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AN EQUAL OPPORTUNITY EMPLOYER

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December 22, 2023

Charter School Board  
Purdue Polytechnic High School  
Marion County, Indiana

We have reviewed the audit report of Purdue Polytechnic High School which was opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Purdue Polytechnic High School as of June 30, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings in the report on pages 31 through 32. Management's Corrective Action Plan can be found on pages 34 through 36.

In our opinion, Greenwalt CPAs, Inc. 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 Purdue Polytechnic High School, 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

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# PURDUE POLYTECHNIC HIGH SCHOOL

## FINANCIAL STATEMENTS

Together with Independent Auditors' Report

JUNE 30, 2022 AND 2021

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# PURDUE POLYTECHNIC HIGH SCHOOL

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Purdue Polytechnic High School:

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Purdue Polytechnic High School (a network of Indiana public charter schools, "PPHS"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of PPHS as of June 30, 2022 and 2021, and the changes in its net assets and its 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), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources and Guidelines for Audits for Charter Schools performed by Private Examiners* established by the Indiana State Board of Accounts. 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 PPHS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Restatement

As discussed in Note 9 to the financial statements, the 2021 financial statements have been restated as a result of an error related to the recognition of grant revenue. Our opinion is not modified with respect to that matter.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 that are 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, that raise substantial doubt about PPHS' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **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 that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that 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 that, 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, *Government Auditing Standards*, and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources and Guidelines for Audits for Charter Schools performed by Private Examiners*, 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 that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PPHS' 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, that raise substantial doubt about PPHS' 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 that we identified during the audit.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023 on our consideration of PPHS' 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 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 PPHS' 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 PPHS' internal control over financial reporting and compliance.

*Greenwald CPAs, Inc.*

November 15, 2023

PURDUE POLYTECHNIC HIGH SCHOOL  
 STATEMENTS OF FINANCIAL POSITION  
 JUNE 30, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>RESTATED 2021</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 892,444	\$ 1,193,461
Grants receivable	514,995	902,174
Prepaid expenses	199,293	208,917
	<u>1,606,732</u>	<u>2,304,552</u>
<i>Total current assets</i>		
<b>NON-CURRENT GRANTS RECEIVABLE</b>	<u>1,170,751</u>	<u>1,419,887</u>
<b>PROPERTY AND EQUIPMENT</b>		
Furniture	1,519,738	1,427,032
Equipment	865,828	751,745
Computer equipment	481,897	438,418
Textbooks	20,739	20,739
Leasehold improvements	404,300	404,300
Vehicles	202,621	202,621
Accumulated depreciation	<u>(1,935,781)</u>	<u>(1,315,354)</u>
	<u>1,559,342</u>	<u>1,929,501</u>
<i>Total property and equipment, net</i>		
<i>Total assets</i>	<u>\$ 4,336,825</u>	<u>\$ 5,653,940</u>
<u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 70,565	\$ 155,300
Payroll and other accrued expenses	531,772	380,086
	<u>602,337</u>	<u>535,386</u>
<i>Total current liabilities</i>		
<b>COMMITMENTS (NOTES 4 AND 5)</b>		
<b>NET ASSETS</b>		
Without donor restrictions	1,233,530	2,314,326
Without donor restrictions - board designated	<u>80,000</u>	<u>60,000</u>
<i>Total net assets without donor restrictions</i>	1,313,530	2,374,326
With donor restrictions	<u>2,420,958</u>	<u>2,744,228</u>
<i>Total net assets</i>	<u>3,734,488</u>	<u>5,118,554</u>
<i>Total liabilities and net assets</i>	<u>\$ 4,336,825</u>	<u>\$ 5,653,940</u>

**PURDUE POLYTECHNIC HIGH SCHOOL**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>2022</u>	<u>RESTATED 2021</u>
<b>REVENUE AND SUPPORT</b>				
Private funding	\$ 656,744	\$ 633,875	\$ 1,290,619	\$ 3,981,926
In-kind contributions	121,000	-	121,000	274,843
State funding	8,398,027	-	8,398,027	6,388,857
Federal funding	1,354,628	-	1,354,628	1,677,740
Other income	53,864	-	53,864	70,940
Net assets released from restrictions	957,145	(957,145)	-	-
<i>Total revenue and support</i>	<u>11,541,408</u>	<u>(323,270)</u>	<u>11,218,138</u>	<u>12,394,306</u>
<b>EXPENSES</b>				
Salaries and wages	5,726,158	-	5,726,158	4,796,700
Employee benefits	1,535,898	-	1,535,898	1,100,068
Staff development and recruitment	42,351	-	42,351	29,482
Professional services	1,170,230	-	1,170,230	1,145,878
Transportation	123,090	-	123,090	82,467
Food cost	361,191	-	361,191	91,629
Repairs and maintenance	442,202	-	442,202	105,554
Classroom, kitchen and office supplies	784,075	-	784,075	839,765
Information technology	152,755	-	152,755	91,898
Occupancy	1,193,151	-	1,193,151	1,228,209
Depreciation	620,424	-	620,424	583,073
Insurance	53,815	-	53,815	43,426
Other	396,864	-	396,864	222,893
<i>Total expenses</i>	<u>12,602,204</u>	<u>-</u>	<u>12,602,204</u>	<u>10,361,042</u>
<b>CHANGE IN NET ASSETS</b>	(1,060,796)	(323,270)	(1,384,066)	2,033,264
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,374,326</u>	<u>2,744,228</u>	<u>5,118,554</u>	<u>3,085,290</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,313,530</u>	<u>\$ 2,420,958</u>	<u>\$ 3,734,488</u>	<u>\$ 5,118,554</u>

PURDUE POLYTECHNIC HIGH SCHOOL

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	RESTATED		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2021
<b>REVENUE AND SUPPORT</b>			
Private funding	\$ 215,139	\$ 3,766,787	\$ 3,981,926
In-kind contributions	274,843		274,843
State funding	6,388,857	-	6,388,857
Federal funding	1,677,740	-	1,677,740
Other income	70,940	-	70,940
Net assets released from restrictions	1,897,301	(1,897,301)	-
	<u>10,524,820</u>	<u>1,869,486</u>	<u>12,394,306</u>
<i>Total revenue and support</i>			
<b>EXPENSES</b>			
Salaries and wages	4,796,700	-	4,796,700
Employee benefits	1,100,068	-	1,100,068
Staff development and recruitment	29,482	-	29,482
Professional services	1,145,878	-	1,145,878
Transportation	82,467	-	82,467
Food cost	91,629	-	91,629
Repairs and maintenance	105,554	-	105,554
Classroom, kitchen and office supplies	839,765	-	839,765
Information technology	91,898	-	91,898
Occupancy	1,228,209	-	1,228,209
Depreciation	583,073	-	583,073
Insurance	43,426	-	43,426
Other	222,893	-	222,893
	<u>10,361,042</u>	<u>-</u>	<u>10,361,042</u>
<i>Total expenses</i>			
<b>CHANGE IN NET ASSETS</b>	163,778	1,869,486	2,033,264
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,210,548</u>	<u>874,742</u>	<u>3,085,290</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,374,326</u>	<u>\$ 2,744,228</u>	<u>\$ 5,118,554</u>

