



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

February 5, 2024

Charter School Board  
Drexel Foundation for Educational Excellence, Inc.  
d/b/a Thea Bowman Leadership Academy  
Lake County, Indiana

We have reviewed the audit report of Drexel Foundation for Educational Excellence, Inc. d/b/a Thea Bowman Leadership Academy, which was opined upon by Donovan CPAs, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Drexel Foundation for Educational Excellence, Inc. d/b/a Thea Bowman Leadership Academy as of June 30, 2023 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the findings in the report on pages 22 and 23. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on page 24.

In our opinion, Donovan CPAs prepared the audit report in accordance with 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

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**

FINANCIAL STATEMENTS  
Together with Independent Auditors' Report

For the Years Ended June 30, 2023 and 2022



## TABLE OF CONTENTS

	<b>Page</b>	
<b>INDEPENDENT AUDITORS' REPORT .....</b>	<b>1 - 3</b>	
<b>FINANCIAL STATEMENTS</b>		
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 - 13	
<b>SUPPLEMENTARY INFORMATION</b>		
Schedule of Expenditures of Federal Awards.....	14	
Notes to the Schedule of Expenditures of Federal Awards.....	15	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS .....</b>		<b>16 - 17</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE <i>UNIFORM GUIDANCE</i>.....</b>		<b>18 - 20</b>
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....</b>	<b>21 - 23</b>	
<b>CORRECTIVE ACTION PLAN.....</b>	<b>24</b>	



# Donovan CPAs

## *Independent Auditors' Report*

The Board of Directors  
Drexel Foundation for Educational Excellence, Inc.  
d/b/a Thea Bowman Leadership Academy

### **Opinion**

We audited the financial statements of Drexel Foundation for Educational Excellence, Inc. d/b/a Thea Bowman Leadership Academy (the "School"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of 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 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](http://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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Supplementary Information**

Our audits were 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 GAAS. 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 January 24, 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.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The signature is written in a cursive style with a large, prominent initial "D".

Indianapolis, Indiana  
January 24, 2024

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**

**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**

**STATEMENTS OF FINANCIAL POSITION**

**June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 4,958,796	\$ 4,952,277
Cash - restricted for debt service	173,675	173,599
Grants receivable	4,103,064	806,347
Prepaid expenses	<u>130,406</u>	<u>108,354</u>
<i>Total current assets</i>	<u>9,365,941</u>	<u>6,040,577</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	859,886	859,886
Buildings and improvements	17,398,768	17,025,112
Furniture, fixtures, and equipment	5,181,750	4,758,812
Textbooks	311,353	311,353
Less: accumulated depreciation	<u>(12,089,278)</u>	<u>(11,504,087)</u>
<i>Property and equipment, net</i>	<u>11,662,479</u>	<u>11,451,076</u>
<b>OTHER ASSETS</b>		
Cash - restricted for debt service	1,173,536	1,173,536
Operating lease - right of use asset, net	<u>311,502</u>	<u>-</u>
<i>Total other assets</i>	<u>1,485,038</u>	<u>1,173,536</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 22,513,458</u></u>	<u><u>\$ 18,665,189</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of bonds payable	\$ 205,000	\$ -
Current portion of operating lease liability	255,230	-
Accounts payable and accrued expenses	<u>1,064,181</u>	<u>511,630</u>
<i>Total current liabilities</i>	<u>1,524,411</u>	<u>511,630</u>
<b>LONG-TERM LIABILITIES</b>		
Bonds payable, net of current portion	16,570,000	16,775,000
Less: unamortized bond issuance costs	(1,030,805)	(1,062,686)
Operating lease liability, net of current portion	<u>56,273</u>	<u>-</u>
<i>Total long-term liabilities, net of unamortized bond issuance costs</i>	<u>15,595,468</u>	<u>15,712,314</u>
<i>Total liabilities</i>	17,119,879	16,223,944
<b>NET ASSETS, WITHOUT DONOR RESTRICTIONS</b>	<u>5,393,579</u>	<u>2,441,245</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 22,513,458</u></u>	<u><u>\$ 18,665,189</u></u>

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

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**For the Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>REVENUE AND SUPPORT</b>		
State education support	\$ 7,023,706	\$ 6,632,224
Grant revenue	8,707,141	5,685,555
Student fees	85,532	85,116
Contributions	20,571	4,588
Interest	14,724	444
Other	77,631	54,579
<i>Total revenue and support</i>	<u>15,929,305</u>	<u>12,462,506</u>
<b>EXPENSES</b>		
Program services	9,830,617	8,085,577
Management and general	3,146,354	2,781,961
<i>Total expenses</i>	<u>12,976,971</u>	<u>10,867,538</u>
<b>CHANGE IN NET ASSETS</b>	2,952,334	1,594,968
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>2,441,245</u>	<u>846,277</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 5,393,579</u></u>	<u><u>\$ 2,441,245</u></u>

