22040S

Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

December 31, 2024

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

We have reviewed the Supplemental Audit Report for the Higher Institute of Arts and Technology, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. 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 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.

Tammy R. White, CPA
Deputy State Examiner

Supplemental Audit Report of

Higher Institute of Arts and Technology, Inc.

Lake County, Indiana

July 1, 2023 to June 30, 2024

Donovan CPAs

Table of Contents

	Page
School Officials	1
Transmittal Letter	2
Audit Results and Comments:	
Receipts and Deposits	3
Exit Conference	4
Official Response	5

Higher Institute of Arts and Technology, Inc.
Lake County, Indiana
School Officials
July 1, 2023 to June 30, 2024

Office	Official	Term
Board President	Sharla Johnson	07/01/23 – 06/30/24
School Principal	Jessica Acklin	07/01/23 – 06/30/24
School Treasurer	Charles Reese	07/01/23 – 06/30/24

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

We audited the financial statements of Higher Institute of Arts and Technology, Inc. (the School) as of and for the year ended June 30, 2024 and issued our report thereon dated November 6, 2024. 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 we believe the School was not in compliance with those provisions.

Donovan

Donovan CPAs
Indianapolis, Indiana
November 6, 2024

Receipts and Deposits

We selected 25 receipts from the School's receipt books for testing. The School did not provide support for our selections.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 8)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

The contents of this report were discussed on October 29, 2024 with Eva Spilker (Chief Financial Officer at Phalen Leadership Academies). The Official Response has been made a part of this report and may be found on page 5.

November 6, 2024

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

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

a) HIAT has shifted to an electronic payment processing system as of 10/1/2024 to accept payments electronically. Payments received electronically will automatically be deposited into the HAT bank account. This will limit cash and checks received at the school.
b) PLA will meet with the Operations Manager and School Leader to review receipt and deposit procedures.
c) PLA will follow up with the Operations Manager weekly to confirm that all deposits have been made or that no funds were received.