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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 28, 2022

Charter School Board
Indianapolis Metropolitan High School, LLC
1635 W. Michigan St.
Indianapolis, IN 46222

We have reviewed the audit report of Indianapolis Metropolitan High School, LLC which was opined upon by Blue & Co., LLC, 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 Indianapolis Metropolitan High School, LLC 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, Blue & Co., LLC 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 Indianapolis Metropolitan High School, LLC, 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



**INDIANAPOLIS
METROPOLITAN
HIGH SCHOOL**

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

CPAs / ADVISORS



INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

TABLE OF CONTENTS JUNE 30, 2021 AND 2020

	Page
Report of Independent Auditors	1
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7
Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15
Other Report	17



Blue & Co., LLC / 500 N. Meridian Street, Suite 200 / Indianapolis, IN 46204
main 317.633.4705 fax 317.633.4889 email blue@blueandco.com

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Indianapolis Metropolitan High School, LLC
Indianapolis, Indiana

We have audited the accompanying financial statements of Indianapolis Metropolitan High School, LLC (Indianapolis Met), a wholly-owned subsidiary of Goodwill Education Initiatives, Inc., a nonprofit organization, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Guidelines for the Audits of Charter Schools Performed by Private Examiners*, issued 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 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.

Board of Directors
Indianapolis Metropolitan High School, LLC
Indianapolis, Indiana

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indianapolis Met as of June 30, 2021 and 2020, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021, on our consideration of Indianapolis Met's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Indianapolis Met's internal control over financial reporting and compliance.

Blue & Co., LLC

Indianapolis, Indiana
November 22, 2021

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2021 AND 2020

	ASSETS	
	<u>2021</u>	<u>2020</u>
Current assets		
Cash	\$ 568,198	\$ 456,550
Support receivables	173,858	181,769
Prepaid expenses	4,583	7,408
Total current assets	<u>746,639</u>	<u>645,727</u>
Property and equipment, net	<u>1,538,068</u>	<u>1,679,545</u>
Total assets	<u><u>\$ 2,284,707</u></u>	<u><u>\$ 2,325,272</u></u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 50,363	\$ 36,190
Accrued expenses	80,838	111,978
Related party payable	-0-	425,000
Total current liabilities	<u>131,201</u>	<u>573,168</u>
Net assets		
Without donor restrictions	<u>2,153,506</u>	<u>1,752,104</u>
Total liabilities and net assets	<u><u>\$ 2,284,707</u></u>	<u><u>\$ 2,325,272</u></u>

See accompanying notes to the financial statements.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Revenues and support		
State support	\$ 2,942,731	\$ 2,553,466
Federal support	494,671	633,388
Student fees	3,462	5,889
Contributions	13,081	36,000
Contributions, in-kind	742,420	742,420
Other	18,013	24,765
	<u>4,214,378</u>	<u>3,995,928</u>
Total revenues and support	4,214,378	3,995,928
Expenses		
Wages and benefits	2,088,492	2,040,146
Professional fees	529,631	589,926
Supplies and materials	75,014	117,018
Lunch program	25,254	80,782
Student transportation	45,890	41,163
Drop-in center	-0-	1,285
Extra-curricular activities	25,852	37,062
Rent	842,420	842,417
Occupancy	14,293	13,850
Scholarships	150	1,200
Depreciation	147,279	144,030
Other	18,701	24,804
	<u>3,812,976</u>	<u>3,933,683</u>
Total expenses	3,812,976	3,933,683
Change in net assets without donor restrictions	401,402	62,245
Net assets		
Beginning of year	1,752,104	1,689,859
End of year	<u>\$ 2,153,506</u>	<u>\$ 1,752,104</u>

See accompanying notes to the financial statements.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

