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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

May 8, 2023

Charter School Board
Indiana Math and Science Academy - Indianapolis, Inc.
4575 W 38th St.
Indianapolis, IN 46254

We have reviewed the audit report of Indiana Math and Science Academy - Indianapolis, Inc., which was opined upon by Donovan CPAs, Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Indiana Math and Science Academy - Indianapolis, Inc. as of June 30, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Donovan CPAs prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for Indiana Math and Science Academy - Indianapolis, Inc., was prepared in accordance with the guidelines established by the Indiana 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

**INDIANA MATH AND SCIENCE ACADEMY -
INDIANAPOLIS, INC.**

FINANCIAL STATEMENTS
Together with Independent Auditors' Report
For the Years Ended June 30, 2022 and 2021



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Independent Auditors' Report

The Board of Directors
Indiana Math and Science Academy - Indianapolis, Inc.

Opinion

We have audited the financial statements of Indiana Math and Science Academy - Indianapolis, Inc. which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Indiana Math and Science Academy - Indianapolis, Inc. as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Indiana Math and Science Academy - Indianapolis, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Indiana Math and Science Academy - Indianapolis, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

www.cpadonovan.com

Avon | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411

Indianapolis | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Indiana Math and Science Academy - Indianapolis, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Indiana Math and Science Academy - Indianapolis, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022 on our consideration of Indiana Math and Science Academy - Indianapolis, Inc.'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 solely 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 the effectiveness of Indiana Math and Science Academy - Indianapolis, Inc.'s 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 Indiana Math and Science Academy - Indianapolis, Inc.'s internal control over financial reporting and compliance.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The letters are cursive and slightly slanted to the right.

Indianapolis, Indiana
November 21, 2022

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,777,610	\$ 2,131,549
Grants receivable	390,418	345,273
Due from affiliated entity	<u>84,051</u>	<u>65,783</u>
<i>Total current assets</i>	<u>3,252,079</u>	<u>2,542,605</u>
PROPERTY AND EQUIPMENT		
Land	24,800	24,800
Building and improvements	4,165,732	4,115,507
Furniture and equipment	214,791	176,557
Less: accumulated depreciation	<u>(1,228,273)</u>	<u>(1,028,224)</u>
<i>Property and equipment, net</i>	<u>3,177,050</u>	<u>3,288,640</u>
TOTAL ASSETS	<u><u>\$ 6,429,129</u></u>	<u><u>\$ 5,831,245</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of note payable	\$ 325,036	\$ 325,036
Accounts payable and accrued expenses	<u>592,871</u>	<u>553,308</u>
<i>Total current liabilities</i>	917,907	878,344
LONG-TERM LIABILITIES		
Note payable, net of current portion	<u>1,137,630</u>	<u>1,462,667</u>
<i>Total liabilities</i>	2,055,537	2,341,011
NET ASSETS, WITHOUT DONOR RESTRICTIONS	<u>4,373,592</u>	<u>3,490,234</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,429,129</u></u>	<u><u>\$ 5,831,245</u></u>

See independent auditors' report and accompanying notes to the financial statements

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE AND SUPPORT		
State education support	\$ 4,066,271	\$ 4,039,233
Grant revenue	3,519,925	2,668,504
Student fees	73,696	74,046
Contributions	564	3,868
Other income	19,125	5,320
	<u>7,679,581</u>	<u>6,790,971</u>
<i>Total revenue and support</i>		
EXPENSES		
Program services	5,137,453	4,374,978
Management and general	1,658,770	1,556,056
	<u>6,796,223</u>	<u>5,931,034</u>
<i>Total expenses</i>		
CHANGE IN NET ASSETS FROM OPERATIONS	883,358	859,937
PAYCHECK PROTECTION PROGRAM		
NOTE PAYABLE FORGIVENESS INCOME	-	695,500
CHANGE IN NET ASSETS	883,358	1,555,437
NET ASSETS, BEGINNING OF YEAR	<u>3,490,234</u>	<u>1,934,797</u>
NET ASSETS, END OF YEAR	<u>\$ 4,373,592</u>	<u>\$ 3,490,234</u>

See independent auditors' report and accompanying notes to the financial statements

