



STATE OF INDIANA
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December 28, 2018

Charter School Board
East Chicago Urban Enterprise Academy, Inc.
1402 E Chicago Ave
East Chicago, IN 46312

We have reviewed the Supplemental Audit Report for East Chicago Urban Enterprise Academy, Inc. prepared by Donovan CPAs, 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 findings in the report. Page 3 contains two audit results and comments. 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
EAST CHICAGO URBAN ENTERPRISE ACADEMY, INC.**

LAKE COUNTY, INDIANA

July 1, 2017 to June 30, 2018



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EAST CHICAGO URBAN ENTERPRISE ACADEMY, INC.
LAKE COUNTY, INDIANA
School Officials
July 1, 2017 to June 30, 2018

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman of Board of Directors	David Padilla	07/01/17 – 06/30/18
School Leader	Veronica Eskew	07/01/17 – 06/30/18
School Treasurer	Melinda Benkovsky	07/01/17 – 06/30/18



Donovan CPAs

To the Board of Directors
East Chicago Urban Enterprise Academy, Inc.

We have audited the financial statements of East Chicago Urban Enterprise Academy, Inc. (the "School") as of and for the year ended June 30, 2018 and have issued our report thereon dated December 14, 2018. 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.

DONOVAN

Indianapolis, Indiana
December 14, 2018

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EAST CHICAGO URBAN ENTERPRISE ACADEMY, INC.
LAKE COUNTY, INDIANA
Audit Results and Comments
July 1, 2017 to June 30, 2018

RECORD RETENTION

We were unable to conduct testing related to compliance with the provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts due to the lack of records and documentation of business and financial transactions. The following documents were requested during the audit, but were unable to be provided by the School:

1. Copy of School Fund Authority (SFA) Verification Collection Report
2. Copy of monthly meal claim selected for testing

Charter school administrators must be cognizant of their duties of care, loyalty, and obedience. The duty of care requires administrators to be familiar with charter school's finances and activities and to participate regularly in its operations. Duty of loyalty requires that any conflict of interest, real or possible, always be disclosed in advance of being employed and when they arise. A charter school had the duty to insure that the school complies with applicable laws and regulations and its internal policies and procedures. (*Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8*)

CASH RECEIPTS AND DEPOSITS

The School receives cash payments for various purposes, including uniforms, fundraisers, and student fees. Procedures were in place to process cash collections, however, out of the 25 receipts selected for testing, 23 were not deposited in a timely manner.

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*)

EAST CHICAGO URBAN ENTERPRISE ACADEMY, INC.
LAKE COUNTY, INDIANA
Exit Conference
July 1, 2017 to June 30, 2018

The contents of this report were discussed on December 14, 2018 with Ms. Veronica Eskew (School Leader), Mr. John Artis (Chairman of Board of Directors), Melinda Benkovsky and Renee Lindemann (Leaona Group). The Official Response has been made a part of this report and may be found on page 5.



East Chicago Urban Enterprise Academy

"Students First, Family Focused"

REQUIRED REPORTS

Finding:

We were unable to conduct testing related to compliance with the provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts due to the lack of records and documentation of business and financial transactions. The following documents were requested during the audit, but were unable to be provided by the School:

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School Response:

East Chicago Urban Enterprise Academy will seek guidance on implementing protocol for completing the School Fund Authority Verification Collection Report. Going forward, the Academy and management will maintain copies of monthly meal claims for records retention.

CASH RECEIPTS AND DEPOSITS

Finding:


The School receives cash payments for various purposes, including uniforms, fundraisers, and student fees. Procedures were in place to process cash collections, however, out of the 25 receipts selected for testing, 23 were not deposited timely.

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*)

School Response:

East Chicago Urban Enterprise Academy will abide by the *Accounting and Uniform Compliance Guideline Manual for Indiana Charter Schools, Part 8*, and shall deposit all funds received in the designated depository in a timely manner.

Sincerely,


John Artis, Board of Directors

12/18/18
Date

Board of Directors

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www.ecuea.com

Mission:

We are committed to accomplishing educational excellence through a united effort of students, families and our communities.

Mr. John Artis
Mr. R. Louie Gonzalez
Mr. Manuel Martinez

Mrs. Rita Jacque-Gillis
Mrs. Kimberly Edwards
Mrs. Catherine Hill-Thomas
Ms. Danita Williams



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