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STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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December 8, 2020

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, 2019 to June 30, 2020. 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, 2020 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, 2020 AND 2019

GREENWALT CPAs

We Deliver Peace of Mind

PURDUE POLYTECHNIC HIGH SCHOOL

TABLE OF CONTENTS

JUNE 30, 2020 AND 2019

Independent Auditors' Report 2

Statements of Financial Position 4

Statements of Activities 5

Statements of Cash Flows 6

Notes to Financial Statements 8

Independent Auditors' Report on Supplementary Information 17

Statements of Financial Position by School June 30, 2020 18

Statements of Activities by School for the Year Ended June 30, 2020 19

Statements of Financial Position by School June 30, 2019 20

Statements of Activities by School for the Year Ended June 30, 2019 21

Other Report 22

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GREENWALT CPAs

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, 2020, 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, 2020, 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' 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Greenwalt CPAs, Inc.

November 12, 2020

PURDUE POLYTECHNIC HIGH SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash	$ 2,069,309	$ 2,066,799
Grants receivable	443,157	473,565
Prepaid expenses	266,020	86,345
Total current assets	2,778,486	2,626,709
NON-CURRENT GRANT RECEIVABLE	-	136,945
PROPERTY AND EQUIPMENT		
Furniture	770,932	508,571
Equipment	479,506	300,680
Computer equipment	363,049	272,791
Textbooks	4,593	4,593
Leasehold improvements	14,229	14,229
Vehicles	202,621	93,121
Assets not placed in service	679,841	-
Accumulated depreciation	(732,281)	(329,080)
Total property and equipment, net	1,782,490	864,905
Total assets	$ 4,560,976	$ 3,628,559

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 84,050	$ 85,067
Payroll and other accrued expenses	742,519	182,493
Paycheck protection program refundable advance	649,117	-
Total liabilities	1,475,686	267,560
COMMITMENTS (NOTES 4 AND 5)		
NET ASSETS		
Without donor restrictions	2,170,548	1,610,030
Without donor restrictions - board designated	40,000	20,000
Total net assets without donor restrictions	2,210,548	1,630,030
With donor restrictions	874,742	1,730,969
Total net assets	3,085,290	3,360,999
Total liabilities and net assets	$ 4,560,976	$ 3,628,559

See accompanying notes to financial statements.

PURDUE POLYTECHNIC HIGH SCHOOL

STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2020	2019
REVENUE AND SUPPORT				
Private funding	$ 552,836	$ 1,357,604	$ 1,910,440	$ 3,053,856
State funding	4,153,488	-	4,153,488	2,432,462
Federal funding	648,927	-	648,927	523,937
Other income	280,725	-	280,725	68,816
Net assets released from restrictions	2,213,831	(2,213,831)	-	-
Total revenue and support	7,849,807	(856,227)	6,993,580	6,079,071
EXPENSES				
Salaries and wages	3,066,088	-	3,066,088	2,021,596
Employee benefits	854,534	-	854,534	556,461
Staff development and recruitment	38,784	-	38,784	33,336
Professional services	1,174,810	-	1,174,810	855,794
Transportation	62,796	-	62,796	55,471
Food cost	141,790	-	141,790	105,720
Repairs and maintenance	80,967	-	80,967	40,427
Classroom, kitchen and office supplies	331,376	-	331,376	189,451
Information technology	136,893	-	136,893	130,140
Occupancy	792,199	-	792,199	575,678
Depreciation	403,202	-	403,202	228,373
Insurance	38,748	-	38,748	18,210
Other	147,102	-	147,102	59,137
Total expenses	7,269,289	-	7,269,289	4,869,794
CHANGE IN NET ASSETS	580,518	(856,227)	(275,709)	1,209,277
NET ASSETS, BEGINNING OF YEAR	1,630,030	1,730,969	3,360,999	2,151,722
NET ASSETS, END OF YEAR	$ 2,210,548	$ 874,742	$ 3,085,290	$ 3,360,999

See accompanying notes to financial statements.

