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November 21, 2019

Charter School Board
Purdue Polytechnic High School
49 W Maryland St.
Indianapolis, IN 46204

We have reviewed the audit report of Purdue Polytechnic High School which was opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Purdue Polytechnic High School as of June 30, 2019 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

In addition to the report presented herein, a Supplemental Audit Report for Purdue Polytechnic High School, was prepared in accordance with the guidelines established by the State Board of Accounts.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

PURDUE POLYTECHNIC HIGH SCHOOL

FINANCIAL STATEMENTS

Together with Independent Auditors' Report

JUNE 30, 2019 AND 2018

GREENWALT^{CPAs}

We Deliver Peace of Mind

PURDUE POLYTECHNIC HIGH SCHOOL

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Purdue Polytechnic High School:

We have audited the accompanying financial statements of Purdue Polytechnic High School (an Indiana public charter school, "PPHS"), which comprise the statement of financial position as of June 30, 2019, 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 these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, and *Guidelines for the 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 audit 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 PPHS as of June 30, 2019, and the changes in its net assets and its 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 PPHS' 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 4, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Greenwald CPAs, Inc.

November 15, 2019

PURDUE POLYTECHNIC HIGH SCHOOL

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

<u>ASSETS</u>		
	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash	\$ 2,066,799	\$ 1,207,388
Grants receivable	473,565	583,098
Prepaid expenses	86,345	91,875
	<u>2,626,709</u>	<u>1,882,361</u>
<i>Total current assets</i>		
GRANT RECEIVABLE	136,945	-
PROPERTY AND EQUIPMENT		
Furniture	508,571	466,133
Equipment	300,680	105,667
Computer equipment	272,791	149,748
Textbooks	4,593	-
Leasehold improvements	14,229	-
Vehicles	93,121	93,121
Accumulated depreciation	(329,080)	(100,707)
	<u>864,905</u>	<u>713,962</u>
<i>Total property and equipment, net</i>		
<i>Total assets</i>	<u>\$ 3,628,559</u>	<u>\$ 2,596,323</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 85,067	\$ 290,785
Payroll and other accrued expenses	182,493	153,816
	<u>267,560</u>	<u>444,601</u>
<i>Total liabilities</i>		
COMMITMENTS (NOTES 4 AND 5)		
NET ASSETS		
Without donor restrictions	1,610,030	1,096,909
Without donor restrictions - board designated	20,000	10,000
	<u>1,630,030</u>	<u>1,106,909</u>
<i>Total net assets without donor restrictions</i>		
With donor restrictions	1,730,969	1,044,813
	<u>3,360,999</u>	<u>2,151,722</u>
<i>Total net assets</i>		
<i>Total liabilities and net assets</i>	<u>\$ 3,628,559</u>	<u>\$ 2,596,323</u>

PURDUE POLYTECHNIC HIGH SCHOOL

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2018

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2019	2018
REVENUE AND SUPPORT				
Private funding	\$ 1,008,038	\$ 2,045,818	\$ 3,053,856	\$ 2,067,831
State funding	2,432,462	-	2,432,462	1,417,100
Federal funding	523,937	-	523,937	322,045
Other income	68,816	-	68,816	38,961
Net assets released from restrictions	1,359,663	(1,359,663)	-	-
<i>Total revenue and support</i>	<u>5,392,916</u>	<u>686,155</u>	<u>6,079,071</u>	<u>3,845,937</u>
EXPENSES				
Salaries and wages	2,021,596	-	2,021,596	1,346,166
Employee benefits	556,461	-	556,461	374,741
Staff development and recruitment	33,336	-	33,336	36,043
Professional services	855,794	-	855,794	688,651
Transportation	55,471	-	55,471	40,440
Food cost	105,720	-	105,720	82,809
Repairs and maintenance	40,427	-	40,427	472
Classroom, kitchen and office supplies	189,451	-	189,451	96,600
Information technology	130,140	-	130,140	93,952
Occupancy	575,678	-	575,678	304,405
Depreciation	228,373	-	228,373	99,087
Insurance	18,210	-	18,210	14,288
Other	59,137	-	59,137	26,705
<i>Total expenses</i>	<u>4,869,794</u>	<u>-</u>	<u>4,869,794</u>	<u>3,204,359</u>
CHANGE IN NET ASSETS	523,122	686,155	1,209,277	641,578
NET ASSETS, BEGINNING OF YEAR	<u>1,106,908</u>	<u>1,044,814</u>	<u>2,151,722</u>	<u>1,510,144</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,630,030</u></u>	<u><u>\$ 1,730,969</u></u>	<u><u>\$ 3,360,999</u></u>	<u><u>\$ 2,151,722</u></u>

