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June 8, 2022

Charter School Board
Options Charter Schools
18077 River Road, Suite 106
Noblesville, IN 46062

We have reviewed the audit report of Options Charter School, Inc., 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 Options Charter Schools, Inc. 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 the guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for Options Charter Schools, Inc., 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

OPTIONS CHARTER SCHOOLS AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021



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**OPTIONS CHARTER SCHOOLS AND AFFILIATES
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Options Charter Schools and Affiliates
Noblesville, Indiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Options Charter Schools and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Options Charter Schools and Affiliates as of June 30, 2021 and the changes in its net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 2 to the consolidated financial statements, the Options Charter Schools underwent a merger during the year, which required consolidation of related entities as described in Note 1. Our opinion is not modified with respect to these matters.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
April 21, 2022

**OPTIONS CHARTER SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021**

ASSETS

CURRENT ASSETS

Cash	\$	794,983
Cash - Restricted		1,278,473
Prepaid Expenses		138,029
Total Current Assets		2,211,485

PROPERTY AND EQUIPMENT

Land		1,000,685
Building and Improvements		2,540,519
Leasehold Improvements		17,377
Furniture and Equipment		2,753,675
Less: Accumulated Depreciation		(523,969)
Property and Equipment, Net		5,788,287

Total Assets	\$	7,999,772
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current Portion of Note Payable	\$	359,098
Accounts Payable and Accrued Expenses		464,473
Total Current Liabilities		823,571

LONG-TERM LIABILITIES

Note Payable, Net of Current Portion		4,562,804
Total Liabilities		5,386,375

NET ASSETS, WITHOUT DONOR RESTRICTIONS

		2,613,397
Total Liabilities and Net Assets	\$	7,999,772

See accompanying Notes to Consolidated Financial Statements.

**OPTIONS CHARTER SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED JUNE 30, 2021**

REVENUE AND SUPPORT	
State Education Support	\$ 5,269,634
Contributions and Donations	25,903
Grant Revenue	1,419,513
Student Fees	28,863
Other Income	655,971
Total Revenue and Support	<u>7,399,884</u>
EXPENSES	
Program Services	5,496,262
Management and General	1,903,980
Total Expenses	<u>7,400,242</u>
CHANGE IN NET ASSETS	(358)
Net Assets - Beginning of Year	<u>2,613,755</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,613,397</u></u>

See accompanying Notes to Consolidated Financial Statements.

**OPTIONS CHARTER SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Wages	\$ 2,794,852	\$ 987,182	\$ 3,782,034
Employee Benefits	1,159,406	313,419	1,472,825
Occupancy	452,175	66,375	518,550
Scholarships	3,500	-	3,500
Equipment	238,002	9,972	247,974
Professional Services	122,943	240,903	363,846
Depreciation	108,521	7,051	115,572
Classroom and Office Supplies	414,268	26,632	440,900
Authorizer Oversight Fees	-	115,693	115,693
Food Service	20,168	-	20,168
Insurance	-	66,384	66,384
Transportation	23,474	6,191	29,665
Interest	-	30,088	30,088
Loss on Sale of Assets	133,126	-	133,126
Other	25,827	34,090	59,917
	<u>\$ 5,496,262</u>	<u>\$ 1,903,980</u>	<u>\$ 7,400,242</u>
Total			

See accompanying Notes to Consolidated Financial Statements.

**OPTIONS CHARTER SCHOOLS AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (358)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Used by Operating Activities:	
Depreciation	115,572
Loss on Disposal of Equipment	133,126
Paycheck Protection Program Loan Forgiveness	(652,400)
Changes in Operating Assets and Liabilities:	
Accounts Receivable	35,074
Prepaid Expenses	(88,043)
Accounts Payable and Accrued Expenses	46,559
Refundable Advance	(3,568)
Net Cash Used by Operating Activities	(414,038)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	(2,588,027)
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CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Construction Loan	3,680,000
Principal Paid on Note Payable	(225,801)
Net Cash Provided by Financing Activities	3,454,199

NET CHANGE IN CASH

452,134

Cash and Restricted Cash - Beginning of Year

1,621,322

CASH AND RESTRICTED CASH - END OF YEAR

\$ 2,073,456

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid for Interest	\$ 31,217
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See accompanying Notes to Consolidated Financial Statements.

**OPTIONS CHARTER SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Options Charter Schools (the School) is a public benefit nonprofit organization incorporated under the laws of the state of Indiana. The School operates three public charter schools established under Indiana Code 20-24 and is sponsored by Ball State University. The School serves approximately 725 students in grades nine to twelve by providing an alternative to traditional high school programs.

