



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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June 14, 2023

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, 2020 to June 30, 2021. 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 on page 3. Management's response is on pages 5 through 8.

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  
LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.**

**LAKE COUNTY INDIANA**

**JULY 1, 2020 TO JUNE 30, 2021**



WEALTH ADVISORY | OUTSOURCING  
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**LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.  
LAKE COUNTY, INDIANA  
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JULY 1, 2020 TO JUNE 30, 2021**

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**LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.  
LAKE COUNTY, INDIANA  
SCHOOL OFFICIALS  
JULY 1, 2020 TO JUNE 30, 2021**

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Amina Payne	07/01/20 – 06/30/21
Superintendent	Jessica Beasley	07/01/20 – 06/30/21
Controller	Mary Beth Rousseau	07/01/20 – 06/30/21



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, 2021, and have issued our report thereon dated November 19, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Indianapolis, Indiana  
November 19, 2021



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**LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.**  
**LAKE COUNTY, INDIANA**  
**AUDIT RESULTS AND COMMENTS**  
**JULY 1, 2020 TO JUNE 30, 2021**

**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 eight (8) students (4 fall, 4 spring) of the 75 tested for enrollment at East Chicago Lighthouse Charter School (ECLCS) and six (6) students of the 75 tested for enrollment at GLCS. The eight (8) students at ECLCS and six (6) students (3 fall, 3 spring) at GLCS selections were missing the proof of residency documentation, proof of enrollment, and/or birth certificate as required by the School's policy.

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).

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 one (1) student (fall) of the 75 tested at ECLCS being included in the ADM count that did not meet the qualifications of an eligible pupil due to lack of supporting attendance records 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).

ECLCS 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 ECLCS because of incorrect reporting.

**CREDIT CARD TESTING**

GLCS did not retain supporting documentation for the entire credit card charge in for at least one (1) purchase on four (4) of the five (5) 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).

**LIGHTHOUSE ACADEMIES OF NORTHWEST INDIANA, INC.  
LAKE COUNTY, INDIANA  
EXIT CONFERENCE  
JULY 1, 2020 TO JUNE 30, 2021**

The contents of this report were discussed on October 19, 2021 with Jessica Beasley (Executive Director), Jonathon Tebeleff and Mary Beth Rousseau (Representatives from Lighthouse Academies, Inc), and other school officials. Official response has been made part of this report and may be found starting on page 5.



November 18, 2021

CliftonLarsonAllen LLP

Indianapolis, Indiana

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

### **Average Daily Attendance (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 eight (8) students (4 fall, 4 spring) of the 75 tested for enrollment at East Chicago Lighthouse Charter School (ECLCS) and six (6) students of the 75 tested for enrollment at GLCS. The eight (8) students at ECLCS and six (6) students (3 fall, 3 spring) at GLCS selections were missing the proof of residency documentation, proof of enrollment, and/or birth certificate as required by the School's policy.

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).

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 one (1) student (fall) of the 75 tested at ECLCS being included in the ADM count that did not meet the qualifications of an eligible pupil due to lack of supporting attendance records 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).

ECLCS 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 ECLCS because of incorrect reporting.

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. The school buildings were closed for much of the 2020-2021 school year due to the COVID-19 pandemic resulting in unforeseen challenges with obtaining some documentation. A full audit of all student files will be performed this year, and missing documents will be 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.

Please find additional updates to the enrollment and registration process at Lighthouse Academies of Northwest Indiana below:

- Families now have the option to complete the enrollment and registration processes either electronically or via paper packets.
- Lighthouse Academies hired new Family Coordinators at 3 of our 4 schools for the 2021-2022 school year. The Family Coordinators will directly oversee and manage the registration process to ensure student files are complete and contain the required documentation.
- A Regional Family Liaison was hired to support all schools with community outreach and to provide additional support to our families around the registration process and attendance.
- The new hires and existing staff involved in the registration process completed training around the enrollment and registration processes and expectations in July 2021 in preparation for the upcoming school year.



- Lighthouse Academies of Northwest Indiana has hosted multiple in-person registration events for 2021-2022 to support families with the registration process and to collect required documentation prior to the start of the school year.
- Internal student file audits will be completed on an ongoing basis throughout the 2021-2022 school year to ensure accurate student files are maintained at all times.
- Lighthouse Academies hired a new Regional Director of Operations to advise the enrollment and registration processes and ensure all required documentation is on file.

Lighthouse Academies of Northwest Indiana is confident we will maintain complete and accurate records with the new and additional team members, adequate training, additional support to our families, ongoing student file audits, and a clear understanding of required documents.

### **Credit Card Testing**

GLCS did not retain supporting documentation for the entire credit card charge in for at least one (1) purchase on four (4) of the five (5) 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).

Response: Of the 4 credit card statements that were found to have missing documentation, 3 of the 4 were missing just 1 receipt. Furthermore, that one receipt was for the same recurring charge for each month. Management agrees that keeping proper documentation for all credit card transactions is vital and has been working to refine its credit card procedures to ensure that receipts or other documentation are kept for all credit card transactions. Management is in the process of updating the fiscal policies to ensure they are not only strong, but also include procedures that can be regularly followed. Lighthouse Academies has also hired 4th Sector Solutions to manage its finances. 4th Sector has an extensive staff with years of experience and a proven track record of sound financial management. 4th Sector will assist with updating the financial policies and ensure they are followed. All credit card transactions will be entered into the payables software, Avid Exchange. Receipts or other supporting documentation must be included with the record. Supervisors should not approve transactions without sufficient backup. 4th Sector solutions will also confirm backup is attached during their part of the review process. Each month 4th Sector Solutions will also reconcile the credit card statements monthly which can also serve as a final check for documentation.



Management appreciates this review and believes they have instituted sufficient procedures to ensure this issue is rectified moving forward.

Sincerely,

*Alyse Nicholson*

Alyse Nicholson

Director, Regional Operations



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