STATEMENTS OF FUNCTIONAL EXPENSES YEARS ENDED JUNE 30, 2021 AND 2020

	2021		
	Education Services	Management and General	Total
Expenses			
Wages and benefits	\$ 1,667,409	\$ 421,083	\$ 2,088,492
Professional fees	56,706	472,925	529,631
Supplies and materials	67,555	7,459	75,014
Lunch program	25,254	-0-	25,254
Student transportation	45,890	-0-	45,890
Extra-curricular activities	25,852	-0-	25,852
Rent	842,420	-0-	842,420
Occupancy	-0-	14,293	14,293
Scholarships	150	-0-	150
Depreciation	147,279	-0-	147,279
Other	7,014	11,687	18,701
	\$ 2,885,529	\$ 927,447	\$ 3,812,976
	2020		
	Education Services	Management and General	Total
Expenses			
Wages and benefits	\$ 1,579,855	\$ 460,291	\$ 2,040,146
Professional fees	249,211	340,715	589,926
Supplies and materials	103,982	13,036	117,018
Lunch program	80,782	-0-	80,782
Student transportation	41,163	-0-	41,163
Drop-in center	1,285	-0-	1,285
Extra-curricular activities	37,062	-0-	37,062
Rent	842,417	-0-	842,417
Occupancy	-0-	13,850	13,850
Scholarships	1,200	-0-	1,200
Depreciation	144,030	-0-	144,030
Other	13,750	11,054	24,804
	\$ 3,094,737	\$ 838,946	\$ 3,933,683

See accompanying notes to the financial statements.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Operating activities		
Change in net assets	\$ 401,402	\$ 62,245
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	147,279	144,030
Changes in operating assets and liabilities		
Support receivables	7,911	(115,042)
Prepaid expenses	2,825	5,375
Inventory	-0-	2,441
Accounts payable	14,173	1,644
Accrued expenses	(31,140)	15,644
Related party payable	(425,000)	(175,000)
Net cash flows from operating activities	117,450	(58,663)
Investing activities		
Purchases of property and equipment	(5,802)	(38,216)
Change in cash	111,648	(96,879)
Cash		
Beginning of year	456,550	553,429
End of year	\$ 568,198	\$ 456,550
Supplemental cash flows information		
In-kind rent	\$ 742,420	\$ 742,420

See accompanying notes to the financial statements.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

1. SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

The schools receive the majority of their funding from the Indiana Department of Education. Their revenues are supplemented with funds from the United States Department of Education, private grants, and gifts. Indianapolis Met completed its 17th year of operation on June 30, 2021 and student enrollment for the most recently completed school year was 276 students.

Indianapolis Met primarily serves underprivileged, at risk students in grades nine through twelve in Indianapolis. Demographically, nearly 85% of Indianapolis Met's students qualify for free or reduced lunch, 84% identify themselves as minority students, 33% have special needs, and the majority of incoming students arrive at Indianapolis Met two or more grade levels behind in reading and math skills.

Basis of Accounting

Indianapolis Met prepares its financial statements using the accrual basis of accounting. Accrual accounting requires the recognition of revenues when they are earned and measurable in the accounting period when services are provided, and the recognition of expenses in the period in which they occur.

Use of Estimates

The preparation of financial statements in conformity with the 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 at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Indianapolis Met maintains its cash in accounts, which at times, may exceed federally insured limits. Indianapolis Met has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Support Receivables

Support receivables are amounts due from federal, state, or local government agencies or other organizations for amounts billed for services and not yet paid. The government agencies or other organizations are billed in the period in which services are rendered. Support receivables are reported at the net realizable amount due from the government agencies or other organizations.

Support receivables are recognized at the net amount Indianapolis Met expects to collect based on established collection history. Indianapolis Met recognizes a separate allowance only when it determines there has been an unforeseeable change in the organization's ability to pay subsequent to the delivery of goods and services resulting in an impairment loss. Such account balances are charged off against the allowance after all means of collection have been exhausted and the potential recovery is considered remote. Indianapolis Met did not record an allowance for doubtful accounts as of June 30, 2021 and 2020.

Prepaid Expenses

Prepaid expenses relate to advance payments on products or services that will be used for future programs or activities.

