



STATE OF INDIANA
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B56304

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

January 15, 2021

Charter School Board
Higher Institute of Arts and Technology, Inc.
PO Box 1113
Merrillville, IN 46411

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, 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
HIGHER INSTITUTE OF ARTS AND TECHNOLOGY, INC.**

LAKE COUNTY, INDIANA

July 1, 2019 to June 30, 2020



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HIGHER INSTITUTE OF ARTS AND TECHNOLOGY, INC.
LAKE 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	Sharla Johnson	07/01/19 – 06/30/20
School Principal	Jillian Kemp	07/01/19 – 06/30/20
School Treasurer	Charles Reese	07/01/19 – 06/30/20



Donovan CPAs

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

We have audited the financial statements of Higher Institute of Arts and Technology, Inc. (the "School") as of and for the year ended June 30, 2020 and have issued our report thereon dated December 18, 2020. 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
December 18, 2020

www.cpadonovan.com

Avon | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

HIGHER INSTITUTE OF ARTS AND TECHNOLOGY, INC.
LAKE COUNTY, INDIANA
Audit Results and Comments
July 1, 2019 to June 30, 2020

RECEIPTS AND DEPOSITS

We tested 40 receipts from the School's receipt books, noting the following instances of non-compliance:

1. Of the 40 receipts, 16 were deposited untimely. These untimely deposits ranged from \$15 to \$75 and were made between 7 to 40 days from the date of the receipt.
2. Of the 40 receipts, 19 did not indicate what form of payment was received.

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)

The form is to be prenumbered by the printing supplier in duplicate, five receipts to the page. A receipt must be written on the form each time any money is received by the charter school regardless of whether it is in the form of cash, check, money order, bank card/credit card, EFT (all on which must be indicated as payment type and amount) or other negotiable instrument. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 2)

HIGHER INSTITUTE OF ARTS AND TECHNOLOGY, INC.
LAKE COUNTY, INDIANA
Exit Conference
July 1, 2019 to June 30, 2020

The contents of this report were discussed on December 18, 2020 with Eva Spilker, Director of Finance at The Phalen Leadership Academies. Eva will present this report to the full Board of Directors at its next regularly scheduled meeting in 2021. The Official Response has been made a part of this report and may be found on page 5.



December 18, 2020

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

Procedures for receipts and deposits have been reviewed with the Operations Manager and Director of Operations to ensure that all deposits are deposited within 24 hours of receipt and recorded on the detailed deposit worksheet with clear documentation of the purpose, type and date of all funds received. The Operations Manager will be supported by a Director of Operations to ensure a consistent review of processes and backup support for all receipts and deposits. All deposits will be made within 24hrs of receipt and then reconciled to supporting receipts and forwarded to finance within 5 days of receipt.