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B56071

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

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

November 23, 2020


Charter School Board  
The Hammond Urban Academy, Inc.  
33 Muenich Ct  
Hammond, IN 46320

We have reviewed the audit report of The Hammond Urban Academy, Inc. which was opined upon by RSM US LLP, 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 The Hammond Urban Academy, Inc. 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, RSM US LLP 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 The Hammond Urban Academy, Inc., was prepared in accordance with the guidelines established by the State Board of Accounts.

The audited Financial Statements and Supplemental Audit Report are filed in our office as a matter of public record.

  
Paul D. Joyce, CPA  
State Examiner



# **The Hammond Urban Academy, Inc.**

Financial Report  
June 30, 2019

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## Independent Auditor's Report

RSM US LLP

To the Board of Directors  
The Hammond Urban Academy, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of The Hammond Urban Academy, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018, the related statements of activities and cash flows for the years 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 auditor's 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 accounting 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 The Hammond Urban Academy, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2019 the School adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

*RSM US LLP*

Elkhart, Indiana  
November 11, 2020

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The Hammond Urban Academy, Inc.

Statements of Financial Position  
June 30, 2019 and 2018

	2019	2018
<b>Assets</b>		
Current assets:		
Cash	\$ 1,073,981	\$ 1,472,477
Grants receivable	29,364	54,150
Prepaid expenses	51,295	57,049
<b>Total current assets</b>	<b>1,154,640</b>	<b>1,583,676</b>
Property and equipment:		
Land	5,671,123	5,671,123
Building and improvements	13,354,515	13,337,095
Furniture and equipment	2,808,951	2,438,835
Textbooks	144,890	144,890
	<b>21,979,479</b>	<b>21,591,943</b>
Accumulated depreciation	6,516,430	5,806,304
	<b>15,463,049</b>	<b>15,785,639</b>
Cash restricted for debt service	946,431	925,604
	<b>\$ 17,564,120</b>	<b>\$ 18,294,919</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 105,108	\$ 132,224
Accrued salaries and related benefits	274,402	259,306
Accrued interest	17,981	186,345
Current portion of obligations under capital lease	100,739	116,454
Current portion of long-term debt	432,698	507,698
Deferred revenue	50,473	-
<b>Total current liabilities</b>	<b>981,401</b>	<b>1,202,027</b>
Long-term liabilities:		
Obligations under capital lease	197,059	65,693
Long-term debt, net	10,502,426	11,004,099
<b>Total long-term liabilities</b>	<b>10,699,485</b>	<b>11,069,792</b>
Net assets:		
Without donor restrictions	5,883,234	6,023,100
<b>Total net assets</b>	<b>5,883,234</b>	<b>6,023,100</b>
	<b>\$ 17,564,120</b>	<b>\$ 18,294,919</b>

See notes to financial statements.

**The Hammond Urban Academy, Inc.**

**Statements of Activities  
Years Ended June 30, 2019 and 2018**

	2019	2018
Changes in net assets without donor restrictions:		
Revenues:		
State education support	\$ 3,648,227	\$ 3,410,191
Grant revenue	762,638	696,957
Student fees	180,301	246,689
Contributions	697,867	668,373
Other	54,096	89,956
Releases from purpose restrictions	-	49,433
<b>Total revenues</b>	<b>5,343,129</b>	<b>5,161,599</b>
Expenses:		
Program services	4,538,511	4,100,590
Management and general	944,484	872,516
<b>Total expenses</b>	<b>5,482,995</b>	<b>4,973,106</b>
<b>Change in net assets without donor restrictions</b>	<b>(139,866)</b>	<b>188,493</b>
Changes in net assets with donor restrictions:		
Releases from purpose restrictions	-	(49,433)
<b>Change in net assets with donor restrictions</b>	<b>-</b>	<b>(49,433)</b>
<b>Change in net assets</b>	<b>(139,866)</b>	<b>139,060</b>
Net assets, beginning of year	<b>6,023,100</b>	5,884,040
Net assets, end of year	<b>\$ 5,883,234</b>	<b>\$ 6,023,100</b>

See notes to financial statements.