Property, Equipment and Depreciation

Property and equipment are recorded at cost, or if donated, at fair market value at date of donation, and include expenditures for new additions and repairs which substantially increase the useful lives of existing property and equipment. Maintenance repairs and minor renewals are expensed as incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss for the period is recognized. Depreciation is provided over the estimated useful life of each class of depreciable asset, ranging from 3-10 years, and is computed on the straight-line method. Depreciation expense was approximately \$147,000 and \$144,000 for 2021 and 2020, respectively.

Related Party Payable

Related party payable represents an amount due to Excel Centers for cash advances provided to maintain minimum cash balances. Indianapolis Met owed Excel Centers \$-0- and \$425,000 at June 30, 2021 and 2020, respectively, included in related party payable in the statements of financial position.

Net Assets

Net assets, support, revenues, gains, and losses are classified based on the absence or existence of donor restrictions. Accordingly, the net assets of Indianapolis Met are classified and reported as follows:

- Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board or designated by the board for specific use.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

State and Federal Support

Indianapolis Met's revenue is primarily derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Receipt of these funds is subject to the fulfillment of certain obligations by Indianapolis Met as prescribed by these programs and funds may be subject to repayment upon a determination of noncompliance made by a funding agency. Amounts received are recognized as revenue when Indianapolis Met has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. There were no refundable advances as of June 30, 2021 and 2020. Amounts due after incurring qualifying expenditures are reported as support receivables in the statements of financial position. Support receivables were approximately \$174,000 and \$182,000 as of June 30, 2021 and 2020.

Indianapolis Met receives state funds that have been designated for charter schools from the Indiana Department of Education. The State of Indiana uses a formula based on the number of students enrolled in the school during the year to determine the amount of funds Indianapolis Met receives. Indianapolis Met also receives federal support through a variety of programs administered by the Indiana Department of Education.

Indianapolis Met derives a significant portion of its revenues and support from state and federal funding programs (approximately 82% and 80% in 2021 and 2020, respectively). The receipt of future revenues by Indianapolis Met is subject to among other factors, state and federal policies affecting education, economic conditions, and other conditions which are impossible to predict.

Contributions

Contributions received, including unconditional promises to give, are recognized when received. Contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. If a restriction is fulfilled in the same reporting period in which the contribution is received, the contribution is reported as net assets without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, applicable net assets with restriction are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from donor restrictions.

Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due unless the contribution is clearly intended to support activities of the current year or is received with restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. Indianapolis Met also evaluates whether a contribution is unconditional or conditional based on the absence or presence of barriers and any right of return provisions.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Advertising

Indianapolis Met uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. Advertising expense totaled approximately \$16,000 and \$12,000 during 2021 and 2020, respectively, and is included within professional fees expenses within the statements of activities and changes in net assets.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a natural basis in the statements of activities and changes in net assets and have been summarized on a functional basis in the statements of functional expenses. Expenses have been classified as education services and management and general based on actual direct expenditures incurred and cost allocations. Certain costs have been allocated among education services and management and general categories based on an estimate of time and effort spent by Indianapolis Met's personnel. These expenses include wages and benefits. Although the methods used were appropriate, alternative methods may provide different results.

Income Taxes

Indianapolis Met is a wholly owned LLC of GEI, and as a result, the IRS disregards Indianapolis Met as a separate taxable entity and considers Indianapolis Met as part of GEI for tax reporting purposes. GEI is an Indiana non-profit corporation and is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. However, if income was generated from certain activities not directly related to GEI's tax-exempt purposes, such income would be subject to taxation as unrelated business income. GEI is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by Indianapolis Met and recognize a tax liability if Indianapolis Met has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by Indianapolis Met, and has concluded that as of June 30, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. GEI is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

GEI filed its federal and state income tax returns for periods through June 30, 2020. The income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about Indianapolis Met's ability to continue as a going concern for a period of one year from the date the financial statements were available to be issued. Management's evaluation as of June 30, 2021 identified no conditions or events raising substantial doubt.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Subsequent Events

Indianapolis Met has evaluated events or transactions occurring subsequent to the statement of financial position date for recognition and disclosure in the accompanying financial statements through the date the financial statements were available to be issued which is November 22, 2021.

