



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

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February 11, 2025

Charter School Board  
Northern Rush County Schools, Inc.  
d/b/a Mays Community Academy  
Rush County, Indiana

We have reviewed the audit report of Northern Rush County Schools, Inc. d/b/a Mays Community Academy, which was opined upon by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Northern Rush County Schools, Inc. d/b/a Mays Community Academy 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.

We call your attention to the Emphasis of a Matter Regarding Substantial Doubt About the Entity's Ability to Continue as a Going Concern paragraph included in the Independent Auditor's Report and further detailed in Note 1.

In our opinion, CliftonLarsonAllen LLP 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 of Northern Rush County Schools, Inc. d/b/a Mays Community Academy, 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



**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED  
DBA: MAYS COMMUNITY ACADEMY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2024 AND 2023**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED  
DBA: MAYS COMMUNITY ACADEMY  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Northern Rush County Schools, Incorporated  
dba: Mays Community Academy  
Mays, Indiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Northern Rush County Schools, Incorporated dba: Mays Community Academy, 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 Northern Rush County Schools, Incorporated dba: Mays Community Academy 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). 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 Northern Rush County Schools, Incorporated dba: Mays Community Academy and to meet our 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 opinion.

#### ***Emphasis of a Matter Regarding Substantial Doubt About the Entity's Ability to Continue as a Going Concern***

The accompanying financial statements have been prepared assuming that the entity will continue as a going concern. As discussed in Note 1 to the financial statements, the School has experienced significant decreases in enrollment for the previous School years, which has required the School to seek out additional borrowings and utilize cash reserves. The decrease in enrollment significantly reduces revenue for operations and repayment on the additional borrowings. Management's evaluation of the events and conditions and management's plans regarding these matters also are described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

***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 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 Northern Rush County Schools, Incorporated dba: Mays Community Academy's ability to continue as a going concern for one year after the date 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 the GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 aggregate, they would influence the judgement made by reasonable user based on the financial statements.

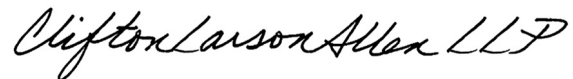
In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Northern Rush County Schools, Incorporated dba: Mays Community Academy'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northern Rush County Schools, Incorporated dba: Mays Community Academy's ability to continue as a going concern for a reasonable period of time.

Board of Directors  
Northern Rush County Schools, Incorporated  
dba: Mays Community Academy

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



**CliftonLarsonAllen LLP**

Indianapolis, Indiana  
December 28, 2024

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 87,820	\$ 63,067
Grants Receivable	11,280	38,590
Total Current Assets	99,100	101,657
<b>PROPERTY AND EQUIPMENT</b>		
Land	88,400	88,400
Buildings and Improvements	783,331	783,331
Furniture and Equipment	296,829	296,829
Software and Textbooks	90,082	90,082
Vehicles	5,000	5,000
Less: Accumulated Depreciation	(510,139)	(459,648)
Property and Equipment, Net	753,503	803,994
<b>OTHER ASSETS</b>		
Security Deposit	3,900	3,900
Total Assets	\$ 856,503	\$ 909,551
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Notes Payable	\$ 246,635	\$ 94,957
Accounts Payable and Accrued Expenses	79,886	98,528
Total Current Liabilities	326,521	193,485
<b>LONG-TERM LIABILITIES</b>		
Notes Payable, Net of Current Portion	197,974	359,948
Total Liabilities	524,495	553,433
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Total Liabilities and Net Assets	\$ 856,503	\$ 909,551

See accompanying Notes to Financial Statements.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>REVENUE AND SUPPORT</b>		
State Education Support	\$ 1,105,637	\$ 1,151,516
Grant Revenue	561,681	782,923
Student Fees	118,037	72,933
Contributions	1,273	682
Fundraising and Other Income	38,817	46,299
Total Revenue and Support	<u>1,825,445</u>	<u>2,054,353</u>
<b>EXPENSES</b>		
Program Services	1,368,858	1,588,724
Management and General	480,697	546,860
Total Expenses	<u>1,849,555</u>	<u>2,135,584</u>
<b>CHANGE IN NET ASSETS</b>	(24,110)	(81,231)
Net Assets - Beginning of Year	<u>356,118</u>	<u>437,349</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 332,008</u></u>	<u><u>\$ 356,118</u></u>

