



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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December 21, 2023

Charter School Board
Invent Learning Hub, Inc.
Marion County, Indiana

We have reviewed the audit report of Invent Learning Hub, Inc. which was opined upon by Donovan CPAs, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Invent Learning Hub, Inc. as of June 30, 2023 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Donovan CPAs prepared the audit report in accordance with guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for Invent Learning Hub, Inc., was prepared in accordance with the guidelines established by the State Board of Accounts.

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

INVENT LEARNING HUB, INC.

FINANCIAL STATEMENTS
Together with Independent Auditors' Report

For the Years Ended June 30, 2023 and 2022



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Donovan CPAs

Independent Auditors' Report

The Board of Directors
Invent Learning Hub, Inc.

Opinion

We audited the financial statements of Invent Learning Hub, Inc. (the “School”), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2023 and 2022, and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the School’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report including our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters we identified during the audits.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also issued our report dated November 27, 2023 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The letters are cursive and slightly slanted to the right.

Indianapolis, Indiana
November 27, 2023

INVENT LEARNING HUB, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,367,322	\$ 1,177,369
Grants receivable	239,699	179,705
Prepaid expenses	5,598	-
<i>Total current assets</i>	<u>1,612,619</u>	<u>1,357,074</u>
PROPERTY AND EQUIPMENT		
Building and improvements	1,907,972	1,907,972
Furniture and equipment	346,306	333,458
Less: accumulated depreciation	<u>(442,524)</u>	<u>(310,163)</u>
<i>Property and equipment, net</i>	<u>1,811,754</u>	<u>1,931,267</u>
TOTAL ASSETS	<u><u>\$ 3,424,373</u></u>	<u><u>\$ 3,288,341</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of note payable	\$ 48,437	\$ 45,454
Accounts payable and accrued expenses	<u>101,144</u>	<u>61,758</u>
<i>Total current liabilities</i>	<u>149,581</u>	<u>107,212</u>
LONG-TERM LIABILITIES		
Note payable, net of current portion	1,298,125	1,346,562
Less: unamortized debt issuance costs	<u>(8,711)</u>	<u>(14,502)</u>
<i>Total long-term liabilities, net of unamortized debt issuance costs</i>	<u>1,289,414</u>	<u>1,332,060</u>
<i>Total liabilities</i>	1,438,995	1,439,272
NET ASSETS, WITHOUT DONOR RESTRICTIONS	<u>1,985,378</u>	<u>1,849,069</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,424,373</u></u>	<u><u>\$ 3,288,341</u></u>

See independent auditors' report and accompanying notes to the financial statements

INVENT LEARNING HUB, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUE AND SUPPORT		
State education support	\$ 1,512,993	\$ 1,436,103
Grant revenue	1,534,437	1,138,315
Other income	39,004	26,070
	<u>3,086,434</u>	<u>2,600,488</u>
 <i>Total revenue and support</i>	 <u>3,086,434</u>	 <u>2,600,488</u>
 EXPENSES		
Program services	2,026,651	1,395,540
Management and general	923,474	803,055
	<u>2,950,125</u>	<u>2,198,595</u>
 <i>Total expenses</i>	 <u>2,950,125</u>	 <u>2,198,595</u>
 CHANGE IN NET ASSETS	 136,309	 401,893
 NET ASSETS, BEGINNING OF YEAR	 <u>1,849,069</u>	 <u>1,447,176</u>
 NET ASSETS, END OF YEAR	 <u>\$ 1,985,378</u>	 <u>\$ 1,849,069</u>

See independent auditors' report and accompanying notes to the financial statements

