



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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April 2, 2025

Charter School Board
Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Marion County, Indiana

We have reviewed the audit report of the Purdue Polytechnic High School of Indianapolis, Inc. d/b/a Purdue Polytechnic High Schools which was opined upon by Donovan CPAs, Independent Public Accountants, for the period July 1, 2023 to June 30, 2024. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Purdue Polytechnic High School of Indianapolis, Inc. d/b/a Purdue Polytechnic High Schools as of June 30, 2024, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

In addition to the report presented herein, a supplemental report for the Purdue Polytechnic High School of Indianapolis, Inc. d/b/a Purdue Polytechnic High Schools, 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

**Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools**

Financial Statements
Together with Independent Auditor's Report

For the Years Ended June 30, 2024 and 2023



**Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools**

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Donovan CPAs

Independent Auditor's Report

The Board of Directors
Purdue Polytechnic High School of Indianapolis, Inc.
Indianapolis, Indiana

Opinion

We audited the financial statements of Purdue Polytechnic High School of Indianapolis, Inc. d/b/a Purdue Polytechnic High Schools (the School) which comprise the statement of financial position as of June 30, 2024 and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the School as of June 30, 2024 and the results of its operations, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The financial statements of the School as of and for the year ended June 30, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 15, 2024.

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.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit of the year ended June 30, 2024 was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Likewise, the combining schedules of financial position and the combining schedules of activities and change in net assets are presented for purposes of additional analysis and are not required parts 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 and combining schedules are 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 February 28, 2025 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.

Emphasis of Matter

As discussed in Note 4 to the financial statements, the School recorded in-kind contributions and offsetting expenses from Commissioners of the City of Indianapolis, also known as Indianapolis Public Schools (IPS), a related party totaling \$1,061,310 and \$968,357 during the years ended June 30, 2024 and 2023, respectively. These in-kind transactions represent approximately 5% of total revenue and support and 6% of total expenses for both years ended June 30, 2024 and 2023. IPS provides a calculation of its estimate of the value of in-kind services provided. The School reviews and revises the calculation to match what it believes accurately represents an estimate of the value of services provided. Management's estimate is reflected in the financial statements. Our opinion is not modified with respect to this matter.



Donovan CPAs
Indianapolis, Indiana
February 28, 2025

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash	\$ 6,644,311	\$ 3,095,154
Grants receivable	851,358	2,127,655
Prepaid expenses	381,404	111,971
Total current assets	7,877,073	5,334,780
Non-Current Grants Receivable	602,090	845,711
Fixed Assets		
Furniture	1,827,413	1,635,245
Equipment	396,086	283,905
Computer equipment	1,135,940	1,137,692
Textbooks	20,739	20,739
Leasehold improvements	430,691	404,300
Vehicles	448,170	319,221
Less: accumulated depreciation	(3,240,464)	(2,585,488)
Fixed assets, net	1,018,575	1,215,614
Other Assets		
Operating leases right-of-use assets	7,210,119	8,284,935
Total Assets	\$ 16,707,857	\$ 15,681,040

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

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of operating lease liabilities	\$ 1,087,002	\$ 921,323
Accounts payable and accrued expenses	1,144,169	1,014,671
Refundable advance	-	250,000
Total current liabilities	2,231,171	2,185,994
Long-Term Liabilities		
Operating lease liabilities, net of current portion	6,611,732	7,689,734
Total Liabilities	8,842,903	9,875,728
Net Assets		
Without donor restrictions:		
Undesignated	5,182,076	1,947,717
Board-designated	90,000	90,000
With donor restrictions	2,592,878	3,767,595
Total net assets	7,864,954	5,805,312
Total Liabilities and Net Assets	\$ 16,707,857	\$ 15,681,040

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

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Statements of Activities and Change in Net Assets
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
State funding	\$ 12,154,286	\$ -	\$ 12,154,286	\$ 9,949,451	\$ -	\$ 9,949,451
Federal grant revenue	5,248,527	-	5,248,527	3,343,706	-	3,343,706
Contributions	249	1,044,008	1,044,257	407,183	3,279,280	3,686,463
In-kind contributions from IPS	1,061,310	-	1,061,310	968,357	-	968,357
Other income	382,229	-	382,229	330,898	-	330,898
Net assets released from restrictions	2,218,725	(2,218,725)	-	1,932,643	(1,932,643)	-
Total revenue and support	21,065,326	(1,174,717)	19,890,609	16,932,238	1,346,637	18,278,875
Expenses						
Program services	11,049,946	-	11,049,946	10,339,865	-	10,339,865
Management and general	6,781,021	-	6,781,021	5,868,186	-	5,868,186
Total expenses	17,830,967	-	17,830,967	16,208,051	-	16,208,051
Change in Net Assets	3,234,359	(1,174,717)	2,059,642	724,187	1,346,637	2,070,824
Net Assets, Beginning of Year	2,037,717	3,767,595	5,805,312	1,313,530	2,420,958	3,734,488
Net Assets, End of Year	\$ 5,272,076	\$ 2,592,878	\$ 7,864,954	\$ 2,037,717	\$ 3,767,595	\$ 5,805,312