**NET CHANGE IN CASH**

	<b><u>2022</u></b>	<b>RESTATED <u>2021</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from private funding	\$ 1,290,619	\$ 3,981,926
Cash received from state and federal funding	10,388,970	6,187,693
Cash received from other income sources	53,864	70,940
Cash paid to suppliers and employees	<u>(11,784,205)</u>	<u>(10,398,866)</u>
<i>Net cash used in operating activities</i>	<u>(50,752)</u>	<u>(158,307)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(250,265)</u>	<u>(717,541)</u>
<b>NET CHANGE IN CASH</b>	(301,017)	(875,848)
<b>CASH, BEGINNING OF YEAR</b>	<u>1,193,461</u>	<u>2,069,309</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 892,444</u></u>	<u><u>\$ 1,193,461</u></u>
<b>NON-CASH OPERATING ACTIVITIES</b>		
In-kind services	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>NON-CASH INVESTING ACTIVITIES</b>		
Property and equipment purchases in accounts payable	<u><u>\$ -</u></u>	<u><u>\$ 12,543</u></u>

RECONCILIATION OF CHANGE IN NET ASSETS TO  
 NET CASH USED IN OPERATING ACTIVITIES

	<u>2022</u>	<u>RESTATED 2021</u>
CHANGE IN NET ASSETS	\$ (1,384,066)	\$ 2,033,264
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Depreciation	620,424	583,073
<i>Increase (decrease) in operating assets</i>		
Grants receivable	636,315	(1,878,904)
Prepaid expenses	9,624	57,103
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	(84,735)	58,707
Payroll and other accrued expenses	151,686	(362,433)
Paycheck Protection Program refundable advance	-	(649,117)
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (50,752)</u>	<u>\$ (158,307)</u>

# PURDUE POLYTECHNIC HIGH SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### DESCRIPTION OF ORGANIZATION

Purdue Polytechnic High School ("PPHS") is an Indiana public charter high school that was created through the vision of leaders at Purdue University and the City of Indianapolis. PPHS opened with the mission to offer the most beneficial educational experience for students who want to pursue high-tech and STEM-related careers. The school's mission is to create an environment of academic excellence characterized by industry-focused experiential learning; mentors who nurture, guide and trust; and students who develop a natural thirst to learn in preparation for their lifelong journeys. PPHS' main sources of revenue and support are from state and federal education funding and private grants.

PPHS operates three charter high schools. PPHS Schweitzer Center at Englewood Campus and PPHS North Campus are both authorized by the Office of Education Innovation of the Office of the Mayor of the City of Indianapolis (OEI). PPHS South Bend Campus is authorized by the Indiana Charter School Board.

In January 2023, PPHS received a new charter through Trine University to open a high school on the west side of Indianapolis.

#### BASIS OF ACCOUNTING AND USE OF ESTIMATES

The accompanying financial statements were prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### CASH AND CASH EQUIVALENTS

For purposes on the statements of cash flows, PPHS considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2022 and 2021.

At June 30, 2022 and 2021, PPHS maintained cash in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) of approximately \$999,000 and \$998,000, respectively.

#### GRANTS RECEIVABLE AND PRIVATE FUNDING

Contributions and grants are recognized when the donor makes an unconditional promise to give to PPHS and are recorded at their fair values as revenues and assets in the period the promise is received. Contributions and grants with donor restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. A portion of PPHS' revenue is the product of cost reimbursement grants. Accordingly, PPHS recognizes revenue under these grants as costs are incurred.

A discount rate commensurate with the risks involved in holding the grants receivable due in future years was used in calculating the present value of future cash flows.

# PURDUE POLYTECHNIC HIGH SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### GRANTS RECEIVABLE AND PRIVATE FUNDING, CONTINUED

Grants receivable were due as follows at June 30:

	<u>2022</u>	<u>2021</u>
Within one year	\$ 514,995	\$ 902,174
One to five years	940,000	1,040,000
Thereafter	480,000	640,000
Present value discount at 5.9%	<u>(249,249)</u>	<u>(260,113)</u>
	<u>\$ 1,685,746</u>	<u>\$ 2,322,061</u>

There was no allowance for doubtful accounts at June 30, 2022 or 2021.

#### PROPERTY AND EQUIPMENT

Property and equipment purchases are recorded at cost. Donated property and equipment are reported at fair value at the date of donation. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3 to 15 years once property and equipment are placed in service. Routine maintenance and repairs are charged to expense as incurred.

#### PAYCHECK PROTECTION PROGRAM REFUNDABLE ADVANCE

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which includes a Small Business Paycheck Protection Program ("PPP") under the auspices of the federal Small Business Administration ("SBA"). These funds can be used for costs related to payroll, employee health care, rent, and utilities. On April 7, 2020, PPHS received \$649,117 from a financial institution under the PPP. The interest rate is 1%, the loan term is two years which begins after the lender makes a determination on forgiveness or 10 months after the 24-week expenditure period. However, to the extent the funds are used for qualifying expenses under the program, PPHS may apply for loan forgiveness. At June 30, 2020, PPHS expected to meet the PPP's eligibility criteria and has concluded that the PPP loan represents, in substance, a grant that is expected to be forgiven. As such, PPHS elected to account for the loan as a conditional grant in accordance with FASB ASC 958-605. As such, the loan was presented as a refundable advance in the statement of financial position. PPHS recognized the loan as federal funding support in 2021 when the loan was forgiven.

# PURDUE POLYTECHNIC HIGH SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### NET ASSETS

The financial statements have been prepared in accordance with Accounting Standards for the Preparation of Financial Statements of Not-for-Profit Organizations. These standards require the financial statements to report information regarding its assets, liabilities, and net assets and its revenue, expenses, and other changes in net assets according to net asset class. The PPHS maintains the following classifications of net assets:

#### Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objections of PPHS. These include revenues and expenses which may be used at the discretion of the management and Board of Directors to support PPHS' purpose and operations.