INVENT LEARNING HUB, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>			<u>2022</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 1,067,987	\$ 390,080	\$ 1,458,067	\$ 659,070	\$ 403,644	\$ 1,062,714
Employee benefits	92,172	209,379	301,551	31,012	126,933	157,945
Professional services	148,539	127,486	276,025	97,283	82,211	179,494
Food costs	169,516	-	169,516	118,994	-	118,994
Depreciation	132,361	-	132,361	123,205	-	123,205
Student transportation	126,253	-	126,253	120,553	-	120,553
Occupancy	122,013	-	122,013	95,645	-	95,645
Interest	-	93,219	93,219	-	96,019	96,019
Classroom and office supplies	52,453	21,191	73,644	32,832	22,716	55,548
Repairs and maintenance	63,099	-	63,099	41,401	-	41,401
Insurance	-	39,413	39,413	-	47,123	47,123
Staff development	26,491	-	26,491	60,168	-	60,168
Information technology	16,912	-	16,912	13,041	-	13,041
Advertising	-	14,283	14,283	-	13,216	13,216
Authorizer fees	-	14,153	14,153	-	-	-
Equipment	5,005	-	5,005	-	-	-
Other	3,850	14,270	18,120	2,336	11,193	13,529
<i>Total functional expenses</i>	<u>\$ 2,026,651</u>	<u>\$ 923,474</u>	<u>\$ 2,950,125</u>	<u>\$ 1,395,540</u>	<u>\$ 803,055</u>	<u>\$ 2,198,595</u>

See independent auditors' report and accompanying notes to the financial statements

INVENT LEARNING HUB, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 136,309	\$ 401,893
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	132,361	123,205
Amortization of debt issuance costs	5,791	5,791
Changes in certain assets and liabilities:		
Grants receivable	(59,994)	(14,921)
Prepaid expenses	(5,598)	-
Accounts payable and accrued expenses	<u>39,386</u>	<u>(19,992)</u>
<i>Net cash provided by operating activities</i>	248,255	495,976
INVESTING ACTIVITIES		
Purchases of property and equipment	(12,848)	(87,285)
FINANCING ACTIVITIES		
Principal payments on note payable	<u>(45,454)</u>	<u>(42,653)</u>
NET CHANGE IN CASH	189,953	366,038
CASH, BEGINNING OF YEAR	<u>1,177,369</u>	<u>811,331</u>
CASH, END OF YEAR	<u><u>\$ 1,367,322</u></u>	<u><u>\$ 1,177,369</u></u>
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 87,428	\$ 90,228

See independent auditors' report and accompanying notes to the financial statements

INVENT LEARNING HUB, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – Invent Learning Hub, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school under Indiana Code 20-24 and is sponsored by the Office of Education Innovation ("OEI") of the Mayor of the City of Indianapolis. The charter is effective through June 30, 2026 and is renewable thereafter by mutual consent. The School served approximately 160 students in kindergarten through eighth grade during both the 2022-2023 and 2021-2022 school years.

Financial Statement Presentation – The School reports its financial position and activities according to two classes of net assets:

- net assets without donor restrictions - which include unrestricted resources available for the operating objectives of the School; and
- net assets with donor restrictions - which represent resources restricted by donors for specific time or purpose.

As of June 30, 2023 and 2022, the School had only net assets without donor restrictions.

Basis of Accounting and Use of Estimates – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions affecting certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents – Cash consists of cash held in bank accounts and cash equivalents consists of short-term, highly liquid investments with original maturities of three months or less. There were no cash equivalents at June 30, 2023 and 2022.

Grants Receivable – Grants receivable relate primarily to activities funded under federal programs and legislation enacted by the State of Indiana. The School believes it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

Property and Equipment – Purchases of assets and expenditures which materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and small equipment purchases are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives for building and improvements are 30 years and furniture and equipment are 5 years.

Debt Issuance Costs – The School incurred costs totaling \$29,438 associated with the financing of the school facility. Amortization is provided on a straight-line basis over 61 months. Amortization for both years ended June 30, 2023 and 2022 was \$5,791 and is included in interest expense. Accumulated amortization as of June 30, 2023 and 2022 was \$20,727 and \$14,936, respectively. As provided by ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, debt issuance costs are presented as a direct reduction from the carrying amount of the related debt liability on the statements of financial position.