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

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Statements of Functional Expenses
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Program Services	Management and General	Total	Program Services	Management and General	Total
In-kind Expenses:						
Occupancy	\$ 1,061,310	\$ -	\$ 1,061,310	\$ 968,357	\$ -	\$ 968,357
Direct Expenses:						
Salaries and benefits	4,524,348	4,548,040	9,072,388	4,013,889	4,248,703	8,262,592
Staff development and recruitment	66,434	-	66,434	79,346	-	79,346
Professional services	671,913	1,605,008	2,276,921	322,802	908,260	1,231,062
Transportation	76,817	-	76,817	93,321	-	93,321
Food service	655,342	-	655,342	590,307	-	590,307
Occupancy	1,647,445	-	1,647,445	1,734,382	-	1,734,382
Supplies	645,540	524,851	1,170,391	680,346	454,246	1,134,592
Information technology	426,153	-	426,153	83,383	88,767	172,150
Utilities	111,687	-	111,687	279,463	-	279,463
Extracurricular	367,738	-	367,738	302,714	-	302,714
Depreciation	654,976	-	654,976	649,708	-	649,708
Amortization	-	-	-	3,409	-	3,409
Other	140,243	103,122	243,365	538,438	168,210	706,648
Total functional expenses	<u>\$ 11,049,946</u>	<u>\$ 6,781,021</u>	<u>\$ 17,830,967</u>	<u>\$ 10,339,865</u>	<u>\$ 5,868,186</u>	<u>\$ 16,208,051</u>

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Change in net assets	\$ 2,059,642	\$ 2,070,824
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	654,976	649,709
Change in certain assets and liabilities:		
Grants receivable	1,519,918	(1,287,620)
Prepaid expenses	(269,433)	87,322
Accounts payable and accrued expenses	129,498	412,334
Refundable advance	(250,000)	250,000
Operating lease liabilities, net	162,494	336,348
Net cash provided by operating activities	<u>4,007,095</u>	<u>2,518,917</u>
Investing Activities		
Purchases of fixed assets	<u>(457,938)</u>	<u>(316,207)</u>
Net Change in Cash	3,549,157	2,202,710
Cash, Beginning of Year	<u>3,095,154</u>	<u>892,444</u>
Cash, End of Year	<u><u>\$ 6,644,311</u></u>	<u><u>\$ 3,095,154</u></u>
Supplemental Information		
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	\$ 18,352	\$ 9,279,636
Finance lease right-of-use assets obtained in exchange for new operating lease liabilities	-	17,043

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

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 1 – Nature of Activities

General

Purdue Polytechnic High School of Indianapolis, Inc. d/b/a Purdue Polytechnic High Schools (the School) is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School was created through the vision of leaders at Purdue University and the City of Indianapolis. The School opened with the mission to offer the most beneficial educational experience for students who want to pursue high-tech and STEM-related careers. The School's mission is to create an environment of academic excellence characterized by industry-focused experiential learning; mentors who nurture, guide and trust; and students who develop a natural thirst to learn in preparation for their lifelong journeys.

The School operates three charter high schools. Purdue Polytechnic High School Schweitzer Center at Englewood Campus (Englewood) and Purdue Polytechnic High School North Campus (North) are both authorized by the Office of Education Innovation of the Mayor of the City of Indianapolis (OEI). The charters remain in effect until June 30, 2039 and are renewable thereafter by mutual consent. Purdue Polytechnic High School South Bend Campus (South Bend) is authorized by the Indiana Charter School Board (ICSB). The charter remains in effect until June 30, 2025 and is renewable thereafter by mutual consent.

The financial statements also include Network and Partnership. Network is for the central overhead function (finance, human resources, executive leadership). Partnership is used to specifically monitor the Fairbanks grant for the creation of the tech tool.

