



STATE OF INDIANA
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B58392

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January 24, 2022

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, 2020 to June 30, 2021. 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 contains two audit results and comments. 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, 2020 to June 30, 2021



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LIGHTHOUSE ACADEMIES OF INDIANA, INC.
MARION COUNTY, INDIANA
School Officials
July 1, 2020 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Adam Collins	07/01/20 – 06/30/21
Executive Director	Ryan Gall	07/01/20 – 06/30/21
Chief of Staff	Michael Lipphardt	07/01/20 – 06/30/21



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, 2021 and have issued our report thereon dated December 3, 2021. 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 3, 2021

LIGHTHOUSE ACADEMIES OF INDIANA, INC.
d/b/a VICTORY COLLEGE PREP.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2020 to June 30, 2021

REQUIRED REPORTS - FORM 9 REPORTING

We reviewed both biannual Form 9 reports filed by VCP to the Indiana Department of Education for the fiscal year. Individual fund balances and the total cash reported on the June 30, 2021 Form 9 did not reflect actual balances in line with VCP's accounting records. Total cash per the Form 9 was \$8,313 less than the accounting records.

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)

REQUIRED REPORTS - NEGATIVE FUND BALANCES

VCP reported negative balances in the following funds as of June 30, 2021, none of which were awaiting reimbursement:

- Fund 200 \$1,676,109
- Fund 2300 37,235
- Fund 2301 117,327
- Fund 2700 4,000
- Fund 3769 4,319
- Fund 3956 42,191

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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, 2020 to June 30, 2021

The contents of this report were discussed on December 2, 2021 with Michael Lipphardt (Chief of Staff) as well as Brian Anderson and Kim Tarin (Outsourced Consultants with Center for Innovative Educational Solutions). 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 2, 2021

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

Victory College Prep has already or will take the following actions to address the FY2021 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. We will also continue to comply with all grant requirements. Unlike traditional school corporations, who do not use GAAP accounting or undergo annual audits, we are impacted by the data collection limitations that lead to Form 9 timing issues.
2. We will continue working with the Indiana Department of Education to adjust lingering Form 9 negative fund balances that remain from prior years. Last fiscal year we cleaned up all significant carryover negative fund balances except for fund 0200, which we do not use. If we cannot get guidance on how best to eliminate this old negative balance, we anticipate doing a plus adjustment to fund 0200 and a corresponding minus adjustment to fund 0101. We will also monitor the small negative fund balances in the activities funds that result from our school spending more on activities than what we bring in from activities fees.

Sincerely,

Victory College Prep
Michael Lipphardt, Chief of Staff