**The Hammond Urban Academy, Inc.**

**Statements of Cash Flows  
Years Ended June 30, 2019 and 2018**

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (139,866)	\$ 139,060
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	726,151	716,734
Change in current assets and liabilities:		
(Increase) decrease in:		
Grants receivable	24,786	(44,094)
Prepaid expenses	5,754	26,730
Increase (decrease) in:		
Accounts payable	(27,116)	53,354
Accrued expenses	(153,268)	7,596
Deferred revenue	50,473	-
<b>Net cash provided by operating activities</b>	<b>486,914</b>	<b>899,380</b>
Cash flows from investing activities:		
Acquisition of property and equipment	(126,624)	(100,609)
Increase in cash restricted for debt service	(20,827)	(10,604)
<b>Net cash used in investing activities</b>	<b>(147,451)</b>	<b>(111,213)</b>
Cash flows from financing activities:		
Principal payments on long-term debt	(592,698)	(502,698)
Principal payments on obligations under capital lease	(145,261)	(9,313)
<b>Net cash used in financing activities</b>	<b>(737,959)</b>	<b>(512,011)</b>
<b>(Decrease) increase in cash</b>	<b>(398,496)</b>	<b>276,156</b>
Cash, beginning	1,472,477	1,196,321
Cash, ending	<u>\$ 1,073,981</u>	<u>\$ 1,472,477</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 683,550</u>	<u>\$ 482,912</u>
Equipment acquired in exchange for capital lease	<u>\$ 260,912</u>	<u>\$ 28,557</u>

See notes to financial statements.

**The Hammond Urban Academy, Inc.**

**Notes to Financial Statements**

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**Note 1. Nature of School and Significant Accounting Policies**

**Nature of school:** The Hammond Urban Academy, Inc. (the School) is a public benefit not-for-profit school incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24 and is sponsored by Calumet College of St. Joseph. The School is dedicated to providing the highest quality level of education to students in grades six to twelve by implementing state of the art technology and research-based instruction in an environment conducive to learning.

**Significant accounting policies:**

**Basis of accounting:** The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash:** The School has cash on deposit in a financial institution, which, at times, may exceed the limits of coverage provided by the Federal Deposit Insurance Corporation (FDIC).

For purposes of the statements of cash flows, the School considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

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

**Deferred loan costs:** Costs associated with debt issuance are amortized over the life of the related debt obligation using the straight-line method, which approximates the effective interest method. Amortization of deferred loan costs amounted to approximately \$16,000 for each of the years ended June 30, 2019 and 2018, respectively.

**Property and equipment:** Property and equipment are stated at cost or, if donated to the School, at fair value on the date of acquisition. Additions and improvements are capitalized; expenditures for routine maintenance are charged to operations. When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited to or charged against income for the period.

Depreciation is computed using the straight-line and accelerated methods for property and equipment over the following estimated useful lives:

	Years
Buildings and improvements	30 to 40
Furniture and equipment	3 to 5
Textbooks	5

The School has a capitalization policy that states all property and equipment in excess of \$1,000 are to be capitalized and depreciated. Depreciation expense totaled approximately \$710,000 and \$701,000 for the years ended June 30, 2019 and 2018, respectively.

## The Hammond Urban Academy, Inc.

### Notes to Financial Statements

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#### Note 1. Nature of School and Significant Accounting Policies (Continued)

**Long-lived assets:** The School reviews its long-lived assets periodically to determine potential impairment by comparing the carrying value of the long-lived assets with the estimated future net undiscounted cash flows expected to result from the use of assets, including cash flows from disposition. Should the sum of the expected future net cash flows be less than the carrying value, the School would recognize an impairment loss at that date. An impairment loss would be measured by comparing the amount by which the carrying value exceeds the fair value of long-lived assets. There was no impairment at June 30, 2019 and 2018.

**Classification and reporting of net assets:** Accounting standards require the School to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of each class of net assets follows:

- Net assets without donor restrictions represent the portion of net assets of the School that is not restricted by donor-imposed stipulations. Net assets without donor restrictions include expendable funds available for the support of the School.
- Net assets with donor restrictions represent contributions and other inflows of assets whose use by the School is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the School pursuant to those stipulations. At June 30, 2019 and 2018, the School had no net assets with donor restrictions.

**Revenue recognition:** Revenues are substantially received 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 beginning in July through June coinciding with the academic school year. Revenue is recognized in the year in which the educational services are rendered. Deferred revenue is recorded for amounts received for student tuition and fees prior to fiscal year-end, but which related to the subsequent fiscal year.

A portion of the School's revenue is from cost reimbursement grants. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred.

**Contributions:** Contributions are recognized as revenues in the period received. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. The School reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. Donor restricted contributions whose restrictions are met in the same reporting period are reported in the statement of activities as net assets without donor restrictions.

**Income taxes:** The School is incorporated as a not-for-profit under the laws of the State of Indiana and is exempt from federal and state income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code, except for taxes pertaining to unrelated business income, if any, and is not considered a private foundation. Contributions by the public are deductible for income tax purposes.

The School follows the accounting guidance for uncertainty in income taxes. The standard clarifies the accounting for uncertainty in income taxes by prescribing the recognition threshold a tax position is required to meet before being recognized in the financial statements. The guidance also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. Management believes the School has no material uncertainties in income taxes. With few exceptions, the School is no longer subject to examination for years before 2016.