NET CHANGE IN CASH

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from private funding	$ 1,910,440	$ 3,033,856
Cash received from state and federal funding	4,969,768	2,928,987
Cash received from other income sources	280,725	68,816
Cash paid to suppliers and employees	(5,837,636)	(4,812,932)
Net cash provided by operating activities	1,323,297	1,218,727
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,320,787)	(359,316)
NET CHANGE IN CASH	2,510	859,411
CASH, BEGINNING OF YEAR	2,066,799	1,207,388
CASH, END OF YEAR	$ 2,069,309	$ 2,066,799
NON-CASH OPERATING ACTIVITIES:		
In-kind services	$ 357,583	$ 344,040
NON-CASH INVESTING ACTIVITIES:		
Donated equipment	$ -	$ 20,000

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

	2020	2019
CHANGE IN NET ASSETS	$ (275,709)	$ 1,209,277
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	403,202	228,373
Donated equipment	-	(20,000)
Increase (decrease) in operating assets		
Grants receivable	167,353	(27,412)
Prepaid expenses	(179,675)	5,530
Increase (decrease) in operating liabilities		
Accounts payable	(1,017)	(205,718)
Payroll and other accrued expenses	560,026	28,677
Paycheck protection program refundable advance	649,117	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,323,297	$ 1,218,727

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 federal education funding and private grants.

During fiscal year 2019, PPHS operated a high school in downtown Indianapolis and a high school in Broadripple, both of which are authorized by the Office of Education Innovation of the Office of the Mayor of the City of Indianapolis (OEI). During fiscal year 2020, the downtown school was moved to the east side of Indianapolis. In December 2019, the Indiana Charter School Board approved a charter for a third location located in South Bend, Indiana which opened in August 2020.

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, 2019, 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, 2020 and 2019.

At June 30, 2020 and 2019, PPHS maintained cash in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) of approximately $1,925,000 and $1,934,000, 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, 2020 or 2019.

1. Summary of Significant Accounting Policies, Continued

Grants Receivable and Private Funding, Continued

Grants receivable were due as follows at June 30:

	2020	2019
Within one year	$ 372,191	$ 473,565
One to five years	-	136,945
	$ 372,191	$ 610,510

Property and Equipment

Property and equipment purchases 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.

Paycheck Protection Program Refundable Advance

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which includes a Small Business Paycheck Protection Program ("PPP") under the auspices of the federal Small Business Administration ("SBA"). These funds can be used for costs related to payroll, employee health care, rent, and utilities. On April 7, 2020, PPHS received $649,117 from a financial institution under the PPP. The interest rate is 1%, the loan term is two years which begins after the lender makes a determination on forgiveness or 10 months after the 24-week expenditure period. However, to the extend the funds are used for qualifying expenses under the program, PPHS may apply for loan forgiveness.

PPHS expects to meet the PPP's eligibility criteria and has concluded that the PPP loan represents, in substance, a grant that is expected to be forgiven. As such, PPHS has elected to account for the loan as a conditional grant in accordance with FASB ASC 958-605. As such, the loan has been presented as a refundable advance in the statement of financial position. When PPHS meets the conditions of forgiveness, the loan will be recognized as grant income.

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.

1. Summary of Significant Accounting Policies, Continued

Net Assets, Continued

Net Assets Without Donor Restrictions, Continued

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 $40,000 and $20,000 at June 30, 2020 and 2019, 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.

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

	2020	2019
Startup cost	$ 626,723	$ 727,423
Training and technology	177,571	641,107
Makers Lab	11,353	9,528
Teacher salaries	-	270,472
Counseling initiatives	59,095	82,439
	$ 874,742	$ 1,730,969

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.

1. Summary of Significant Accounting Policies, Continued

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 $357,583 and $344,040 of in-kind contributions during the year ended June 30, 2020 and 2019 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 59% and 40% of PPHS total revenue during 2020 and 2019, respectively.

Tax Status

Purdue Polytechnic High School 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.

Subsequent Events

Subsequent events have been considered through November 12, 2020, which was the date the financial statements were available to be issued.

New Accounting Pronouncements

PPHS has adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of July 1, 2019. The ASU provided clarified guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. PPHS applied the update on a modified prospective basis to agreements that were either not completed as of the effective date or entered into as of the effective date. The application of the update had no impact on net assets as of July 1, 2019.

1. Summary of Significant Accounting Policies, Continued

New Accounting Pronouncements, Continued

PPHS has adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), as of and for the year ended June 30, 2020. The ASU and all subsequently issued clarifying ASU's replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The update provides organizations with a single revenue recognition model for recognizing revenue with customers; specifically 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 provisions of Topic 606 were adopted for the year ended June 30, 2020 utilizing the modified retrospective method. There was no cumulative effect adjustment recorded to the opening balance of net assets as of July 1, 2019 and there was no change in how PPHS currently recognizes and records revenue. PPHS does not expect the adoption of the new revenue standard to have a significant impact on the change in net assets on an ongoing basis.

