



**STATE OF INDIANA**  
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January 30, 2024

Charter School Board  
The Hammond Urban Academy, Inc.  
Lake County, Indiana

We have reviewed the Supplemental Audit Report for The Hammond Urban Academy, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. 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 on page 3. Management's response can be found on pages 5 through 6.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in black ink that reads "Tammy R. White". The signature is written in a cursive style.

Tammy R. White CPA  
Deputy State Examiner

**SUPPLEMENTAL AUDIT REPORT  
OF  
THE HAMMOND URBAN ACADEMY, INC.**

LAKE COUNTY, INDIANA

July 1, 2022 to June 30, 2023



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**THE HAMMOND URBAN ACADEMY, INC.**  
**LAKE COUNTY, INDIANA**  
**School Officials**  
**July 1, 2022 to June 30, 2023**

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Kris Sakelaris	07/01/22 – 06/30/23
School Leader	Dr. Sean Egan	07/01/22 – 06/30/23
Treasurer	Heather Garay	07/01/22 – 06/30/23



# Donovan CPAs

The Board of Directors  
The Hammond Urban Academy, Inc.

We audited the financial statements of The Hammond Urban Academy, Inc. (the “School”) as of and for the year ended June 30, 2023, and issued our report thereon dated December 21, 2023. 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 we believe the School was not in compliance with those provisions.

DONOVAN

Indianapolis, Indiana  
December 21, 2023

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[www.cpadonovan.com](http://www.cpadonovan.com)

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Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

**THE HAMMOND URBAN ACADEMY, INC.**  
**LAKE COUNTY, INDIANA**  
**Audit Results and Comments**  
**July 1, 2022 to June 30, 2023**

**CAPITAL ASSETS**

The School was unable to provide records showing a complete inventory was taken.

Every charter school must have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory must be recorded on the applicable Capital Asset Ledger. A complete inventory shall be taken for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 15)

**RECEIPTS AND DEPOSITS**

We selected forty receipts for testing from the School's receipt books, noting the following:

- The School was unable to provide documentation to allow us to trace the initial receipt through to the corresponding deposit on fifteen receipts.
- Of the receipts we were able to trace to a corresponding deposit, thirteen were not deposited in a timely manner. The individual receipt amounts in question ranged from \$15 to \$192 and were between six and eleven days late.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment.

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. Timely receipts and deposits are required to provide the organizer and charter school administration with current information necessary for all financial decisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

**TICKET SALE PROCEDURES**

The School has multiple extra-curricular events where pre-numbered tickets are used. The School did not utilize the ticket sales report (Form SA-4) to track sold tickets and reconcile cash received to amounts deposited for all ticketed events.

The designated charter school employee shall be responsible for the proper accounting for all tickets and must keep a record of the number purchased, the number issued for sale, and the number returned. The designee must see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered., with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the charter school, the charter school's receipt issued therefore must show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**THE HAMMOND URBAN ACADEMY, INC.**  
**LAKE COUNTY, INDIANA**  
**Exit Conference**  
**July 1, 2022 to June 30, 2023**

The contents of this report were discussed on December 19, 2023 with Deborah Czmiel (CFO/Business Manager), Deborah Snedden (Superintendent/School Leader), Megan Flores (Board Treasurer) and Kris Sakelaris (Board President). The Official Response has been made a part of this report and may be found on page 5.



Donovan CPAs  
9292 N. Meridian St, Ste 150  
Indianapolis, IN. 46260  
Attn: Jacob Stephenson

Re: Response to Audit – 7/1/22 - 6/30/23 SBOA Findings

December 21, 2023

1. Capital Assets/Inventory

- A physical inventory of capital assets will be done in the spring of 2024 and every other year following. Adjustments to financials will be recorded as necessary upon completion of physical inventory.
- The associated balance sheet (Cost and Accum Depreciation) accounts will be reconciled regularly.
- A Capital (Fixed) Asset policy will be created.
- The purchase of capital assets will be individually tied to the depreciation schedule (by serial number and asset tag number) and maintained by Bookkeeping Plus, Inc ("BPI").

2) Receipts and Deposits

- There has been improvement from prior year's audits. All deposits are now going through the business office and deposited within 2-3 days of receipt. With more control over deposits, we can ensure more timely deposits.

6) Ticket Sale Procedures

- As with the receipts and deposits, there has been improvement from prior years. HAST has implemented the process of utilizing the SA-4 form however in this audit period, we were not able to achieve full compliance. I expect to be fully compliant with future audits.

I'll continue to seek guidance from your firm as I build out and refine processes that are in accordance with generally accepted accounting principles ("GAAP") and SBOA regulations. Additionally, internal controls will be tested and refined as necessary.

HAMMOND  
ACADEMY  
OF SCIENCE & TECHNOLOGY



Respectfully,

A handwritten signature in black ink, appearing to read 'Deborah S. Czmiel'. The signature is fluid and cursive, with the first name being the most prominent.

Deborah S. Czmiel  
Business Manager