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December 30, 2014

Charter School Board
Goodwill Education Initiatives, Inc.-
Indianapolis Metropolitan High School
1635 W. Michigan Street
Indianapolis, IN 46222

We have reviewed the Financial Statements and Independent Auditors' Report prepared by Greenwalt CPAs, Inc., Independent Public Accountants, for the period July 1, 2013 to June 30, 2014. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Goodwill Education Initiatives, Inc. – Indianapolis Metropolitan High School, as of June 30, 2014, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In addition to the report presented herein, a Supplemental Audit Report for Goodwill Education Initiatives, Inc. – Indianapolis Metropolitan High School was prepared in accordance with the guidelines established by the State Board of Accounts.

The Financial Statements and Independent Auditors' Report and the Supplemental Audit Report are filed in our office as a matter of public record.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

JUNE 30, 2014 AND 2013

GREENWALT CPAs

We Deliver Peace of Mind

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Independent Auditors' Report

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Indianapolis Metropolitan High School, LLC (an Indiana public charter school), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources* and *Guidelines of Audits of Charter Schools performed by Private Examiners* established by the Indiana State Board of Accounts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indianapolis Metropolitan High School, LLC as of June 30, 2014, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Goodwill Education Initiatives, Inc. - Indianapolis Metropolitan High School's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 17, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 08, 2014, on our consideration of Indianapolis Metropolitan High School, LLC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Indianapolis Metropolitan High School, LLC's internal control over financial reporting and compliance.

Greenwalt CPAs, Inc.

December 08, 2014

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013

ASSETS

	2014	2013
CURRENT ASSETS		
Cash	$ 1,234,188	$ 809,045
Accounts receivable	97,240	97,373
Prepayments	5,170	1,290
Inventory	13,283	-
Total current assets	1,349,881	907,708
PROPERTY AND EQUIPMENT, NET	344,634	578,455
TOTAL ASSETS	$ 1,694,515	$ 1,486,163

LIABILITIES AND NET ASSETS

	2014	2013
CURRENT LIABILITIES		
Accounts payable	$ 118,189	$ 173,809
Accrued liabilities	31,856	15,363
Total current liabilities	150,045	189,172
COMMITMENTS AND CONTINGENCIES (NOTE 7)		
NET ASSETS		
Unrestricted	1,544,470	1,296,991
TOTAL LIABILITIES AND NET ASSETS	$ 1,694,515	$ 1,486,163

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2013

	2014 UNRESTRICTED	2013 TOTAL
REVENUE		
State and Federal grants	$ 3,286,178	$ 4,254,568
Student fees	27,250	46,219
Other income	46,650	132,870
Total revenue	3,360,078	4,433,657
SUPPORT		
Gifts and contributions	262,195	184,350
Gifts in-kind	752,200	815,860
Total support	1,014,395	1,000,210
Total revenue and support	4,374,473	5,433,867
EXPENSES		
Wages and benefits	1,988,844	2,891,136
Professional fees	492,418	629,108
Supplies and materials	97,932	121,255
Lunch program	98,762	96,607
Student transportation	71,274	68,485
Extra-curricular activities	35,560	43,408
In-kind rent	752,000	752,000
Occupancy	53,339	66,792
Scholarships	172,652	169,044
Depreciation	283,358	372,012
Other expenses	80,855	118,251
Total expenses	4,126,994	5,328,098
CHANGE IN NET ASSETS, BEFORE EXTRAORDINARY ITEM	247,479	105,769
NET LOSS DUE TO CHANGE IN STATE REGULATION (NOTES 1 AND 3)	-	(81,627)
CHANGE IN NET ASSETS, AFTER EXTRAORDINARY ITEM	247,479	24,142
NET ASSETS, BEGINNING OF YEAR	1,296,991	1,272,849
NET ASSETS, END OF YEAR	$ 1,544,470	$ 1,296,991

See accompanying notes to financial statements.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