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, 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.

	2020	2019
Financial assets at year-end		
Cash	$ 2,069,309	$ 2,066,799
Grants receivable, current	372,191	473,565
E-rate receivable	70,966	-
Total financial assets available for use within one year	2,512,466	2,540,364
Board designated net assets	(40,000)	(20,000)
Net assets with donor restrictions	(874,742)	(1,730,969)
Total financial assets not available for use:	(914,742)	(1,750,969)
Total financial assets available to meet cash needs for general expenditures within one year	$ 1,597,742	$ 789,395

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, 2020 and 2019.

4. Operating Leases

In June 2018 PPHS entered into an agreement to lease space for its downtown location located within the Indianapolis Circle Centre Mall until June 2020. Rent expense for fiscal years 2020 and 2019 was $507,710 and $397,742, respectively. Effective September 2019, PPHS entered into a seven-year leasing agreement for its downtown location that includes annual minimum lease payments totaling $684,158 beginning in fiscal year 2021.

PPHS also leases equipment under operating leases with various expiration dates through June 2022. Lease expense for equipment was $18,060 and $14,052 for fiscal years 2020 and 2019, respectively.

Effective July 2019, PPHS entered into a ten-year leasing agreement for its Broadripple location that includes annual minimum lease payments beginning in fiscal year 2020. 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. Rent expense for the fiscal year 2020 was $96,915.

Effective June 2020, PPHS entered into a one-year leasing agreement for its South Bend location that includes annual minimum lease payments totaling $68,000 beginning in fiscal year 2021.

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

2021	$	1,002,831
2022		935,712
2023		926,446
2024		926,446
2025		926,446
Thereafter		3,087,474
Total	$	7,805,355

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 Indianapolis Public Schools (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 2020 and 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.

6. Retirement Plans, Continued

As of June 30, 2019 (the latest year reported). TRF was more than 88% funded. A copy of the complete annual report for the year ended June 30, 2019 can be obtained at:

https://www.in.gov/inprs/files/2019_INPRSCAFRBook.pdf

In fiscal years 2020 and 2019, the retirement plan expense under the TRF was $80,603 and $66,196, 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 $141,000 and $112,461, during fiscal years 2020 and 2019, 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 years ended June 30:

2020	Program	Management and General	Fundraising	Total
Personnel	$ 2,623,301	$ 1,281,510	$ 15,811	$ 3,920,622
Professional services	468,790	706,020	-	1,174,810
Food cost	141,790	-	-	141,790
Classroom, kitchen and office supplies	275,753	55,623	-	331,376
Information technology	136,893	-	-	136,893
Occupancy	792,199	-	-	792,199
Depreciation	403,202	-	-	403,202
Other	358,397	10,000	-	368,397
	$ 5,200,325	$ 2,053,153	$ 15,811	$ 7,269,289

2019	Program	Management and General	Fundraising	Total
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
	$ 3,276,916	$ 1,576,253	$ 16,625	$ 4,869,794

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).

Program Name	Grantor Name	CFDA	Revenue	Expense	Funding Type
Federal Lunch Reimbursement	Indiana Department of Education	10.555	$ 81,269	$ 81,269	Federal grant passed through state or local government
Title I, Part A	Indiana Department of Education	84.010	$ 126,968	$ 126,968	Federal grant passed through state or local government
Title II, Part A	Indiana Department of Education	84.367	$ 11,630	$ 11,630	Federal grant passed through state or local government
Title IV	Indiana Department of Education	84.424A	$ 9,462	$ 9,462	Federal grant passed through state or local government
Special Education Cluster (IDEA, Part B)	Indiana Department of Education	84.027	$ 55,323	$ 55,323	Federal grant passed through state or local government
Charter School Program	Indiana Department of Education	84.282	$ 364,276	$ 364,276	Federal grant passed through state or local government
Non-English Speaking Program	Indiana Department of Education	N/A	$ 3,477	$ 3,477	State or Local Government
Basic Tuition Support	Indiana Department of Education	N/A	$ 3,043,307	$ 3,043,307	State or Local Government
Vocational Education	Indiana Department of Education	N/A	$ 392,150	$ 392,150	State or Local Government
Charter School	Indiana Department of Education	N/A	$ 323,250	$ 323,250	State or Local Government
State Special Education	Indiana Department of Education	N/A	$ 303,276	$ 303,276	State or Local Government
Textbook Reimbursement	Indiana Department of Education	N/A	$ 18,476	$ 18,476	State or Local Government
High Ability Grant	Indiana Department of Education	N/A	$ 27,145	$ 27,145	State or Local Government
Teacher Appreciation Grant	Indiana Department of Education	N/A	$ 13,461	$ 13,461	State or Local Government

