



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B58902

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

March 24, 2022

Charter School Board
Northern Rush County Schools, Inc.
d/b/a Mays Community Academy
929 East South Street
Mays, IN 46155

We have reviewed the audit report of Northern Rush County Schools, Inc. d/b/a Mays Community Academy which was opined upon by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Northern Rush County Schools, Inc. d/b/a Mays Community Academy as of June 30, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, CliftonLarsonAllen 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 Northern Rush County Schools, Inc. d/b/a Mays Community Academy, 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.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2021 AND 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
OTHER REPORT	14
SUPPLEMENTARY INFORMATION	
STATEMENT OF FINANCIAL POSITION	15
STATEMENT OF ACTIVITIES	16



INDEPENDENT AUDITORS' REPORT

Board of Directors
Northern Rush County Schools, Incorporated
dba: Mays Community Academy
Mays, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Northern Rush County Schools, Incorporated dba: Mays Community Academy, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, 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.

Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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.

Board of Directors
Northern Rush County Schools, Incorporated
dba: Mays Community Academy

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Rush County Schools, Incorporated dba: Mays Community Academy as of June 30, 2021 and 2020, and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
January 7, 2022

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 46,413	\$ 58,511
Grants Receivable	130,046	111,325
Total Current Assets	176,459	169,836
PROPERTY AND EQUIPMENT		
Land	88,400	88,400
Buildings and Improvements	621,588	605,875
Furniture and Equipment	279,804	279,804
Software and Textbooks	90,082	90,082
Vehicles	5,000	5,000
Less: Accumulated Depreciation	(349,013)	(290,685)
Property and Equipment, Net	735,861	778,476
OTHER ASSETS		
Security Deposit	3,900	3,900
Total Assets	\$ 916,220	\$ 952,212
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Lines of Credit	\$ 386,653	\$ 157,305
Current Portion of Notes Payable	78,082	78,082
Accounts Payable and Accrued Expenses	120,716	120,960
Total Current Liabilities	585,451	356,347
LONG-TERM LIABILITIES		
Notes Payable, Net of Current Portion	266,464	340,496
Loan Payable Under Paycheck Protection Program	-	243,954
Total Long-Term Liabilities	266,464	584,450
Total Liabilities	851,915	940,797
NET ASSETS WITHOUT DONOR RESTRICTIONS		
	64,305	11,415
Total Liabilities and Net Assets	\$ 916,220	\$ 952,212

See accompanying Notes to Financial Statements.

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
REVENUE AND SUPPORT		
State Education Support	\$ 1,522,803	\$ 1,721,205
Grant Revenue	842,436	763,364
Student Fees	63,209	43,512
Contributions	7,336	3,353
Fundraising and Other Income	61,124	58,680
Gain on Extinguishment of Payroll Protection Program Loan	243,954	-
Total Revenue and Support	2,740,862	2,590,114
EXPENSES		
Program Services	2,001,569	1,936,664
Management and General	686,403	777,955
Total Expenses	2,687,972	2,714,619
CHANGE IN NET ASSETS	52,890	(124,505)
Net Assets - Beginning of Year	11,415	135,920
NET ASSETS - END OF YEAR	\$ 64,305	\$ 11,415

See accompanying Notes to Financial Statements.

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries and Wages	\$ 939,494	\$ 305,275	\$ 1,244,769	\$ 979,822	\$ 367,325	\$ 1,347,147
Employee Benefits	284,327	90,739	375,066	292,459	134,254	426,713
Staff Development	5,544	-	5,544	37,125	-	37,125
Professional Services	86,943	185,085	272,028	67,334	157,447	224,781
Repairs and Maintenance	-	13,711	13,711	-	39,241	39,241
Authorizer Oversight Fees	-	39,850	39,850	-	37,111	37,111
Food Costs	68,637	-	68,637	81,951	-	81,951
Transportation	207,397	1,281	208,678	232,145	215	232,360
Information Technology	79,474	-	79,474	23,211	-	23,211
Advertising	-	370	370	-	44	44
Classroom, Kitchen, and Office Supplies	208,286	12,519	220,805	83,249	9,484	92,733
Occupancy	53,133	-	53,133	54,219	-	54,219
Depreciation	58,328	-	58,328	74,269	-	74,269
Interest	-	25,507	25,507	-	28,254	28,254
Insurance	2,500	-	2,500	2,500	-	2,500
Other	7,506	12,066	19,572	8,380	4,580	12,960
Total Functional Expenses	<u>\$ 2,001,569</u>	<u>\$ 686,403</u>	<u>\$ 2,687,972</u>	<u>\$ 1,936,664</u>	<u>\$ 777,955</u>	<u>\$ 2,714,619</u>

See accompanying Notes to Financial Statements.