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2022 and 2021

	2022			2021		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 2,820,219	\$ 811,825	\$ 3,632,044	\$ 2,522,369	\$ 719,816	\$ 3,242,185
Employee benefits	562,797	186,993	749,790	504,230	181,365	685,595
Academic services	-	487,953	487,953	-	484,708	484,708
Food service	389,637	-	389,637	132,782	-	132,782
Transportation services	388,310	-	388,310	118,104	-	118,104
Other professional services	133,010	90,609	223,619	119,801	82,733	202,534
Occupancy	212,722	-	212,722	170,414	-	170,414
Depreciation	200,049	-	200,049	188,846	-	188,846
Equipment rental and expense	167,895	-	167,895	238,250	-	238,250
Classroom, kitchen, and office supplies	93,744	8,711	102,455	169,552	5,005	174,557
Textbooks	99,710	-	99,710	151,375	-	151,375
Insurance	-	22,372	22,372	-	22,557	22,557
Staff development and recruitment	17,106	-	17,106	6,273	-	6,273
Interest	17,064	-	17,064	20,315	-	20,315
Advertising	-	1,856	1,856	-	32,563	32,563
Other	35,190	48,451	83,641	32,667	27,309	59,976
<i>Total functional expenses</i>	<u>\$ 5,137,453</u>	<u>\$ 1,658,770</u>	<u>\$ 6,796,223</u>	<u>\$ 4,374,978</u>	<u>\$ 1,556,056</u>	<u>\$ 5,931,034</u>

See independent auditors' report and accompanying notes to the financial statements

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 883,358	\$ 1,555,437
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Paycheck Protection Program note payable forgiveness income	-	(695,500)
Depreciation	200,049	188,846
Change in certain assets and liabilities:		
Grants receivable	(45,145)	(196,001)
Due from affiliated entity	(18,268)	(28,114)
Prepaid expenses	-	22,572
Accounts payable and accrued expenses	<u>39,563</u>	<u>176,714</u>
 <i>Net cash provided by operating activities</i>	 1,059,557	 1,023,954
INVESTING ACTIVITIES		
Purchases of property and equipment	(88,459)	(161,251)
FINANCING ACTIVITIES		
Principal repayments of note payable	<u>(325,037)</u>	<u>(325,036)</u>
NET CHANGE IN CASH	646,061	537,667
CASH, BEGINNING OF YEAR	<u>2,131,549</u>	<u>1,593,882</u>
CASH, END OF YEAR	<u><u>\$ 2,777,610</u></u>	<u><u>\$ 2,131,549</u></u>
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 17,064	\$ 20,315

See independent auditors' report and accompanying notes to the financial statements

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – Indiana Math and Science Academy - Indianapolis, Inc. (the "School") is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. The School operates a public charter school established under Indiana Code 20-24 and is sponsored by the Office of Education Innovation ("OEP") of the Mayor of the City of Indianapolis. The School provided educational instruction to approximately 570 students in grades kindergarten through eight during the 2021-2022 academic school year (580 in the 2020-2021 academic school year).

Financial Statement Presentation – The School reports its financial position and activities according to two classes of net assets:

- net assets without donor restrictions, which include unrestricted resources available for the operating objectives of the School; and
- net assets with donor restrictions, which represent resources restricted by donors for specific time or purpose.

As of June 30, 2022 and 2021, the School had only net assets without donor restrictions.

Basis of Accounting and Use of Estimates – The School prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

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, 2022 and 2021.

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

Due from Affiliated Entity – The balance in due from affiliated entity represents grant funds processed through another school operated by the same management company, Concept Schools, Inc., and due to the School.

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 and minor replacement costs 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.....	10 to 40 years
Furniture and equipment.....	3 to 10 years

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Taxes on Income – The School has received a determination from the U.S. Department of Treasury 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, 2022 and 2021, 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 there are no material contingent tax liabilities or questionable tax positions. Tax years ended after June 30, 2018 are open to audit for both federal and state purposes.

Subsequent Events – The School evaluated subsequent events through November 21, 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.

NOTE 2 - REVENUE RECOGNITION

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

A significant portion of the School's revenue is the product of cost reimbursement grants. Accordingly, the School recognized revenue under these grants in the amount of costs and expenses at the time they are incurred. Incurring approved costs under the grant is considered satisfaction of the performance obligations. Student fees are recognized in the year in which the services are rendered.

Disaggregation of Revenue – Revenue is disaggregated on the statements of activities and change in net assets.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

NOTE 3 - NOTE PAYABLE

The note payable consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Note payable to State Board of Education, payable \$162,518 semi-annually (January 1 and July 1) plus interest at 1.00% per annum	\$ 1,462,666	\$ 1,787,703
Less: current portion	<u>(325,036)</u>	<u>(325,036)</u>
Long-term portion	\$ <u>1,137,630</u>	\$ <u>1,462,667</u>

The note payable to the State Board of Education is the result of the Common School Funds Charter and Innovation Fund Advancement program. This note is secured by the School's future tuition support payments on the School's basic grant.

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

2023	\$ 325,036
2024	325,036
2025	325,036
2026	325,036
2027	<u>162,522</u>
	\$ <u>1,462,666</u>

NOTE 4 - PAYCHECK PROTECTION PROGRAM

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief, and Economic Security ("CARES") Act which includes the Paycheck Protection Program ("PPP") administered through the Small Business Administration. On May 8, 2020, the School was granted a note payable from Fifth Third Bank in the amount of \$695,500 pursuant to the PPP under Division A, Title I of the CARES Act. The PPP note payable was forgiven in full on November 2, 2020 and was therefore recorded as PPP note payable forgiveness income during the year ended June 30, 2021.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

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.