During the 2023-2024 school year, the School served 975 students in ninth through twelfth grade (993 students during the 2022-2023 school year).

The School has an agreement with The Board of School Commissioners of the City of Indianapolis to operate its Downtown and North locations as Innovation Network Charter Schools through June 2025. As part of the agreement the School has authorized its Basic Tuition Support from the State of Indiana to flow through Indianapolis Public Schools (IPS). IPS retains a portion of the Basic Tuition Support for services it provides under the agreement.

The School received in-kind services from IPS for rent and other shared services during the years ended June 30, 2024 and 2023. The values of these services were estimated and have been reflected as in-kind contributions and expenses. See Note 4.

Note 2 – Summary of Significant Accounting Policies

Financial Statement Presentation

The School reports its financial position and activities according to two classes of net assets, as described below.

- 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.

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

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, 2024 and 2023.

Grants Receivable

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

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

Grants receivable were due as follows at June 30:

	<u>2024</u>	<u>2023</u>
Within one year	\$ 851,358	\$ 2,127,655
One to five years	640,000	800,000
Thereafter	160,000	320,000
Present value discount at 5.9%	(197,910)	(274,289)
Total grants receivable	<u>\$ 1,453,448</u>	<u>\$ 2,973,366</u>

Fixed Assets

Purchases of assets and expenditures which materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Depreciation is computed on the straight-line method over estimated useful lives ranging from 5 to 15 years once fixed assets are placed in service. Routine maintenance and repairs and minor replacement costs and equipment purchases are charged to expense as incurred.

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Taxes on Income

The School received a determination from the U.S. Treasury Department stating it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the School would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2024 and 2023, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require the School to recognize a tax liability only if it is more likely than not the tax position would not be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School examined this issue and determined there are no material contingent tax liabilities or questionable tax positions. The tax years ended after June 30, 2020 are open to audit for both federal and state purposes.

Subsequent Events

The School evaluated subsequent events through February 28, 2025, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

Note 3 – Revenue Recognition

Revenue Recognition Policy

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

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

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets during the year in which they are awarded. The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting 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 restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and change in net assets as net assets released from restrictions.

Disaggregation of Revenue

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

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 4 – Valuation of In-Kind Services

The School recorded in-kind contributions and offsetting expenses from IPS, a related party totaling \$1,061,310 and \$968,357 during the years ended June 30, 2024 and 2023, respectively. These in-kind transactions represent approximately 5% of total revenue and support and 6% of total expenses for the years ended June 30, 2024 and 2023. IPS provides a calculation of its estimate of the value of in-kind services provided. The School reviews and revises the calculation to match what it believes accurately represents an estimate of the value of services provided. Management's estimate is reflected in the financial statements. There are no restrictions on the in-kind contributions received by the School.

Note 5 – Refundable Advance

The School was awarded a grant to provide for technology and curriculum purchases. The grant was considered an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. Refundable grant advances totaled \$250,000 as of June 30, 2023. Revenue from this grant was recognized in its entirety during the year ended June 30, 2024.

Note 6 – Leases

Operating Leases

The School leases school facilities and office equipment over various periods through June 2029. One lease has a renewal option which, if exercised, would extend an equipment lease up to five years. Management is not reasonably certain the option will be exercised as such does not include future payments related to that option in the calculations used to measure the lease liability in the statements of financial position. For all leased building property, the School pays its share of common area maintenance and operating costs, which are excluded from the minimum future obligations.

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 6 – Leases (Continued)

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

2025	\$ 1,279,913
2026	1,310,569
2027	1,329,728
2028	1,343,251
2029	630,892
Thereafter	2,582,980
	<u>8,477,333</u>
Less: imputed interest	<u>(778,597)</u>
Total lease liability	7,698,736
Less: current portion	<u>(1,087,003)</u>
Long-term portion	<u>\$ 6,611,733</u>

Weighted average lease terms and discount rates were as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term - operating leases	7.15 years	7.97 years
Weighted average discount rate - operating leases	2.72%	2.73%

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 7 – Net Assets with Donor Restrictions

Net assets were restricted for the following purposes as of June 30:

	<u>2024</u>	<u>2023</u>
Makers lab	\$ 6,098	\$ 11,353
College and career pathways	541,673	581,059
Learning mentors and coaches	278,302	440,693
School and partnership expansion	1,119,000	2,227,007
Capacity building	565,815	471,200
STEM	24,404	-
Other	57,586	36,283
Total net assets with donor restrictions	<u>\$ 2,592,878</u>	<u>\$ 3,767,595</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. The following program purpose restrictions were accomplished during the years ended June 30:

	<u>2024</u>	<u>2023</u>
Makers lab	\$ 5,255	\$ -
College and career pathways	369,386	52,536
Learning mentors and coaches	162,391	321,963
School and partnership expansion	731,033	259,975
Capacity building	608,053	-
STEM	100,595	288,598
Startup Costs	-	367,882
Ab7G Program	-	494,757
Training and Technology	-	146,932
Other	242,012	-
Total net assets released from donor restrictions	<u>\$ 2,218,725</u>	<u>\$ 1,932,643</u>

Note 8 – Commitments

The School operates under three charters granted by OEI and ICSB. As the sponsoring organizations, ICSB and OEI exercises certain oversight responsibilities. The School agreed to pay OEI an annual administrative fee equal to 1% of state tuition payments received. The School agreed to pay ICSB an annual administrative fee not to exceed 3% (.75% during the year ended June 30, 2024) of state tuition payments received.

The charter agreements require each school to establish an escrow of no less than \$30,000 no later than December of the third year of operations should a dissolution occur. These accounts have been established and are included in the balance of cash.

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 9 – Retirement Plan

The School provides retirement benefits for teaching personnel by participating in the Indiana State Teachers' Retirement Fund (TRF), which is a cost-sharing multiple-employer defined benefit retirement plan governed by the State of Indiana and administered by the Indiana Public Retirement System (INPRS) Board. Contribution requirements of plan members are determined annually by the INPRS Board. For the years ended June 30, 2024 and 2023, the School contributed 9% of compensation for teaching faculty to TRF. The 9% included the 3% employee portion, which was paid for by the School on behalf of the employees. Should the School elect to withdraw from TRF, the School could be subject to a withdrawal fee. The School's contributions represent an insignificant percentage of the total contributions received by TRF. As of June 30, 2024, TRF was 88% funded. Retirement plan expenses under the TRF was \$186,340 and \$195,618 during the years ended June 30, 2024 and 2023, respectively.

The School provides a 403(b) defined contribution plan to employees who are at least 18 years of age and who are not eligible for TRF. The School provided a discretionary 403(b) contribution for participating employees of \$344,587 and \$426,975 during the years June 30, 2024 and 2023, respectively. The School also provided a true-up contribution of \$560,893 during the year ended June 30, 2024.

Note 10 – Risks and Uncertainties

The School provides educational instruction to students residing in and around Marion County, Indiana and St. Joseph County, Indiana and is subject to the risks of economic and competitive forces at work within these geographic areas.

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. In addition, deposits maintained at First Merchants Bank are insured up to the Federal Deposit Insurance Corporation (FDIC) insurance limit. At June 30, 2024, the School maintained cash in excess of amounts insured by the FDIC of approximately \$6,400,000.

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Notes to the Financial Statements
For the Years Ended June 30, 2024 and 2023

Note 11 - Liquidity

The following table reflects the School's financial assets as of June 30, reduced by amounts not available to meet general expenditures within one year of the date of the statements of financial position because of Board designations and donor restrictions.

	2024	2023
Cash	\$ 6,644,311	\$ 3,095,154
Grants Receivable	1,453,448	2,973,366
Total financial assets	8,097,759	6,068,520
Board designated net assets	(90,000)	(90,000)
Net assets with donor restrictions	(2,592,878)	(3,767,595)
Total financial assets not available for use	(2,682,878)	(3,857,595)
Total financial assets available to meet cash needs for general expenditures within one year	\$ 5,414,881	\$ 2,210,925

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 14 – Functional Expense Reporting

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

Supplementary Information

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Combining Schedule of Financial Position
June 30, 2024