Principles of Consolidation

The consolidated financial statements include the accounts of the School and its affiliate Options in Education Foundation, Inc. (Foundation) and its single member LLC's OCS Westfield, LLC and OCS Noblesville, LLC (LLC's). The School and the Foundation are consolidated due to being under common control through common board members and having a financial interest among the School and the LLC's. The LLC's were formed to hold and maintain the properties in which the School operates. All significant intercompany accounts and transactions have been eliminated in consolidation.

Accounting Estimates

The preparation of consolidated 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. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the consolidated statement of financial position. As of June 30, 2021, the School does not have any conditional grants that have not been recognized as revenue in the consolidated statement of activities because conditions have not been met.

Revenue from student fees 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.

Grant Revenue

Grant revenues relate primarily to activities funded under federal programs and legislation enacted by the state of Indiana.

**OPTIONS CHARTER SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Donations, Grant Revenue, and Student Fees

The School receives income from contributions and donations, grant revenue, and student fees that support certain school activities. Grant revenues relate primarily to activities funded under federal programs and legislation enacted by the state of Indiana. These receipts are reported as restricted support in that they are received with stipulations that limit their use. When a donor restriction expires, that is, when the purpose or time restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and change in net assets as net assets released from restrictions. The School, Foundation, and LLCs did not have any net assets with donor restrictions as of June 30, 2021.

Cash, Restricted Cash, and Cash Equivalents

Cash and restricted 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.

Restricted cash represents resources unavailable for use as it represents escrowed construction loan funds at the time of conversion of the construction loan to the loan as described in Note 3.

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 \$5,000 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:

Building and Improvements and	
Leasehold Improvements	5 to 40 Years
Furniture and Equipment	3 to 7 Years

Impairment of Long-Lived Assets

On an ongoing basis, the School and LLCs review its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount may be overstated. The School and LLCs 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.

OPTIONS CHARTER SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxes on Income

The School and Foundation have received a determination from the U.S. Treasury Department 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 and Foundation would be subject to tax on income unrelated to its tax-exempt purpose. For the year ended June 30, 2021, no accounting for federal and state income taxes was required to be included in the accompanying consolidated financial statements.

Professional accounting standards require the School and Foundation 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 and Foundation have examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. The U.S. federal and state income tax returns of the School and Foundation are subject to examination by the IRS and state taxing authorities, generally for three years after they were filed.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021. The School, Foundation, and LLCs are currently in the process of evaluating the impact of adoption of this ASU on the consolidated financial statements.

Subsequent Events

The School, Foundation, and LLCs have evaluated subsequent events through April 21, 2022, the date these consolidated financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the consolidated financial statements or related disclosures would be required.

Subsequent to year end, the School entered into leases with the LLCs for building usage.

NOTE 2 MERGER

During fiscal year ended June 30, 2020, Indiana Code 20-24-3-17 was amended to allow a charter organization to operate multiple schools under one corporation number. On April 21, 2020, the Options Board of Directors voted unanimously to consolidate Options Charter Carmel (OCS Carmel) and Options Charter Noblesville (OCS Noblesville) into a single corporation. In connection with this consolidation, on July 1, 2020, OCS Carmel and OCS Noblesville were merged into one entity named Options Charter Schools (Options).

**OPTIONS CHARTER SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 MERGER (CONTINUED)

In connection with the merger, the Foundation formed OCS Noblesville, LLC and OCS Westfield, LLC (LLC's) as single member LLC's. These were formed to hold the Land and Buildings in which the School operates. In connection with these actions, OCS Noblesville and OCS Carmel transferred assets totaling approximately \$2,200,000 to the School, OCS Noblesville, LLC and OCS Westfield, LLC.

NOTE 3 NOTES PAYABLE

At June 30, 2021, the note payable consisted of the following:

Note payable to the Indiana State Board of Education, payable \$112,900 semi-annually (January 1 and July 1) plus interest at 1.00% per annum	\$ 1,241,902
Construction Note Payable to First Financial Bank, subject to conversion to mini-permanent term loan for 108 months upon completion of construction. Loan was converted to term in July 2021 and is due July 2030. Interest at 3.27%, secured by building and guaranteed by the School and Foundation	<u>3,680,000</u>
	4,921,902
Less: Current Portion	<u>(359,098)</u>
Long-Term Portion	<u><u>\$ 4,562,804</u></u>

The note payable to the Indiana State Board of Education is the result of the Common School Funds Charter School Innovation Fund Advancement program. This note is secured by the School's future tuition support payments on the School's basic grant. The school paid \$225,801 on this loan in the year ending June 30, 2021.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 359,098
2023	363,529
2024	367,806
2025	372,829
2026	365,057
Thereafter	3,093,583
Total	<u><u>\$ 4,921,902</u></u>

In July 2020, the OCS Westfield, LLC entered into an interest rate swap transaction with First Financial Bank with an effective date of July 1, 2021 (in conjunction with the conversion of the construction loan to term) that terminates on July 24, 2030. This is guaranteed by the School and Foundation.