8. Federal, State, and Local Grant Awards, Continued

Mediation Testing	Indiana Department of Education	N/A	$ 3,780	$ 3,780	State or Local Government
Summer School Reimbursement	Indiana Department of Education	N/A	$ 6,933	$ 6,933	State or Local Government
State Lunch Match	Indiana Department of Education	N/A	$ 570	$ 570	State or Local Government
Secured Schools Safety Grant	Indiana Department of Education	N/A	$ 5,000	$ 5,000	State or Local Government
State Connectivity	Indiana Department of Education	N/A	$ 12,662	$ 12,662	State or Local Government
		Total	$ 4,802,415	$ 4,802,415	

9. Risks and Uncertainties

In March 2020, the World Health Organization declared a worldwide pandemic due to the outbreak of a novel strain of coronavirus, called COVID-19. PPHS began its 2020-2021 school year in August 2020 with a blend of in-person and virtual students. The extent of the impact of COVID-19 on PPHS' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on students, faculty, and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact PPHS' financial condition or results of operations is uncertain.

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GREENWALT CPAs

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, 2020, and our report thereon dated November 12, 2020, 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 year ended June 30, 2020, in Exhibits I and II, 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 year ended June 30, 2020 are fairly stated, in all material respects, in relation to financial statements as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position of Purdue Polytechnic High School as of June 30, 2019 and related statements of activities and cash flows for the year then ended (none of which is presented herein), and we expressed an unmodified opinion on those financial statements. That 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 year ended June 30, 2019 in Exhibits III and IV are presented for purposes of additional analysis 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 2019 financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 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 year ended June 30, 2019 are fairly stated in all material respects in relation to the financial statements from which it has been derived.

Greenwalt CPAs, Inc.

November 12, 2020

PURDUE POLYTECHNIC HIGH SCHOOL
STATEMENTS OF FINANCIAL POSITION BY SCHOOL
JUNE 30, 2020

Exhibit I

	DOWNTOWN	SCHOOL TWO	SOUTH BEND	NETWORK	ELIMINATIONS	TOTAL
ASSETS						
CURRENT ASSETS						
Cash	$ 1,459,553	$ 900,900	$ (66,556)	$ (224,588)	$ -	$ 2,069,309
Grants receivable	268,630	161,130	5,132	8,265	-	443,157
Prepaid expenses	69,702	61,423	27,625	107,270	-	266,020
Total current assets	1,797,885	1,123,453	(33,799)	(109,053)	-	2,778,486
PROPERTY AND EQUIPMENT						
Furniture	580,428	190,504	-	-	-	770,932
Equipment	370,294	77,901	-	31,311	-	479,506
Computer equipment	287,487	75,562	-	-	-	363,049
Textbooks	4,593	-	-	-	-	4,593
Leasehold improvements	14,229	-	-	-	-	14,229
Vehicles	93,121	109,500	-	-	-	202,621
Assets not placed in service	679,841	-	-	-	-	679,841
Accumulated depreciation	(638,022)	(89,041)	-	(5,218)	-	(732,281)
Total property and equipment, net	1,391,971	364,426	-	26,093	-	1,782,490
Total assets	$ 3,189,856	$ 1,487,879	$ (33,799)	$ (82,960)	$ -	$ 4,560,976
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable	$ 42,144	$ 14,608	$ -	$ 27,298	$ -	$ 84,050
Payroll and other accrued expenses	642,574	48,264	29,749	21,932	-	742,519
Paycheck protection program advance	364,793	148,534	-	135,790	-	649,117
Total current liabilities	1,049,511	211,406	29,749	185,020	-	1,475,686
NET ASSETS (DEFICIT)						
Without donor restrictions	2,006,869	638,434	(63,548)	(411,207)	-	2,170,548
Without donor restrictions - board designated	30,000	10,000	-	-	-	40,000
Total net assets (deficit) without donor restrictions	2,036,869	648,434	(63,548)	(411,207)	-	2,210,548
With donor restrictions	103,476	628,039	-	143,227	-	874,742
Total net assets (deficit)	2,140,345	1,276,473	(63,548)	(267,980)	-	3,085,290
Total liabilities and net assets	$ 3,189,856	$ 1,487,879	$ (33,799)	$ (82,960)	$ -	$ 4,560,976