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

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**

**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**For the Years Ended June 30, 2023 and 2022**

	2023			2022		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 4,964,393	\$ 702,486	\$ 5,666,879	\$ 3,812,846	\$ 865,510	\$ 4,678,356
Academic and management services	-	1,844,079	1,844,079	-	1,099,376	1,099,376
Interest	1,000,413	-	1,000,413	919,701	-	919,701
Occupancy	874,928	-	874,928	377,264	-	377,264
Professional services	783,775	87,525	871,300	666,808	401,441	1,068,249
Classroom, kitchen, and office supplies	725,777	-	725,777	1,044,849	-	1,044,849
Depreciation	585,191	-	585,191	604,094	-	604,094
Food service expense	366,011	-	366,011	351,556	-	351,556
Transportation	255,413	7,785	263,198	68,755	5,394	74,149
Authorizer oversight fees	-	200,648	200,648	-	188,608	188,608
Repairs and maintenance	176,397	-	176,397	169,505	-	169,505
Insurance	-	170,594	170,594	-	156,485	156,485
Staff development	45,188	112,136	157,324	17,347	35,750	53,097
Advertising	-	9,704	9,704	-	8,470	8,470
Other	53,131	11,397	64,528	52,852	20,927	73,779
<i>Total functional expenses</i>	<u>\$ 9,830,617</u>	<u>\$ 3,146,354</u>	<u>\$ 12,976,971</u>	<u>\$ 8,085,577</u>	<u>\$ 2,781,961</u>	<u>\$ 10,867,538</u>

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

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**

**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**

**STATEMENTS OF CASH FLOWS**

**For the Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,952,334	\$ 1,594,968
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	585,191	604,094
Amortization of bond issuance costs	31,881	31,881
Change in certain assets and liabilities:		
Grants receivable	(3,296,717)	(114,100)
Prepaid expenses	(22,052)	127,728
Accounts payable and accrued expenses	552,551	183,763
Accrued interest	-	(621,474)
	<u>803,188</u>	<u>1,806,860</u>
<i>Net cash provided by operating activities</i>		
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(796,593)</u>	<u>(55,329)</u>
<b>NET CHANGE IN CASH</b>	6,595	1,751,531
<b>CASH, BEGINNING OF YEAR</b>	<u>6,299,412</u>	<u>4,547,881</u>
<b>CASH, END OF YEAR</b>	<u>\$ 6,306,007</u>	<u>\$ 6,299,412</u>
<b>CASH, END OF YEAR</b>		
Cash - unrestricted	\$ 4,958,796	\$ 4,952,277
Cash - restricted for debt service	<u>1,347,211</u>	<u>1,347,135</u>
	<u>\$ 6,306,007</u>	<u>\$ 6,299,412</u>
<i>Total cash, end of year</i>		
<b>SUPPLEMENTAL INFORMATION</b>		
Cash paid for interest	\$ 968,532	\$ 1,509,294

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

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2023 and 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General – Drexel Foundation for Educational Excellence, Inc. d/b/a Thea Bowman Leadership Academy (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 established under Indiana Code 20-24 serving grades kindergarten through twelve and is sponsored by Education One, LLC at Trine University ("Education One"). See Note 7 for a discussion of an impending change in sponsors. The School served approximately 850 students during the 2022-2023 school year (800 students during the 2021-2022 school year).

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

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

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

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

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

Restricted Cash – The terms of the bonds payable require the School to establish cash accounts restricted for the payment of principal and interest on the bonds.

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

Property and Equipment – Purchases of assets and expenditures which materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and equipment purchases with a per-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	15 to 39 years
Furniture, fixtures, and equipment	3 to 7 years
Textbooks	4 years

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2023 and 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Bond Issuance Costs – The School incurred costs associated with securing financing under the Indiana Finance Authority Educational Facilities Revenue Bonds, Series 2009 (“Series 2009 Bonds”). Total costs incurred were \$857,349. Amortization was provided on a straight-line basis over the term of the bond (30 years).

In November 2020, the School refinanced the Series 2009 Bonds into Economic Development Refunding Revenue Bonds, Series 2020A and 2020B (“Series 2020 Bonds”). Total bond issuance costs incurred with the Series 2020 Bonds were \$559,253. Amortization of these costs and the remaining costs from the Series 2009 Bonds is provided on a straight-line basis over the term of the Series 2020 Bonds (35 years).