	<u>Englewood</u>	<u>North</u>	<u>South Bend</u>	<u>Network</u>	<u>Partnership</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS							
Current Assets							
Cash	\$ 3,536,505	\$ 825,316	\$ 585,551	\$ 596,625	\$ 1,100,314	\$ -	\$ 6,644,311
Grants receivable	420,472	118,741	88,037	224,108	-	-	851,358
Prepaid expenses	196,641	18,136	55,143	111,484	-	-	381,404
Total current assets	<u>4,153,618</u>	<u>962,193</u>	<u>728,731</u>	<u>932,217</u>	<u>1,100,314</u>	<u>-</u>	<u>7,877,073</u>
Non-Current Grants Receivable	<u>602,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,090</u>
Fixed Assets							
Furniture	1,065,128	292,938	447,198	22,149	-	-	1,827,413
Equipment	266,975	39,465	78,249	11,397	-	-	396,086
Computer equipment	750,333	309,680	59,628	16,299	-	-	1,135,940
Textbooks	4,593	16,146	-	-	-	-	20,739
Leasehold improvements	417,791	-	12,900	-	-	-	430,691
Vehicles	185,872	145,698	116,600	-	-	-	448,170
Less: accumulated depreciation	(2,223,102)	(629,987)	(343,322)	(44,053)	-	-	(3,240,464)
Fixed assets, net	<u>467,590</u>	<u>173,940</u>	<u>371,253</u>	<u>5,792</u>	<u>-</u>	<u>-</u>	<u>1,018,575</u>
Right-of-Use Assets							
Operating lease	<u>2,933,046</u>	<u>6,049</u>	<u>4,271,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,210,119</u>
Total Assets	<u>\$ 8,156,344</u>	<u>\$ 1,142,182</u>	<u>\$ 5,371,008</u>	<u>\$ 938,009</u>	<u>\$ 1,100,314</u>	<u>\$ -</u>	<u>\$ 16,707,857</u>

See independent auditor's report

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Combining Schedule of Financial Position
June 30, 2024

	<u>Englewood</u>	<u>North</u>	<u>South Bend</u>	<u>Network</u>	<u>Partnership</u>	<u>Eliminations</u>	<u>Consolidated</u>
LIABILITIES AND NET ASSETS							
Current Liabilities							
Current portion of operating lease liabilities	\$ 685,498	3,788	\$ 397,716	\$ -	\$ -	\$ -	\$ 1,087,002
Accounts payable and accrued expenses	<u>335,594</u>	<u>148,000</u>	<u>293,647</u>	<u>143,742</u>	<u>223,186</u>	<u>-</u>	<u>1,144,169</u>
Total current liabilities	1,021,092	151,788	691,363	143,742	223,186	-	2,231,171
Long-Term Liabilities							
Operating lease liabilities, net of current portion	<u>2,261,394</u>	<u>2,261</u>	<u>4,348,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,611,732</u>
Total liabilities	<u>3,282,486</u>	<u>154,049</u>	<u>5,039,440</u>	<u>143,742</u>	<u>223,186</u>	<u>-</u>	<u>8,842,903</u>
Net Assets							
Without donor restrictions:							
Board-designated	3,854,607	928,758	297,376	243,678	(142,343)	-	5,182,076
Undesignated	30,000	30,000	30,000	-	-	-	90,000
With donor restrictions	<u>989,251</u>	<u>29,375</u>	<u>4,192</u>	<u>550,589</u>	<u>1,019,471</u>	<u>-</u>	<u>2,592,878</u>
Total net assets	<u>4,873,858</u>	<u>988,133</u>	<u>331,568</u>	<u>794,267</u>	<u>877,128</u>	<u>-</u>	<u>7,864,954</u>
Total Liabilities and Net Assets	<u>\$ 8,156,344</u>	<u>\$ 1,142,182</u>	<u>\$ 5,371,008</u>	<u>\$ 938,009</u>	<u>\$ 1,100,314</u>	<u>\$ -</u>	<u>\$ 16,707,857</u>

See independent auditor's report

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Combining Schedule of Financial Position
June 30, 2023

	<u>Englewood</u>	<u>North</u>	<u>South Bend</u>	<u>Network</u>	<u>Partnership</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS							
Current Assets							
Cash	\$ 817,022	\$ 506,377	\$ 334,791	\$ 626,964	\$ 810,000	\$ -	\$ 3,095,154
Grants receivable	568,375	163,317	277,173	178,790	940,000	-	2,127,655
Prepaid expenses	<u>2,474</u>	<u>1,554</u>	<u>56,033</u>	<u>51,910</u>	<u>-</u>	<u>-</u>	<u>111,971</u>
Total current assets	<u>1,387,871</u>	<u>671,248</u>	<u>667,997</u>	<u>857,664</u>	<u>1,750,000</u>	<u>-</u>	<u>5,334,780</u>
Non-Current Grants Receivable	<u>845,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>845,711</u>
Fixed Assets							
Furniture	1,065,128	245,488	302,480	22,149	-	-	1,635,245
Equipment	172,227	22,032	78,249	11,397	-	-	283,905
Computer equipment	750,331	292,709	78,353	16,299	-	-	1,137,692
Textbooks	4,593	16,146	-	-	-	-	20,739
Leasehold improvements	391,400	-	12,900	-	-	-	404,300
Vehicles	93,121	109,500	116,600	-	-	-	319,221
Less: accumulated depreciation	<u>(1,870,561)</u>	<u>(486,102)</u>	<u>(197,623)</u>	<u>(31,202)</u>	<u>-</u>	<u>-</u>	<u>(2,585,488)</u>
Fixed assets, net	<u>606,239</u>	<u>199,773</u>	<u>390,959</u>	<u>18,643</u>	<u>-</u>	<u>-</u>	<u>1,215,614</u>
Right-of-Use Assets							
Operating lease	<u>3,615,337</u>	<u>-</u>	<u>4,669,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,284,935</u>
Total Assets	<u>\$ 6,455,158</u>	<u>\$ 871,021</u>	<u>\$ 5,728,554</u>	<u>\$ 876,307</u>	<u>\$ 1,750,000</u>	<u>\$ -</u>	<u>\$ 15,681,040</u>