NET CHANGE IN CASH

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from private funding	\$ 3,033,856	\$ 2,067,831
Cash received from state and federal funding	2,928,987	1,914,047
Cash received from other income sources	68,816	38,961
Cash paid to suppliers and employees	<u>(4,812,932)</u>	<u>(2,901,006)</u>
<i>Net cash provided by operating activities</i>	<u>1,218,727</u>	<u>1,119,833</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(359,316)</u>	<u>(532,079)</u>
NET CHANGE IN CASH	859,411	587,754
CASH, BEGINNING OF YEAR	<u>1,207,388</u>	<u>619,634</u>
CASH, END OF YEAR	<u><u>\$ 2,066,799</u></u>	<u><u>\$ 1,207,388</u></u>
NON-CASH OPERATING ACTIVITIES:		
In-kind services	<u><u>\$ 344,040</u></u>	<u><u>\$ 479,398</u></u>
NON-CASH INVESTING ACTIVITIES:		
Donated equipment	<u><u>\$ 20,000</u></u>	<u><u>\$ -</u></u>

**RECONCILIATION OF CHANGE IN NET ASSETS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

	<u>2019</u>	<u>2018</u>
CHANGE IN NET ASSETS	\$ 1,209,277	\$ 641,578
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	228,373	99,087
Donated equipment	(20,000)	-
<i>Increase (decrease) in operating assets:</i>		
Grants receivable	(27,412)	174,902
Prepaid expenses	5,530	(64,754)
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	(205,718)	132,463
Payroll and other accrued expenses	28,677	136,557
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,218,727</u>	<u>\$ 1,119,833</u>

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DESCRIPTION OF ORGANIZATION

Purdue Polytechnic High School ("PPHS") is an Indiana public charter high school that was created through the vision of leaders at Purdue University and the City of Indianapolis. PPHS 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. PPHS' main sources of revenue and support are from state and education funding and private grants.

During fiscal year 2018, PPHS operated a high school in downtown Indianapolis authorized by the Office of Education Innovation of the Office of the Mayor of the City of Indianapolis (OEI). In June 2018, OEI approved a second location for Purdue Polytechnic High School, which opened in August 2019.

BASIS OF ACCOUNTING AND USE OF ESTIMATES

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. Actual results could differ from those estimates.

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 PPHS' financial statements as of and for the year ended June 30, 2018, from which the summarized information was derived.

CASH AND CASH EQUIVALENTS

For purposes on the statements of cash flows, PPHS 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, 2019 and 2018.

At June 30, 2019 and 2018, PPHS maintained cash in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) of approximately \$1,934,000 and \$1,041,000, respectively.

GRANTS RECEIVABLE AND PRIVATE FUNDING

Contributions and grants are recognized when the donor makes an unconditional promise to give to PPHS and are recorded at their fair values as revenues and assets in the period the promise is received. Contributions and grants with donor restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. There was no allowance for doubtful accounts at June 30, 2019 or 2018.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

GRANTS RECEIVABLE AND PRIVATE FUNDING, CONTINUED

Grants receivable were due as follows at June 30:

	<u>2019</u>	<u>2018</u>
Within one year	\$ 473,565	\$ 583,098
One to five years	<u>136,945</u>	<u>-</u>
	<u>\$ 610,510</u>	<u>\$ 583,098</u>

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Donated property and equipment are reported at fair value at the date of donation. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3 to 5 years once property and equipment are placed in service. Routine maintenance and repairs are charged to expense as incurred.