Board-designated net assets consist of escrow amounts designated for any potential dissolution of PPHS. PPHS' charters requires that each school establish an account held in escrow of \$30,000 no later than December of the third year of operations. At June 30, PPHS held the following amounts in escrow which have been presented as board designated net assets without donor restrictions in the statements of financial position:

	<u>2022</u>	<u>2021</u>
Englewood campus	\$ 30,000	\$ 30,000
North campus	30,000	20,000
South Bend campus	<u>20,000</u>	<u>10,000</u>
	<u>\$ 80,000</u>	<u>\$ 60,000</u>

#### Net Assets with Donor Restrictions

Net assets with donor restrictions are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature whereby the donor has stipulated a specific purpose or time period. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted promises to give, contributions and grants are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and are reported as net assets released from restrictions in statements of activities.

# PURDUE POLYTECHNIC HIGH SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### Net Assets with Donor Restrictions, Continued

At June 30, net assets were restricted for the following purposes:

	<u>2022</u>	<u>2021</u>
Startup cost	\$ 367,882	\$ 552,144
Training and technology	146,932	201,923
Makers Lab	11,353	11,353
College and career pathways	633,595	546,921
Learning mentors and coaches	762,656	912,130
Leadership development	-	25,000
Ab7G Program	494,757	494,757
Other	3,783	-
	<u>\$ 2,420,958</u>	<u>\$ 2,744,228</u>

#### STATE AND FEDERAL FUNDING REVENUE RECOGNITION

Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, PPHS 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 is paid in monthly installments in July through June coinciding with the academic school year. Revenue is recognized in the year in which educational services are rendered.

#### CONTRIBUTED SERVICES

Pursuant to the Not-for-Profit Organizations Revenue Recognition Accounting Standards for contributed services, contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by PPHS. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

PPHS received \$110,000 and \$274,843 of in-kind contributions during 2022 and 2021, respectively, for staffing at the school. In-kind contributions of services were utilized as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Program	\$ 11,000	\$ 191,510
Management and general	110,000	83,333
	<u>\$ 121,000</u>	<u>\$ 274,843</u>

# PURDUE POLYTECHNIC HIGH SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### CONCENTRATION OF CREDIT RISK

The majority of state funding relates to legislation enacted by the State of Indiana and grants awarded under state programs. Changes in state legislation could significantly affect PPHS. State funding represented 75% and 54% of PPHS total revenue during 2022 and 2021, respectively.

#### TAX STATUS

PPHS is an Indiana not-for-profit corporation and is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. PPHS is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

#### SUBSEQUENT EVENTS

Subsequent events have been considered through November 15, 2023 which was the date the financial statements were available to be issued. See Note 4.

#### NEW ACCOUNTING PRONOUNCEMENT

In fiscal year 2022, PPHS adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have significant impact on the financial statements, with the exception of a reclassification of in-kind contributions on the statements of activities and increased disclosures.

### 2. AVAILABLE RESOURCES AND LIQUIDITY

The majority of PPHS revenue is derived from state funding. PPHS also receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions as well as support without donor restrictions including contributions from individuals, organizations and government agencies.

# PURDUE POLYTECHNIC HIGH SCHOOL

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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### 2. AVAILABLE RESOURCES AND LIQUIDITY, CONTINUED

The following table reflects the PPHS's financial assets as of June 30, reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date because of donor restrictions or board designations.

	<u>2022</u>	<u>2021</u>
Financial assets at year-end		
Cash	\$ 892,444	\$ 1,193,461
Grants receivable	<u>1,685,746</u>	<u>2,322,061</u>
Total financial assets available for use within one year	<u>2,578,190</u>	<u>3,515,522</u>
Board designated net assets	(80,000)	(60,000)
Net assets with donor restrictions	<u>(2,420,958)</u>	<u>(2,744,228)</u>
Total financial assets not available for use:	<u>(2,500,958)</u>	<u>(2,804,228)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 77,232</u>	<u>\$ 711,294</u>

### 3. LINE OF CREDIT

PPHS has a line of credit which expires in March 2028. The line allows for maximum borrowings of \$400,000 and a variable interest rate per annum equal to the current yield of the Purdue Investment Pool Cash Loan Fund as of June 30<sup>th</sup> each year, plus one hundred (100) basis points (1%). There was no balance outstanding on the line of credit at June 30, 2022 and 2021.

### 4. OPERATING LEASES

In July 2020, PPHS entered into an eight-year leasing agreement for its Englewood campus with annual lease payments of \$684,158. In January 2021, PPHS expanded its Englewood campus with an additional eight-year lease requiring annual lease payments of \$75,000 through December 31, 2025 and annual lease payments of \$95,000 through December 31, 2028. Both leases require PPHS to pay annual common area maintenance (CAM) charges. Rent expense, including CAM charges, for the fiscal years 2022 and 2021 was \$778,934 and \$721,656, respectively.

PPHS also leases equipment under operating leases with various expiration dates through July 2025. Lease expense for equipment was \$25,690 and \$20,766 for fiscal years 2022 and 2021, respectively.

Effective July 2019, PPHS entered into a ten-year lease agreement for its North campus that includes annual minimum lease payments beginning in fiscal year 2020. Lease payments are equal to 15% of the per-student state revenue, multiplied by the number of students enrolled, with minimum students equal to no less than 100 for year one and 250 thereafter. Rent expense for the fiscal years 2022 and 2021 was \$299,090 and \$232,053, respectively.

**PURDUE POLYTECHNIC HIGH SCHOOL**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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**4. OPERATING LEASES, CONTINUED**

Effective June 2020, PPHS entered into a one-year lease agreement for its South Bend campus that includes annual minimum lease payments totaling \$68,000 beginning in fiscal year 2021. The lease was extended through July 31, 2022 requiring monthly rent payments of \$5,667. In August of 2022, PPHS entered into a ten-year lease for its South Bend campus, requiring annual escalating payments ranging from \$187,549 to \$663,340. Rent expense for the fiscal years 2022 and 2021 was \$115,127 and \$72,960, respectively.

Future minimum payments for operating leases are as follows for the years ending June 30:

2023	\$	1,202,071
2024		1,402,819
2025		1,527,113
2026		1,550,275
2027		1,590,370
Thereafter		<u>5,028,745</u>
Total	\$	<u>12,301,393</u>

**5. INNOVATION CHARTER SCHOOL NETWORK AGREEMENT**

PPHS has an agreement with The Board of School Commissioners of the City of Indianapolis to be an Innovation Network Charter School through June 2022. As part of the agreement, PPHS has authorized its Basic Tuition Support from the State of Indiana to flow through Indianapolis Public Schools (IPS). Beginning July 1, 2018, through the term of the agreement, IPS may deduct \$2,083 monthly from PPHS' Basic Tuition Support for services IPS renders in connection with the agreement. Subsequent to year-end, PPHS entered in a new agreement with IPS for North and Englewood schools to be Innovation Network Charter Schools.

