



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

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December 26, 2024

Charter School Board  
Neighborhood Charter Network, Inc.  
Marion County, Indiana

We have reviewed the Supplemental Audit Report for Neighborhood Charter Network, 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 finding 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.

Tammy R. White, CPA  
Deputy State Examiner

Supplemental Audit Report of

**Neighborhood Charter Network, Inc.**

Marion County, Indiana

July 1, 2023 to June 30, 2024



# Neighborhood Charter Network, Inc.

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**Neighborhood Charter Network, Inc.**  
**Marion County, Indiana**  
**School Officials**  
**July 1, 2023 to June 30, 2024**

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<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Patricia Castaneda	07/01/23 – 06/30/24
Executive Director	Katherine Dulay	07/01/23 – 06/30/24
Director of Operations	Denise Hernandez	07/01/23 – 06/30/24



# Donovan CPAs

The Board of Directors  
Neighborhood Charter Network, Inc.  
Indianapolis, Indiana

We have audited the financial statements of Neighborhood Charter Network, Inc., (the School) as of and for the year ended June 30, 2024, and have issued our report thereon dated November 6, 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  
November 6, 2024

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**Neighborhood Charter Network, Inc.**  
**Marion County, Indiana**  
**Audit Results and Comments**  
**July 1, 2023 to June 30, 2024**

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**Required Reports – Form 9**

We reviewed both biannual Form 9 reports filed by the School to the Indiana Department of Education during the fiscal year. Individual fund balances on the June 30, 2024 Form 9 did not reflect actual balances in line with the School's accounting records. The overall cash balance agreed within an immaterial amount, however, the individual fund balances did not reflect negative amounts for grants awaiting reimbursement.

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)

**Neighborhood Charter Network, Inc.**  
**Marion County, Indiana**  
**Exit Conference**  
**July 1, 2023 to June 30, 2024**

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The contents of this report were discussed on November 6, 2024 with Denise Hernandez (Director of Operations), Katherine Duly (Executive Director), and Brian Anderson (Outside Consultant). The official response has been made a part of this report and may be found on page 5.



November 6, 2024

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

Neighborhood Charter Network will take the following actions to address the FY2024 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. The Form 9 cash basis report that was due on July 31, 2024 was accurate at the time of submission. During the accrual-based fiscal year close that takes place after July 31, there were appropriate adjustments made to reclass some expenditures and corresponding revenue between grant funds. This is normal, appropriate, and happens often. When it does, the Form 9 grant fund balances reported on July 31 may change. That was the case this year.

Sincerely,

A handwritten signature in black ink that reads "Denise Hernandez". The signature is written in a cursive, flowing style.

Neighborhood Charter Network Management  
Denise Hernandez, Director of Operations