INCREASE IN CASH

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 247,479	$ 24,142
Depreciation	283,358	372,012
Forgiveness of Common School Fund Loans and accrued interest	-	(1,182,998)
Write-off of Basic Grant receivable	-	1,399,236
(Increase) decrease in operating assets:		
Accounts receivable	133	446,777
Prepayments	(3,880)	17
Inventory	(13,283)	-
Increase (decrease) in operating liabilities:		
Accounts payable	(55,620)	(88,619)
Accrued liabilities	16,493	(103,569)
Net cash provided by operating activities	474,680	866,998
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(49,537)	(323,744)
INCREASE IN CASH	425,143	543,254
CASH, BEGINNING OF YEAR	809,045	265,791
CASH, END OF YEAR	$ 1,234,188	$ 809,045
SCHEDULE OF NONCASH OPERATING ACTIVITIES		
In-kind rent and business support	$ 752,200	$ 815,860

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ORGANIZATION

Indianapolis Metropolitan High School, LLC (Indianapolis Met) is an Indiana public charter high school operating under the ownership and control of Goodwill Education Initiatives, Inc. (GEI). GEI, an Indiana non-profit corporation, provides educational opportunities designed to enable young people and adults to prepare for productive lives. GEI operates public charter high schools (Indianapolis Met and the Excel Centers, interchangeably referred to herein as "the schools") in central Indiana, under the provisions of the Indiana Charter School laws and the chartering authorities of the Mayor of Indianapolis and the Indiana Charter School Board. Indianapolis Met operates under a charter issued by the Mayor of Indianapolis. GEI is a wholly-owned and controlled subsidiary of Goodwill Industries of Central Indiana, Inc. (Goodwill), also an Indiana non-profit corporation.

Indianapolis Met occupies space at Goodwill's Indianapolis headquarters building. Indianapolis Met occupies its space at no cost and recognized $752,000 of in-kind rent expense during each of the fiscal years ended June 30, 2014 and 2013. Indianapolis Met also contracts with Goodwill for certain business support services, as further described in Note 5. For the fiscal years ended June 30, 2014 and 2013, the Met recognized $0 and $63,660 of in-kind business support service expense, respectively.

The schools receive the majority of their funding from the Indiana Department of Education. Their revenues are supplemented with funds from the United States Department of Education, private grants, and gifts. The Met completed its tenth year of operation on June 30, 2014 and student enrollment for the most recently completed school year approximated 275 students.

Indianapolis Met primarily serves underprivileged, at risk students in grades 9 through 12 in Indianapolis. Demographically, nearly 90% of Indianapolis Met's students qualify for free or reduced lunch, 89% identify themselves as minority students, 22% have special needs, and the majority of incoming students arrive at Indianapolis Met two or more grade levels behind in reading and math skills. Since inception, Indianapolis Met has graduated 500 students, and 65% of those graduates have gone on to some form of post-secondary education or training, and remain in school two years after graduation. Indianapolis Met's objectives include sustaining a graduation rate of 75% and having 75% of its graduates go on to college.

BASIS OF ACCOUNTING

The accompanying financial statements were prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. For annual financial reporting purposes, Indianapolis Met uses a fiscal year that begins on July 1 and ends the following June 30.

SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Indianapolis Met's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

CASH

Indianapolis Met considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2014 and 2013. Indianapolis Met maintains cash balances at a commercial bank. Accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At June 30, 2014 and 2013 Indianapolis Met maintained cash in excess of the FDIC coverage limits.

ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and are due from Indiana governmental entities and private funders over periods of time up to thirty days from the statement of financial position date.

Accounts receivable are stated at the amount determined by public statute or by the underlying private funding agreements. Generally, there is not significant risk of loss of these amounts due since they are statutorily determined and obligated. However, there is some risk that public funding from the State of Indiana could be reduced from amounts previously determined during periods of prolonged economic downturn. Management is unable to determine the likelihood of reduced funding, and has not recorded a reserve related thereto. Prior to June 30, 2013, the Indiana Department of Education funded charter schools on a six-month arrearage basis. In fiscal year 2013, the State of Indiana amended the manner in which it funds charter schools, eliminating the former six-month lag. Beginning July, 2013, The Met receives its State funding on a current basis. The effect of this change in funding resulted in the write-off of the amounts receivable under the prior funding schedule. The amount of the write-off, which is reflected in the Statement of Activities for the year ended June 30, 2013, was $1,399,236.