Accumulated amortization was \$385,797 and \$353,916 as of June 30, 2023 and 2022, respectively. Amortization expense for both of the years ended June 30, 2023 and 2022 was \$31,881 and is included in interest expense.

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

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

Subsequent Events – The School evaluated subsequent events through January 24, 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 2 - REVENUE RECOGNITION**

Revenue Recognition Policy – Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by other public schools in the same geographic area. Funding from the State of Indiana is based on enrollment and 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.

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2023 and 2022**

**NOTE 2 - REVENUE RECOGNITION, Continued**

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.

Student fees are recognized in the year in which the services are rendered.

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

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

**NOTE 3 - RESTRICTED CASH**

The School holds two restricted cash accounts to meet its bond obligations, as follows:

*Current asset - cash restricted for debt service* – The School transfers funds to this account monthly to cover the semi-annual principal and interest payments on the bonds.

*Other asset - cash restricted for debt service* – This fund is reserved solely for the payment of principal and interest on the bonds if other funding is unavailable to meet payment requirements.

**NOTE 4 - BONDS PAYABLE**

Bonds payable consist of Economic Development Refunding Revenue Bonds, Series 2020A totaling \$16,525,000 and Taxable Economic Development Refunding Revenue Bonds, Series 2020B totaling \$250,000. The bonds carry interest rates from 5% to 6% in accordance with the Series 2020 Bond agreements and have maturities ranging from 2025 to 2055.

The Series 2020 Bonds obligation contains certain covenants limiting the School's ability to create liens, incur indebtedness or guarantees, dispose of assets, or change the nature of the business. The Series 2020 Bonds obligation also contains financial maintenance covenants establishing a minimum debt service coverage ratio and requiring financial reporting to the lender within certain timeframes. The School was in compliance with all covenants.

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2023 and 2022**

**NOTE 4 - BONDS PAYABLE, Continued**

Future maturities of the Series 2020 Bonds are as follows for the years ending June 30:

2024	\$	205,000
2025		210,000
2026		220,000
2027		235,000
2028		245,000
Thereafter		<u>15,660,000</u>
Total	\$	<u>16,775,000</u>

**NOTE 5 - LEASES**

Lease Accounting Standard – Effective July 1, 2022, the School adopted Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 replaced previous lease guidance under U.S. GAAP and aims to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the statements of financial position and disclosing key information about leasing arrangements.

Operating Lease – The School leases office equipment and modular buildings under the terms of operating leases. The leases end at various dates between January 2024 and November 2026. The leases require monthly payments. Using an imputed interest rate of 3.00%, which is the approximate risk free borrowing rate as of July 1, 2022, the School recorded an operating lease right-of-use asset for \$679,077 and corresponding operating lease liability for the same amount.

Future minimum payments under non-cancellable operating leases are as follows for the years ending June 30:

2024	\$	257,512
2025		45,730
2026		10,275
2027		<u>1,327</u>
		314,844
Less: imputed interest		<u>(3,341)</u>
		311,503
Less: current portion of operating lease liability		<u>(255,230)</u>
Long-term portion of operating lease liability	\$	<u>56,273</u>

Total lease expense was \$594,120 for the year ended June 30, 2023.

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2023 and 2022**

**NOTE 6 - RETIREMENT PLANS**

Retirement benefits for School employees 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. Substantially all full-time employees are eligible to participate. Contribution requirements are determined annually by the INPRS Board. Under the plans, the School contributed 6% of compensation for eligible teaching faculty to TRF and 11.2% of compensation for other eligible employees to PERF during the year ended June 30, 2023 (5.5% and 11.2% for the year ended June 30, 2022). Participants are required to contribute 3% of compensation to an annuity savings account which can be withdrawn when the participant terminates employment. The School voluntarily makes this contribution on behalf of the participants.

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 or PERF. As of June 30, 2023, TRF was approximately 92% funded and PERF was approximately 82% funded. Retirement plan expense was \$169,562 and \$151,169 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 7 - COMMITMENTS**

As the sponsoring organization, Education One exercises certain oversight responsibilities. Under this charter, the School agrees to pay to Education One an annual oversight fee equal to 3% of state tuition payments received. Payments under this agreement were \$200,648 and \$188,608 during the years ended June 30, 2023 and 2022, respectively.

The current charter is effective through June 30, 2025, however, subsequent to the year ended June 30, 2023, the School was notified by Education One of the intention to terminate the charter agreement, effective June 30, 2024. Prior to this notification being received in December 2023, the School had already initiated an application with Calumet College of St. Joseph to become its new sponsoring organization. The application was still being processed as of the date of the audit report.

