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March 18, 2021

Charter School Board  
Lighthouse Academies of Northwest Indiana, Inc.  
3916 Pulaski St  
East Chicago, IN 46312

We have reviewed the Supplemental Audit Report for Lighthouse Academies of Northwest Indiana, Inc. prepared by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2019 to June 30, 2020. 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. Pages 3 through 4 contain four audit results and comments. Management's response is on pages 6 through 7.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

**SUPPLEMENTAL AUDIT REPORT  
OF  
LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.**

**LAKE COUNTY INDIANA**

**JULY 1, 2019 TO JUNE 30, 2020**



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**LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.  
LAKE COUNTY, INDIANA  
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JULY 1, 2019 TO JUNE 30, 2020**

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**LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.  
LAKE COUNTY, INDIANA  
SCHOOL OFFICIALS  
JULY 1, 2019 TO JUNE 30, 2020**

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Amina Payne	07/01/19 – 06/30/20
Superintendent	Jessica Beasley	07/01/19 – 06/30/20
Controller	Mary Beth Rousseau	07/01/19 – 06/30/20



CliftonLarsonAllen LLP  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Lighthouse Academies of Northwest Indiana, Inc.  
Wesley Chapel, Florida

We have audited the financial statements of Lighthouse Academies of Northwest Indiana, Inc. (LANWI) as of and for the year ended June 30, 2020, and have issued our report thereon dated January 21, 2021. As part of our audit, we tested LANWI'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 LANWI was not in compliance with those provisions.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Indianapolis, Indiana  
January 21, 2021

**LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.**  
**LAKE COUNTY, INDIANA**  
**AUDIT RESULTS AND COMMENTS**  
**JULY 1, 2019 TO JUNE 30, 2020**

**VENDOR DISBURSEMENTS TESTING**

Sales tax can be avoided or reimbursed for purchases eligible under the state tax exemption guidelines. There were six instances in which sales tax was paid and two instances in which taxes and surcharges were paid for a total of eight instances of the 40 selections where Gary Lighthouse Charter School (GLCS) inappropriately paid sales tax.

Charter schools are eligible for an exemption from the state sales tax on purchases. To obtain the exemption for a Sales Tax Exemption Certificate, application shall be made to the Sales Tax Division of the Department of Revenue. This certificate must be presented at the time a purchase is made to avoid paying sales tax. If sales tax is paid erroneously, a refund application may be obtained from the Sales Tax Division (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

Late fees should be avoided with timely processing of invoices for payment. There was one instance of the 40 selected where GLCS paid late fees.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

Expenses should be supported with detailed documentation supporting the school purpose of the expense. There were two instances of the 40 selected where this documentation was not available for GLCS.

Supporting documents such as paid bills and receipts must be available in support of payment of credit card payments (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

**AVERAGE DAILY MAINTENANCE (ADM) TESTING**

Enrollment documents are required to be maintained by the Indiana Department of Education (IDOE) for each student. In addition, the School has adopted a policy requiring additional documents to be obtained at enrollment. The process used did not result in maintaining consistent and complete enrollment records for four students of the 75 tested for enrollment at East Chicago Lighthouse Charter School (ECLCS) and six students of the 75 tested for enrollment at GLCS. The four students at ECLCS and 10 students at GLCS selections were missing the proof of residency documentation and/or birth certificate as required by the IDOE.

In addition, 57 of the 75 selections for ECLCS and 59 of the 75 selections for GLCS were missing at least one of the enrollment documents required by the school's policy for enrollment.

Records such as paper or electronic enrollment applications, as well as copies of birth certificates and proof of residency, etc. as determined by policy or normal practice by the school should be maintained (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9).

**LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.**  
**LAKE COUNTY, INDIANA**  
**AUDIT RESULTS AND COMMENTS**  
**JULY 1, 2019 TO JUNE 30, 2020**

**AVERAGE DAILY MAINTENANCE (ADM) TESTING (CONTINUED)**

Officials shall maintain records (enrollment applications, attendance records, reporting forms, etc.) which substantiate the number of students claimed for ADM. A student claimed for ADM must be an "eligible pupil". An eligible pupil is a student that is enrolled and attending. IC 20-43-1-11.5 defines "Enrolled" as registered with a school corporation to attend educational programs offered by or through the school corporation; and attending these educational programs or receiving education services. IC 20-43-1-7.5 defines "Attending" as physical or virtual presence of a student with the expectation of continued services in the education programs for which the student is registered. The process used to determine eligible pupil status resulted in 1 student of the 75 tested at GLCS being included in the ADM count that did not meet the qualifications of an eligible pupil but was included in the count date reporting and certification.