## The Hammond Urban Academy, Inc.

### Notes to Financial Statements

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#### Note 1. Nature of School and Significant Accounting Policies (Continued)

**Change in accounting principle:** The School implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* in the current year, applying the changes retrospectively. The new standard changes the following aspects of the financial statements:

- The temporarily and permanently restricted net asset classes have been combined in a single net asset class renamed net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a disclosure about liquidity and availability of resources (see Note 2).
- The financial statements include additional disclosures about expenses, including allocation methodology by function and management's evaluation process (see Note 8).

**Recent accounting pronouncements:** In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is permitted. The updated standard is effective for the School's June 30, 2021, financial statements. The School has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the School's June 30, 2023, financial statements. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The School is currently evaluating the effect of the pending adoption of the new standard on the financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown in the statement of cash flows. The ASU will be effective for the School's June 30, 2020, financial statements. Early adoption is permitted. The School is currently evaluating the impact of the adoption of this guidance on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU will be effective for the School's June 30, 2020, financial statements. Early adoption is permitted. The School is currently evaluating the impact of the adoption of this guidance on its financial statements.

## The Hammond Urban Academy, Inc.

### Notes to Financial Statements

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#### Note 1. Nature of School and Significant Accounting Policies (Continued)

**Subsequent events:** The School has evaluated subsequent events for potential recognition and/or disclosure through November 11, 2020, the date the financial statements were available to be issued.

On March 11, 2020, the World Health Organization characterized the novel COVID-19 virus as a global pandemic. The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses and individuals throughout the world. The continued spread of COVID-19 may adversely impact the local, regional, and national economies. COVID-19 has not adversely impacted the cash flows of the School as of the date of this report and management does not expect a significant impact going forward. However, the extent to which COVID-19 impacts the School's results could depend on future developments, which are highly uncertain and cannot be predicted.

On March 27, 2020, the CARES Act was signed into law. The CARES Act legislation is intended to provide relief for small business institutions that have been negatively impacted by the COVID-19 pandemic. One of the many provisions of the CARES Act, the Paycheck Protection Program (PPP) provides loan funds to prevent layoffs and operational closures during the pandemic. The School applied for and received PPP loan proceeds in the amount of approximately \$500,000. Although there are no assurances if certain conditions of the PPP loan program are met, the PPP loan is forgivable. The School also received additional grant funding of approximately \$142,000 as a part of the CARES Act.

#### Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of statement of financial position, comprise the following at June 30, 2019:

Cash and restricted cash	\$ 2,020,412
Grants receivable	<u>29,364</u>
	2,049,776
Less amounts not available to be used within one year:	
Cash restricted for debt service	<u>946,431</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 1,103,345</u></u>

General expenditures include program expenses and supporting services expected to be paid in the subsequent year.

The School regularly monitors liquidity required to meet its annual operating needs and other contractual commitments.

**The Hammond Urban Academy, Inc.**

**Notes to Financial Statements**

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**Note 3. Long-Term Debt**

Long-term debt at June 30, consisted of the following:

	<u>2019</u>	<u>2018</u>
\$9,175,000 Note, City of Hammond, issued through Economic Development Revenue Bonds, Series 2016B, payable in semi-annual installments ranging from \$70,000 to \$475,000, plus interest at 5.00%, secured by building, until maturity in August 2035	\$ 8,620,000	\$ 8,870,000
Common School Loan, State of Indiana, payable in semi-annual installments of \$171,349, plus interest at 1.00%, until maturity in July 2026	2,570,234	2,912,932
	<u>11,190,234</u>	<u>11,782,932</u>
Less current maturities	432,698	507,698
	<u>10,757,536</u>	<u>11,275,234</u>
Less deferred charges, net of amortization	255,110	271,135
	<u>\$ 10,502,426</u>	<u>\$ 11,004,099</u>

Aggregate maturities of long-term debt outstanding at June 30, 2019, are as follows:

2020	\$ 432,698
2021	527,698
2022	537,698
2023	547,698
2024	557,698
Thereafter	8,586,744
	<u>\$ 11,190,234</u>

The bond loan agreements require deposits in an escrow account as a debt service reserve. The deposits were funded from the proceeds of the bonds. The total amount held in escrow and included in cash restricted for debt service on the statements of financial position as of June 30, 2019 and 2018, is \$946,431 and \$925,604, respectively.

The interest expense was approximately \$503,000 and \$477,000 for the years ended June 30, 2019 and 2018, respectively.

The City of Hammond has also committed to supplement any anticipated shortfall the School may have in meeting the debt service obligation. For each year ended June 30, 2019 and 2018, the City of Hammond provided funding in the amount of \$650,000 which is presented in contributions in the statements of activities to meet the debt service obligation. The School has also received funding from the City of Hammond in the amount of \$650,000 for fiscal year 2020.