INVENTORY

Inventory, consisting of student uniforms, has been valued at the lower of cost or market determined on a first in, first out (FIFO) basis.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3 to 10 years for equipment. Indianapolis Met does not own any real property.

Property and equipment consist of the following at June 30:

	2014	2013
Equipment	$ 336,743	$ 383,497
Computer hardware	546,835	866,973
Software	403,254	505,151
Vehicles	99,979	99,979
Furniture	696,168	696,168
	2,082,979	2,551,768
Accumulated depreciation	(1,738,345)	(1,973,313)
	$ 344,634	$ 578,455

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

NET ASSETS

Indianapolis Met maintains the following classifications of net assets:

Unrestricted

These include revenue and expenses from the regular operations of Indianapolis Met, which are at the discretion of management and the GEI Board of Directors.

Temporarily Restricted

These include donations and grant revenues used to meet expenses of current operations in accordance with restrictions specified by the donors or grantors. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CONTRIBUTIONS

Contributions are recognized when the donor makes an unconditional promise to give to Indianapolis Met and are recorded at their fair values as revenues and assets in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

ADVERTISING

Advertising and printing expenses totaled $32,871 and $30,125 for fiscal years 2014 and 2013, respectively. Indianapolis Met's policy is to record advertising expenditures in the period in which they are incurred.

FUNCTIONAL EXPENSE

A summary of expenses by functional classification for the years ended June 30 is as follows:

Program activities:	2014	2013
Classroom instruction	$ 3,075,807	$ 3,814,187
Student counseling	95,057	190,748
Special education services	208,906	247,136
Total program activities	3,379,770	4,252,071
Supporting activities:		
Program support	309,776	600,754
Administrative support	437,448	475,273
Total support activities	747,224	1,076,027
Total functional expense	$ 4,126,994	$ 5,328,098

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

SUBSEQUENT EVENTS

Subsequent events have been considered through December 08, 2014, which was the date the financial statements were available to be issued.

2. TAX STATUS

Indianapolis Met is a wholly-owned LLC of GEI, and as a result, the IRS disregards Indianapolis Met as a separate taxable entity and considers Indianapolis Met as part of GEI for tax reporting purposes.

GEI is an Indiana non-profit corporation and is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, if income was generated from certain activities not directly related to GEI's tax-exempt purposes, such income would be subject to taxation as unrelated business income. GEI is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Accounting Standards for Income Taxes provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. GEI's management team regularly evaluates its activities to determine that they are in compliance with its tax-exempt purpose. Currently, GEI's management does not believe it is engaged in any activities that would create an uncertain tax position. GEI is no longer subject to examination by taxing authorities for fiscal years before 2010.

3. LONG TERM DEBT

Prior to June 30, 2013, Indianapolis Met borrowed from the Indiana Common School Fund to fund its charter school operations and costs associated with enrollment growth. In fiscal year 2013, the Indiana legislature enacted legislation that eliminated all charter school Common School Fund debt, along with associated accrued interest. The amount of the debt forgiveness of $1,182,998 and associated interest of $134,611 is reflected in the Statement of Activities for the year ended June 30, 2013.