See independent auditor's report

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Combining Schedule of Financial Position
June 30, 2023

	<u>Englewood</u>	<u>North</u>	<u>South Bend</u>	<u>Network</u>	<u>Partnership</u>	<u>Eliminations</u>	<u>Consolidated</u>
LIABILITIES AND NET ASSETS							
Current Liabilities							
Current portion of operating lease liabilities	\$ 667,731	\$ -	\$ 253,592	\$ -	\$ -	\$ -	\$ 921,323
Accounts payable and accrued expenses	443,875	237,527	86,030	247,239	-	-	1,014,671
Refundable advances	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Total current liabilities	<u>1,111,606</u>	<u>237,527</u>	<u>339,622</u>	<u>497,239</u>	<u>-</u>	<u>-</u>	<u>2,185,994</u>
Long-Term Liabilities							
Operating lease liabilities, net of current portion	<u>2,954,779</u>	<u>-</u>	<u>4,734,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,689,734</u>
Total liabilities	<u>4,066,385</u>	<u>237,527</u>	<u>5,074,577</u>	<u>497,239</u>	<u>-</u>	<u>-</u>	<u>9,875,728</u>
Net Assets							
Without donor restrictions:							
Board-designated	1,262,530	595,794	623,977	(534,584)	-	-	1,947,717
Undesignated	30,000	30,000	30,000	-	-	-	90,000
With donor restrictions	<u>1,096,243</u>	<u>7,700</u>	<u>-</u>	<u>913,652</u>	<u>1,750,000</u>	<u>-</u>	<u>3,767,595</u>
Total net assets	<u>2,388,773</u>	<u>633,494</u>	<u>653,977</u>	<u>379,068</u>	<u>1,750,000</u>	<u>-</u>	<u>5,805,312</u>
Total Liabilities and Net Assets	<u>\$ 6,455,158</u>	<u>\$ 871,021</u>	<u>\$ 5,728,554</u>	<u>\$ 876,307</u>	<u>\$ 1,750,000</u>	<u>\$ -</u>	<u>\$ 15,681,040</u>

See independent auditor's report

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Combining Schedule of Activities and Change in Net Assets
For the Year Ended June 30, 2024

