



**STATE OF INDIANA**  
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February 5, 2020

Charter School Board  
The Hammond Urban Academy, Inc.  
33 Muenich Ct  
Hammond, IN 46320

We have reviewed the Supplemental Audit Report for The Hammond Urban Academy, Inc. prepared by RSM US LLP, 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.

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

**The Hammond Urban Academy, Inc.**  
**(Lake County, Indiana)**

Supplemental Audit Report  
July 1, 2017 to June 30, 2018

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**The Hammond Urban Academy, Inc.  
Lake County, Indiana**

**School Officials  
July 1, 2017 to June 30, 2018**

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Office	Official	Term
President of Board of Directors	Kris Sakelaris	07/01/16 - 06/30/20
School Leader	Sean Egan	07/01/16 - 06/30/20
Treasurer	Heather Garay	07/01/17 - 06/30/20



RSM US LLP

To the Board of Directors  
The Hammond Urban Academy, Inc.  
Lake County, Indiana

We have audited the financial statements of The Hammond Urban Academy, Inc. (the School) as of and for the year ended June 30, 2018, and have issued our report thereon dated January 16, 2020. 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 accompanying Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.

*RSM US LLP*

Elkhart, Indiana  
January 16, 2020

## **The Hammond Urban Academy, Inc.**

### **Audit Results and Comments**

**July 1, 2017 to June 30, 2018**

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#### **Proper Bonding**

The School obtained bonding on the Business Manager in the amount of \$100,000. We noted, however, the average amount of cash or receipts on hand during the 2018 school year that the employee designated to handle cash had access to was in excess of the School's bond protection.

The organizer shall designate employees who are responsible for handling a majority of the cash, receipts, and disbursements for the School. The designated employees must have either a cash bond or an insurance policy on their behalf that protects the charter school from employee theft, fraud, errors, and omissions. The cash bond or insurance policy should represent an average amount of cash or receipts on hand during the school year. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

#### **Extra-Curricular Activities**

The School maintains a number of bank accounts managed by teachers and staff personnel for various extra-curricular activities. Neither the cash balance, which amounted to \$20,097 at June 30, 2018, nor the activity for the year are recorded on the School's accounting records.

All financial transactions pertaining to the charter school must be recorded in the records of the charter school. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

Special Funds may be established to account for money received by a school corporation for a special purpose or purposes if no local tax revenues are involved. These funds may be supported by gifts, donations, or endowments or be established pursuant to federal statutes. A ledger account on prescribed Form Number 508 must be established for each fund. Each fund account will serve as a control account for all receipt and disbursement transactions pertaining to that fund. In addition, a ledger account on Form Number 508 must be established for the "All Funds Control" to which all receipts and disbursements for all funds shall be posted. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3)

Charter schools are required to submit a Form 9 Biannual Financial Report two times per year during the months of January and July. The financial information in the Form 9 shall reflect cash basis information. The January report must include previous calendar-year financial and other required information for the period July 1 to December 31. The July report must include current calendar-year financial and other required information for the period January 1 to June 30. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9)

**The Hammond Urban Academy, Inc.**

**Exit Conference**

**July 1, 2017 to June 30, 2018**

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The contents of this report were discussed on January 16, 2020, with Sean Egan (School Leader), Dennis Small (Business Manager), Kris Sakelaris (Board President), Heather Garay (Board Treasurer), and other members of the Board of Directors, including Dave Ryan, Owana Miller, Gus Lopez, Anne Herbert, Janet Venecz, and Kevin Smith.