



STATE OF INDIANA
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December 29, 2023

Charter School Board
The PATH School, Inc.
Marion County, Indiana

We have reviewed the Supplemental Audit Report for The PATH School, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on page 3. Management's response is on page 5.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

SUPPLEMENTAL AUDIT REPORT
OF
THE PATH SCHOOL, INC.

MARION COUNTY, INDIANA

July 1, 2022 to June 30, 2023



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THE PATH SCHOOL, INC.
MARION COUNTY, INDIANA
School Officials
July 1, 2022 to June 30, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman of Board of Directors	Nicole Woodson	07/01/22 – 06/30/23
Director of Operations	Bianca Baird	07/01/22 – 06/30/23
Head of School	Alicia Hervey	07/01/22 – 06/30/23



Donovan CPAs

The Board of Directors
The PATH School, Inc.

We audited the financial statements of The PATH School, Inc., (the “School”) as of and for the year ended June 30, 2023, and issued our report thereon dated December 15, 2023. 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 15, 2023

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THE PATH SCHOOL, INC.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2022 to June 30, 2023

AVERAGE DAILY MEMBERSHIP (“ADM”)

We examined the School’s ADM reports for both count dates during the year ended June 30, 2023 along with supporting student rosters. We selected a sample of 56 students for testing, of which one student was improperly included on the spring 2023 ADM report. This student was included on the February 2023 count, despite not attending past January 2023. The School must communicate this error to the Indiana Department of Education for resolution.

A student claimed for ADM must be an "eligible pupil". An eligible pupil is a student that is enrolled and attending. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9)

REQUIRED REPORTS - FORM 9 REPORTING

We reviewed both biannual Form 9 reports filed by the School to the Indiana Department of Education for the fiscal year. While the total cash balance agreed to the trial balance, individual fund balances reported on the Form 9 did not agree with the fund activity per the financial 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)

**THE PATH SCHOOL, INC.
MARION COUNTY, INDIANA
Exit Conference
July 1, 2022 to June 30, 2023**

The contents of this report were discussed on December 13, 2023 with Theo Brannum (Chief Operating Officer) and Kim Tarin (Contracted Accountant). The Official Response has been made a part of this report and may be found on page 5.



December 15, 2023

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

The PATH School already has or will take the following actions to address the FY2023 supplemental audit report comments:

Required Reports

1. Upon reviewing the findings, we have taken immediate steps to rectify the identified error. The student in question was inadvertently included in the February 2023 count, despite not attending classes past January 2023. We acknowledge the importance of accuracy in ADM reporting, and we recognize that an eligible pupil, as defined by the Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, must be both enrolled and attending.

To address this matter, we are committed to the following actions:

- **Communication with the Indiana Department of Education (IDOE):** We will promptly communicate this error to the Indiana Department of Education to ensure transparency and collaboration in resolving the issue. We understand the significance of accurate reporting to maintain compliance with state guidelines.
- **Internal Review and Process Enhancement:** We will conduct an internal review of our ADM reporting processes to identify any systemic issues that may have contributed to this oversight. Based on our findings, we will implement necessary process enhancements to prevent similar errors in the future.
- **Staff Training and Awareness:** Recognizing the critical role of staff in the ADM reporting process, we will provide additional training and awareness programs to our team members involved in student roster management. This training will emphasize the importance of adhering to enrollment and attendance criteria outlined in the state guidelines.
- **Periodic Internal Audits:** Going forward, we commit to conducting periodic internal audits of our ADM reports to proactively identify and address any discrepancies before external audits occur. This proactive approach will help us maintain a high level of accuracy in our reporting.



We understand the significance of adhering to the guidelines set forth by the Indiana Department of Education, and we assure you that we are fully committed to rectifying this error and preventing its recurrence. We appreciate your guidance throughout this process and look forward to implementing the necessary corrective measures.

2. 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.

If you have any further questions or require additional information, please do not hesitate to contact Theo Brannum at tbrannum@thepathschool.org.

Sincerely,

Theo Brannum
Chief Operations Officer
The PATH School, Inc.