See accompanying Notes to Financial Statements.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	2024			2023		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries and Wages	\$ 707,458	\$ 223,225	\$ 930,683	\$ 832,063	\$ 269,774	\$ 1,101,837
Employee Benefits	173,753	21,769	195,522	197,551	27,427	224,978
Staff Development	2,597	-	2,597	3,481	-	3,481
Professional Services	88,228	114,895	203,123	88,470	134,601	223,071
Repairs and Maintenance	-	16,540	16,540	-	30,698	30,698
Authorizer Oversight Fees	-	26,171	26,171	-	26,628	26,628
Food Costs	55,725	-	55,725	57,966	-	57,966
Transportation	152,996	-	152,996	166,217	-	166,217
Information Technology	2,126	-	2,126	3,040	-	3,040
Advertising	-	368	368	-	8	8
Classroom, Kitchen, and Office Supplies	39,555	12,412	51,967	55,922	6,585	62,507
Occupancy	42,598	-	42,598	52,492	-	52,492
Depreciation	50,491	-	50,491	54,456	-	54,456
Interest	-	57,466	57,466	-	43,705	43,705
Insurance	52,359	-	52,359	76,276	-	76,276
Other	972	7,851	8,823	790	7,434	8,224
<b>Total Functional Expenses</b>	<b>\$ 1,368,858</b>	<b>\$ 480,697</b>	<b>\$ 1,849,555</b>	<b>\$ 1,588,724</b>	<b>\$ 546,860</b>	<b>\$ 2,135,584</b>

See accompanying Notes to Financial Statements.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (24,110)	\$ (81,231)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	50,491	54,456
Changes in Operating Assets and Liabilities:		
Grants Receivable	27,310	204,152
Accounts Payable and Accrued Expenses	(18,642)	(37,874)
Net Cash Provided by Operating Activities	35,049	139,503
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Notes Payable	960,400	83,376
Repayment of Notes Payable	(970,696)	(306,846)
Net Cash Used by Financing Activities	(10,296)	(223,470)
<b>NET CHANGE IN CASH</b>	24,753	(83,967)
Cash - Beginning of Year	63,067	147,034
<b>CASH - END OF YEAR</b>	\$ 87,820	\$ 63,067
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	\$ 57,466	\$ 43,705

See accompanying Notes to Financial Statements.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Northern Rush County Schools, Incorporated dba: Mays Community Academy (the School) is a public benefit nonprofit organization incorporated under the laws of the state of Indiana. The School is sponsored by Ball State University and operates a public charter school established under Indiana Code 20-24. The School served approximately 120 and 150 students during the years ended June 30, 2024 and 2023, respectively, in grades kindergarten through eight.

**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Revenue Recognition**

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

A portion of the School's revenue is the product of cost reimbursement grants. Therefore, the School recognizes revenue under these grants in the amounts of costs and expenses at the time they are incurred. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2024 and 2023, the School does not have any conditional grants that have not been recognized as revenue in the statement of activities because conditions have not been met.

Revenue from student fees, fundraising, and other income is recognized when the control of the promised good or service is transferred to the student, in an amount that reflects the consideration expected to be entitled in exchange for those goods or services. Amounts received prior to the service is performed is reported as deferred revenue in the statement of financial position. As of June 30, 2024 and 2023, the School did not have any such deferred revenue.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions and Grants**

The School receives income from contributions and grants that support certain school activities. Such revenue received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. The School reports gifts of cash and other assets and grants as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purposes restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restriction. The School did not have any net assets with donor restrictions as of June 30, 2024 and 2023.

**Cash**

Cash consists of cash held in bank accounts. There were no cash equivalents at June 30, 2024 and 2023.

**Grants Receivable**

Grants receivable relate primarily to activities funded under federal programs. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

**Property and Equipment**

Purchases of assets and expenditures that 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 equipment purchases with a unit cost of less than \$5,000 are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

Buildings and Improvements	7 to 40 Years
Furniture and Equipment	5 to 10 Years
Software and Textbooks	3 to 5 Years
Vehicles	10 Years

**Impairment of Long-Lived Assets**

On an ongoing basis, the School reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may be overstated. The School recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related asset. If impaired, the assets are adjusted to fair value based on the undiscounted cash flows.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Taxes on Income**

Northern Rush County Schools, Incorporated has received a determination from the U.S. Internal Revenue Service stating that 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 be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is 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 has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. Tax years ending after 2019 are open to audit for both federal and state purposes.

**Leases**

The School determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability - financing in the balance sheet.

ROU assets represent the School's right to use an underlying asset for the lease term and lease liabilities represent the School's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the School will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheet.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the School has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The School has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standard**

During the year ended June 30, 2024, the School adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended*, which modifies the measurement of expected credit losses. The School adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the School's financial statements but did change how the allowance for credit losses is determined.

**Reclassifications**

Certain amounts in 2023 have been reclassified for comparative purposes to conform with the presentation in 2024. The reclassifications have no effect on the previously stated net income or equity.

**Subsequent Events**

The School evaluated subsequent events through December 28, 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.