INVENT LEARNING HUB, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Taxes on Income – The School received a determination from the U.S. Treasury Department stating it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the School would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2023 and 2022, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require the School to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School examined this issue and determined there are no material contingent tax liabilities or questionable tax positions. Tax years ended after June 30, 2019 are open to audit for both federal and state purposes.

Reclassifications – Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net assets.

Subsequent Events – The School evaluated subsequent events through November 27, 2023, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

NOTE 2 - REVENUE RECOGNITION

Revenue Recognition Policy – Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by other public schools in the same geographic area. Funding from the State of Indiana is based on enrollment and paid in monthly installments in July through June coinciding with the academic school year. Revenue is recognized in the year in which the educational services are rendered.

A significant portion of the School's revenue is the product of cost reimbursement grants. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred. Incurring approved costs under the grant is considered satisfaction of the performance obligations.

The School receives contributions and grants from other agencies and individuals, which are recorded in accordance with the underlying agreements.

Among other revenue sources, other income includes student fees, which are recognized in the year in which the services are rendered.

Disaggregation of Revenue – Revenue is disaggregated on the statements of activities and change in net assets.

INVENT LEARNING HUB, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 3 - NOTE PAYABLE

Note payable consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Note payable to IFF, payable \$11,073 monthly, including interest at 6.375% per annum through September 2024, at which time interest will be recalculated, matures October 1, 2034, secured by mortgage on the School facility	\$ 1,346,562	\$ 1,392,016
Less: current portion	<u>(48,437)</u>	<u>(45,454)</u>
Long-term portion	\$ <u>1,298,125</u>	\$ <u>1,346,562</u>

Principal maturities of the note payable are as follows for the years ending June 30:

2024	\$ 48,437
2025	51,617
2026	55,006
2027	58,617
2028	62,464
Thereafter	<u>1,070,421</u>
	\$ <u>1,346,562</u>

NOTE 4 - COMMITMENTS

As the sponsoring organization, OEI exercises certain oversight responsibilities. During the year ended June 30, 2023, OEI began assessing a fee equal to 1% of the basic tuition support received by the School. Total fees paid to OEI during the year amounted to \$14,153.

The charter agreement requires the School to establish an escrow account of no less than \$30,000 should a dissolution occur. As of both June 30, 2023 and 2022, the escrow account was funded with \$10,000, which is included in the cash balance on the statements of financial position.

NOTE 5 - RETIREMENT PLAN

The School provides retirement benefits covering substantially all full-time employees. Retirement benefits for teaching personnel are provided by the Indiana State Teachers' Retirement Fund ("TRF"), which is a cost-sharing multiple-employer defined benefit retirement plan governed by the State of Indiana and administered by the Indiana Public Retirement System ("INPRS") Board. Contribution requirements of plan members are determined annually by the INPRS Board. Under the plan, the School contributed 6% of compensation for electing teaching faculty to TRF during the year ended June 30, 2023 (5.5% for the year ended June 30, 2022). Should the School elect to withdraw from TRF, it could be subject to a withdrawal fee.

INVENT LEARNING HUB, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN, Continued

The School's contributions represent an insignificant percentage of the total contributions received by TRF. As of June 30, 2022 (the latest year reported), TRF was over 92% funded.

The School also offers a 403(b) defined contribution retirement plan. Non-teaching personnel and teachers who opt to not participate in TRF are eligible for benefits under the 403(b) plan. The School may make matching contributions to the 403(b) plan at management's discretion. No matching contributions were made to the plan during the years ended June 30, 2023 and 2022.

Retirement plan expense was \$25,651 and \$9,996 for the years ended June 30, 2023 and 2022, respectively.

NOTE 6 - RISKS AND UNCERTAINTIES

The School provides educational instruction services to families residing in Marion and surrounding counties in Indiana and is subject to the risks of economic and competitive forces at work within this geographic area.