OPTIONS CHARTER SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 NOTES PAYABLE (CONTINUED)

The note payable to First Financial Bank contains certain reporting and financial covenants. As of June 30, 2021, the School was not in compliance with one of the financial covenants due First Financial Bank's consideration of the Gain on Extinguishment of Debt within the context of the calculation. This covenant was waived at June 30, 2021.

NOTE 4 LINE OF CREDIT

On June 2, 2021, the School entered into a \$150,000 line of credit with First Financial Bank that remains in effect until June 2, 2023. The line bears interest at a floating rate per annum equal to the Prime Rate (3.25% at June 30, 2021), is secured by all assets of the School, Foundation, and LLCs, and guaranteed by the Foundation and LLCs. The line has no amounts drawn against it as of June 30, 2021.

The line of credit is subject to the same financial covenants described at Note 3.

NOTE 5 PAYROLL PROTECTION PROGRAM LOAN

On April 18, 2020, the School received a loan from First Financial Bank in the amount of \$652,400 to fund payroll, rent utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

On November 6, 2020, this loan was forgiven and is included in other income in the accompanying statement of activities for the year ended June 30, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements 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.

**OPTIONS CHARTER SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 LEASES

The School leases its facilities and certain items of office equipment under operating leases, which require various monthly payments over the life of the leases. Total expense under these operating leases was \$308,125 for the year ended June 30, 2021.

Future minimum lease obligations are as follows for the years ending June 30:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 226,272
2023	182,776
2024	181,100
2025	170,987
2026	106,985
Thereafter	5,112
Total	<u>\$ 873,232</u>

NOTE 7 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 received. Expense under this charter agreement was \$115,693 for the year ended June 30, 2021. The charter remains in effect until June 30, 2026, and is renewable thereafter by mutual consent.

NOTE 8 RELATED PARTIES

The School also employs several members of the president's family. The School paid these individuals \$168,143 during the year ended June 30, 2021.

The School obtained its Payroll Paycheck Protection of \$652,400 from First Financial Bank Corporation which employs the chairman of the board. (Note 5).

OPTIONS CHARTER SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 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. Under the plans, the School contributed 8.5% of compensation for electing teaching faculty to TRF and 14.2% of compensation for other electing employees to PERF. Should the School elect to withdraw from TRF or PERF, the School could be subject to a withdrawal fee. The School's contributions represent an insignificant percentage of the total contributions received by TRF or PERF. As of June 30, 2019 (the latest year reported), both TRF and PERF were more than 80% funded.

TRF eligible employees can also elect to participate in a School-sponsored 403(B) plan in lieu of the State of Indiana – INPRS plan. The School contributes 8.5% of participant compensation to the 403(b) plan.

Full-time employees may also choose to participate in a voluntary salary reduction 403(b) plan. The School will match the employee's contribution up to 1% of their gross wages.

Retirement plan expense was \$391,887 for the year ended June 30, 2021.

NOTE 10 RISKS AND UNCERTAINTIES

The School provides educational instruction services to families residing in Hamilton and surrounding counties in Indiana and is subject to the risks of economic and competitive forces at work within this geographic area.

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

The School and its affiliates maintain cash in various accounts at various financial institutions. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. At times, amounts on deposit may exceed insured limits or include unsecured accounts. To date, the School and its affiliates have not experienced losses in any of these accounts.

OPTIONS CHARTER SCHOOLS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 RISKS AND UNCERTAINTIES (CONTINUED)

During the year ended June 30, 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, business, and communities. Specific to the School, COVID-19 has impacted various parts of its operations and financial results, including an increase in technology, social distancing, and related costs. 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.

NOTE 11 LIQUIDITY

Under ASU 2016-14, the School is required to disclose the assets it has available at June 30, 2021 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 cash - restricted totaling \$2,073,456 at June 30, 2021, of which \$794,983 is available to meet cash needs for general expenditures within a year.

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.

NOTE 12 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. Certain expenses have been allocated between program services and management and general expenses. Employee benefits, transportation, office supplies, and other expenses are allocated based on individual employees' function. Occupancy and depreciation expenses are allocated based on their location due to the schools and the administrative facilities are at discreet locations.

**OPTIONS CHARTER SCHOOLS AND AFFILIATES
OTHER REPORT
YEAR ENDED JUNE 30, 2021**

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

Supplemental Audit Report of Options Charter Schools

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*.