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 52,890	\$ (124,505)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	58,328	74,269
Gain on Extinguishment of Payroll Protection Program Loan	(243,954)	-
Changes in Operating Assets and Liabilities:		
Grants Receivable	(18,721)	(17,040)
Accounts Payable and Accrued Expenses	(244)	(9,270)
Net Cash Used by Operating Activities	(151,701)	(76,546)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(15,713)	(109,735)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Lines of Credit, Net	229,349	37,105
Proceeds from Notes Payable	-	702,974
Repayment of Notes Payable	(74,033)	(885,683)
Proceeds from Loan Payable Under Paycheck Protection Program	-	243,954
Net Cash Provided by Financing Activities	155,316	98,350
NET CHANGE IN CASH	(12,098)	(87,931)
Cash - Beginning of Year	58,511	146,442
CASH - END OF YEAR	\$ 46,413	\$ 58,511
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 25,507	\$ 28,254

See accompanying Notes to Financial Statements.

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Northern Rush County Schools, Incorporated dba: Mays Community Academy (the School) is a public benefit nonprofit organization incorporated under the laws of the state of Indiana. The School is sponsored by Ball State University and operates a public charter school established under Indiana Code 20-24. The School served approximately 184 and 220 students during the years ended June 30, 2021 and 2020, respectively, in grades kindergarten through eight.

Accounting 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Revenue Recognition

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

A portion of the School's revenue is the product of cost reimbursement grants. Therefore, the School recognizes revenue under these grants in the amounts of costs and expenses at the time they are incurred. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2021 and 2020, the School does not have any conditional grants that have not been recognized as revenue in the statement of activities because conditions have not been met.

Revenue from student fees, fundraising, and other income is recognized when the control of the promised good or service is transferred to the student, in an amount that reflects the consideration expected to be entitled in exchange for those goods or services. Amounts received prior to the service is performed is reported as deferred revenue in the statement of financial position. As of June 30, 2021 and 2020, the School did not have any such deferred revenue.

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Grants

The School receives income from contributions and grants that support certain school activities. Such revenue received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. The School reports gifts of cash and other assets and grants 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. When a donor restriction expires, that is, when a stipulated time restriction ends or purposes restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restriction. The School did not have any net assets with donor restrictions as of June 30, 2021 and 2020.

Cash and Cash Equivalents

Cash consists of cash held in bank accounts and cash equivalents consists of short-term, highly liquid investments with original maturities of three months or less. There were no cash equivalents at June 30, 2021 and 2020.

Grants Receivable

Grants receivable relate primarily to activities funded under federal programs. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

Taxes on Income

Northern Rush County Schools, Incorporated has received a determination from the U.S. Internal Revenue Service stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the School would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2021 and 2020, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

Professional accounting standards require the School to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. Tax years ending after 2016 are open to audit for both federal and state purposes.

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Purchases of assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, minor replacement costs, and equipment purchases with a unit cost of less than \$500 are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives generally are as follows:

Buildings and Improvements	7 to 40 Years
Furniture and Equipment	5 to 10 Years
Software and Textbooks	3 to 5 Years
Vehicles	10 Years

Impairment of Long-Lived Assets

On an ongoing basis, the School reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may be overstated. The School recognizes impairment losses if the undiscounted cash flows expected to be generated are less than the carrying value of the related asset. If impaired, the assets are adjusted to fair value based on the undiscounted cash flows.

Going Concern Considerations

The accompanying financial statements have been prepared assuming the School will continue as a going concern. As of June 30, 2021, the School's current liabilities are greater than current assets by approximately \$409,000. A majority of the balance in accounts payable and accrued expenses represents current payroll and future payroll to fulfill School year teaching contracts, totaling approximately \$102,000. The remainder of current liabilities is related to the line of credit which currently has a maturity date of October 2022. The School also had a negative cash flow from operating activities for both fiscal year 2020 and 2021. If this trend continues, these factors could threaten the School's ability to continue as a going concern.