Recently Issued Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This new standard, which Indianapolis Met is not required to adopt until its year ending June 30, 2023, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statement of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's statement of financial position.

Indianapolis Met is presently evaluating the effects that this ASU will have on its future financial statements, including related disclosures.

2. PROPERTY AND EQUIPMENT

Property and equipment at June 30 consisted of the following:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 419,433	\$ 419,433
Computer hardware	746,213	740,412
Software	425,252	425,252
Vehicles	252,442	252,442
Furniture	665,464	665,464
Textbooks	32,388	32,388
Work in progress	-0-	9,275
Leasehold improvements	<u>1,529,873</u>	<u>1,520,598</u>
	4,071,065	4,065,264
Accumulated depreciation	<u>(2,532,997)</u>	<u>(2,385,719)</u>
Property and equipment, net	<u>\$ 1,538,068</u>	<u>\$ 1,679,545</u>

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

3. RETIREMENT PLANS

Indianapolis Met employees are employed and paid by GEI. Certain Indianapolis Met employees (licensed teachers, counselors and certain administrative staff) are eligible to participate in the Indiana Teachers Retirement Fund (TRF) Defined Benefit Plan (TRF DB) and TRF Defined Contribution Plan (TRF DC). TRF DB 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. TRF DC is a cost-sharing multiple-employer defined contribution plan governed by the State of Indiana and administered by the INPRS Board. By statute, employers are required to contribute 7.5% of an employee's pretax gross income to TRF DB. Employers may also elect to contribute an additional 3% to TRF DC in lieu of the employee's own contributions. GEI has elected to make the voluntary contribution to TRF DC on behalf of its eligible employees, including employees of Indianapolis Met. Indianapolis Met contributed approximately \$65,000 and \$66,000 to TRF on behalf of its employees for 2021 and 2020, respectively. Should Indianapolis Met elect to withdraw from TRF, Indianapolis Met could be subject to a withdrawal fee. Indianapolis Met's contributions represent an insignificant percentage of the total contributions received by TRF. A copy of the complete annual report for the year ended June 30, 2020 can be obtained at: www.in.gov/inprs.

Indianapolis Met employees not eligible for TRF may elect to participate in Goodwill's discretionary thrift plan. For employees not eligible for TRF, Goodwill matches 100% of eligible employees' pre-tax contributions, up to 6% of gross income. Goodwill may also make additional discretionary contributions to the plan. Employer matching contributions vest immediately, and employer discretionary contributions vest after three years or in the event of death or disability. Indianapolis Met's expense relating to contributions to the Goodwill thrift plan for 2021 and 2020 was approximately \$16,000 and \$18,000, respectively.

4. RELATED PARTY TRANSACTIONS

Indianapolis Met is owned and operated by GEI. GEI provides employees, certain school-specific administrative services, and general management and oversight of Indianapolis Met. GEI charges Indianapolis Met for its expenses related to the services provided. No markup is added to the fees charged to the schools. During 2021 and 2020, Indianapolis Met paid approximately \$288,000 and \$225,000, respectively, to GEI for administrative services and capital recovery charges, which are recorded within professional fees within the statements of activities and changes in net assets.

During 2019, Indianapolis Met received cash advances from Excel Centers to maintain minimum cash balances. Indianapolis Met owed Excel Centers \$-0- and \$425,000 at June 30, 2021 and 2020, respectively, included in related party payable in the statements of financial position.

Goodwill provides space at its Indianapolis headquarters campus to Indianapolis Met. Indianapolis Met paid approximately \$100,000 in 2021 and 2020 to Goodwill for rental of the facilities space. The non-billed portion of the contributed space is considered an in-kind contribution and is recorded as revenue and expense in the statements of activities and changes in net assets. In 2021 and 2020, Goodwill provided approximately \$742,000 of in-kind rent, included in rent expense within the statements of activities and changes in net assets. These in-kind contributions are treated as non-cash transactions and are excluded from the accompanying statements of cash flows.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

Goodwill also pays certain operating expenses, including certain employee benefits, of Indianapolis Met, for which Indianapolis Met fully reimburses Goodwill. No markup is charged. In 2021 and 2020, Indianapolis Met paid Goodwill approximately \$359,000 and \$336,000, respectively. At June 30, 2021 and 2020, Indianapolis Met owed Goodwill \$49,000 and \$41,000 for reimbursable operating expenses, which are included in accounts payable and accrued expenses on the statements of financial position.

