



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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December 22, 2023

Charter School Board
Higher Institute of Arts and Technology, Inc.
Lake County, Indiana

We have reviewed the Supplemental Audit Report for Higher Institute of Arts and Technology, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. 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 finding in the report on page 3. Management's response is on page 5.

The report is filed with this letter 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
HIGHER INSTITUTE OF ARTS AND TECHNOLOGY, INC.
LAKE COUNTY, INDIANA
July 1, 2022 to June 30, 2023



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HIGHER INSTITUTE OF ARTS AND TECHNOLOGY, INC.
LAKE COUNTY, INDIANA
School Officials
July 1, 2022 to June 30, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Sharla Johnson	07/01/22 – 06/30/23
School Principal	Jessica Acklin	07/01/22 – 06/30/23
School Treasurer	Charles Reese	07/01/22 – 06/30/23



Donovan CPAs

The Board of Directors
Higher Institute of Arts and Technology, Inc.

We audited the financial statements of Higher Institute of Arts and Technology, Inc. (the “School”) as of and for the year ended June 30, 2023 and issued our report thereon dated November 30, 2023. 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
November 30, 2023

HIGHER INSTITUTE OF ARTS AND TECHNOLOGY, INC.
LAKE COUNTY, INDIANA
Audit Results and Comments
July 1, 2022 to June 30, 2023

RECEIPTS AND DEPOSITS

We tested 25 receipts from the School's receipt books. None of these receipts were deposited in a timely manner. Deposit dates ranged from 44 to 188 days after the receipt date and individual receipt amounts ranged from \$15 to \$50.

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)

HIGHER INSTITUTE OF ARTS AND TECHNOLOGY, INC.
LAKE COUNTY, INDIANA
Exit Conference
July 1, 2022 to June 30, 2023

The contents of this report were discussed on November 29, 2023 with Sharla Johnson (Board President), Eva Spilker (Chief Financial Officer at Phalen Leadership Academies), and Carlo Hershberger (Director of Finance and Accounting at Phalen Leadership Academies). The Official Response has been made a part of this report and may be found on page 5.



November 30, 2023

Receipts and Deposits – in response to the finding on Receipts and Deposits:

To ensure deposits are made in a timely manner the following corrective actions will be implemented:

- a) HIAT has added a new Operations Manager that will be trained in procedures to deposit funds within 24 hours of receipt.
- b) PLA will follow up with the Operations Manager weekly to confirm that all deposits have been made or that no funds were received.
- c) HIAT will provide a noncash payment option such as Square to minimize cash collections on campus.