The School's management is aware of the negative financial results presented in the previous paragraph and has taken the following measures to improve its finances. The School has focused its efforts on enrollment. The School has also worked with its management company to develop a budget for fiscal year 2022 that will allow the School to meet its current and upcoming obligations and strengthen its net asset position. This budget includes revenue from additional funding sources as a result of the School's focused efforts on identifying and securing additional grant opportunities.

Subsequent Events

The School evaluated subsequent events through January 7, 2022, the date these financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the financial statements or related disclosures would be required.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events (Continued)

Subsequent to year-end, the School was awarded approximately \$66,000 in Coronavirus Aid, Relieve and Economic Security (CARES) Act funding.

NOTE 2 NOTES PAYABLE

Notes payable were comprised of the following at June 30:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Note payable to FCN Bank with monthly installments of \$3,298 including interest at 6.25% annum, maturing in July 2024.	\$ 110,796	\$ 142,328
Note payable to Indiana State Board of Education, payable \$21,250 semi-annually (January 1 and July 1) plus interest at 1.00% per annum, maturing in July 2026.	<u>233,750</u>	<u>276,250</u>
Total	344,546	418,578
Less: Current Portion	<u>(78,082)</u>	<u>(78,082)</u>
Long-Term Portion	<u>\$ 266,464</u>	<u>\$ 340,496</u>

Principal maturities of notes payable are as follows for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 78,082
2023	78,082
2024	78,082
2025	46,550
2026	63,750
Total	<u>\$ 344,546</u>

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3 DEBT EXTINGUISHMENT

On April 15, 2020, the School received proceeds in the amount of \$243,954 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan). The PPP Loan was formally forgiven by the U.S. Small Business Administration (SBA) on April 5, 2021. Accordingly, the School recognized a gain on the extinguishment of debt of \$243,954 during the year ended June 30, 2021. This amount is included in the accompanying statement of activities.

The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the School's financial position.

NOTE 4 LINES OF CREDIT

During the year ended June 30, 2019, the School entered into two line of credit arrangements with FCN Bank. The first line of credit has a \$300,000 borrowing capacity and incurred interest at 6.5% per annum, maturing October 2019. This was extended to October 2022 with an interest rate of 5%. The second line of credit has a \$120,000 borrowing capacity and incurred interest at 6.5% per annum, maturing August 2019. This was extended to October 2022 with an interest rate of 4.5%. The balance of the lines of credit as of June 30, 2021 and 2020 was \$386,653 and \$157,305, respectively.

NOTE 5 RETIREMENT PLANS

The School provides retirement benefits covering substantially all full-time employees. Retirement benefits are provided by the Indiana State Teachers' Retirement Fund (TRF) and the Indiana Public Employees' Retirement Fund (PERF), both of which are cost-sharing multiple-employer 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 determined annually by the INPRS Board. For the years ended June 30, 2021 and 2020, the School contributed 5.5% of compensation for eligible teaching personnel to TRF and 11.2% for other employees to PERF. Should the School elect to withdraw from TRF or PERF, it could be subject to a withdrawal fee. The School's contributions represent an insignificant percentage of the total contributions received by TRF and PERF. As of June 30, 2020 (the latest year reported), TRF and PERF were approximately 90% and 102% funded, respectively. The School's total retirement expense was \$43,396 and \$76,192 for the years ended June 30, 2021 and 2020, respectively.

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 COMMITMENTS

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay to Ball State University an annual administrative fee equal to 3% of state tuition support. Payments under this charter agreement were \$39,850 and \$37,111 for the years ended June 30, 2021 and 2020, respectively. The charter remains in effect until June 30, 2023, and is renewable thereafter by mutual consent.

The School contracted with Indiana Charters LLC, a for-profit organization incorporated in the state of Indiana, to perform data management, financial, administrative, and general operational support services. Expenses under this contract were \$81,825 and \$75,836 for the years ended June 30, 2021 and 2020, respectively.

NOTE 7 RISKS AND UNCERTAINTIES

The School provides educational instruction services to families residing in Rush 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. Any changes in state or federal legislation could significantly impact the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the state of Indiana. At June 30, 2021, substantially all of the receivable balance was due from the state of Indiana. In addition, bank deposits are maintained primarily at FCN Bank, and are insured up to the Federal Deposit Insurance Corporation (FDIC) limit.

During the year ended June 30, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the School, COVID-19 has impacted various parts of its 2020 and 2021 operations and financial results, including an increase in nutrition funding. Management believes the School is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are ongoing and are still developing.