**6. RETIREMENT PLANS**

PPHS provides retirement benefits for teaching personnel by participating in 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. In 2022 and 2021, PPHS contributed 5.5% of compensation for teaching faculty to TRF. Should PPHS elect to withdraw from TRF, PPHS could be subject to a withdrawal fee. PPHS' contributions represent an insignificant percentage of the total contributions received by TRF.

As of June 30, 2021 (the latest year reported). TRF was 89% funded. A copy of the complete annual report for the year ended June 30, 2021 can be obtained at:

<https://www.in.gov/inprs/files/INPRSAnnualReportBook2021.pdf>

In fiscal years 2022 and 2021, the retirement plan expense under the TRF was \$138,433 and \$92,719, respectively.

PPHS provides a 403(b) defined contribution plan to employees who are 18 years of age or older and who were not eligible for TRF. PPHS provided a discretionary contribution for participating employees of \$341,831 and \$185,405, during fiscal years 2022 and 2021, respectively.

**PURDUE POLYTECHNIC HIGH SCHOOL**

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

**7. FUNCTIONAL EXPENSE REPORTING**

The costs of providing the educational activities have been summarized on a natural classification basis in the statement of activities. Following is a summary of expenses comprising program services, management and general, and fundraising for the years ended June 30:

<u>2022</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 3,727,840	\$ 3,534,216	\$ -	\$ 7,262,056
Professional services	253,236	916,994	-	1,170,230
Food cost	344,962	16,229	-	361,191
Classroom, kitchen and office supplies	695,014	89,061	-	784,075
Information technology	127,734	25,021	-	152,755
Occupancy	1,189,812	3,339	-	1,193,151
Depreciation	610,743	9,681	-	620,424
Other	741,244	317,078	-	1,058,322
	<u>\$ 7,690,585</u>	<u>\$ 4,911,619</u>	<u>\$ -</u>	<u>\$ 12,602,204</u>

<u>2021</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 3,585,437	\$ 2,311,330	\$ -	\$ 5,896,767
Professional services	510,663	635,215	-	1,145,878
Food cost	91,629	-	-	91,629
Classroom, kitchen and office supplies	682,355	157,410	-	839,765
Information technology	91,898	-	-	91,898
Occupancy	1,228,209	-	-	1,228,209
Depreciation	583,073	-	-	583,073
Other	472,516	11,307	-	483,823
	<u>\$ 7,245,780</u>	<u>\$ 3,115,262</u>	<u>\$ -</u>	<u>\$ 10,361,042</u>

Expenses have been allocated based on time and effort.

PURDUE POLYTECHNIC HIGH SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

**8. FEDERAL, STATE, AND LOCAL GRANT AWARDS**

In accordance with guidelines established by the Indiana State Board of Accounts, this federal, state, and local grant information was included to aid in the verification of Indiana financial assistance on the Annual Financial Report (AFR).

Program Name	Grantor Name	Assistance Listing Number	Revenue	Expense	Funding Type
National School Lunch Program	Indiana Department of Education	10.555	\$ 298,825	\$ 325,459	Federal grant passed through state or local government
Title I, Part A	Indiana Department of Education	84.010	444,616	444,616	Federal grant passed through state or local government
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367	9,203	9,203	Federal grant passed through state or local government
Elementary and Secondary School Emergency Relief (ESSER I and II) Fund	Indiana Department of Education	84.425D	520,235	520,235	Federal grant passed through state or local government
Emergency Connectivity Fund Program	Federal Communications Commission	32.009	81,750	81,750	Direct federal grant
Basic Tuition Support	Indiana Department of Education	N/A	6,150,349	6,150,349	State or local government
State Special Education Grant	Indiana Department of Education	N/A	672,204	672,204	State or local government
Vocational Education	Indiana Department of Education	N/A	546,078	546,078	State or local government
State Lunch Match	Indiana Department of Education	N/A	14,348	14,348	State or local government
Summer School Reimbursement	Indiana Department of Education	N/A	26,892	26,892	State or local government
High Ability Grant	Indiana Department of Education	N/A	27,531	27,531	State or local government
Textbook Reimbursement	Indiana Department of Education	N/A	44,623	44,623	State or local government

PURDUE POLYTECHNIC HIGH SCHOOL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

**8. FEDERAL, STATE, AND LOCAL GRANT AWARDS, CONTINUED**

Non-English Speaking Program	Indiana Department of Education	N/A	13,224	13,224	State or local government
Teacher Appreciation Grant	Indiana Department of Education	N/A	32,018	32,018	State or local government
State Connectivity	Indiana Department of Education	N/A	12,760	12,760	State or local government
Charter School Grant	Indiana Department of Education	N/A	858,000	858,000	State or local government
Total		Total	<b>\$ 9,752,656</b>	<b>\$ 9,779,290</b>	

**9. RESTATEMENT**

During 2022, PPHS discovered a grant had been recorded when the cash was received, rather than when the grant was promised. This resulted in the following restatement:

	<u>Previously Reported June 30, 2021</u>	<u>Adjustment</u>	<u>Restated June 30, 2021</u>
Net assets with donor restrictions, end of year	\$ 2,249,471	\$ 494,757	\$ 2,744,228
Private funding	\$ 3,487,169	\$ 494,757	\$ 3,981,926
Current grants receivable	\$ 735,174	\$ 167,000	\$ 902,174
Non-current grants receivable	\$ 1,092,130	\$ 327,757	\$ 1,419,887



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Purdue Polytechnic High School:

We have audited the financial statements of Purdue Polytechnic High School as of and for the year ended June 30, 2022, and our report thereon dated November 15, 2023, which expressed an unmodified opinion on those financial statements, appears on page two. 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 for the year ended June 30, 2022, as required by the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the financial statements. The statements of financial position and activities by school as of and for the years ended June 30, 2022 and 2021, in Exhibits I through IV, are presented for purposes of additional analysis rather than to present financial position and results of operations of the schools, and are 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 audits of 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 and the statements of financial position and activities by school as of and for the year ended June 30, 2022 are fairly stated, in all material respects, in relation to financial statements as a whole.