PURDUE POLYTECHNIC HIGH SCHOOL
STATEMENTS OF ACTIVITIES BY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2020

Exhibit II

	DOWNTOWN	SCHOOL TWO	SOUTTH BEND	NETWORK	ELIMINATIONS	TOTAL
REVENUE AND SUPPORT						
Private funding	$ 1,380,225	$ 46,995	$ 1,000	$ 482,220	$ -	$ 1,910,440
State funding	3,543,318	610,170	-	-	-	4,153,488
Federal funding	337,449	311,478	-	-	-	648,927
Other Income	159,537	33,791	4,132	477,740	(394,475)	280,725
Total revenue and support	5,420,529	1,002,434	5,132	959,960	(394,475)	6,993,580
EXPENSES						
Salaries and wages	1,714,615	662,276	53,230	635,967	-	3,066,088
Employee benefits	491,666	182,119	13,138	167,611	-	854,534
Staff development and recruitment	13,881	14,903	-	10,000	-	38,784
Professional services	801,644	60,621	1,000	706,020	(394,475)	1,174,810
Transportation	52,798	9,998	-	-	-	62,796
Food cost	119,204	22,586	-	-	-	141,790
Repairs and maintenance	57,196	22,005	-	1,766	-	80,967
Classroom, kitchen and office supplies	262,357	68,066	953	-	-	331,376
Information technology	75,244	4,008	-	57,641	-	136,893
Occupancy	652,373	130,442	-	9,384	-	792,199
Depreciation	310,758	87,226	-	5,218	-	403,202
Insurance	-	-	-	38,748	-	38,748
Other	129,006	17,508	359	229	-	147,102
Total expenses	4,680,742	1,281,758	68,680	1,632,584	(394,475)	7,269,289
CHANGE IN NET ASSETS	739,787	(279,324)	(63,548)	(672,624)	-	(275,709)
NET ASSET TRANSFERS	(108,571)	137,947	-	(29,376)	-	-
NET ASSETS, BEGINNING OF YEAR	1,509,129	1,417,850	-	434,020	-	3,360,999
NET ASSETS (DEFICIT), END OF YEAR	$ 2,140,345	$ 1,276,473	$ (63,548)	$ (267,980)	$ -	$ 3,085,290

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

Exhibit III

	DOWNTOWN	SCHOOL TWO	NETWORK	TOTAL
ASSETS				
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
Total current assets	861,123	1,420,961	344,625	2,626,709
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 and amortization	(327,265)	(1,815)	-	(329,080)
Total property and equipment, net	834,821	30,084	-	864,905
Total assets	$ 1,695,944	$ 1,451,045	$ 481,570	$ 3,628,559
LIABILITIES AND NET ASSETS				
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
Total liabilities	186,815	33,195	47,550	267,560
NET ASSETS				
Without donor restrictions	909,199	266,811	434,020	1,610,030
Without donor restrictions - board designated	20,000	-	-	20,000
Total net assets without donor restrictions	929,199	266,811	434,020	1,630,030
With donor restrictions	579,930	1,151,039	-	1,730,969
Total net assets	1,509,129	1,417,850	434,020	3,360,999
Total liabilities and net assets	$ 1,695,944	$ 1,451,045	$ 481,570	$ 3,628,559

See independent auditors' report on supplementary information.

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

Exhibit IV

	DOWNTOWN	SCHOOL TWO	NETWORK	ELIMINATIONS	TOTAL
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
Total revenue and support	4,289,549	1,173,586	1,163,381	(547,445)	6,079,071
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
Total expenses	4,053,901	281,603	1,081,735	(547,445)	4,869,794
CHANGE IN NET ASSETS	235,648	891,983	81,646	-	1,209,277
NET ASSET TRANSFER	(588,153)	441,443	146,710	-	-
NET ASSETS, BEGINNING OF YEAR	1,861,634	84,424	205,664	-	2,151,722
NET ASSETS, END OF YEAR	$ 1,509,129	$ 1,417,850	$ 434,020	$ -	$ 3,360,999

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

Supplemental Audit Report of Purdue Polytechnic High School