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 8 LIQUIDITY

Under ASU 2016-14, the School is required to disclose the assets it has available at June 30, 2021 and 2020 to meet its cash needs for general expenditures within one year of the date of the statement of financial position. Financial assets for the School include cash and grants receivable which total \$176,459 and \$169,836 in 2021 and 2020, respectively.

From time to time, the School receives donor-restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, the School must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the School has a \$33,347 and \$149,947 line of credit available as of June 30, 2021 and 2020, respectively.

NOTE 9 FUNCTIONAL EXPENSE REPORTING

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

NOTE 10 RELATED PARTY TRANSACTIONS

The School contracts with a transportation company that is owned by the husband of the Board Treasurer. The School uses the transportation company for busing services and also employs two relatives of the Board Treasurer. Expenses under this relationship during the years ended June 30, 2021 and 2020 were \$192,592 and \$158,432, respectively, for transportation and \$10,769 and \$70,599, respectively, for labor.

**NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
OTHER REPORT
YEAR ENDED JUNE 30, 2021**

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

Supplemental Audit Report of Northern Rush County Schools, Incorporated
dba: Mays Community Academy

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*.

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>Mays Community Academy</u>	<u>Mays Community Academy Pre-K</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash	\$ 46,413	\$ -	\$ -	\$ 46,413
Grants Receivable	130,046	-	-	130,046
Due from Pre-K	16,992	-	(16,992)	-
Total Current Assets	<u>193,451</u>	<u>-</u>	<u>(16,992)</u>	<u>176,459</u>
PROPERTY AND EQUIPMENT				
Land	88,400	-	-	88,400
Buildings and Improvements	621,588	-	-	621,588
Furniture and Equipment	279,804	-	-	279,804
Software and Textbooks	90,082	-	-	90,082
Vehicles	5,000	-	-	5,000
Less: Accumulated Depreciation	(349,013)	-	-	(349,013)
Property and Equipment, Net	<u>735,861</u>	<u>-</u>	<u>-</u>	<u>735,861</u>
OTHER ASSETS				
Security Deposit	3,900	-	-	3,900
Total Assets	<u>\$ 933,212</u>	<u>\$ -</u>	<u>\$ (16,992)</u>	<u>\$ 916,220</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Lines of Credit	\$ 386,653	\$ -	\$ -	\$ 386,653
Current Portion of Notes Payable	78,082	-	-	78,082
Accounts Payable and Accrued Expenses	120,716	-	-	120,716
Due to Charter School	-	16,992	(16,992)	-
Total Current Liabilities	<u>585,451</u>	<u>16,992</u>	<u>(16,992)</u>	<u>585,451</u>
LONG-TERM LIABILITIES				
Notes Payable, Net of Current Portion	266,464	-	-	266,464
Total Liabilities	851,915	16,992	(16,992)	851,915
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Undesignated	81,297	(16,992)	-	64,305
Total Liabilities and Net Assets	<u>\$ 933,212</u>	<u>\$ -</u>	<u>\$ (16,992)</u>	<u>\$ 916,220</u>

NORTHERN RUSH COUNTY SCHOOLS, INCORPORATED
DBA: MAYS COMMUNITY ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Mays Community Academy	Mays Community Academy Pre-K	Total
REVENUE AND SUPPORT			
State Education Support	\$ 1,522,803	\$ -	\$ 1,522,803
Grant Revenue	838,228	4,208	842,436
Student Fees	13,689	49,520	63,209
Contributions	7,336	-	7,336
Fundraising and Other Income	56,853	4,271	61,124
Gain on Extinguishment of Payroll Protection Program Loan	243,954	-	243,954
Total Revenue and Support	<u>2,682,863</u>	<u>57,999</u>	<u>2,740,862</u>
EXPENSES			
Program Services	1,942,571	58,998	2,001,569
Management and General	686,403	-	686,403
Total Expenses	<u>2,628,974</u>	<u>58,998</u>	<u>2,687,972</u>
CHANGE IN NET ASSETS	53,889	(999)	52,890
Net Assets - Beginning of Year	<u>27,408</u>	<u>(15,993)</u>	<u>11,415</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 81,297</u>	<u>\$ (16,992)</u>	<u>\$ 64,305</u>

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor. CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details. **CliftonLarsonAllen LLP**