*Greenwalt CPAs, Inc.*

November 15, 2023

PURDUE POLYTECHNIC HIGH SCHOOL  
 STATEMENTS OF FINANCIAL POSITION BY SCHOOL  
 JUNE 30, 2022

Exhibit I

	ENGLEWOOD	NORTH	SOUTH BEND	NETWORK	ELIMINATIONS	TOTAL
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ 3,928,578	\$ 28,784	\$ (761,432)	\$ (2,303,486)	\$ -	\$ 892,444
Grants receivable	463,890	46,819	4,286	-	-	514,995
Prepaid expenses	44,686	17,597	11,939	125,071	-	199,293
<i>Total current assets</i>	<u>4,437,154</u>	<u>93,200</u>	<u>(745,207)</u>	<u>(2,178,415)</u>	<u>-</u>	<u>1,606,732</u>
<b>NON-CURRENT GRANT RECEIVABLE</b>	<u>1,170,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,170,751</u>
<b>PROPERTY AND EQUIPMENT</b>						
Furniture	1,065,128	245,488	186,973	22,149	-	1,519,738
Equipment	565,398	213,210	59,524	27,696	-	865,828
Computer equipment	357,160	101,531	23,206	-	-	481,897
Textbooks	4,593	16,146	-	-	-	20,739
Leasehold improvements	391,400	-	12,900	-	-	404,300
Vehicles	93,121	109,500	-	-	-	202,621
Accumulated depreciation	(1,472,483)	(349,250)	(92,816)	(21,232)	-	(1,935,781)
<i>Total property and equipment, net</i>	<u>1,004,317</u>	<u>336,625</u>	<u>189,787</u>	<u>28,613</u>	<u>-</u>	<u>1,559,342</u>
<i>Total assets</i>	<u>\$ 6,612,222</u>	<u>\$ 429,825</u>	<u>\$ (555,420)</u>	<u>\$ (2,149,802)</u>	<u>\$ -</u>	<u>\$ 4,336,825</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 44,133	\$ 3,933	\$ (2,005)	\$ 24,504	\$ -	\$ 70,565
Payroll and other accrued expenses	184,343	78,317	63,390	205,722	-	531,772
<i>Total current liabilities</i>	<u>228,476</u>	<u>82,250</u>	<u>61,385</u>	<u>230,226</u>	<u>-</u>	<u>602,337</u>
<b>NET ASSETS (DEFICIT)</b>						
Without donor restrictions	4,419,243	(94,592)	(707,843)	(2,383,278)	-	1,233,530
Without donor restrictions - board designated	30,000	30,000	20,000	-	-	80,000
<i>Total net assets (deficit) without donor restrictions</i>	<u>4,449,243</u>	<u>(64,592)</u>	<u>(687,843)</u>	<u>(2,383,278)</u>	<u>-</u>	<u>1,313,530</u>
With donor restrictions	1,934,503	412,167	71,038	3,250	-	2,420,958
<i>Total net assets (deficit)</i>	<u>6,383,746</u>	<u>347,575</u>	<u>(616,805)</u>	<u>(2,380,028)</u>	<u>-</u>	<u>3,734,488</u>
<i>Total liabilities and net assets (deficit)</i>	<u>\$ 6,612,222</u>	<u>\$ 429,825</u>	<u>\$ (555,420)</u>	<u>\$ (2,149,802)</u>	<u>\$ -</u>	<u>\$ 4,336,825</u>

PURDUE POLYTECHNIC HIGH SCHOOL  
 STATEMENTS OF ACTIVITIES BY SCHOOL  
 FOR THE YEAR ENDED JUNE 30, 2022

Exhibit II

	ENGLEWOOD	NORTH	SOUTH BEND	NETWORK	ELIMINATIONS	TOTAL
<b>REVENUE AND SUPPORT</b>						
Private funding	\$ 541,656	\$ 183,636	\$ 372,295	\$ 193,032	\$ -	\$ 1,290,619
In-kind contributions	11,000	-	-	110,000	-	121,000
State funding	5,646,958	1,822,511	928,558	-	-	8,398,027
Federal funding	1,070,607	233,412	50,609	-	-	1,354,628
Other income	42,587	3,672	1,241	824,999	(818,635)	53,864
<i>Total revenue and support</i>	<u>7,312,808</u>	<u>2,243,231</u>	<u>1,352,703</u>	<u>1,128,031</u>	<u>(818,635)</u>	<u>11,218,138</u>
<b>EXPENSES</b>						
Salaries and wages	2,423,948	1,136,099	732,643	1,433,468	-	5,726,158
Employee benefits	638,815	292,021	209,903	395,159	-	1,535,898
Staff development and recruitment	13,506	7,922	14,742	6,181	-	42,351
Professional services	809,103	398,480	140,181	641,101	(818,635)	1,170,230
Transportation	90,742	29,461	2,887	-	-	123,090
Food cost	159,502	79,517	105,943	16,229	-	361,191
Repairs and maintenance	140,469	131,947	159,063	10,723	-	442,202
Classroom, kitchen and office supplies	291,690	273,939	144,665	73,781	-	784,075
Information technology	95,919	29,463	2,352	25,021	-	152,755
Occupancy	775,595	299,090	115,127	3,339	-	1,193,151
Depreciation	409,133	148,100	53,510	9,681	-	620,424
Insurance	-	-	-	53,815	-	53,815
Other	260,201	61,904	17,754	57,005	-	396,864
<i>Total expenses</i>	<u>6,108,623</u>	<u>2,887,943</u>	<u>1,698,770</u>	<u>2,725,503</u>	<u>(818,635)</u>	<u>12,602,204</u>
<b>CHANGE IN NET ASSETS</b>	1,204,185	(644,712)	(346,067)	(1,597,472)	-	(1,384,066)
<b>NET ASSET TRANSFERS</b>	141,244	322	6	(141,572)	-	-
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	<u>5,038,317</u>	<u>991,965</u>	<u>(270,744)</u>	<u>(640,984)</u>	<u>-</u>	<u>5,118,554</u>
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<u>\$ 6,383,746</u>	<u>\$ 347,575</u>	<u>\$ (616,805)</u>	<u>\$ (2,380,028)</u>	<u>\$ -</u>	<u>\$ 3,734,488</u>