**Going Concern Considerations**

The accompanying financial statements have been prepared assuming the School will continue as a going concern. For the year ended June 30, 2024, the School saw a significant decrease in enrollment, resulting in a decrease of state education support of approximately \$46,000, requiring the School to have continued reliance on financing sources. Subsequent enrollment for the Fall 2024 semester enrollment at only 101 enrolled students. The School continues to have more current liabilities than current assets and experienced a decrease in net assets for the year ended June 30, 2024. If this trend continues, these factors could threaten the School's ability to continue as a going concern.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Going Concern Considerations (Continued)**

The School's management is aware of the challenging financial situation and has implemented several measures to improve its finances. To manage costs for the 2024-2025 school year, management has streamlined our staff to match the number of students served. A standalone administrative role has been eliminated, with the responsibilities of this role now divided among three other roles in the administrative structure, resulting in savings of \$60,000. Additionally, the School is not participating in certain grants that it has previously engaged in, due to a reduction in funding from the state, which has increased our share of funds required to maintain the program at previous levels, resulting in savings \$20,000 annually. Management has also analyzed the costs associated with group health insurance benefits for employees. Due to the small number of participants in the group health plan, the cost to employees compared to the benefits was considered too high for employees to continue with the program. Insurance costs for the group were rising significantly, and many of the School's employees found that they could receive cheaper benefits through their spouses' plans than through the School's group health policy. Consequently, management decided to eliminate the group health plan, saving over \$120,000 per year. Management also reviewed the School's vendor contracts and chose to eliminate a monthly service contract for technology services. The School now has an employee capable of handling general IT issues and will only engage the outside vendor for major problems as they arise, resulting in savings around \$43,000 annually. Total expected savings from these decisions is approximately \$243,000 or 13% of total expenses for the year ended June 30, 2024.

While we have observed a decrease in enrollment trends, we are actively seeking new families from our community and those relocating to work at a new factory in our area. We are collaborating with individuals, the local chamber of commerce, and a service provider to enhance our professional marketing and recruitment processes.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 2 NOTES PAYABLE**

Notes payable were comprised of the following at June 30:

<u>Description</u>	<u>2024</u>	<u>2023</u>
Note payable to Charter School Capital, due monthly based upon timing and receipts of state basic aid funding	\$ 160,000	\$ 82,400
Note payable (resulting from refinance of previous loan and lines of credit in October 2022) to FCN Bank with monthly installments of \$7,057 including interest at 6.5% annum, maturing in October 2027.	243,758	315,312
Note payable to Indiana State Board of Education, payable \$21,250 semi-annually (January 1 and July 1) plus interest at 1.00% per annum, maturing in July 2026.	<u>40,851</u>	<u>57,193</u>
Total	444,609	454,905
Less: Current Portion	<u>(246,635)</u>	<u>(94,957)</u>
Long-Term Portion	<u>\$ 197,974</u>	<u>\$ 359,948</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 246,635
2026	91,343
2027	88,195
2028	18,436
Total	<u>\$ 444,609</u>

**NOTE 3 LINES OF CREDIT**

During the year ended June 30, 2019, the School entered into two line of credit arrangements with FCN Bank. The first line of credit has a \$300,000 borrowing capacity and incurred interest at 6.5% per annum, maturing October 2019. This was extended to October 2022 with an interest rate of 5%. The second line of credit has a \$120,000 borrowing capacity and incurred interest at 6.5% per annum, maturing August 2019. This was extended to October 2022 with an interest rate of 4.5%. The balance of the lines of credit as of June 30, 2023 was \$410,000, but was refinance in October 2022 to the term note payable as described in Note 2.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 4 RETIREMENT PLANS**

The School provides retirement benefits covering substantially all full-time employees. Retirement benefits are provided by the Indiana State Teachers' Retirement Fund (TRF) and the Indiana Public Employees' Retirement Fund (PERF), both of which are cost-sharing multiple-employer defined benefit retirement plans 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. For the years ended June 30, 2024 and 2023, the School contributed 5.5% of compensation for eligible teaching personnel to TRF and 11.2% for other employees to PERF. Should the School elect to withdraw from TRF or PERF, it could be subject to a withdrawal fee. The School's contributions represent an insignificant percentage of the total contributions received by TRF and PERF. As of June 30, 2023 (the latest year reported), TRF and PERF were approximately 93% and 85% funded, respectively. The School's total retirement expense was \$29,889 and \$32,169 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 5 COMMITMENTS**

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay to Ball State University an annual administrative fee equal to 3% of state tuition support. Payments under this charter agreement were \$26,171 and \$26,628 for the years ended June 30, 2024 and 2023, respectively. The charter remains in effect until June 30, 2024 and is renewable thereafter by mutual consent. During the year ended June 30, 2023, the charter was amended to extend the term for one year through June 30, 2024. During the year ended June 30, 2024, the School withdrew the charter renewal application with Ball State University thus the current charter ended June 30, 2024 as the School is working with Ball State University for a new charter authorizer. In May 2024, the School signed with a new charter authorizer Grace College. As the sponsoring organization, Grace College exercises certain oversight responsibilities. Under this charter, the School has agreed to pay Grace College an annual administrative fee equal to 3% of state tuition support. No payments were made under this charter during the year ended June 20, 2024. The charter term is for fifteen (15) years.