## The Hammond Urban Academy, Inc.

### Notes to Financial Statements

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#### Note 4. Capital and Operating Leases

The School is leasing computer, television and office equipment under capital lease agreements which expire at various dates from May 2020 through April 2024. The lease agreements require minimum monthly principal payments of approximately \$4,670, \$2,870 and \$1,420, respectively. A summary of the equipment under capital lease agreements at June 30, is as follows:

	2019	2018
Cost	\$ 503,444	\$ 242,532
Less accumulated depreciation	159,842	68,804
Net leased assets included in property and equipment	<u>\$ 343,602</u>	<u>\$ 173,728</u>

Future minimum lease payments under the lease are as follows:

Year ending June 30,		
2020		\$ 115,742
2021		58,044
2022		58,044
2023		58,044
2024		46,730
Total minimum lease payments		<u>336,602</u>
Less amount representing interest		38,804
Present value of minimum lease payments		<u>\$ 297,798</u>

The School had an operating lease for office equipment which effectively ended in December 2018 as a result of the School entering into a capital lease agreement for office equipment. Lease expense for the years ended June 30, 2019 and 2018, totaled approximately \$14,100 and \$14,700, respectively.

The interest expense was approximately \$12,000 and \$7,000 for the years ended June 30, 2019 and 2018, respectively.

#### Note 5. Commitments

The School operates under a charter granted by Calumet College of St. Joseph. As the sponsoring organization, Calumet College of St. Joseph exercises certain oversight responsibilities. Under this charter, the School agrees to pay to Calumet College of St. Joseph an annual authorizer's fee equal to 3% of state tuition payments received. The charter is effective until June 2023. Payments under this agreement were approximately \$88,800 and \$85,100 for the years ended June 30, 2019 and 2018, respectively.

#### Note 6. Risk and Uncertainties

The School provides education services to families residing in Lake County and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

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

## The Hammond Urban Academy, Inc.

### Notes to Financial Statements

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#### Note 6. Risk and Uncertainties (Continued)

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2019, substantially all of the grants receivable balance was due from the State of Indiana. Bank deposits are maintained at a bank and are insured up to the FDIC insurance limit.

#### Note 7. Retirement Plan

Retirement benefits for school employees are provided by the Indiana State Teachers' Retirement Fund (TRF) and the Indiana Public Employees' Retirement Fund (PERF), both of which are multiple-employer cost-sharing defined benefit retirement plans governed by the State of Indiana and administered by the Indiana Public Retirement System (INPRS) Board. Contribution requirements of plan members are established by the INPRS Board. For the years ended June 30, 2019 and 2018, the School contributed 10.5% of compensation for teaching faculty to TRF. The contribution to PERF for other employees was 10.75% of compensation. Substantially all full-time employees are eligible to participate. Retirement plan expense was approximately \$235,200 and \$214,400 for the years ended June 30, 2019 and 2018, respectively.

#### Note 8. Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and amortization, network support and equipment, insurance, interest, occupancy, and repairs and maintenance, which are allocated on a square footage basis. Salaries and wages and employee benefits are allocated on the basis of estimates of time and effort. Management evaluates these allocations on an annual basis. Expenses by functional and natural classification consist of the following:

	2019		2018	
	Program Services	Management and General	Program Services	Management and General
Salaries and wages	\$ 2,095,335	\$ 349,503	\$ 1,919,843	\$ 326,663
Employee benefits	668,196	118,664	580,189	106,790
Authorizer's fees	-	88,790	-	85,106
Supplies and materials	84,640	4,976	70,469	3,753
Contracted transportation	-	-	882	-
Depreciation and amortization	617,228	108,923	609,224	107,510
Network support and equipment	95,701	16,888	70,459	12,434
Food service	133,202	-	110,561	-
Insurance	107,551	18,980	71,322	12,586
Interest	437,908	77,278	411,116	72,550
Occupancy	129,990	22,939	125,245	22,102
Professional fees	56,113	106,751	49,829	97,783
Repairs and maintenance	18,072	-	24,002	-
Staff development	85,976	320	50,200	-
Other	8,599	30,472	7,249	25,239
Total expenses	<u>\$ 4,538,511</u>	<u>\$ 944,484</u>	<u>\$ 4,100,590</u>	<u>\$ 872,516</u>

## **Supplementary Information**

**The Hammond Urban Academy, Inc.**

**Supplemental Report Information**

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The Independent Auditor's Report presented on pages 1 and 2 was prepared in addition to another official report prepared for the School as listed below:

Supplemental Audit Report of The Hammond Urban Academy, 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*.