	<u>Englewood</u>	<u>North</u>	<u>South Bend</u>	<u>Network</u>	<u>Partnership</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenue and Support							
State funding	\$ 7,167,442	\$ 2,951,080	\$ 1,782,997	\$ 252,767	\$ -	\$ -	\$ 12,154,286
Federal grant revenue	3,032,520	783,537	795,337	637,133	-	-	5,248,527
Contributions	403,538	88,725	36,236	515,758	-	-	1,044,257
In-kind contributions from IPS	-	1,061,310	-	-	-	-	1,061,310
Other income	143,140	98,255	8,285	2,406,086	20,000	(2,293,537)	382,229
Total revenue and support	<u>10,746,640</u>	<u>4,982,907</u>	<u>2,622,855</u>	<u>3,811,744</u>	<u>20,000</u>	<u>(2,293,537)</u>	<u>19,890,609</u>
Expenses							
Salaries and benefits	3,701,510	1,971,063	1,134,740	2,002,046	263,029	-	9,072,388
Staff development and recruitment	19,846	3,801	7,825	34,962	-	-	66,434
Professional services	1,737,916	882,698	527,820	1,040,439	381,585	(2,293,537)	2,276,921
Transportation	61,810	9,654	5,353	-	-	-	76,817
Food service	371,521	118,080	148,818	16,923	-	-	655,342
Facilities	972,237	1,169,880	565,016	1,622	-	-	2,708,755
Supplies	434,866	216,611	315,923	202,991	-	-	1,170,391
Information technology	95,581	8,277	65,323	8,972	248,000	-	426,153
Utilities	95,928	4,255	2,145	9,359	-	-	111,687
Extracurricular	302,195	58,893	5,960	690	-	-	367,738
Depreciation	352,541	143,885	145,699	12,851	-	-	654,976
Amortization	-	-	-	-	-	-	-
Other	115,604	41,171	20,642	65,690	258	-	243,365
Total expenses	<u>8,261,555</u>	<u>4,628,268</u>	<u>2,945,264</u>	<u>3,396,545</u>	<u>892,872</u>	<u>(2,293,537)</u>	<u>17,830,967</u>
Change in Net Assets	2,485,085	354,639	(322,409)	415,199	(872,872)	-	2,059,642
Net Assets, Beginning of Year	<u>2,388,773</u>	<u>633,494</u>	<u>653,977</u>	<u>379,068</u>	<u>1,750,000</u>	<u>-</u>	<u>5,805,312</u>
Net Assets, End of Year	<u>\$ 4,873,858</u>	<u>\$ 988,133</u>	<u>\$ 331,568</u>	<u>\$ 794,267</u>	<u>\$ 877,128</u>	<u>\$ -</u>	<u>\$ 7,864,954</u>

See independent auditor's report

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Combining Schedule of Activities and Change in Net Assets
For the Year Ended June 30, 2023

	<u>Englewood</u>	<u>North</u>	<u>South Bend</u>	<u>Network</u>	<u>Partnership</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenue and Support							
State funding	\$ 5,897,667	\$ 2,687,517	\$ 1,364,267	\$ -	\$ -	\$ -	\$ 9,949,451
Federal grant revenue	1,752,427	520,921	891,568	178,790	-	-	3,343,706
Contributions	144,063	33,550	111,250	1,647,600	1,750,000	-	3,686,463
In-kind contributions from IPS	-	968,357	-	-	-	-	968,357
Other income	128,949	54,481	25,525	1,198,584	-	(1,076,641)	330,898
Total revenue and support	<u>7,923,106</u>	<u>4,264,826</u>	<u>2,392,610</u>	<u>3,024,974</u>	<u>1,750,000</u>	<u>(1,076,641)</u>	<u>18,278,875</u>
Expenses							
Salaries and benefits	3,150,658	1,752,115	1,030,677	2,329,142	-	-	8,262,592
Staff development and recruitment	27,533	328	13,510	37,975	-	-	79,346
Professional services	904,723	580,262	291,476	531,242	-	(1,076,641)	1,231,062
Transportation	50,440	37,205	5,676	-	-	-	93,321
Food service	272,708	96,891	197,454	23,254	-	-	590,307
Facilities	933,871	1,240,007	520,587	8,274	-	-	2,702,739
Supplies	486,443	259,174	267,892	121,083	-	-	1,134,592
Information technology	68,216	6,614	4,903	92,417	-	-	172,150
Utilities	237,703	19,413	4,515	17,832	-	-	279,463
Extracurricular	255,784	45,902	1,028	-	-	-	302,714
Depreciation	398,080	136,852	104,807	9,969	-	-	649,708
Amortization	3,409	-	-	-	-	-	3,409
Other	455,886	15,854	15,225	219,683	-	-	706,648
Total expenses	<u>7,245,454</u>	<u>4,190,617</u>	<u>2,457,750</u>	<u>3,390,871</u>	<u>-</u>	<u>(1,076,641)</u>	<u>16,208,051</u>
Change in Net Assets	677,652	74,209	(65,140)	(365,897)	1,750,000	-	2,070,824
Net Asset Transfers	(4,672,625)	211,710	1,335,922	3,124,993	-	-	-
Net Assets (Deficit), Beginning of Year	<u>6,383,746</u>	<u>347,575</u>	<u>(616,805)</u>	<u>(2,380,028)</u>	<u>-</u>	<u>-</u>	<u>3,734,488</u>
Net Assets, End of Year	<u>\$ 2,388,773</u>	<u>\$ 633,494</u>	<u>\$ 653,977</u>	<u>\$ 379,068</u>	<u>\$ 1,750,000</u>	<u>\$ -</u>	<u>\$ 5,805,312</u>