The School contracted with Indiana Charters LLC, a for-profit organization incorporated in the state of Indiana, to perform data management, financial, administrative, and general operational support services. Expenses under this contract were \$100,300 and \$111,462 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 6 RISKS AND UNCERTAINTIES**

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

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 6 RISKS AND UNCERTAINTIES (CONTINUED)**

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

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the state of Indiana. At June 30, 2021, substantially all of the receivable balance was due from the state of Indiana. In addition, bank deposits are maintained primarily at FCN Bank, and are insured up to the Federal Deposit Insurance Corporation (FDIC) limit.

**NOTE 7 LIQUIDITY**

Under ASU 2016-14, the School is required to disclose the assets it has available at June 30, 2024 and 2023 to meet its cash needs for general expenditures within one year of the date of the statement of financial position. Financial assets for the School include cash and grants receivable which total \$99,100 and \$101,657 in 2024 and 2023, respectively.

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 8 FUNCTIONAL EXPENSE REPORTING**

The costs of providing the educational activities have been summarized on a functional basis in the statements of activities and change in net assets. Management of the School has 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 is required.

**NOTE 9 RELATED PARTY TRANSACTIONS**

The School contracts with a transportation company that is owned by the husband of the Board Treasurer. The School uses the transportation company for busing services and also employs two relatives of the Board Treasurer. Expenses under this relationship during the years ended June 30, 2024 and 2023 were \$152,996 and \$186,274, respectively, for transportation.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED  
DBA: MAYS COMMUNITY ACADEMY  
OTHER REPORT  
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 Northern Rush County Schools, Incorporated  
dba: Mays Community Academy

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*.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**SCHEDULE OF FINANCIAL POSITION**  
**JUNE 30, 2024**  
(SEE INDEPENDENT AUDITORS' REPORT)

	Mays Community Academy	Mays Community Academy Pre-K	Eliminations	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 56,995	\$ 30,825	\$ -	\$ 87,820
Grants Receivable	11,280	-	-	11,280
Due from Academy	-	237,984	(237,984)	-
Total Current Assets	68,275	268,809	(237,984)	99,100
<b>PROPERTY AND EQUIPMENT</b>				
Land	88,400	-	-	88,400
Buildings and Improvements	783,331	-	-	783,331
Furniture and Equipment	296,829	-	-	296,829
Software and Textbooks	90,082	-	-	90,082
Vehicles	5,000	-	-	5,000
Less: Accumulated Depreciation	(510,139)	-	-	(510,139)
Property and Equipment, Net	753,503	-	-	753,503
<b>OTHER ASSETS</b>				
Security Deposit	3,900	-	-	3,900
Total Assets	\$ 825,678	\$ 268,809	\$ (237,984)	\$ 856,503
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Current Portion of Notes Payable	\$ 246,635	\$ -	\$ -	\$ 246,635
Accounts Payable and Accrued Expenses	76,728	3,158	-	79,886
Due to Pre-K	237,984	-	(237,984)	-
Total Current Liabilities	561,347	3,158	(237,984)	326,521
<b>LONG-TERM LIABILITIES</b>				
Notes Payable, Net of Current Portion	197,974	-	-	197,974
Total Liabilities	759,321	3,158	(237,984)	524,495
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
Undesignated	66,357	265,651	-	332,008
Total Liabilities and Net Assets	\$ 825,678	\$ 268,809	\$ (237,984)	\$ 856,503

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED**  
**DBA: MAYS COMMUNITY ACADEMY**  
**SCHEDULE OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2024**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Mays Community Academy	Mays Community Academy Pre-K	Total
<b>REVENUE AND SUPPORT</b>			
State Education Support	\$ 1,105,637	\$ -	\$ 1,105,637
Grant Revenue	561,281	400	561,681
Student Fees	4,217	113,820	118,037
Contributions	1,273	-	1,273
Fundraising and Other Income	38,817	-	38,817
Total Revenue and Support	<u>1,711,225</u>	<u>114,220</u>	<u>1,825,445</u>
<b>EXPENSES</b>			
Program Services	1,329,400	39,458	1,368,858
Management and General	480,697	-	480,697
Total Expenses	<u>1,810,097</u>	<u>39,458</u>	<u>1,849,555</u>
<b>CHANGE IN NET ASSETS</b>	(98,872)	74,762	(24,110)
Net Assets - Beginning of Year	<u>165,229</u>	<u>190,889</u>	<u>356,118</u>
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ 66,357</u>	<u>\$ 265,651</u>	<u>\$ 332,008</u>



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