NET ASSETS

The financial statements have been prepared in accordance with Accounting Standards for the Preparation of Financial Statements of Not-for-Profit Organizations. These standards require the financial statements to report information regarding its assets, liabilities, and net assets and its revenue, expenses, and other changes in net assets according to net asset class. The PPHS maintains the following classifications of net assets:

Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objections of PPHS. These include revenues and expenses which may be used at the discretion of the management and Board of Directors to support PPHS' purpose and operations.

Board-designated net assets consist of escrow amounts designated for any potential dissolution of PPHS. PPHS' charter requires that each school establish an account held in escrow of \$30,000 no later than December of the third year of operations. PPHS held in escrow \$20,000 and \$10,000 at June 30, 2019 and 2018, respectively.

Net Assets with Donor Restrictions

Net assets with donor restrictions are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature whereby the donor has stipulated a specific purpose or time period. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted promises to give, contributions and grants are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and are reported as net assets released from restrictions in statements of activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

NET ASSETS, CONTINUED

At June 30, net assets were restricted for the following purposes:

	<u>2019</u>	<u>2018</u>
Startup cost	\$ 727,423	\$ 131,500
Training and technology	641,107	765,137
Prevention Programs	9,528	-
Teacher salaries	270,472	48,176
Counseling initiatives	82,439	100,000
	<u>\$ 1,730,969</u>	<u>\$ 1,044,813</u>

STATE AND FEDERAL FUNDING REVENUE RECOGNITION

Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, PPHS 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 educational services are rendered.

A portion of PPHS' revenue is the product of cost reimbursement grants. Accordingly, PPHS recognizes revenue under these grants as costs are incurred.

CONTRIBUTED SERVICES

Pursuant to the Not-for-Profit Organizations Revenue Recognition Accounting Standards for contributed services, contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by PPHS. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

PPHS received \$344,040 and \$479,398 of in-kind contributions during the year ended June 30, 2019 and 2018 for staffing at the school. PPHS also received \$20,000 of in-kind contributions of donated equipment during the year ended June 30, 2019. These in-kind contributions have been included in private funding on the statements of activities. They have been treated as non-cash activities for the purposes of the statements of cash flows.

CONCENTRATION OF CREDIT RISK

The majority of state funding relates to legislation enacted by the State of Indiana and grants awarded under state programs. Changes in state legislation could significantly affect PPHS. State funding represented 40% and 37% of PPHS total revenue during 2019 and 2018, respectively.

TAX STATUS

PPHS is an Indiana not-for-profit corporation and is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. PPHS is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

SUBSEQUENT EVENTS

Subsequent events have been considered through November 15, 2019, which was the date the financial statements were available to be issued. See Note 4.

NEW ACCOUNTING PRONOUNCEMENT

The Organization has adopted ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the year ended June 30, 2019. The update addressed the complexity and understandability of net asset classification by reducing the three categories of unrestricted, temporarily restricted, and permanently restricted to two, net assets with and without donor restrictions. In addition, the update requires a new disclosure regarding availability of resources and liquidity and the presentation of expenses by natural classifications and function. PPHS has adjusted the presentation of these statements accordingly. With the exception of Notes 2 and 7, the update has been applied retrospectively to all periods presented, but had no impact on total net assets as of June 30, 2018.

2. AVAILABLE RESOURCES AND LIQUIDITY

The majority of PPHS revenue is derived from state funding. PPHS also receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions as well as support without donor restrictions including contributions from individuals, organizations and government agencies.

The following table reflects the PPHS’s financial assets as of June 30, 2019, reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date because of donor restrictions or board designations.

Financial assets at year-end:	
Cash	\$ 2,066,799
Grants receivable, current	<u>473,565</u>
Total financial assets available for use within one year:	<u>2,540,364</u>
Board designated net assets	(20,000)
Net assets with donor restrictions	<u>(1,730,969)</u>
Total financial assets not available for use:	<u>(1,750,969)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 789,395</u>

3. LINE OF CREDIT

PPHS has a line of credit which expires in March 2028. The line allows for maximum borrowings of \$400,000 and a variable interest rate per annum equal to the current yield of the Purdue Investment Pool Cash Loan Fund as of June 30th each year, plus one hundred (100) basis points (1%). There was no balance outstanding on the line of credit at June 30, 2019 and 2018.