PURDUE POLYTECHNIC HIGH SCHOOL  
 STATEMENTS OF FINANCIAL POSITION BY SCHOOL RESTATED  
 JUNE 30, 2021

Exhibit III

	<u>ENGLEWOOD</u>	<u>NORTH</u>	<u>SOUTH BEND</u>	<u>NETWORK</u>	<u>TOTAL</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 1,889,712	\$ 550,980	\$ (573,038)	\$ (674,193)	\$ 1,193,461
Grants receivable	573,208	142,307	161,659	25,000	902,174
Prepaid expenses	51,528	32,038	17,314	108,037	208,917
<i>Total current assets</i>	<u>2,514,448</u>	<u>725,325</u>	<u>(394,065)</u>	<u>(541,156)</u>	<u>2,304,552</u>
<b>NON-CURRENT GRANT RECEIVABLE</b>	<u>1,419,887</u>	<u>-</u>	<u>-</u>		<u>1,419,887</u>
<b>PROPERTY AND EQUIPMENT</b>					
Furniture	1,065,128	206,626	133,129	22,149	1,427,032
Equipment	555,574	135,072	47,727	13,372	751,745
Computer equipment	339,650	75,562	23,206	-	438,418
Textbooks	4,593	16,146	-	-	20,739
Leasehold improvements	391,400	-	12,900	-	404,300
Vehicles	93,121	109,500	-	-	202,621
Accumulated depreciation and amortization	(1,063,350)	(201,149)	(39,305)	(11,550)	(1,315,354)
<i>Total property and equipment, net</i>	<u>1,386,116</u>	<u>341,757</u>	<u>177,657</u>	<u>23,971</u>	<u>1,929,501</u>
<i>Total assets</i>	<u>\$ 5,320,451</u>	<u>\$ 1,067,082</u>	<u>\$ (216,408)</u>	<u>\$ (517,185)</u>	<u>\$ 5,653,940</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 131,294	\$ 11,612	\$ 9,321	\$ 3,073	\$ 155,300
Payroll and other accrued expenses	150,840	63,505	45,015	120,726	380,086
<i>Total current liabilities</i>	<u>282,134</u>	<u>75,117</u>	<u>54,336</u>	<u>123,799</u>	<u>535,386</u>
<b>NET ASSETS (DEFICIT)</b>					
Without donor restrictions	2,984,849	399,202	(283,544)	(786,181)	2,314,326
Without donor restrictions - board designated	30,000	20,000	10,000	-	60,000
<i>Total net assets (deficit) without donor restrictions</i>	<u>3,014,849</u>	<u>419,202</u>	<u>(273,544)</u>	<u>(786,181)</u>	<u>2,374,326</u>
With donor restrictions	2,023,468	572,763	2,800	145,197	2,744,228
<i>Total net assets (deficit)</i>	<u>5,038,317</u>	<u>991,965</u>	<u>(270,744)</u>	<u>(640,984)</u>	<u>5,118,554</u>
<i>Total liabilities and net assets (deficit)</i>	<u>\$ 5,320,451</u>	<u>\$ 1,067,082</u>	<u>\$ (216,408)</u>	<u>\$ (517,185)</u>	<u>\$ 5,653,940</u>

PURDUE POLYTECHNIC HIGH SCHOOL  
 STATEMENTS OF ACTIVITIES BY SCHOOL RESTATED  
 FOR THE YEAR ENDED JUNE 30, 2021

Exhibit IV

	<u>ENGLEWOOD</u>	<u>NORTH</u>	<u>SOUTH BEND</u>	<u>NETWORK</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
<b>REVENUE AND SUPPORT</b>						
Private funding	\$ 3,269,990	\$ 170,476	\$ 486,460	\$ 55,000	\$ -	\$ 3,981,926
In-kind contributions	191,510	-	-	83,333	-	274,843
State funding	4,817,435	1,258,043	313,379	-	-	6,388,857
Federal funding	960,247	405,776	175,927	135,790	-	1,677,740
Other income	<u>38,022</u>	<u>21,007</u>	<u>981</u>	<u>748,910</u>	<u>(737,980)</u>	<u>70,940</u>
<i>Total revenue and support</i>	<u>9,277,204</u>	<u>1,855,302</u>	<u>976,747</u>	<u>1,023,033</u>	<u>(737,980)</u>	<u>12,394,306</u>
<b>EXPENSES</b>						
Salaries and wages	2,370,605	990,659	562,890	872,546	-	4,796,700
Employee benefits	506,696	222,220	142,543	228,609	-	1,100,068
Staff development and recruitment	787	15,174	2,487	11,034	-	29,482
Professional services	975,739	221,506	51,397	635,216	(737,980)	1,145,878
Transportation	65,696	16,771	-	-	-	82,467
Food cost	52,325	10,907	28,397	-	-	91,629
Repairs and maintenance	67,656	34,138	940	2,820	-	105,554
Classroom, kitchen and office supplies	311,835	211,096	269,366	47,468	-	839,765
Information technology	15,671	15,754	935	59,538	-	91,898
Occupancy	865,743	269,810	86,386	6,270	-	1,228,209
Depreciation	425,327	112,108	39,306	6,332	-	583,073
Insurance	-	-	-	43,426	-	43,426
Other	<u>152,787</u>	<u>37,376</u>	<u>12,093</u>	<u>20,637</u>	<u>-</u>	<u>222,893</u>
<i>Total expenses</i>	<u>5,810,867</u>	<u>2,157,519</u>	<u>1,196,740</u>	<u>1,933,896</u>	<u>(737,980)</u>	<u>10,361,042</u>
<b>CHANGE IN NET ASSETS</b>	3,466,337	(302,217)	(219,993)	(910,863)	-	2,033,264
<b>NET ASSET TRANSFERS</b>	(568,365)	17,709	12,797	537,859	-	-
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	<u>2,140,345</u>	<u>1,276,473</u>	<u>(63,548)</u>	<u>(267,980)</u>	<u>-</u>	<u>3,085,290</u>
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<u>\$ 5,038,317</u>	<u>\$ 991,965</u>	<u>\$ (270,744)</u>	<u>\$ (640,984)</u>	<u>\$ -</u>	<u>\$ 5,118,554</u>

PURDUE POLYTECHNIC HIGH SCHOOL  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	ASSISTANCE LISTING NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through the Indiana Department of Education			
<u>Child Nutrition Cluster</u>			
National School Lunch Program	10.555	FY2021-2022 DWTN	\$ 135,190
		FY2021-2022 North	64,200
		FY2021-2022 SBend	<u>103,425</u>
<i>Total National Child Nutrition Cluster, School Lunch Program, and U.S. Department of Agriculture</i>			<u>302,815</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through the Indiana Department of Education			
Title I, Part A			
Title I Grants to Local Educational Agencies	84.010	S010A200014	389,212
		S010A200014	<u>55,404</u>
<i>Total Title I, Part A</i>			<u>444,616</u>
Supporting Effective Instruction State Grants	84.367	S367A190013	769
		S367A200013	2,164
		S367A190013	<u>6,269</u>
<i>Total for Supporting Effective Instruction</i>			<u>9,202</u>
Education Stabilization Fund Cluster			
Elementary and Secondary School Emergency Relief (ESSER I and II) Fund	84.425D	S425D200013	389,146
		S425D200013	104,629
		S425D200013	<u>26,460</u>
<i>Total for Education Stabilization Fund</i>			<u>520,235</u>
<i>Total U.S. Department of Education</i>			<u>974,053</u>
<b>FEDERAL COMMUNICATIONS COMMISSION</b>			
Emergency Connectivity Fund Program	32.009		<u>81,750</u>
<i>Total Federal Communications Commission</i>			<u>81,750</u>
<i>Total expenditures of federal awards</i>			<u><u>\$ 1,358,618</u></u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Purdue Polytechnic High School (the School) under programs of the federal government for the year ended June 30, 2022. 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, Costs 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, or cash flows of the School.