Goodwill Foundation of Central and Southern Indiana, Inc. (the Foundation) is an Indiana non-profit corporation related to Goodwill. The Foundation provides grants to Indianapolis Met for new initiatives and college scholarships for qualifying Indianapolis Met graduates. During 2021 and 2020, Indianapolis Met received approximately \$13,000 and \$36,000, respectively, of grant revenue from the Foundation. This revenue is reflected as contributions in the statements of activities and changes in net assets.

Indianapolis Met employees participate in Goodwill's health care benefits plan. Goodwill self-insures for employee and dependent medical benefits up to a per-individual annual maximum of \$500,000, and no aggregate maximum. Goodwill purchases reinsurance which pays individual claims that exceed \$500,000 per year. The reinsurer reviews claims annually and upon renewal of the reinsurance policy each year may establish higher specific maximums on selected individuals with high claims risks. Goodwill purchases claims administration services from a third-party administrator. Indianapolis Met paid premiums to the Goodwill health care plan of approximately \$198,000 and \$181,000 for 2021 and 2020, respectively.

5. RISKS AND UNCERTAINTIES

The majority of revenues relate to legislation enacted by the State of Indiana. Changes in state legislation could significantly affect Indianapolis Met. Additionally, Indianapolis Met is subject to monitoring and audit by state agencies. Those examinations may result in additional liabilities to be imposed on Indianapolis Met.

6. COMMITMENTS AND CONTINGENCIES

COVID-19

In March 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may continue to adversely impact the local, regional, national and global economies. The extent to which COVID-19 continues to impact Indianapolis Met's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Impacts include, but are not limited to, additional costs for responding to COVID-19, potential shortages of personnel, potential shortages of supplies, and loss of, or reduction to, revenue. Management believes Indianapolis Met is taking appropriate actions to respond to the pandemic. However, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available to be issued.

INDIANAPOLIS METROPOLITAN HIGH SCHOOL, LLC

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 AND 2020

7. LIQUIDITY AND AVAILABILITY OF RESOURCES

Indianapolis Met's financial assets available within one year of the June 30, 2021 and 2020 statements of financial position for general expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash	\$ 568,198	\$ 456,550
Support receivables	<u>173,858</u>	<u>181,769</u>
Total financial assets	<u>\$ 742,056</u>	<u>\$ 638,319</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. Support receivables are subject to implied time restrictions but are expected to be collected within one year. Indianapolis Met has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.



Blue & Co., LLC / 500 N. Meridian Street, Suite 200 / Indianapolis, IN 46204
main 317.633.4705 fax 317.633.4889 email blue@blueandco.com

**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Indianapolis Metropolitan High School, LLC
Indianapolis, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Indianapolis Metropolitan High School, LLC (Indianapolis Met) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Indianapolis Met's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Indianapolis Met's internal control. Accordingly, we do not express an opinion on the effectiveness of Indianapolis Met's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Indianapolis Met's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Board of Directors
Indianapolis Metropolitan High School, LLC
Indianapolis, Indiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Indianapolis Met's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance *with Government Auditing Standards* in considering Indianapolis Met's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Blue & Co., LLC

Indianapolis, Indiana
November 22, 2021

INDIANAPOLIS METROPOLITAN HIGH SCHOOLS, LLC

OTHER REPORT
YEAR ENDED JUNE 30, 2021

The report presented herein was prepared in addition to another official report prepared for Indianapolis Met as listed below:

Supplemental Audit Report of Indianapolis Metropolitan High School, LLC

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*.