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May 5, 2023

Charter School Board
The PATH School, Inc.
653 N Somerset Ave
Indianapolis, IN 46222

We have reviewed the Supplemental Audit Report for The PATH School, Inc. prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. 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. 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 black ink that reads "Tammy R. White". The signature is written in a cursive style.

Tammy R. White, CPA
Deputy State Examiner

SUPPLEMENTAL AUDIT REPORT
OF
THE PATH SCHOOL, INC.

MARION COUNTY, INDIANA

July 1, 2021 to June 30, 2022



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THE PATH SCHOOL, INC.
MARION COUNTY, INDIANA
School Officials
July 1, 2021 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman of Board of Directors	Eugene Dooley	07/01/21 – 06/30/22
Director of Operations	Bianca Baird	07/01/21 – 06/30/22
Head of School	Alicia Hervey	07/01/21 – 06/30/22



Donovan CPAs

The Board of Directors
The Path School, Inc.

We have audited the financial statements of The Path School, Inc., (the “School”) as of and for the year ended June 30, 2022, and have issued our report thereon dated February 16, 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
February 16, 2023

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THE PATH SCHOOL, INC.
MARION COUNTY, INDIANA
Audit Results and Comments
July 1, 2021 to June 30, 2022

AVERAGE DAILY MEMBERSHIP (“ADM”)

We examined the School’s ADM reports for both count dates during the year ended June 30, 2022 along with supporting student rosters. We selected a sample of 58 students for testing, of which one student was improperly included on the spring 2022 ADM report. This student was included on the February 2022 count, but didn’t have attendance past November 2021. 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. The ending cash balance reported on the Form 9 as of June 30, 2022 did not agree to the ending cash reported on the trial balance. The Form 9 shows a balance that is \$20,795 less than the trial balance. Additionally, 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)

CREDIT CARD POLICY, PROCEDURES, AND DISBURSEMENTS

We tested five credit card payments. Two of the credit card payments tested included late fees totaling \$134.

Payment shall not be made on the basis of a statement or a credit card slip only. Procedures for payments shall be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee is the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**THE PATH SCHOOL, INC.
MARION COUNTY, INDIANA
Exit Conference
July 1, 2021 to June 30, 2022**

The contents of this report were discussed on February 13, 2023 with Bianca Baird (Director of Operations) and Kim Tarin (Contracted Accountant). The Official Response has been made a part of this report and may be found on page 5.



February 16, 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 FY2022 supplemental audit report comments:

Required Reports

1. We will continue to monitor ADM errors and resolve conflicts as necessary for each count day. We will reach out to the IDOE to communicate this error for resolution.
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.
3. We will work to ensure the school credit card is paid on time to avoid any late fees in the future and moving forward.

Sincerely,

Bianca Baird
Director of Operations
The PATH School
317-226-4267
hervey@thepathschool.org