



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

January 16, 2025

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

We have reviewed the audit report of the Invent Learning Hub, Inc. which was opined upon by Donovan CPAs, Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Invent Learning Hub, Inc. as of June 30, 2024, 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 Indiana State Board of Accounts.

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

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

Tammy R. White, CPA
Deputy State Examiner

Invent Learning Hub, Inc.

Financial Statements
Together with Independent Auditor's Report

For the Years Ended June 30, 2024 and 2023



Invent Learning Hub, Inc.

Table of Contents

	Page
Independent Auditor’s Report	1 - 3
Financial Statements	
Statements of Financial Position	4
Statements of Activities and Change in Net Assets.....	5
Statements of Functional Expenses	6
Statements of Cash Flows.....	7
Notes to the Financial Statements.....	8 - 12
Supplementary Information	
Schedule of Expenditures of Federal Awards	13
Notes to the Schedule of Expenditures of Federal Awards.....	14
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15 - 16
Independent Auditor’s Report on Compliance for Each Major Program and Report on Internal Control Over Compliance in Accordance with the <i>Uniform Guidance</i>	17 - 19
Schedule of Findings and Questioned Costs	20
Other Report	21
Schedule of Lead Auditor	22



Donovan CPAs

Independent Auditor's Report

The Board of Directors
Invent Learning Hub, Inc.
Indianapolis, Indiana

Opinion

We audited the financial statements of Invent Learning Hub, Inc. (the School) which comprise the statements of financial position as of June 30, 2024 and 2023, 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, 2024 and 2023, 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 Auditor's 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.

www.cpadonovan.com

Avon | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

Auditor's 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 auditor's 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 15, 2024 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.

A handwritten signature in black ink that reads "DONOVAN". The letters are slightly slanted and connected, with a large, stylized 'D'.

Donovan CPAs
Indianapolis, Indiana
November 15, 2024

Invent Learning Hub, Inc.
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash	\$ 1,730,294	\$ 1,367,322
Grants receivable	190,792	239,699
Prepaid expenses	7,942	5,598
Total current assets	1,929,028	1,612,619
Fixed Assets		
Building and improvements	2,044,704	1,907,972
Furniture and equipment	346,306	346,306
Less: accumulated depreciation	(595,776)	(442,524)
Fixed assets, net	1,795,234	1,811,754
Total Assets	\$ 3,724,262	\$ 3,424,373
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of note payable	\$ 50,576	\$ 48,437
Accounts payable and accrued expenses	123,659	101,144
Refundable advances	41,962	-
Total current liabilities	216,197	149,581
Long-Term Liabilities		
Note payable, net of current portion	1,247,549	1,298,125
Less: unamortized debt issuance costs	(2,920)	(8,711)
Total long-term liabilities, net of unamortized debt issuance costs	1,244,629	1,289,414
Total Liabilities	1,460,826	1,438,995
Net Assets, Without Donor Restrictions	2,263,436	1,985,378
Total Liabilities and Net Assets	\$ 3,724,262	\$ 3,424,373

See independent auditor's report and notes to the financial statements

Invent Learning Hub, Inc.
Statements of Activities and Change in Net Assets
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenue and Support		
State education support	\$ 1,811,850	\$ 1,512,993
Grant revenue	1,952,069	1,534,437
Other income	30,249	39,004
Total revenue and support	<u>3,794,168</u>	<u>3,086,434</u>
Expenses		
Program services	2,406,474	2,026,651
Management and general	1,109,636	923,474
Total expenses	<u>3,516,110</u>	<u>2,950,125</u>
Change in Net Assets	278,058	136,309
Net Assets, Beginning of Year	<u>1,985,378</u>	<u>1,849,069</u>
Net Assets, End of Year	<u>\$ 2,263,436</u>	<u>\$ 1,985,378</u>