4. OPERATING LEASES

In June 2017, PPHS entered an agreement to lease space until June 2018. In June 2018 PPHS entered into an agreement to lease space located within the Indianapolis Circle Centre Mall until June 2020. Rent expense for fiscal years 2019 and 2018 was \$397,742 and \$268,771, respectively.

PPHS also leases equipment under operating leases with various expiration dates through June 2022. Lease expense for equipment was \$14,052 and \$3,600 for fiscal years 2019 and 2018, respectively.

Future minimum payments for operating leases are as follows for the years ending June 30:

2020	\$	927,246
2021		14,052
2022		<u>3,600</u>
Total	\$	<u>944,898</u>

Effective July 2019, PPHS entered into a ten-year leasing agreement with annual minimum lease payments beginning in fiscal year 2019. Lease payments are equal to 15% of the per-student state revenue, multiplied by the number of students enrolled, with minimum students equal to no less than 100 for year one and 250 thereafter.

Effective September 2019, PPHS entered into a seven-year leasing agreement with annual minimum lease payments totaling \$684,158 beginning in fiscal year 2021.

5. INNOVATION CHARTER SCHOOL NETWORK AGREEMENT

PPHS has an agreement with The Board of School Commissioners of the City of Indianapolis to be an Innovation Network Charter School through June 2022. As part of the agreement, PPHS has authorized its Basic Tuition Support from the State of Indiana to flow through IPS. Beginning July 1, 2018, through the term of the agreement, IPS may deduct \$2,083 monthly from PPHS' Basic Tuition Support for services IPS renders in connection with the agreement.

6. RETIREMENT PLANS

PPHS 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. In 2019, PPHS contributed 7.5% of compensation for teaching faculty to TRF. Should PPHS elect to withdraw from TRF, PPHS could be subject to a withdrawal fee. PPHS' contributions represent an insignificant percentage of the total contributions received by TRF.

As of June 30, 2018 (the latest year reported). TRF was more than 88% funded. A copy of the complete annual report for the year ended June 30, 2018 can be obtained at:

https://www.in.gov/inprs/files/2018_INPRSCAFRBook.pdf

6. RETIREMENT PLANS, CONTINUED

In fiscal years 2019 and 2018, the retirement plan expense under the TRF was \$66,196 and \$60,197, respectively.

PPHS provides a 403(b) defined contribution plan to employees who are 18 years of age or older and who were not eligible for TRF. PPHS provided a discretionary contribution for participating employees of \$112,461 and \$62,913, during fiscal years 2019 and 2018, respectively.

7. FUNCTIONAL EXPENSE REPORTING

The costs of providing the educational activities have been summarized on a natural classification basis in the statement of activities. Following is a summary of expenses comprising program services, management and general, and fundraising for the year ended June 30, 2019:

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 1,606,253	\$ 955,179	\$ 16,625	\$ 2,578,057
Professional services	411,752	444,042	-	855,794
Food cost	105,720	-	-	105,720
Classroom, kitchen and office supplies	116,348	73,103	-	189,451
Information technology	33,699	96,441	-	130,140
Occupancy	575,678	-	-	575,678
Depreciation	228,373	-	-	228,373
Other	199,093	7,488	-	206,581
	<u>\$ 3,276,916</u>	<u>\$ 1,576,253</u>	<u>\$ 16,625</u>	<u>\$ 4,869,794</u>

Expenses have been allocated based on time and effort.

8. FEDERAL, STATE, AND LOCAL GRANT AWARDS

In accordance with guidelines established by the Indiana State Board of Accounts, this federal, state, and local grant information was included to aid in the verification of Indiana financial assistance on the Annual Financial Report (AFR).