4. RETIREMENT PLAN

Indianapolis Met employees are employed and paid by GEI. Certain Indianapolis Met employees (licensed teachers, counselors and certain administrative staff) are eligible to participate in the Indiana Teachers Retirement Fund (TRF). By statute, employers are required to contribute 7.5% of an employee's pretax gross income to TRF. Employers may also elect to contribute an additional 3% in lieu of the employee's own contributions. GEI has elected to make the voluntary contribution on behalf of its eligible employees, including employees of Indianapolis Met. Indianapolis Met contributed $111,022 and $176,336 to TRF on behalf of its employees for fiscal years 2014 and 2013, respectively. Employees may elect to participate in Goodwill's employee retirement savings account which allows employees to contribute pre-tax gross income, subject to IRS limitations. Goodwill also maintains a discretionary thrift plan for eligible employees. For employees not eligible for TRF, Goodwill matches 100% of eligible employees' pre-tax contributions up to 3% of gross income, and 50% of the next 3% of gross income. Goodwill may also make discretionary contributions to this plan. Employer matching contributions, as well as employer discretionary contributions, vest after three years or in the event of death or disability. Indianapolis Met's expense relating to contributions to the Goodwill thrift plan for the fiscal years 2014 and 2013 was $5,674 and $7,722, respectively.

5. RELATED PARTY TRANSACTIONS

Indianapolis Met is owned and operated by GEI. GEI, through INI Schools, provides employees, certain school-specific administrative services, and general management and oversight of the Met. GEI charges Indianapolis Met for its expenses related to the services provided. No markup is added to the fees charged to the schools. During fiscal years 2014 and 2013, the Met reimbursed $264,996 and $236,496 to GEI for administrative services, respectively.

From time to time, Goodwill provides interest-free loans and cash subsidies directly to Indianapolis Met. At June 30, 2014 and 2013, Indianapolis Met had no borrowings from Goodwill. During fiscal years 2014 and 2013, Goodwill provided cash subsidies to Indianapolis Met totaling $0 and $30,000, respectively. The subsidies are recorded as Gifts and Contributions revenue on the Statement of Activities.

During fiscal year 2013, Goodwill provided business support services (accounting, marketing, human resources, facilities, technology and general management) to Indianapolis Met. Goodwill charged a portion of these costs to the schools without markup. Indianapolis Met paid $60,000 to Goodwill for business support services in fiscal year 2013. Goodwill also provides space at its Indianapolis headquarters campus to Indianapolis Met at no charge. The non-billed portion of the support services and contributed space is considered an in-kind contribution and is recorded as revenue in the Statement of Activities. In fiscal years 2014 and 2013, Goodwill provided $752,200 of in-kind rent. In fiscal year 2013, Goodwill provided $63,660 of in-kind business services. These in-kind contributions are treated as non-cash transactions and are excluded from the accompanying statements of cash flows.

Goodwill also pays certain operating expenses, including certain employee benefits, of Indianapolis Met, for which Indianapolis Met fully reimburses Goodwill. No markup is charged. In fiscal years 2014 and 2013 Indianapolis Met paid Goodwill $235,234 and $363,873 for these expenses, respectively. At June 30, 2014, Indianapolis Met owed Goodwill $28,618 and $18,265, respectively, which is included in accounts payable in the statement of financial position.

Goodwill Industries Foundation of Central Indiana, Inc. (the Foundation) is an Indiana not-for-profit corporation related to Goodwill. The Foundation provides grants to Indianapolis Met for school startup, new initiatives and college scholarships for qualifying Met graduates. During fiscal years 2014 and 2013, Indianapolis Met received $248,741 and $184,350, respectively, of grant revenue from the Foundation. This revenue is included in Gifts and Contributions in the Statement of Activities.

6. FUTURE GRANT AUDITS

Under the terms of state and federal grants awarded to Indianapolis Met, periodic audits are required and certain costs may be challenged as to the allowability under the terms of the grants. Such audits could lead to reimbursement to the grantor. Management believes the likelihood that material costs incurred by Indianapolis Met will be disallowed is remote.

7. SELF-INSURANCE

Indianapolis Met employees participate in Goodwill's health care benefits plan. Goodwill self-insures for employee and dependent medical benefits up to a per-individual annual maximum of $100,000, and an aggregate maximum of approximately $6.6 million. Goodwill purchases reinsurance which pays individual claims that exceed $100,000 per year. The reinsurer reviews claims annually and upon renewal of the reinsurance policy each year may establish higher specific maximums on selected individuals with high claims risks. Goodwill purchases claims administration services from a third party administrator. Self-insured medical expenses and related administrative costs for Indianapolis

7. Self-Insurance, Continued

Met related to Goodwill's health care plan were $207,636 and $291,470 for the fiscal years ended June 30, 2014 and 2013, respectively.

