



STATE OF INDIANA
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B54908

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April 14, 2020

Charter School Board
Lighthouse Academies of Indiana, Inc.
d/b/a Victory College Prep.
1780 Sloan Avenue
Indianapolis, IN 46203

We have reviewed the Supplemental Audit Report for Lighthouse Academies of Indiana, Inc. d/b/a Victory College Prep. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. 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. Pages 3 through 4 contain two audit results and comments. Management's response is on pages 6 through 7.

The Supplemental Audit Report and associated audited Financial Statements 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.
d/b/a VICTORY COLLEGE PREP.

MARION COUNTY, INDIANA

July 1, 2018 to June 30, 2019



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LIGHTHOUSE ACADEMIES OF INDIANA, INC.
MARION COUNTY, INDIANA
School Officials
July 1, 2018 to June 30, 2019

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Amber Audrain	07/01/18 – 06/30/19
Superintendent	Ryan Gall	07/01/18 – 06/30/19
Controller	Mary Beth Rousseau	07/01/18 – 06/30/19



Donovan CPAs

The Board of Directors
Lighthouse Academies of Indiana, Inc.
d/b/a Victory College Prep.

We have audited the financial statements of Lighthouse Academies of Indiana, Inc. d/b/a Victory College Prep. (“VCP”) as of and for the year ended June 30, 2019 and have issued our report thereon dated March 31, 2020. As part of our audit, we tested the VCP’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 VCP was not in compliance with those provisions.

DONOVAN

Indianapolis, Indiana
March 31, 2020

LIGHTHOUSE ACADEMIES OF INDIANA, INC.
d/b/a VICTORY COLLEGE PREP.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2018 to June 30, 2019

FINANCIAL REPORTING

Our examination of the semi-annual financial reports to the Indiana Department of Education (Form 9) for the period July 1, 2018 to June 30, 2019 revealed the following reportable issues:

1. The overall cash balances on the Form 9 reports at June 30, 2019 for the VCP schools did not agree with the balance of cash per the schools' accounting records.
2. Fund balances for federal grants did not reflect the true balances of the grant programs for either VCP school.
3. Multiple fund balances on both VCP schools were overdrawn. The overdrawn accounts were not a result of awaiting reimbursements.

A fund, as used in the Charter School Manual, represents moneys 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)

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the charter school. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

LIGHTHOUSE ACADEMIES OF INDIANA, INC.
d/b/a VICTORY COLLEGE PREP.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2018 to June 30, 2019

TICKET SALES

VCP did not properly complete the designated form to accurately reconcile total tickets sold to the amount of tickets retained and the total funds deposited.

The designated charter school employee shall be responsible for the proper accounting for all tickets and must keep a record of the number purchased, the number issued for sale, and the number returned. The designee must see that proper accounting is made for the cash received from those sold. All tickets shall be pre-numbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the charter school, the charter school's receipt issued therefore must show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (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)

LIGHTHOUSE ACADEMIES OF INDIANA, INC.
d/b/a VICTORY COLLEGE PREP.
MARION COUNTY, INDIANA
Exit Conference
July 1, 2018 to June 30, 2019

The contents of this report were discussed on February 19, 2020 with Michael Lipphardt (VCP Director of Finance and Operations), Patricia Schelling (VCP Manager of Human Resources & Finance), and Linda Diakite Karressy (Outsourced consultant with Center for Innovative Education Solutions). The Official Response has been made a part of this report and may be found on page 6.



VICTORY COLLEGE PREP

1780 Sloan Avenue
Indianapolis, IN 46203
(317) 351-1534

February 19, 2020

Donovan CPAs
9245 N. Meridian St. Suite 302
Indianapolis, IN 46260

Attn: Benjamin A. Lippert, CPA

RE: Response to Victory College Prep Audit Report

Financial Reporting

The overall cash balances on the Form 9 reports at June 30, 2019 for the Victory College Prep did not agree with the balance of cash per the schools' accounting records.

Response: A reconciliation will be done between the Form 9 reported balances and the audited cash balances. Corrections will be made to bring the balances in agreement.

Fund balances for federal grants did not reflect the true balances of the grant programs for Victory College Prep.

Response: A reconciliation will be done between the Form 9 reported balances and the actual fund balances. Corrections will be made to bring the fund balances to be reported on the Form 9 to the actual fund balances.

Multiple fund balances were overdrawn. The overdrawn accounts were not a result of awaiting reimbursements.

Response: A reconciliation will be done between the Form 9 reported balances and the actual fund balances. Corrections will be made to bring the fund balances to be reported on the Form 9 to the actual fund balances.



VICTORY COLLEGE PREP

1780 Sloan Avenue
Indianapolis, IN 46203
(317) 351-1534

Ticket Sales

VCP did not properly complete the designated form to accurately reconcile total tickets sold to the amount of tickets retained and the total funds deposited.

Response: VCP will alter the ticket form to better account for ticket start and stop on each deposit sheet. This change will allow for reconciliation of total ticket sold and funds deposited.

Michael Lipphardt

Director of Operations and Finances

Victory College Prep