PURDUE POLYTECHNIC HIGH SCHOOL
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019 AND 2018

8. FEDERAL, STATE, AND LOCAL GRANT AWARDS, CONTINUED

Program Name	Grantor Name	CFDA	Revenue	Expense	Funding Type
Federal Lunch Reimbursement	Indiana Department of Education	10.555	\$52,856	\$105,720	Federal grant passed through state or local government
Title I, Cluster	Indiana Department of Education	84.010	\$106,683	\$106,683	Federal grant passed through state or local government
Title II, Part A	Indiana Department of Education	84.367	\$9,483	\$9,483	Federal grant passed through state or local government
Special Education Cluster (IDEA, Part B)	Indiana Department of Education	84.027	\$46,203	\$46,203	Federal grant passed through state or local government
Charter School Program	Indiana Department of Education	84.282	\$298,757	\$298,757	Federal grant passed through state or local government
Non-English Speaking Program	Indiana Department of Education	N/A	\$1,800	\$1,800	State or Local Government
Basic Tuition Support	Indiana Department of Education	N/A	\$1,824,815	\$1,824,815	State or Local Government
Vocational Education	Indiana Department of Education	N/A	\$190,310	\$190,310	State or Local Government
Charter School	Indiana Department of Education	N/A	\$129,500	\$129,500	State or Local Government
State Special Education	Indiana Department of Education	N/A	\$209,296	\$209,296	State or Local Government
Textbook Reimbursement	Indiana Department of Education	N/A	\$12,494	\$12,494	State or Local Government
High Ability Grant	Indiana Department of Education	N/A	\$12,761	\$12,761	State or Local Government
Teacher Appreciation Grant	Indiana Department of Education	N/A	\$7,644	\$7,644	State or Local Government
Mediation Testing	Indiana Department of Education	N/A	\$2,111	\$2,111	State or Local Government
Summer School Reimbursement	Indiana Department of Education	N/A	\$6,025	\$6,025	State or Local Government
State Lunch Match	Indiana Department of Education	N/A	\$612	\$612	State or Local Government
Secured Schools Safety Grant	Indiana Department of Education	N/A	\$28,094	\$28,094	State or Local Government
State Connectivity	Indiana Department of Education	N/A	\$7,000	\$7,000	State or Local Government
		Total	\$2,946,444	\$2,999,308	



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Purdue Polytechnic High School:

We have audited the financial statements of Purdue Polytechnic High School as of and for the year ended June 30, 2019 and 2018, and our report thereon dated November 15, 2019, which expressed an unmodified opinion on those financial statements, appears on page two. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of financial position and activities by school as of and for the years ended June 30, 2019 and 2018, in Exhibits I through IV, are presented for purposes of additional analysis rather than to present financial position and results of operations of the schools, and are 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 audits of 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 statements of financial position and activities by school as of and for the years ended June 30, 2019 and 2018 are fairly stated, in all material respects, in relation to financial statements as a whole.

Greenwalt CPAs, Inc.

