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January 12, 2016

Charter School Board  
21<sup>st</sup> Century Charter School @ Gary, Inc.  
556 Washington Street  
Gary, IN 46402

We have reviewed the Supplemental Audit Report prepared by Crowe Horwath LLP, Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. 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. Page 3 contains two audit results and comments. Management's responses directly follow each finding.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for 21<sup>st</sup> Century Charter School @ Gary, Inc. 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

INDIANA STATE BOARD OF ACCOUNTS  
COMPLIANCE REPORT OF  
**21<sup>ST</sup> CENTURY CHARTER SCHOOL @ GARY, INC.**

LAKE COUNTY, INDIANA  
July 1, 2014 to June 30, 2015

21<sup>ST</sup> CENTURY CHARTER SCHOOL @ GARY, INC.

LAKE COUNTY, INDIANA  
July 1, 2014 to June 30, 2015

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21<sup>ST</sup> CENTURY CHARTER SCHOOL @ GARY, INC.  
SCHOOL OFFICIALS  
July 1, 2014 to June 30, 2015

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<b>Office</b>	<b>Official</b>	<b>Term</b>
Lead Principal	Christopher Evans	July 1, 2014 to June 30, 2015
Treasurer	Dana Johnson Teasley	July 1, 2014 to June 30, 2015
President of the Charter Board	Alyce Butler	July 1, 2014 to June 30, 2015

INDEPENDENT ACCOUNTANTS REPORT ON COMPLIANCE  
WITH GUIDELINES FOR THE AUDITS OF CHARTER  
SCHOOLS PERFORMED BY PRIVATE EXAMINERS

Board of Directors  
21<sup>st</sup> Century Charter School @ Gary, Inc.  
Gary, Indiana

We have audited the financial statements of 21<sup>st</sup> Century Charter School @ Gary, Inc. ("School") as of and for the year ended June 30, 2015, and have issued our report thereon, dated October 28, 2015.

In connection with that audit and with our consideration of School's internal control as required by the *Guidelines for the Audits of Charter Schools Performed by Private Examiners* ("Guide"), issued by the Indiana State Board of Accounts, we performed procedures prescribed under the Guide for the year ended June 30, 2015.

As required by the Guide, we performed procedures to test compliance with the requirements that are applicable to the School. Our procedures were substantially narrower in scope than an audit, the objective of which is the expression of an opinion on the School's compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings as items 15-001 and 15-002.

The purpose of this report is solely to describe the scope of our testing over compliance with the requirements prescribed under the Guide and the results of that testing, and not to provide a legal determination of compliance with those requirements. Accordingly, this report is not suitable for any other purpose.

The School's responses to the findings identified are described in the accompanying Schedule of Findings. The School's responses were not subjected to the procedures applied and, accordingly, we express no opinion on them.

*Crowe Horwath LLP*  
Crowe Horwath LLP

Indianapolis, Indiana  
October 28, 2015

21<sup>ST</sup> CENTURY CHARTER SCHOOL @ GARY, INC.  
SCHEDULE OF FINDINGS  
July 1, 2014 to June 30, 2015

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**FINDING 15-001: RECEIPTS**

**Criteria:** Part 8 of the Indiana Charter School Manual states in part, "*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.*"

**Condition:** During testing of travel expenditures, it was noted that four transactions, in a sample of 5, didn't maintain a copy of a receipt. The receipt prescribed by the SBOA (Form No. 509) is to be signed and acknowledged by the Treasurer, or equivalent.

**Recommendation:** We recommend the School issue, and retain copies of, receipts at the time of the transaction for all receipts of funds. All receipts should be reviewed and acknowledged by signature of the Treasurer, or equivalent.

**Management Response:** The School acknowledges the error, and has added an additional layer of review to prevent such errors in the future.

**FINDING 15-002: CONFLICT OF INTEREST**

**Criteria:** Part 13 of the Indiana Charter School Manual states in part, "*Ensure that appropriate conflict of interest statements have been filed. Conflict of Interest Statements shall also be provided to the State Board of Accounts.*"

**Condition:** During our inquiry of the School's conflict of interest policy, management stated that the School doesn't require its Board Members to sign or file a conflict of interest form.

**Recommendation:** We recommend the School start to require its board members to individually sign and file conflict of interest forms.

**Management Response:** Management has reviewed this comment and will ensure that conflict of interest statements are reviewed and signed on an annual basis.

21<sup>ST</sup> CENTURY CHARTER SCHOOL @ GARY, INC.  
EXIT CONFERENCE  
July 1, 2014 to June 30, 2015

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The contents of this report were discussed on October 26, 2015, with Dana Johnson Teasley, Treasurer. The Official Response has been made a part of this report and may be found immediately following the findings on the previous pages.