**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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**3. INDIRECT COST RATE**

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



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*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Purdue Polytechnic High School:

We have 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 of America (Government Auditing Standards), the financial statements of Purdue Polytechnic High School (PPHS), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered PPHS's internal control over financial reporting (internal control) as a basis for designing audit procedures that are 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 PPHS' internal control. Accordingly, we do not express an opinion on the effectiveness of PPHS' 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 that a material misstatement of PPHS' 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 that 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as finding 2022-001 and 2022-002 that we consider to be material weaknesses.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether PPHS' 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 financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as finding 2022-002.

## School's Response to Findings

*Government Auditing Standards* require the auditor to perform limited procedures on PPHS' response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. PPHS' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## 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 PPHS' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PPHS' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Greenwald CPAs, Inc.*

November 15, 2023



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Purdue Polytechnic High School:

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Purdue Polytechnic High School's (PPHS) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of PPHS' major federal programs for the year ended June 30, 2022. PPHS' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, PPHS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America (Government Auditing Standards); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of PPHS and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of PPHS' compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to PPHS' federal programs.

## **Auditors' Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on PPHS' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about PPHS' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 PPHS' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of PPHS' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 PPHS' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on PPHS' response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. PPHS' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control

over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency that we consider to be a significant deficiency and a deficiency we consider to be a material weakness.

*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 that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a material weakness.

*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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Greenwald CPAs, Inc.*

November 15, 2023

**A. SUMMARY OF AUDIT RESULTS**

Financial Statements

- 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
- 2. Internal control over financial reporting:
  - Material weakness(es) identified? yes no
  - Significant deficiency(ies) identified? yes none reported
- 3. Noncompliance material to financial statements noted? yes no

Federal Awards

- 4. Internal control over major federal programs:
  - Material weakness(es) identified? yes no
  - Significant deficiency(ies) identified? yes none reported

5. Type of auditors' report issued on compliance for major federal programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

7. Identification of major program:	<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
	84.425D	Education Stabilization Fund
	32.009	Emergency Connectivity Fund Program

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low-risk auditee? yes no

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

Finding 2022-001

*Criteria:* According to FASB ASC 958-310-25-1, unconditional promises to give should be recognized as revenue in the period promised.

*Condition:* During the audit, we noted a sizable grant that met the requirements for recognition in 2021, however, management did not record the gift.

*Context:* An unconditional grant of \$567,000 of which is to be paid over 5 years, was not recognized as revenue in the proper period.

*Cause:* Grant agreements were not stored in a centralized location accessible to key members of management and the outsourced accountant.

*Effect:* An audit adjustment was made to increase grant receivable and revenue by \$494,757 in 2021 and adjust 2022 grant receivable, net assets with donor restriction, and revenue.

*Recommendation:* We recommend that grant agreements be stored in a location accessible to key members of management. We also recommend that management consider establishing a checklist or standardized agenda to be covered in regular financial meetings that would include a discussion regarding any new grants.

*Views of responsible officials:* See attached corrective action plan.

Finding 2022-002

*Criteria:* According to 2 CFR Subpart F Section 200.510b, the auditee must prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period that includes all amounts spent on federal programs during the reporting period.

*Condition:* The SEFA excluded the Emergency Connectivity Fund Program and was materially understated by \$81,750.

*Cause:* PPHS had significant turnover in finance personnel during and after the 21-22 school year.

*Effect:* An audit adjustment was made to add the Emergency Connectivity Fund Program expenditures of \$81,750 to the SEFA. The increase in expenditures resulted in the selection of an additional major program to achieve the audit coverage required by the Uniform Guidance.

*Recommendation:* PPHS should implement a review process for the SEFA whereby key members of management review the SEFA for completeness.

*Views of responsible officials:* See attached corrective action plan.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

Finding 2022-002

*Identification of federal program:* FEDERAL COMMUNICATIONS COMMISSION 32.009 Emergency Connectivity Fund Program passed through the Indiana Department of Education. See section B above.

Finding 2022-003

*Identification of federal program:* U.S. DEPARTMENT OF EDUCATION 84.425D Education Stabilization Fund COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER I and II) passed through the Indiana Department of Education.

*Criteria:* 2 CFR 200.430(i) requires the auditee to establish and maintain effective internal control over the allocation of personnel expenses whereby charges to Federal awards for personnel-related expenditures are supported by official records of the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. Budget estimates alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that: The non-federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable and properly allocated.

*Condition:* Personnel costs allocated to the award did not agree to time and effort reports maintained for those employees charged to the award.

*Cause:* PPHS does not have a process whereby time and effort reports are reconciled to payroll allocated to federal awards.

*Effect:* Time and effort reports documented that 100% of employee time should have been allocated to the award. However, some employees wages were only partially allocated to the award.

*Questioned costs:* None

*Context:* Six (6) out of seven (7) employees tested had time and effort reports noting that 100% of their time were to be allocated to the award. However, less than 100% of their wages were allocated to the award.

*Recommendation:* We recommend that PPHS implement a process to reconcile personnel costs allocated to federal awards with time and effort reports. We further recommend this process be implemented as a part of the semimonthly payroll process.

*Views of Responsible Officials:* See attached Corrective Action Plan.

**D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM AUDIT**

See attached summary schedule of prior year findings and questioned costs.

# PURDUE POLYTECHNIC HIGH SCHOOL

OTHER REPORT

JUNE 30, 2022

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The reports presented herein were prepared in addition to another report prepared for Purdue Polytechnic High School as listed below:

Supplemental Audit Report of Purdue Polytechnic High School

**Purdue Polytechnic High School**  
**Corrective Action Plan**  
**SY 2021-2022**  
**October 25, 2023**

Greenwalt CPAs, Inc.  
5342 West Vermont St.  
Indianapolis, IN 46224

The findings from the July 1, 2021 – June 30, 2022 audit and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

**FINDINGS—FINANCIAL STATEMENT AUDIT**

**2022-001**

*Criteria:* According to FASB ASC 958-310-25-1, unconditional promises to give should be recognized as revenue in the period promised.

*Condition* – During the audit, we noted a sizable grant that met the requirements for recognition in 2021, however, management did not record the gift.