November 15, 2019

PURDUE POLYTECHNIC HIGH SCHOOL
 STATEMENTS OF FINANCIAL POSITION BY SCHOOL
 JUNE 30, 2019

Exhibit I

	<u>DOWNTOWN</u>	<u>SCHOOL TWO</u>	<u>NETWORK</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
<u>ASSETS</u>					
CURRENT ASSETS					
Cash	\$ 491,425	\$ 1,385,656	\$ 189,718	\$ -	\$ 2,066,799
Grants receivable	303,635	33,586	136,344	-	473,565
Prepaid expenses	66,063	1,719	18,563	-	86,345
<i>Total current assets</i>	<u>861,123</u>	<u>1,420,961</u>	<u>344,625</u>	<u>-</u>	<u>2,626,709</u>
GRANT RECEIVABLE	-	-	136,945	-	136,945
PROPERTY AND EQUIPMENT					
Furniture	508,571	-	-	-	508,571
Equipment	275,949	24,731	-	-	300,680
Computer equipment	265,623	7,168	-	-	272,791
Textbooks	4,593	-	-	-	4,593
Leasehold improvements	14,229	-	-	-	14,229
Vehicles	93,121	-	-	-	93,121
Accumulated depreciation	(327,265)	(1,815)	-	-	(329,080)
<i>Total property and equipment, net</i>	<u>834,821</u>	<u>30,084</u>	<u>-</u>	<u>-</u>	<u>864,905</u>
<i>Total assets</i>	<u>\$ 1,695,944</u>	<u>\$ 1,451,045</u>	<u>\$ 481,570</u>	<u>\$ -</u>	<u>\$ 3,628,559</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Accounts payable	\$ 51,947	\$ (2,330)	\$ 35,450	\$ -	\$ 85,067
Payroll and other accrued expenses	134,868	35,525	12,100	-	182,493
<i>Total current liabilities</i>	<u>186,815</u>	<u>33,195</u>	<u>47,550</u>	<u>-</u>	<u>267,560</u>
NET ASSETS					
Without donor restrictions	909,199	266,811	434,020	-	1,610,030
Without donor restrictions - board designated	20,000	-	-	-	20,000
<i>Total net assets without donor restrictions</i>	<u>929,199</u>	<u>266,811</u>	<u>434,020</u>	<u>-</u>	<u>1,630,030</u>
With donor restrictions	579,930	1,151,039	-	-	1,730,969
<i>Total net assets</i>	<u>1,509,129</u>	<u>1,417,850</u>	<u>434,020</u>	<u>-</u>	<u>3,360,999</u>
<i>Total liabilities and net assets</i>	<u>\$ 1,695,944</u>	<u>\$ 1,451,045</u>	<u>\$ 481,570</u>	<u>\$ -</u>	<u>\$ 3,628,559</u>

PURDUE POLYTECHNIC HIGH SCHOOL
STATEMENT OF ACTIVITIES BY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit II

	<u>DOWNTOWN</u>	<u>SCHOOL TWO</u>	<u>NETWORK</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
UNRESTRICTED REVENUE AND SUPPORT					
Private funding	\$ 1,297,920	\$ 1,140,000	\$ 615,936	\$ -	\$ 3,053,856
State funding	2,432,462	-	-	-	2,432,462
Federal funding	490,351	33,586	-	-	523,937
Other Income	68,816	-	547,445	(547,445)	68,816
<i>Total revenue and support</i>	<u>4,289,549</u>	<u>1,173,586</u>	<u>1,163,381</u>	<u>(547,445)</u>	<u>6,079,071</u>
EXPENSES					
Salaries and wages	1,388,376	205,926	427,294	-	2,021,596
Employee benefits	399,927	50,064	106,470	-	556,461
Staff development and recruitment	23,057	9,814	465	-	33,336
Professional services	957,668	1,529	444,042	(547,445)	855,794
Transportation	55,471	-	-	-	55,471
Food cost	105,720	-	-	-	105,720
Repairs and maintenance	40,427	-	-	-	40,427
Classroom, kitchen and office supplies	181,249	8,202	-	-	189,451
Information technology	33,699	-	96,441	-	130,140
Occupancy	575,139	539	-	-	575,678
Depreciation	226,558	1,815	-	-	228,373
Insurance	13,829	-	4,381	-	18,210
Other	52,781	3,714	2,642	-	59,137
<i>Total expenses</i>	<u>4,053,901</u>	<u>281,603</u>	<u>1,081,735</u>	<u>(547,445)</u>	<u>4,869,794</u>
CHANGE IN NET ASSETS	235,648	891,983	81,646	-	1,209,277
NET ASSET TRANSFERS	(588,153)	441,443	146,710	-	-
NET ASSETS, BEGINNING OF YEAR	<u>1,861,634</u>	<u>84,424</u>	<u>205,664</u>	<u>-</u>	<u>2,151,722</u>
NET ASSETS, END OF YEAR	<u>\$ 1,509,129</u>	<u>\$ 1,417,850</u>	<u>\$ 434,020</u>	<u>\$ -</u>	<u>\$ 3,360,999</u>

