



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B56206

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December 21, 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, 2019 to June 30, 2020. 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. Page 3 contains one audit result and comment. Management's response is on page 5.

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, 2019 to June 30, 2020



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LIGHTHOUSE ACADEMIES OF INDIANA, INC.
MARION COUNTY, INDIANA
School Officials
July 1, 2019 to June 30, 2020

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Adam Collins	07/01/19 – 06/30/20
Executive Director	Ryan Gall	07/01/19 – 06/30/20
Controller	Michael Lipphardt	07/01/19 – 06/30/20



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, 2020 and have issued our report thereon dated December 14, 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
December 14, 2020

LIGHTHOUSE ACADEMIES OF INDIANA, INC.
d/b/a VICTORY COLLEGE PREP.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2019 to June 30, 2020

REQUIRED REPORTS

VCP is required to file two biannual financial reports (“Form 9”) that reflect its cash activity. VCP reported negative balances in the following funds as of June 30, 2020, none of which were awaiting reimbursement:

- Fund 200 (\$673,673)
- Fund 300 (\$2,497,935)
- Fund 1650 (\$16,025)
- Fund 2300 (\$44,895)
- Fund 2301 (\$93,648)
- Fund 3270 (\$8,920)
- Fund 3700 (\$4,960)
- Fund 3720 (\$10,755)
- Fund 3956 (\$34,874)

Additionally, the activity reported in the funds, particularly federal grant funds, did not reflect actual activity in line with financial detail provided by VCP.

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
Exit Conference
July 1, 2019 to June 30, 2020

The contents of this report were discussed on November 24, 2020 with Michael Lipphardt (Director of Operations and Finance). The Official Response has been made a part of this report and may be found on page 5.



VICTORY COLLEGE PREP

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

December 14, 2020

Donovan CPAs
9292 N. Meridian Street, Suite 150
Indianapolis, IN 46260

Victory College Prep has already taken or will take the following actions to address the FY2020 supplemental audit report comments:

1. We will continue to manage the differences in timing and required reporting that exist for charter schools in the state of Indiana. As part of that, we will monitor our cash basis fund reporting on our Form 9 submission and adjust as necessary. Adjustments are typically required when we either make accrual-based receivable and payable adjustments or when we receive retroactive grant budget approvals after a reporting deadline has already passed.
2. We will continue working with the Indiana Department of Education to adjust lingering Form 9 negative fund balances that remain from prior years.

Sincerely,

Michael Lipphardt, Director of Operations and Finance
Victory College Prep