The Organizer is responsible for reporting ADM to the Indiana Department of Education (IDOE). The ADM Summary Report shall provide a written certification of ADM to properly document responsibility. The ADM Summary Report must be signed by the Superintendent/Principal/Director of Schools and the Trustee/Corporate Treasurer and be uploaded to IDOE for each reporting period in the fiscal year. Supporting documentation of enrollment and attendance/engagement information by grade and school must be maintained for audit (Accounting and Uniform Compliance Guidelines for Indiana Charter Schools, Part 9).

GLCS officials shall contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment applicable to GLCS because of incorrect reporting.

**CREDIT CARD TESTING**

GLCS did not retain supporting documentation for the entire credit card charge in for three purchases on three of the five credit card statements tested.

Supporting documents such as paid bills and receipts must be available in support of payment of credit card payments (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

**REQUIRED REPORTS**

ECLCS and GLCs reported inaccurate cash balances on the Form 9 reporting for the bi-annual reporting period ended June 30, 2020. The reported balances included accruals for revenue and expenses.

Charter schools are required to comply with all grant agreements, rules, regulations, bulletins directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Charter schools shall file accurate reports required by federal and state agencies. Noncompliance may require corrective action (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10).

**LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.  
LAKE COUNTY, INDIANA  
EXIT CONFERENCE  
JULY 1, 2019 TO JUNE 30, 2020**

The contents of this report were discussed on December 17, 2020 with Amina Payne (President of Board of Directors), Jessica Beasley (Executive Director), Brent Elliott and Mary Beth Rousseau (Representatives from Lighthouse Academies, Inc.). The official response has been made part of this report and may be found starting on page 6.

# Lighthouse Academies of Northwest Indiana, Inc.

January 21, 2021

CliftonLarsonAllen LLP  
Indianapolis, Indiana  
Attn: Kyla Greenhoe, CPA

RE: Responses to Lighthouse Academies of Northwest Indiana Supplemental Audit Report

## Vendor Disbursements Testing

Sales tax can be avoided or reimbursed for purchases under the sales tax exemption guidelines. Gary Lighthouse Charter School (GLCS) inappropriately paid sales tax.

Late fees should be avoided with timely processing of invoices for payment. GLCS paid late fees.

Expenses should be supported with detailed documentation supporting the school purpose of the expense. GLCS was missing sufficient documentation in two instances.

Response: Training for employees is scheduled to review the proper approval and processing of invoices. Training will occur semiannually and will include an overview of the process and our purchasing and invoice system. Purchase orders will be required for every purchase including those made with the credit card to ensure accuracy and proper documentation.

## Average Daily Maintenance (ADM) Testing

Enrollment documents required to be maintained by the Indiana Department of Education (IDOE) include, at a minimum, birth certificates, enrollment application and proof of residency for each student. In addition, the School has adopted a policy requiring additional documents to be obtained at enrollment. During the review of the student files, it was found the files were not consistent and complete and were missing required documentation.

Officials shall maintain records which substantiate the number of students claimed for ADM. A student claimed for ADM must be an enrolled and attending "eligible pupil". There was one student found to be ineligible for ADM reporting for GLCS.

Response: The school is reviewing its list of required additional documents and training is scheduled with appropriate personnel to review the documents needed for each student. A full audit of all student files will be performed, and missing documents obtained. The school is also reviewing the process for addressing absent students to ensure accurate ADM reporting. School officials shall contact the IDOE Division of School Finance to determine possible steps to be taken to correct any overpayment due to incorrect reporting.

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# Lighthouse Academies of Northwest Indiana, Inc.

## Credit Card Testing

Supporting documents such as paid bills and receipts must be available in support of payment of credit card payments. Supporting documentation was missing for GLCS.

Response: Training for employees is scheduled to review the proper approval and documentation needed to support all credit card charges. This includes creating purchase orders for credit card purchases to ensure accurate documentation.

## Financial Reporting

The overall cash balances on the Form 9 reports at June 30, 2020 for the LANWI schools did not agree with the balance of cash per the schools' accounting records. The reported balances included accruals for revenue and expenses.

Response: A reconciliation will be done between the Form 9 reported balances and the audited cash balances. Corrections will be made to bring the balances in agreement. The finance team has met with the auditors to ensure our understanding is correct as we process in future years.

Sincerely,



Jessica Beasley  
Executive Director