The School utilizes Entrepreneurial Ventures in Education ("EVE") to provide leadership, management, operation, and maintenance services. Under the terms of the education services provider agreement with EVE, the School agrees to pay academic and management services fees equal to 10.3% of revenues, as defined. Expenses under this contract were \$1,844,079 and \$1,099,376 during the years ended June 30, 2023 and 2022, respectively. The contract is effective through June 30, 2025.

The School contracted with a professional employer organization ("PEO") to manage its human resource requirements. Under this contract, the School leases its employees from the PEO and reimburses the PEO for all personnel costs including salaries and benefits.

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2023 and 2022**

**NOTE 8 - RISKS AND UNCERTAINTIES**

The School provides education services to families residing in Lake 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 which potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2023 and 2022, substantially the entire grants receivable balance was due from the State of Indiana. In addition, a majority of cash deposits are maintained at BMO Harris Bank, and frequently exceed the FDIC insurance limit.

**NOTE 9 - LIQUIDITY**

The School's financial assets include cash, restricted cash, and grants receivable. Financial assets are entirely available to meet cash needs for general expenditures within a year with the exception of long-term restricted cash. The amounts available totaled \$9,235,535 and \$5,932,223 as of June 30, 2023 and 2022, 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 10 - 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 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

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2023**

<b>Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Awards Expended</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Pass-through Indiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553		\$ 80,723
National School Lunch Program	10.555		<u>434,397</u>
<i>Total U.S. Department of Agriculture</i>			<u>515,120</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Pass-through Indiana Department of Education			
Title I, Part A; Grants to Local Educational Agencies	84.010	S010A210014	894,926
Title I, Part A; Grants to Local Educational Agencies	84.010	S010A220014	1,223,888
Title II, Part A; Supporting Effective Instruction State Grants	84.367	S367A200013	66,061
Title II, Part A; Supporting Effective Instruction State Grants	84.367	S367A210013	89,774
Title II, Part A; Supporting Effective Instruction State Grants	84.367	S367A220013	96,720
Title IV, Part A; Student Support and Academic Enrichment	84.424	S424A190015	178
Title IV, Part A; Student Support and Academic Enrichment	84.424	S424A200015	1,454
Title IV, Part A; Student Support and Academic Enrichment	84.424	S424A210015	66,575
Title IV, Part A; Student Support and Academic Enrichment	84.424	S424A220015	65,469
Special Education Cluster			
Special Education - Grants to States	84.027A	21611-505-PN01	52,059
Special Education - Grants to States	84.027A	22611-505-PN01	91,163
Special Education - Grants to States	84.027A	22611-09-CEIS	5,551
Special Education - Preschool grants	84.173A	22619-505-PN01	3,168
Education Stabilization Fund			
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210013	3,039,552
Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210013	1,318,802
Elementary and Secondary School Emergency Relief Fund	84.425W	S425W210015	<u>19,650</u>
<i>Total U.S. Department of Education</i>			<u>7,034,990</u>
<i>Total federal awards expended</i>			<u>\$ 7,550,110</u>

See independent auditors' report and accompanying notes to this schedule

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2023**

**NOTE 1 - BASIS OF PRESENTATION**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3 - INDIRECT COST RATE**

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



# Donovan CPAs

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

The Board of Directors  
Drexel Foundation for Educational Excellence, Inc.  
d/b/a Thea Bowman Leadership Academy

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 Drexel Foundation for Educational Excellence, Inc., d/b/a Thea Bowman Leadership Academy (the "School"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and issued our report thereon dated January 24, 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting which might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist which were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting we consider to be material weaknesses. However, material weaknesses may exist which have not been identified.

---

[www.cpadonovan.com](http://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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The signature is written in a cursive style with a large, prominent initial "D".

Indianapolis, Indiana  
January 24, 2024



# Donovan CPAs

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

The Board of Directors  
Drexel Foundation for Educational Excellence, Inc.  
d/b/a Thea Bowman Leadership Academy

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

#### ***Opinion on Each Major Federal Program***

We audited Drexel Foundation for Educational Excellence, Inc., d/b/a Thea Bowman Leadership Academy's (the "School") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* which could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2023. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2023.

#### ***Other Matters***

The results of our auditing procedures disclosed two instances of noncompliance which are required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and which are described in the accompanying schedule of findings and questioned costs as Findings No. 2023-001 and 2023-002. Our opinion on the major federal programs is not modified with respect to these matters.

The School's response to the noncompliance findings identified in our audit is described in the Corrective Action Plan on page 24. The School's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***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 the 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 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.

