



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B45844

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February 16, 2016

Charter School Board  
Lighthouse Academies of Indiana, Inc.  
1780 Sloan Avenue  
Indianapolis, IN 46203

We have reviewed the Supplemental Audit Report prepared by Donovan P.C., Independent Public Accountants, for the period July 1, 2014 to June 30, 2015. 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. Page 3 and 4 contains two audit results and comments. Management's response is on page 6.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Lighthouse Academies of Indiana, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Supplemental Audit Report and the Financial Statements and Independent Auditors' Report are filed in our office as a matter of public record.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

SUPPLEMENTAL AUDIT REPORT

OF

**LIGHTHOUSE ACADEMIES OF INDIANA, INC.**

MARION COUNTY, INDIANA

July 1, 2014 to June 30, 2015

**Fitzgerald** | **Isaac** LLC  
Certified Public Accountants

LIGHTHOUSE ACADEMIES OF INDIANA, INC.

MARION COUNTY, INDIANA

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LIGHTHOUSE ACADEMIES OF INDIANA, INC.

MARION COUNTY, INDIANA

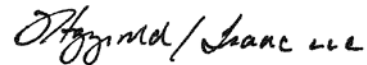
School Officials

July 1, 2014 to June 30, 2015

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Samuel Snideman	07/01/14 – 06/30/15
Superintendent	Ryan Gall	07/01/14 – 06/30/15
School Treasurer	Howard Hammond Linda Ahronian	07/01/14 – 04/23/15 04/24/15 – 06/30/15

The Board of Directors  
Lighthouse Academies of Indiana, Inc.

We have audited the financial statements of **Lighthouse Academies of Indiana, Inc.** (the "School") as of and for the year ended June 30, 2015 and have issued our report thereon dated October 30, 2015. 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.



Indianapolis, IN  
October 30, 2015

LIGHTHOUSE ACADEMIES OF INDIANA, INC.

MARION COUNTY, INDIANA

Audit Results and Comments

July 1, 2014 to June 30, 2015

FINANCIAL REPORTING

Our examination of the semi-annual financial reports to the Indiana Department of Education (Form 9) for the period July 1, 2014 to June 30, 2015 revealed multiple issues, including:

1. Fund codes used for federal grants did not correspond with those required by the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.
2. The overall cash balance on the Form 9 at June 30, 2015 did not agree with the balance of cash per the School's accounting records by an amount of \$6,233.
3. Fund balances for federal grants did not reflect the true balances of the grant programs.
4. Receipts and expenditures activity reported did not reflect the true activity for the period reported.

A fund, as used in the manual, represents money set aside for specific activities of a school corporation. A fund constitutes a complete accounting entity and all financial transactions, both receipts and disbursements, are to be recorded in the fund to which they pertain. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 3)

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 INDIANA, INC.

MARION COUNTY, INDIANA

Audit Results and Comments, Continued

July 1, 2014 to June 30, 2015

VENDOR DISBURSEMENTS

In our audit, we examined 40 vendor disbursements from throughout the fiscal year and noted the following issues:

1. Twenty-two vouchers did not have signatures on the approval line, the certification line, or both, indicating that the disbursements were not appropriately approved before the disbursements were made.
2. Five invoices in the sample included late fees in the total payment.

The Accounts Payable Voucher (Form 523) is designed to replace Claim Form 505. The form must be used in accordance with the following conditions: Charter schools may not draw a warrant or check for payment of a claim unless; (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the board having jurisdiction over the allowance of the payment of the claim. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

Employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the charter school. Any penalties, interest, or other charges paid by the charter school may be the personal obligation of the responsible employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

LIGHTHOUSE ACADEMIES OF INDIANA, INC.

MARION COUNTY, INDIANA

Exit Conference

July 1, 2014 to June 30, 2015

The contents of this report were discussed on December 4, 2015 with Amber Audrain (Board President), Marcia Saulo (Managing Director of Finance, Lighthouse Academies, Inc.), and Tina Dobson (Indiana Controller, Lighthouse Academies, Inc.). The Official Response has been made a part of this report and may be found on page 6.

# Lighthouse Academies, Inc.

December 10, 2015

Fitzgerald/Isaac LLC  
9245 N. Meridian St., Suite 302  
Indianapolis, IN 46260  
ATTN: Mr. Eugene P Fitzgerald

RE: Responses to Indianapolis Lighthouse Charter School Supplemental Audit Report

Dear Sir:

## **Form 9 issues**

Audit Comment: Fund codes used for federal grants did not correspond with required by the Accounting and Uniform Compliance Guidelines Manual for Indiana Charter schools  
School response: Federal grant fund codes used for FY16 correspond with the Accounting and Uniform Guidelines Manual for Indiana Charter Schools

Audit Comment: Cash balance on Form 9 at June 30, 2015 did not agree with the balance of cash per School's accounting records

School response: Bank accounts are reconciled in Komputrol and Quickbooks and the cash balance is balanced to the bank accounts in FY16.

Audit Comment: Fund balances for federal grants did not reflect the true balances of the grant programs.

School response: For FY16, grant expenses are coded per the Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools and balanced to a spreadsheet and reimbursement requests to insure accuracy.

Audit Comment: Receipts and expenditures activity reported did not reflect the true activity for the period reported.

School response: In FY16, receipts and expenditures are entered in the month which the receipt or expense occur and are verified with the balancing of bank accounts.

## **Vendor disbursement issues**

Audit Comment: Vendor disbursements included disbursements were not appropriately approved before disbursements were made.

School response: In FY16, every vendor disbursement is approved by the Regional Operations Manager and Indiana Controller.

Audit Comment: Vendor disbursements include late fees.

School response: For FY16, invoices are paid within 30 days of invoice date

Sincerely,



Tina Dobson  
Indiana Controller  
Lighthouse Academies, Inc.