See independent auditor's report and notes to the financial statements

Invent Learning Hub, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries and wages	\$ 1,173,251	\$ 466,030	\$ 1,639,281	\$ 1,067,987	\$ 390,080	\$ 1,458,067
Professional services	368,269	146,167	514,436	148,539	127,486	276,025
Employee benefits	70,757	274,717	345,474	92,172	209,379	301,551
Student transportation	162,121	-	162,121	126,253	-	126,253
Food costs	160,121	-	160,121	169,516	-	169,516
Depreciation	153,252	-	153,252	132,361	-	132,361
Occupancy	123,749	-	123,749	122,013	-	122,013
Repairs and maintenance	102,716	-	102,716	63,099	-	63,099
Interest	-	90,235	90,235	-	93,219	93,219
Classroom and office supplies	45,865	24,263	70,128	52,453	21,191	73,644
Insurance	-	38,462	38,462	-	39,413	39,413
Advertising	-	36,146	36,146	-	14,283	14,283
Information technology	29,837	-	29,837	16,912	-	16,912
Authorizer oversight fees	-	12,126	12,126	-	14,153	14,153
Staff development	8,280	-	8,280	26,491	-	26,491
Other	8,256	21,490	29,746	8,855	14,270	23,125
Total functional expenses	<u>\$ 2,406,474</u>	<u>\$ 1,109,636</u>	<u>\$ 3,516,110</u>	<u>\$ 2,026,651</u>	<u>\$ 923,474</u>	<u>\$ 2,950,125</u>

See independent auditor's report and notes to the financial statements

Invent Learning Hub, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities		
Change in net assets	\$ 278,058	\$ 136,309
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	153,252	132,361
Amortization of debt issuance costs	5,791	5,791
Changes in certain assets and liabilities:		
Grants receivable	48,907	(59,994)
Prepaid expenses	(2,344)	(5,598)
Accounts payable and accrued expenses	22,515	39,386
Refundable advance	41,962	-
Net change in cash from operating activities	548,141	248,255
Investing Activities		
Purchases of fixed assets	(136,732)	(12,848)
Financing Activities		
Principal payments on note payable	(48,437)	(45,454)
Net Change in Cash	362,972	189,953
Cash, Beginning of Year	1,367,322	1,177,369
Cash, End of Year	\$ 1,730,294	\$ 1,367,322
Supplemental Information		
Cash paid for interest	\$ 84,444	\$ 87,428

See independent auditor's report and notes to the financial statements

Invent Learning Hub, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 1 – Nature of Activities

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. However, beginning January 1, 2025, the School will be sponsored by Education One. The School served approximately 160 students in kindergarten through eighth grade during both the 2023-2024 and 2022-2023 school years.

Note 2 – Summary of Significant Accounting Policies

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, 2024 and 2023, 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, 2024 and 2023.

Grants Receivable

The School adopted Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* during the year ended June 30, 2024 which introduced a forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including grants receivable. The adoption of this accounting standards update did not have a material impact on the School's financial position or the result of its operations and cash flows.

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 credit losses is deemed necessary.

Fixed Assets

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.

Invent Learning Hub, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

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. 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. Amortization is provided on a straight-line basis over 61 months. Amortization for both years ended June 30, 2024 and 2023 was \$5,791 and is included in interest expense. Accumulated amortization as of June 30, 2024 and 2023 was \$26,518 and \$20,727, respectively.

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, 2024 and 2023, 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 not 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, 2020 are open to audit for both federal and state purposes.

Subsequent Events

The School evaluated subsequent events through November 15, 2024, 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 3 – 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 is 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.

Invent Learning Hub, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 3 – Revenue Recognition (Continued)

Other income includes student fees, among other income sources, 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.

Note 4 – Refundable Advance

The School was awarded grants from the Indiana Department of Education to provide educational instruction. The grants are considered exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Refundable advances totaled \$41,962 during the year ended June 30, 2024. There were no refundable advances during the year ended June 30, 2023.

Note 5 – Note Payable

The School has a note payable agreement with IFF requiring payments of \$11,073 per month, which includes an interest rate of 6.375% annually, effective through September 2024. At that time, the interest rate will be recalculated. The note is due for repayment on October 1, 2034, and is secured by a mortgage on the School facility.

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

2025	\$	50,576
2026		53,522
2027		57,245
2028		61,222
2029		65,480
Thereafter		1,010,080
	\$	<u>1,298,125</u>

Note 6 – Commitments

The School operates under a charter granted by OEI. As the sponsoring organization, OEI exercises certain oversight responsibilities. OEI assesses a fee equal to 1% of the basic tuition support received by the School. Authorizer oversight fees paid to OEI totaled \$12,126 and \$14,153 as of June 30, 2024 and 2023, respectively.