The majority of revenues relate to legislation enacted by the State of Indiana and grants awarded under federal programs. Changes in state or federal legislation could significantly affect the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist primarily of receivables from the State of Indiana. At June 30, 2023 and 2022, substantially the entire grants receivable balance was due from the State of Indiana. Bank deposits are maintained at JP Morgan Chase Bank, N.A. and are insured up to the FDIC insurance limit. As of and during the years ended June 30, 2023 and 2022, cash balances exceeded the FDIC insured limit.

NOTE 7 - LIQUIDITY

Financial assets of the School include cash and grants receivable. Financial assets available to meet cash needs for general expenditures within one year totaled \$1,597,021 and \$1,347,074 as of June 30, 2023 and 2022, respectively, which excludes the \$10,000 escrow account (Note 4).

From time to time, the School receives donor-restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, the School must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

INVENT LEARNING HUB, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

NOTE 8 - FUNCTIONAL EXPENSE REPORTING

The costs of providing educational activities have been summarized on a functional basis in the statements of activities and change in net assets. Management of the School categorized expenses as program services or management and general according to the underlying nature of the expense. As such, no allocation of specific transactions between these categories was required.

SUPPLEMENTARY INFORMATION

INVENT LEARNING HUB, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

<u>Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Awards Expended</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-through Indiana Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553		\$ 38,527
National School Lunch Program	10.555		113,456
Fresh Fruit and Vegetables Program	10.582		<u>6,409</u>
<i>Total U.S. Department of Agriculture</i>			<u>158,392</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Pass-through Indiana Department of Education:			
Title I, Part A;			
Grants to Local Educational Agencies	84.010	S010A210014	24,306
Grants to Local Educational Agencies	84.010	S010A220014	119,980
Title II, Part A;			
Supporting Effective Instruction State Grants	84.367	S367A220013	13,671
Title IV, Part A;			
Student Support and Academic Enrichment	84.424	S424A220015	10,442
Special Education Cluster;			
Special Education - Grants to States	84.027A	23611-629-PN01	42,869
Special Education - Preschool Grants	84.173A	23619-629-PN01	3,001
Special Education - ARP	84.027X	22611-629-ARP	7,138
Special Education - Preschool Grants - ARP	84.173X	22619-629-ARP	16
Charter Schools Program	84.282A		100,817
Education Stabilization Fund;			
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210013	273,589
Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210013	<u>407,438</u>
<i>Total U.S. Department of Education</i>			<u>1,003,267</u>
<i>Total federal awards expended</i>			<u>\$ 1,161,659</u>

See independent auditors' report and accompanying notes to this schedule

INVENT LEARNING HUB, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Invent Learning Hub, Inc. (the “School”) under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of the School.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The School elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



Donovan CPAs

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Invent Learning Hub, Inc.

We audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Invent Learning Hub, Inc. (the "School"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and issued our report thereon dated November 27, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting ("internal control") to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control which might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist which have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The letters are cursive and slightly slanted to the right.

Indianapolis, Indiana
November 27, 2023



Donovan CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE *UNIFORM GUIDANCE*

The Board of Directors
Invent Learning Hub, Inc.

Report on Compliance for Each Major Federal Program

We audited Invent Learning Hub, Inc.'s (the "School") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget Compliance Supplement* which could have a direct and material effect on the School's major federal programs for the year ended June 30, 2023. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require us to plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above which could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

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Opinion on Each Major Federal Program

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above which could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Report on Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements which could have a direct and material effect on each major federal program as a basis for designing auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies in internal control over compliance with a type of compliance requirement of a federal program which is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance which might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance we consider to be material weaknesses. However, material weaknesses may exist which have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

DONOVAN



Indianapolis, Indiana
November 27, 2023

INVENT LEARNING HUB, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness identified?	No
• Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D and 84.425U	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

II. Financial Statement Findings

No matters were reportable.

III. Federal Award Findings and Questioned Costs

No matters were reportable.

INVENT LEARNING HUB, INC.
OTHER REPORT
For the Year Ended June 30, 2023

The reports presented herein were prepared in addition to another official report prepared for the School as listed below:

Supplemental Audit Report of Invent Learning Hub, Inc.

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.