



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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December 31, 2024

Charter School Board
Rooted School, Inc.
Marion County, Indiana

We have reviewed the Supplemental Audit Report for the Rooted School, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. 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 pages 3 and 4. Management's response is on page 6.

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

Tammy R. White, CPA
Deputy State Examiner

Supplemental Audit Report of

Rooted School, Inc.

Marion County, Indiana

July 1, 2023 to June 30, 2024



Rooted School, Inc.

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Rooted School, Inc.
Marion County, Indiana
School Officials
July 1, 2023 to June 30, 2024

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chair of Board of Directors	Leigh Evans	07/01/23 – 06/30/24
Head of School	Ma'at Lands	07/01/23 – 06/30/24
Treasurer	Nick Burch	07/01/23 – 06/30/24



Donovan CPAs

The Board of Directors
Rooted School, Inc.
Indianapolis, Indiana

We audited the financial statements of Rooted School, Inc. (the School) as of and for the year ended June 30, 2024 and issued our report thereon dated October 3, 2024. 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 we believe the School was not in compliance with those provisions.

Donovan CPAs
Indianapolis, Indiana
October 3, 2024

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Rooted School, Inc.
Marion County, Indiana
Audit Results and Comments
July 1, 2023 to June 30, 2024

Average Daily Membership (ADM)

We examined the School's ADM reports for both count dates during the year ended June 30, 2024 along with supporting student rosters. We selected a sample of 32 students for testing, of which one student was improperly included on the fall 2023 ADM report. This student was included on the October 2, 2023 count date, but had only attended a visit of the School. 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)

Receipts and Deposits

We selected a sample of forty receipts for testing. The School was unable to provide deposit support for six of the receipts. Additionally, six were not timely deposited. Untimely deposits ranged from six to fifteen days from the date of receipt and were between \$10 and \$60 in individual receipt amount.

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)

Ticket Sales

The School did not use ticket forms.

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)

Rooted School, Inc.
Marion County, Indiana
Audit Results and Comments
July 1, 2023 to June 30, 2024

Required Reports – Form 9 Reporting

We reviewed both biannual Form 9 reports filed by the School to the Indiana Department of Education for the 2023–2024 school year. Individual fund balances reported on the Form 9 did not agree with the fund activity per the financial records. In particular, fund balances for federal grants did not reflect the ending balances for those grants.

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)

Rooted School, Inc.
Marion County, Indiana
Exit Conference
July 1, 2023 to June 30, 2024

The contents of this report were discussed on September 12, 2024 with Ma'at Lands (Head of School), Bianca Baird (Chief Operations Officer), and Kim Tarin (Outside Consultant). The Official Response has been made a part of this report and may be found on page 6.



September 12, 2024

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

Rooted School Indianapolis already has or will take the following actions to address the FY2024 Supplemental Audit Report comments:

Required Reports:

1. **ADM:** We acknowledge the error in including one ineligible student in the fall 2023 ADM report. We will immediately communicate this discrepancy to the Indiana Department of Education for correction. To prevent future occurrences, we will strengthen our verification procedures to ensure all students counted meet the “eligible pupil” criteria as outlined in the state guidelines.
2. **Receipts and Deposits:** We will continue to work diligently to ensure all deposits are made within a timely manner to meet SBOA Requirements. We will also ensure that we closely administer the deposit process to rectify issues identified. The Chief Operations Officer, along with school administration, will work to remedy the process for the FY 2024-25 School Year and beyond.
3. **Ticket Sales:** We acknowledge that the School did not use the SA-4 Ticket Sales Form as required. Moving forward, we will ensure compliance by designating a charter school employee to properly account for all tickets, including maintaining records of tickets purchased, sold, and returned, and ensuring all ticket sales are documented on the SA-4 Form. We will also make sure that all procedures align with the guidelines outlined in the Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools.
4. **Form 9:** 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 Form 9 reporting deadline has already passed. We are working on improving this reconciliation process so our individual fund Form 9 cash balances will be more accurately reflected when tied to our accrual-base fund balances.

Sincerely,
Ma'at Lands
Ma'at Lands
Executive Director