### ***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.

### ***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 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 which 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings No. 2023-001 and 2023-002 to be significant deficiencies.

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 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.

DONOVAN



Indianapolis, Indiana  
January 24, 2024

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2023**

***Financial Statements***

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

***Federal Awards***

Internal control over major federal programs:	
• Material weakness identified?	No
• Significant deficiency identified?	Yes
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D, 84.425U, 84.425W	Education Stabilization Fund; Elementary and Secondary School Emergency Relief Fund
84.010	Title I, Part A; Grants to Local Educational Agencies

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 are reportable.

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2023**

**III. Federal Award Findings and Questioned Costs**

**FINDING 2023-001 DOCUMENT RETENTION**  
**SIGNIFICANT DEFICIENCY**

Federal Program: Title I, Part A

Assistance Listing Number: 84.010

Condition

The Indiana Department of Education uses data on the poverty levels of students in determining funding amounts for the program. We selected a sample of forty students from the Real Time Data report used in making funding assessments for the year under audit. The School was unable to provide documentation to support the poverty levels of ten of those students.

Criteria

Per 7 CFR 200.334, “Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.”

Cause

The School did not maintain poverty level documentation for all students reported.

Effect

We were unable to determine if the poverty levels of all students were properly reported. Funding amounts could have been incorrectly determined.

Recommendation

We recommend the School develop internal controls requiring the maintenance of student poverty level documentation.

Views of Responsible Officials

The School’s Corrective Action Plan is included on page 24.

**DREXEL FOUNDATION FOR EDUCATIONAL EXCELLENCE, INC.**  
**d/b/a THEA BOWMAN LEADERSHIP ACADEMY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2023**

**III. Federal Award Findings and Questioned Costs, Continued**

FINDING 2023-002 DAVIS-BACON COMPLIANCE  
SIGNIFICANT DEFICIENCY

Federal Program: Education Stabilization Fund

Assistance Listing Numbers: 84.425D, 84.425U, and 84.425W

Condition

The School entered into agreements with contractors for various construction projects paid with funds from the Education Stabilization Fund. The School did not obtain certified payrolls from the contractor for each week in which work was performed under the contract to document compliance with the David-Bacon Act.

Criteria

Nonfederal entities shall include in their construction contracts subject to the Wage Rate Requirements (which still may be referenced as the Davis-Bacon Act) a provision that the contractor or subcontractor comply with those requirements and the DOL regulations (29 CFR Part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the nonfederal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6; the A-102 Common Rule (section 36(i)(5)); OMB Circular A-110 (2 CFR Part 215, Appendix A, Contract Provisions); 2 CFR Part 176, Subpart C; and 2 CFR section 200.326).

Cause

The School was not aware of the requirement outlined in the Criteria section above.

Effect

The School was unable to document the contractors were compliant with the Davis-Bacon Act.

Recommendation

We recommend the School develop internal controls to ensure that certified payrolls are obtained for each week that work is performed under qualifying construction or sub-construction contracts.

Views of Responsible Officials and Planned Corrective Actions

The School's Corrective Action Plan is included on page 24.



**Thea Bowman Leadership Academy**  
3401 W 5<sup>th</sup> Avenue  
Gary, IN 46402

## CORRECTIVE ACTION PLAN

January 22, 2024

Drexel Foundation for Educational Excellence d/b/a Thea Bowman Leadership Academy (the School) provides its Corrective Action Plan for the fiscal year ended June 30, 2023.

### **FINDING 2023-001 – DOCUMENT RETENTION – Significant Deficiency**

**Planned corrective action:** The School through the educational service provider agreement with Entrepreneurial Ventures in Education (EVE) will provide additional training to school staff that are responsible for maintaining records that identify the poverty levels of students enrolled. Additionally, EVE shall conduct an internal audit to ensure that documents are being collected and stored appropriately.

**Responsible officers:** Lili Cruz-Gilbes, Regional Director of Compliance and State Reporting

**Estimated completion date:** March 15, 2024

### **FINDING 2023-002 – DAVIS-BACON COMPLIANCE – Significant Deficiency**

**Planned corrective action:** The School through the education services provider agreement with Entrepreneurial Ventures in Education (EVE) will train operations and business office staff on the compliance requirements under Davis-Bacon to ensure construction contracts are entered into with qualified contractors and obtain and retain appropriate certified payroll documentation during the construction period.

**Responsible officers:** Carlo Hershberger, Director of Finance and Accounting; Javier Dimas, Vice-President of Operations; Martha Arellano, Procurement Manager and Buyer

**Estimated completion date:** March 15, 2024