual approval of the certifying officer.
2. Four vouchers were not signed or dated on the approval line.

The Accounts Payable Voucher (Form 523) is designed to replace Claim Form 505. The form must be used in accordance with the following conditions: Charter schools may not draw a warrant or check for payment of a claim unless; (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the board having jurisdiction over the allowance of the payment of the claim. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

EAST CHICAGO LIGHTHOUSE CHARTER SCHOOL

LAKE COUNTY, INDIANA

Exit Conference

July 1, 2013 to June 30, 2014

The contents of this report were discussed on February 19, 2015 with Khori Whittaker (CEO, Lighthouse Academies, Inc.), Michael Driscoll (CFO, Lighthouse Academies, Inc.), and Howard Hammond (Controller, Lighthouse Academies, Inc.). The Official Response has been made a part of this report and may be found on page 5.

# Lighthouse Academies of Northwest Indiana, Inc.

February 18, 2015

Fitzgerald/Isaac LLC  
9245 N. Meridian St., Suite 302  
Indianapolis, IN 46260  
Attn: Eugene P. Fitzgerald

Re: SBOA Findings for East Chicago Lighthouse Charter School

Dear Sir:

## Finding on CASH RECEIPTS AND DEPOSITS

Audit Comment: In our sample of 25 cash receipt transactions from throughout the year, we noted nine where the payment received was not deposited timely. The length of time between the receipt of payment and deposit ranged from 5 to 24 days.

School Response: It is the School's policy that no more than \$50 in total receipts can be kept overnight at the school. All receipts must be deposited on the same day as received. The Regional Operations Manager will reinforce this with the School Operations Managers in her regular training so that they understand the policy. Bank runs will be a normal part of the School Operations Manager daily schedule, and she/he will be expected to make them everyday. The Regional Operations Manager will periodically check throughout the year that the cash receipt's date is the same as the bank receipt's date. If it is not, she will inform both the Principal and the Controller.

## Finding on VENDOR DISBURSEMENTS

Audit Comment: Out of 22 selections of vendor disbursements, twelve vouchers had a printed signature, but were not dated, and four vouchers were not signed or dated.

School Response: The Regional Operations Manager approves the invoice to be paid by signing and dating the Accounts Payable Voucher, often electronically. Only the ROM has access to her electronic signature, which is password-protected. The Controller in Framingham will not pay invoices without the ROM's approval.

Thank you.

Sincerely,



Howard Hammond  
Controller  
Lighthouse Academies of Indiana, Inc.

We prepare our students for college through a rigorous arts-infused program.

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