8. Line Of Credit

GEI has a line of credit with a financial institution which expires during September 2015. The maximum amount available under the line of credit is $2.5 million. Borrowings bear interest at the one-month LIBOR rate plus 2.5% (2.65% at June 30, 2014). At June 30, 2014 and 2013, the Indianapolis Met has no balance outstanding on the line of credit. The line of credit includes a non-use fee of 0.15% on the unused balance. Goodwill serves as the guarantor on the line of credit.

9. Reclassification

Certain items in the 2013 financial statements have been retroactively reclassified to conform to the 2014 presentation. These reclassifications had no effect on net assets at June 30, 2014.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Agency or Pass-Through Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Indiana Department of Education:			
Child Nutrition Cluster			
National School Lunch Program	10.555	SY 2014	$ 94,121
U.S. DEPARTMENT OF EDUCATION			
Indiana Department of Education:			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	84.010	13-9670	31,453
Title I Grants to Local Educational Agencies	84.010	14-9670	170,533
Total for Title I, Part A Cluster			201,986
Special Education Cluster			
Special Education - Grants to States	84.027	14213-504-PN01	22,636
Special Education - Grants to States	84.027	14214-504-PN01	59,193
Special Education - Grants to States	84.027	99914-504-TA01	563
Total for Special Education Cluster			82,392
Improving Teacher Quality State Grants			
Improving Teacher Quality State Grants	84.367	SY 2012 - 2013	16,897
Improving Teacher Quality State Grants	84.367	SY 2013 - 2014	4,675
Total for Improving Teacher Quality State Grants			21,572
Teacher Incentive Fund Cluster			
Teacher Incentive Fund	84.374	SY 2012 - 2013	100,284
Teacher Incentive Fund	84.374	SY 2013 - 2014	84,839
Total for Teacher Incentive Fund Cluster			185,123
School Improvement Grants Cluster			
School Improvement Grants, Recovery Act - ARRA	84.388A	SY 2012 - 2013	110,253
			$ 695,447

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity of Indianapolis Met and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* . Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

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

Independent Auditors' Report

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Indianapolis Metropolitan High School, LLC (Indianapolis Met) which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 08, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Indianapolis Met's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Indianapolis Met's internal control. Accordingly, we do not express an opinion on the effectiveness of Indianapolis Met'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 that 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 that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Indianapolis Met's financial statements are free of 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greenwalt CPAs, Inc.

December 08, 2014

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Goodwill Education Initiatives, Inc.:

Report on Compliance for Each Major Federal Program

We have audited Indianapolis Metropolitan High School, LLC's (Indianapolis Met) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Indianapolis Met's major federal programs for the year ended June 30, 2014. Indianapolis Met's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Indianapolis Met's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Indianapolis Met's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Indianapolis Met's compliance.

Opinion

In our opinion, Indianapolis Met complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Indianapolis Met's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on Indianapolis Met's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Greenwalt CPAs, Inc.

December 08, 2014

A. SUMMARY OF AUDIT RESULTS

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:
   Material weakness(es) identified? _______yes ___X___no
   Significant deficiency(ies) identified? _______yes ___X___none reported

3. Noncompliance material to financial statements noted? _______yes ___X___no

4. Internal control over major programs:
   Material weakness(es) identified? _______yes ___X___no
   Significant deficiency(ies) identified? _______yes ___X___none reported

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

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _______yes ___X___no

7. Identification of major program:

CFDA Number	Name of Federal Program or Cluster
84.374	Teacher Incentive Fund
84.388A	School Improvement Grants, Recovery Act - ARRA

8. The threshold for distinguishing between Type A and B programs was $300,000.

9. Auditee qualified as low-risk auditee? ___X___yes ______no

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

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

None

D. PRIOR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

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

Supplemental Audit Report of the Indianapolis Metropolitan High School, LLC