The charter agreement requires the School to establish an escrow account of no less than \$30,000 should a dissolution occur. The account has been established and is included in the balance of cash on the statements of financial position.

Invent Learning Hub, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 7 – 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 both years ended June 30, 2024 and 2023. Should the School elect to withdraw from TRF, it could be subject to a withdrawal fee. The School's contributions represent an insignificant percentage of the total contributions received by TRF. As of June 30, 2023 (the latest year reported), TRF was over 88% 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, 2024 and 2023.

Retirement plan expense totaled \$26,106 and \$25,651 for the years ended June 30, 2024 and 2023, respectively.

Note 8 – 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 potentially subjecting the School to concentrations of credit risk consist primarily of receivables from the State of Indiana. At June 30, 2024 and 2023, substantially the entire grants receivable balance was due from the State of Indiana.

Bank deposits are maintained at JPMorgan Chase Bank, N.A. and BMO Harris Bank N.A. and are insured up to the FDIC insurance limit, which is regularly exceeded. As of June 30, 2024 approximately \$1.23 million in cash was uninsured.

Note 9 – 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 \$1,891,086 and \$1,577,021 as of June 30, 2024 and 2023, respectively, which excludes the \$30,000 escrow account (Note 5).

Invent Learning Hub, Inc.
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 9 – Liquidity (Continued)

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.

Note 10 – 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, 2024

<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		\$ 48,613
National School Lunch Program	10.555		122,799
Total U.S. Department of Agriculture			<u>171,412</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	S010A230014	167,812
Title II, Part A;			
Supporting Effective Instruction State Grants	84.367	S367A230013	14,783
Title IV, Part A;			
Student Support and Academic Enrichment	84.424A	S424A230015	11,140
Special Education Cluster			
Special Education - Grants to States	84.027A	24611-629-PN01	39,606
Charter School Program - Quality Counts			
	84.282A		137,533
Education Stabilization Fund			
Elementary and Secondary School Emergency Relief Fund	84.425D	S425U210013	48,508
Elementary and Secondary School Emergency Relief Fund	84.425U	S425U200013	508,546
Total U.S. Department of Education			<u>927,928</u>
Total federal awards expended			<u>\$ 1,099,340</u>

See independent auditor's report and notes to this schedule

Invent Learning Hub, Inc.
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

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, 2024. 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 represent the financial position, change 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 Auditor's 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.
Indianapolis, Indiana

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, 2024, 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 15, 2024.

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.

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 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.

A handwritten signature in dark ink that reads "DONOVAN". The letters are slightly slanted and connected, with a prominent "D" at the start.

Donovan CPAs
Indianapolis, Indiana
November 15, 2024



Donovan CPAs

Independent Auditor's 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.
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

Opinion on 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, 2024. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the 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, 2024.

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 (*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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we 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 the School's compliance with the compliance requirements referred to above.

www.cpadonovan.com

Avon | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

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 the School's federal programs.

Auditor's 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 the School's compliance based on our audit. 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, *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, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's 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 the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures 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 the School's 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.

Report on 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 a 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 that 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance which might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist which were not identified.

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.

A handwritten signature in dark ink that reads "DONOVAN". The letters are slightly slanted and connected, with a prominent loop on the 'D'.

Donovan CPAs
Indianapolis, Indiana
November 15, 2024

Invent Learning Hub, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

I. Summary of Auditor's Results

Financial Statements

Type of auditor's 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 auditor's 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?	Yes
--	-----

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, 2024

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.

Invent Learning Hub, Inc.
Schedule of Lead Auditor
For the Year Ended June 30, 2024

Auditor Information:	Donovan CPAs 9292 N Meridian Street, Suite 150 Indianapolis, IN 46260
Phone Number:	(317) 844-8300
Fax Number:	(317) 745-6545
Auditor Contract Title:	Benjamin A. Lippert, CPA
Auditor Contact Title:	Partner
Auditor Contact Email:	blippert@cpadonovan.com