OPTIONS CHARTER SCHOOLS AND AFFILIATES
SCHEDULE OF CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Options Charter Schools	Options in Education Foundation, Inc.	OCS Noblesville, LLC	OCS Westfield, LLC	Eliminations	Total
ASSETS						
CURRENT ASSETS						
Cash	\$ 786,709	\$ 8,274	\$ -	\$ -	\$ -	\$ 794,983
Cash - Restricted	-	-	-	1,278,473	-	1,278,473
Related Party Receivable	-	-	-	34,891	(34,891)	-
Prepaid Expenses	138,029	-	-	-	-	138,029
Total Current Assets	<u>924,738</u>	<u>8,274</u>	<u>-</u>	<u>1,313,364</u>	<u>(34,891)</u>	<u>2,211,485</u>
PROPERTY AND EQUIPMENT						
Land	-	-	-	1,000,685	-	1,000,685
Building and Improvements	-	-	-	2,540,519	-	2,540,519
Leasehold Improvements	17,377	-	-	-	-	17,377
Furniture and Equipment	322,983	-	2,256,458	174,234	-	2,753,675
Less: Accumulated Depreciation	(227,824)	-	(296,145)	-	-	(523,969)
Property and Equipment, Net	<u>112,536</u>	<u>-</u>	<u>1,960,313</u>	<u>3,715,438</u>	<u>-</u>	<u>5,788,287</u>
Total Assets	<u>\$ 1,037,274</u>	<u>\$ 8,274</u>	<u>\$ 1,960,313</u>	<u>\$ 5,028,802</u>	<u>\$ (34,891)</u>	<u>\$ 7,999,772</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Current Portion of Note Payable	\$ 225,800	\$ -	\$ -	\$ 133,298	\$ -	\$ 359,098
Accounts Payable and Accrued Expenses	463,947	-	-	526	-	464,473
Total Current Liabilities	<u>689,747</u>	<u>-</u>	<u>-</u>	<u>133,824</u>	<u>-</u>	<u>823,571</u>
LONG-TERM LIABILITIES						
Note Payable, Net of Current Portion	<u>1,016,102</u>	<u>-</u>	<u>-</u>	<u>3,546,702</u>	<u>-</u>	<u>4,562,804</u>
Total Liabilities	<u>1,705,849</u>	<u>-</u>	<u>-</u>	<u>3,680,526</u>	<u>-</u>	<u>5,386,375</u>
NET ASSETS (DEFICIT), WITHOUT DONOR RESTRICTIONS	<u>(668,575)</u>	<u>8,274</u>	<u>1,960,313</u>	<u>1,348,276</u>	<u>(34,891)</u>	<u>2,613,397</u>
Total Liabilities and Net Assets	<u>\$ 1,037,274</u>	<u>\$ 8,274</u>	<u>\$ 1,960,313</u>	<u>\$ 5,028,802</u>	<u>\$ (34,891)</u>	<u>\$ 7,999,772</u>

OPTIONS CHARTER SCHOOLS AND AFFILIATES
SCHEDULE OF CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED JUNE 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	Options Charter Schools	Options in Education Foundation, Inc.	OCS Noblesville, LLC	OCS Westfield, LLC	Eliminations	Total
REVENUE AND CONTRIBUTED SUPPORT						
REVENUE AND SUPPORT						
State Education Support	\$ 5,269,634	\$ -	\$ -	\$ -	\$ -	\$ 5,269,634
Contributions and Donations	-	25,903	1,975,443	115,030	(2,090,473)	25,903
Grant Revenue	1,419,513	-	-	-	-	1,419,513
Student Fees	28,863	-	-	-	-	28,863
Other Income	652,443	3,528	-	47,000	(47,000)	655,971
Total Revenue and Support	<u>7,370,453</u>	<u>29,431</u>	<u>1,975,443</u>	<u>162,030</u>	<u>(2,137,473)</u>	<u>7,399,884</u>
EXPENSES						
Program Services	7,532,914	50,800	15,130	-	(2,102,582)	5,496,262
Management and General	1,863,727	8,992	-	31,261	-	1,903,980
Total Expenses	<u>9,396,641</u>	<u>59,792</u>	<u>15,130</u>	<u>31,261</u>	<u>(2,102,582)</u>	<u>7,400,242</u>
CHANGE IN NET ASSETS	(2,026,188)	(30,361)	1,960,313	130,769	(34,891)	(358)
Net Assets - Beginning of Year	<u>1,357,613</u>	<u>38,635</u>	<u>-</u>	<u>1,217,507</u>	<u>-</u>	<u>2,613,755</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (668,575)</u>	<u>\$ 8,274</u>	<u>\$ 1,960,313</u>	<u>\$ 1,348,276</u>	<u>\$ (34,891)</u>	<u>\$ 2,613,397</u>

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