



STATE OF INDIANA
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December 12, 2022

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 CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on page 3. 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.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**SUPPLEMENTAL AUDIT REPORT
OF
EAST CHICAGO URBAN ENTERPRISE ACADEMY, INC.**

LAKE COUNTY, INDIANA

JULY 1, 2020 TO JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
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EAST CHICAGO URBAN ENTERPRISE ACADEMY, INC.
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**EAST CHICAGO URBAN ENTERPRISE ACADEMY, INC.
LAKE COUNTY, INDIANA
SCHOOL OFFICIALS
JULY 1, 2020 TO JUNE 30, 2021**

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman of Board of Directors	John Artis	07/01/20 – 06/30/21
School Leader	Veronica Eskew	07/01/20 – 06/30/21
School Treasurer	Melinda Benkovsky	07/01/20 – 06/30/21



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INDEPENDENT AUDITORS' REPORT

Board of Directors
East Chicago Urban Enterprise Academy, Inc., Inc.
East Chicago, Indiana

We have audited the financial statements of East Chicago Urban Enterprise Academy, Inc., Inc. (the School) as of and for the year ended June 30, 2021 and have issued our report thereon dated November 23, 2021. 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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
November 23, 2021



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EAST CHICAGO URBAN ENTERPRISE ACADEMY, INC.
LAKE COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS
JULY 1, 2020 TO JUNE 30, 2021

CASH DEPOSITS

The bank deposit was not completed timely for 5 of the 40 cash receipts tested.

All charter school money must be deposited in the designated depository no later than the business day following the receipt of funds in the same form in which the funds were received. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

An audit adjustment to grants receivable for \$169,000 was detected as a result of audit procedures related to properly recording grants receivable and the related grants revenue. As a result, these accounts were materially misstated and are considered a material weakness in internal controls. Proper procedures around cut-off of revenues and receivables are an important element of internal controls.

Indiana Code 20-24-7-1 requires each charter school to report on the GAAP basis of accounting, which requires internal controls to be established by the school to ensure accurate financial reporting.

**EAST CHICAGO URBAN ENTERPRISE ACADEMY, INC.
LAKE COUNTY, INDIANA
EXIT CONFERENCE
JULY 1, 2020 TO JUNE 30, 2021**

The contents of this report were discussed on October 25, 2021 with Ms. Veronica Eskew (School Leader), Mr. John Artis (Chairman of Board of Directors), Melinda Benkovsky and Renee Lindemann (Leona 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"

The following letter is in response to the Supplemental Audit Report for East Chicago Urban Enterprise Academy for the 2020-2021 audit.

CASH RECEIPTS AND DEPOSITS

Finding:

The bank deposit was not completed timely for 5 of the 40 cash receipts tested.

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. (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. In order to increase efficiency, the Academy has begun offering Paypal, which will allow parents to pay by credit card, reducing the amount of cash transactions that will need to be deposited by the Academy. The Academy will continue to promote this option.

INTERNAL CONTROLS

Finding:

An audit adjustment to grants receivable for \$169,000 was detected as a result of audit procedures to properly record grants receivable and the related grants revenue. As a result, these accounts were materially misstated. Proper procedures around cut-off of revenues and receivables are an important element of internal controls.

Indiana Code 20-24-7-1 requires each charter school to report on the GAAP basis of accounting, which requires internal controls to be established by the school to ensure accurate financial reporting.

School Response:

East Chicago Urban Enterprise Academy will abide by Indiana Code 20-24-7-1 and thoroughly investigate and accrue all anticipated revenues and receivables applicable to the fiscal year under consideration.

Sincerely,

Melinda Benkovsky, Vice President of Finance

11-23-2021

Date

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