*Context* – An unconditional grant of \$567,000 of which is to be paid over 5 years, was not recognized as revenue in the proper period.

*Cause* – Grant agreements were not stored in a centralized location accessible to key members of management and the outsourced accountant.

*Effect* – An audit adjustment was made to increase grant receivable and revenue by \$494,757 in 2021 and adjust 2022 grant receivable, net assets with donor restriction, revenue.

*Corrective Action Plan* – PPHS had significant turnover in finance personnel during the 22-23 school year. For FY23, we contracted with accounting consultants to assist with financial management and reporting and with improving processes and procedures, including grant management. For FY24, we have updated our electronic documentation process and now have grant agreements stored in a location that is accessible to key members of management. We have also implemented a standardized process for grants management, including regular check-ins for discussing new grants.

*Contact Person(s) Responsible for CAP* – Todd Burses, Financial Controller.

*Anticipated completion date* – Processes were improved in FY23 through assistance from accounting consultants. Policies and procedures updates will be implemented in FY24. We will work with Greenwalt with any questions or concerns.

**2022-002**

*Criteria* – According to 2 CFR Subpart F Section 200.510b, the auditee must prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period that includes all amounts spent on federal programs during the reporting period.

*Condition* – The SEFA excluded the Emergency Connectivity Fund Program and was materially understated by \$81,750.

*Cause* – PPHS had significant turnover in finance personnel during and after the 21-22 school year.

*Effect* – An audit adjustment was made to add the Emergency Connectivity Fund Program expenditures of \$81,750 to the SEFA. The increase in expenditures resulted in the selection of an additional major program to achieve the audit coverage required by the Uniform Guidance.

*Corrective Action Plan* – PPHS had significant turnover in finance personnel during the 22-23 school year. PPHS hired a full-time Financial Controller on July 31st, 2023 and has been working with accounting consultants to improve processes and procedures throughout FY23. We will implement a review process for the SEFA whereby key members of management review the SEFA for completeness.

*Responsible for CAP* – Todd Burleson, Financial Controller.

*Anticipated completion date* – Processes were improved in FY23 through assistance from accounting consultants. Policies and procedures updates will be implemented in FY24.

#### 2022-003

*Criteria* - 2 CFR 200.430(i) requires the auditee to establish and maintain effective internal control over the allocation of personnel expenses whereby charges to Federal awards for personnel-related expenditures are supported by official records of the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. Budget estimates alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that: The non-federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to the Federal award is accurate.

*Condition* – Personnel costs allocated to the award did not agree to time and effort reports maintained for those employees charged to the award.

*Cause* – PPHS does not have a process whereby time and effort reports are reconciled to payroll allocated to federal awards.

*Effect* – Time and effort reports documented that 100% of employee time should have been allocated to the award. However, some employees wages were only partially allocated to the award.

*Corrective Action Plan* – PPHS had significant turnover in finance personnel during the 22-23 school year. For FY23, we contracted with accounting consultants to assist with financial management and reporting and with improving processes and procedures, including reconciling personnel costs with grant claims. We will continue to improve our process for reconciling personnel costs allocated to federal awards with time and effort reports.

*Contact Person(s) Responsible for CAP* – Todd Burleson, Financial Controller.

*Anticipated completion date* – Processes were improved in FY23 through assistance from accounting consultants. Policies and procedures updates will be implemented in FY24.



Polytechnic High School

3029 E.  
Washington Street  
Indianapolis, IN 46221  
317-832-4811

Sincerely,

*Todd Burleson*

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Todd Burleson, Financial Controller

*Shatoya Ward*

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Shatoya Ward (Oct 25, 2023 13:13 EDT)

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Shatoya Ward, Chief Schools Officer

*Keeanna Warren*

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Keeanna Warren (Oct 26, 2023 09:35 EDT)

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Keeanna Warren, CEO

**Purdue Polytechnic High School  
Summary Schedule of Prior  
Year Audit Findings  
Year Ended June 30, 2021**

**FINDINGS—FINANCIAL STATEMENT AUDIT**

2021-001

*Criteria:* According to FASB ASC 958-310-25-1, unconditional promises to give recognized as revenue in the period promised.

*Condition* – During the audit, a sizeable grant that met the requirements for recognition was recorded as revenue over the life of the grant. The Criteria above, however, requires that the entire amount of the unconditional grant be recorded when it was received.

*Corrective Action Plan* – gifts/grants that meet the requirements outlined in FASB ASC 958-310-25-1, will be appropriately recognized as revenue in the period promised by management.

*Contact Person(s) Responsible for CAP* – Sharnell J. Johnson, Director of Finance (former staff member). Todd Burleson, Financial Controller (hired 7/31/23).

*Anticipated completion date* – effective immediately. We will work with Greenwalt with any questions or concerns.

*Current Status* – This has been corrected and resulted in a restatement of 2021 financial activity in the 2022 Audit report.

2021-002

*Criteria* – A LEA must serve eligible schools or attendance areas in rank order according to their percentage of poverty (Title I, Section 1113).

*Condition* – Poverty level determinate by student is based on information provided by parents on the application for free and reduced lunch. Students who qualify for government assistance receive direct certification which is determined using an IDOE database. The school was unable to provide free and reduced lunch applications for some of the non-direct certification students tested.

*Corrective Action Plan* – we will implement an electronic free and reduced lunch form beginning on July 1, 2022 for the school to complete for each student who is not a direct certification student. A document retention guide will be added to accounting policies manual and additional training will be provided to the campus Office Managers responsible for retaining this documentation.

*Contact Person(s) Responsible for CAP* – Tanisha Adams, Registrar.

*Anticipated completion date* – effective immediately, May 19, 2022. We have created the electronic form and updated our registration process.

*Current Status* – Resolved May 19, 2022.

2021-003

*Criteria* - In accordance with CFR 200.318(i) The non-federal entity must maintain records sufficient to detail the history of procurement.

*Condition* – Expenditures tested that met the small purchase threshold (purchases with a cost between \$10,000 and \$250,000) did not have documentation detailing the history of procurement.

*Corrective Action Plan* – document retention requirements will be added our procurement policies. Training on those policies will be provided to staff involved with procurement.

*Contact Person(s) Responsible for CAP* – Sharnell J. Johnson, Director of Finance and Eric Stewart, Director of Technology & Facilities.

*Anticipated completion date* – May 2022

*Current Status* – Procurement policies have been updated, we are continuing to monitor and improve this process.

Sincerely,



Todd Burleson, Financial Controller



Shatoya Ward (Oct 25, 2023 13:13 EDT)

Shatoya Ward, Chief Schools Officer



Keeanna Warren (Oct 26, 2023 09:35 EDT)

Keeanna Warren, CEO