	DOWNTOWN	SCHOOL TWO	NETWORK	TOTAL
ASSETS				
CURRENT ASSETS				
Cash	\$ 920,949	\$ 85,000	\$ 201,439	\$ 1,207,388
Grants receivable	565,098	-	18,000	583,098
Prepaid expenses	91,875	-	-	91,875
<i>Total current assets</i>	<u>1,577,922</u>	<u>85,000</u>	<u>219,439</u>	<u>1,882,361</u>
PROPERTY AND EQUIPMENT				
Furniture	466,133	-	-	466,133
Equipment	105,667	-	-	105,667
Computer equipment	149,748	-	-	149,748
Vehicles	93,121	-	-	93,121
Accumulated depreciation and amortization	(100,707)	-	-	(100,707)
<i>Total property and equipment, net</i>	<u>713,962</u>	<u>-</u>	<u>-</u>	<u>713,962</u>
<i>Total assets</i>	<u>\$ 2,291,884</u>	<u>\$ 85,000</u>	<u>\$ 219,439</u>	<u>\$ 2,596,323</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 290,209	\$ 576	\$ -	\$ 290,785
Payroll and other accrued expensrs	140,041	-	13,775	153,816
<i>Total liabilities</i>	<u>430,250</u>	<u>576</u>	<u>13,775</u>	<u>444,601</u>
NET ASSETS				
Without donor restrictions	952,776	(576)	144,709	1,096,909
Without donor restrictions - board designated	10,000	-	-	10,000
<i>Total net assets without donor restrictions</i>	<u>962,776</u>	<u>(576)</u>	<u>144,709</u>	<u>1,106,909</u>
With donor restrictions	898,858	85,000	60,955	1,044,813
<i>Total net assets</i>	<u>1,861,634</u>	<u>84,424</u>	<u>205,664</u>	<u>2,151,722</u>
<i>Total liabilities and net assets</i>	<u>\$ 2,291,884</u>	<u>\$ 85,000</u>	<u>\$ 219,439</u>	<u>\$ 2,596,323</u>

PURDUE POLYTECHNIC HIGH SCHOOL
 STATEMENTS OF ACTIVITIES BY SCHOOL
 FOR THE YEAR ENDED JUNE 30, 2018

Exhibit IV

	<u>DOWNTOWN</u>	<u>SCHOOL TWO</u>	<u>NETWORK</u>	<u>ELIMINATIONS</u>	<u>TOTAL</u>
UNRESTRICTED REVENUE AND SUPPORT					
Private funding	\$ 1,159,613	\$ 215,000	\$ 693,218	\$ -	\$ 2,067,831
State funding	1,417,100	-	-	-	1,417,100
Federal funding	322,045	-	-	-	322,045
Other Income	38,961	-	155,000	(155,000)	38,961
<i>Total revenue and support</i>	<u>2,937,719</u>	<u>215,000</u>	<u>848,218</u>	<u>(155,000)</u>	<u>3,845,937</u>
EXPENSES					
Salaries and wages	1,087,756	-	258,410	-	1,346,166
Employee benefits	312,440	-	62,301	-	374,741
Staff development and recruitment	35,467	576	-	-	36,043
Professional services	233,870	130,000	479,781	(155,000)	688,651
Transportation	40,440	-	-	-	40,440
Food cost	82,809	-	-	-	82,809
Repairs and maintenance	472	-	-	-	472
Classroom, kitchen and office supplies	96,600	-	-	-	96,600
Information technology	93,952	-	-	-	93,952
Occupancy	304,405	-	-	-	304,405
Depreciation	99,087	-	-	-	99,087
Insurance	14,288	-	-	-	14,288
Other	25,363	-	1,342	-	26,705
<i>Total expenses</i>	<u>2,426,949</u>	<u>130,576</u>	<u>801,834</u>	<u>(155,000)</u>	<u>3,204,359</u>
CHANGE IN NET ASSETS	510,770	84,424	46,384	-	641,578
NET ASSETS, BEGINNING OF YEAR	<u>1,350,864</u>	<u>-</u>	<u>159,280</u>	<u>-</u>	<u>1,510,144</u>
NET ASSETS, END OF YEAR	<u>\$ 1,861,634</u>	<u>\$ 84,424</u>	<u>\$ 205,664</u>	<u>\$ -</u>	<u>\$ 2,151,722</u>

PURDUE POLYTECHNIC HIGH SCHOOL

OTHER REPORT

JUNE 30, 2019

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

Supplemental Audit Report of Purdue Polytechnic High School