See independent auditor's report

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

<u>Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Awards Expended</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-through Indiana Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553		\$ 77,816
National School Lunch Program	10.555		372,867
Total U.S Department of Agriculture			<u>450,683</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Pass-through Indiana Department of Education			
Title I, Grants to Local Educational Agencies	84.010A	S010A230014	505,573
Title II, Supporting Effective Instruction State Grants	84.367A	S367A210013	26,246
Title II, Supporting Effective Instruction State Grants	84.367A	S367A220013	12,918
Title II, Supporting Effective Instruction State Grants	84.367A	S367A230013	46,388
Title IV, Student Support and Academic Enrichment	84.424A	S424A210015	29,185
Title IV, Student Support and Academic Enrichment	84.424A	S424A230015	43,850
Title IV, Student Support and Academic Enrichment	84.424F		165
Special Education Cluster			
Special Education - Grants to States	84.027A	H027A220084	106,129
Special Education - Grants to States	84.027A	H027A230084	197,504
Special Education - Grants to States	84.027X	H027X210084	29,894
Education Stabilization Fund			
Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210013	2,621,477
Charter Schools Program	84.282A	U282A200017	72,199
Charter Schools Program	84.282A	U282A190017	257,119
Charter Schools Program	84.282D	S282D200002	160,983
Charter Schools Program	84.282D	S282D230002	259,000
Total U.S. Department of Education			<u>4,368,630</u>
<u>U.S. DEPARTMENT OF TREASURY</u>			
Pass-through Indiana Department of Health			
Coronavirus State and Local Fiscal Recovery Fund	21.027		<u>384,204</u>
Total federal awards expended			<u>\$ 5,203,517</u>

See independent auditor's report and notes to this schedule

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Purdue Polytechnic High School of Indianapolis, Inc. d/b/a Purdue Polytechnic High Schools (the School) under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, change in net assets, functional expenses, or cash flows of the School.

Note 2 – Summary of Significant Accounting Policies

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

Note 3 – Indirect Cost Rate

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



Donovan CPAs

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Purdue Polytechnic High School of Indianapolis, Inc.
Indianapolis, Indiana

We audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Purdue Polytechnic High School of Indianapolis, Inc. d/b/a Purdue Polytechnic High Schools (the School), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2025.

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 which are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

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

Donovan CPAs
Indianapolis, Indiana
February 28, 2025



Donovan CPAs

Independent Auditor's Report on Compliance for each Major Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

The Board of Directors
Purdue Polytechnic High School of Indianapolis, Inc.
Indianapolis, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Purdue Polytechnic High School of Indianapolis, Inc. d/b/a Purdue Polytechnic High Schools' (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, 2024. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above which could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, 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 that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that 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 that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

Donovan CPAs
Indianapolis, Indiana
February 28, 2025

**Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

I. Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

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

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

II. Financial Statement Findings

No matters are reportable.

III. Federal Award Findings and Questioned Costs

No matters are reportable

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

FINDING 2023-001

Criteria

According to FASB ASC 958-310-25-1, unconditional promises to give should be recognized as revenue in the period promised. According to FASB ASC 958-605-25-5F conditional contributions shall be accounted for as a refundable advance until all conditions have been substantially met.

Condition

Conditional and unconditional grants were not always recognized in accordance with the requirements in the criteria paragraph.

Current Status

Corrective action was taken.

FINDING 2023-002

Criteria

According to FASB ASC 842-20-35-12, leasehold improvements are amortized over the shorter of the useful life of those leasehold improvements and the remaining lease term.

Condition

Leasehold improvements were being depreciated over a 15 year term, but the lease associated with the leasehold improvements had an 8 year term.

Current Status

Corrective action was taken.

FINDING 2023-003

Criteria

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

Condition

The initial SEFA provided for audit did not agree to the accounting system general ledger expenditures for certain awards. In addition, not all federal awards were appropriately identified and included on the SEFA.

Current Status

Corrective action was taken.

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Other Report
For the Year Ended June 30, 2024

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

Supplemental Audit Report of Purdue Polytechnic High School of Indianapolis, Inc.

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

Purdue Polytechnic High School of Indianapolis, Inc.
d/b/a Purdue Polytechnic High Schools
Schedule of Lead Auditor
For the Year Ended June 30, 2024

Auditor Information:	Donovan CPAs 9292 N Meridian Street, Suite 150 Indianapolis, IN 46260
Phone Number:	(317) 844-8300
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