Under the plans, the School contributed 5.5% of compensation for eligible teaching faculty to TRF and 11.2% of compensation for other eligible employees to PERF during both years ended June 30, 2022 and 2021. 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, 2021 (the latest year reported), TRF was over 100% funded and PERF was over 92% funded. Retirement plan expense was \$261,983 and \$204,286 for the years ended June 30, 2022 and 2021, respectively.

NOTE 6 - COMMITMENTS

The School operates under a charter granted by OEI. As the sponsoring organization, OEI exercises certain oversight responsibilities. This charter agreement remains in effect until June 30, 2028 and is renewable thereafter by mutual consent. OEI assesses a fee equal to 1% of the basic tuition support received by its sponsored schools. The fee was \$34,527 and \$32,336 for the years ended June 30, 2022 and 2021, respectively.

The School has contracted with Concept Schools, Inc. to provide ongoing training and consultation, personnel, recruitment and admissions, and other services. Under the terms of the agreement, the School has agreed to pay an amount equal to 12% of state education support, as defined, for such services. Expense under this agreement was \$487,953 and \$484,708 for the years ended June 30, 2022 and 2021, respectively. This agreement is renewable annually.

On November 12, 2022, the School entered into an agreement with Mattcon General Contractors, Inc. to build a new gymnasium onto its existing building. The total contract sum stated in the agreement is \$2,025,000, to be billed to the School as the work progresses. The project's estimated completion date is July 31, 2023.

NOTE 7 - RISKS AND UNCERTAINTIES

The School provides education services to families residing in Marion and surrounding counties in Indiana and is subject to the risks of economic and competitive forces 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.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

NOTE 7 - RISKS AND UNCERTAINTIES, Continued

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. At June 30, 2022 and 2021, substantially all of the grants receivable balance was due from the State of Indiana. In addition, deposits are maintained at Fifth Third Bank and are insured up to the FDIC insurance limit. At June 30, 2022 and 2021, and regularly throughout the year, cash balances exceeded the FDIC insurance limit.

NOTE 8 - LIQUIDITY

The School's financial assets include cash, grants receivable, and amounts due from an affiliated entity. Financial assets at June 30, 2022 and 2021 totaled \$3,252,079 and \$2,542,605, respectively, all of which were available to meet cash needs for general expenditures within one 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 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 was required.

SUPPLEMENTARY INFORMATION

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

<u>Federal Grantor Agency/Pass-Through Entity/ Cluster Title/Program Title/Project Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Awards Expended</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-through Indiana Department of Education:			
Child Nutrition Cluster			
School Breakfast Program	10.553		\$ 134,049
National School Lunch Program	10.555		360,319
Food Distribution Cluster			
SNP Emergency Funds	10.569		<u>53,243</u>
<i>Total U.S. Department of Agriculture</i>			<u>547,611</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Pass-through Indiana Department of Education:			
Title I, Part A;			
Grants to Local Educational Agencies	84.010	18611-001-PN01	447,647
Title II, Part A;			
Supporting Effective Instruction State Grants	84.367	7000-S367A210013	42,764
Title III, Part A;			
English Language Acquisition State Grants	84.365	S365A210014	24,528
Title IV, Part A;			
Student Support and Academic Enrichment	84.424	S424A210015	29,156
Special Education Cluster;			
Special Education - Grants to States	84.027A	22611-552-PN01	124,777
Special Education - Preschool Grants	84.173A	22619-552-PN01	2,194
Special Education - ARP	84.027X	22611-552-ARP	38,240
State Charter School Facilities Incentive Grants	84.282D		189,411
21st Century Community Learning Centers	84.287		97,025
Project Aware - Opioid Overdose Action Grant	93.136		30,000
Education Stabilization Fund;			
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210013	645,183
	84.425D	S425U210013	<u>463,322</u>
<i>Total U.S. Department of Education</i>			<u>2,134,247</u>
<i>Total federal awards expended</i>			\$ <u>2,681,858</u>

See independent auditors' report and accompanying notes to this schedule

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Indiana Math and Science Academy - Indianapolis, Inc. (the "School") under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of the School.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The School has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



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

The Board of Directors
Indiana Math and Science Academy - Indianapolis, Inc.

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 Indiana Math and Science Academy - Indianapolis, Inc. (the "School"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and change 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 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School'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 the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 the entity'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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 determination of financial statement amounts. 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The signature is written in a cursive style with a large, stylized initial "D".

Indianapolis, Indiana
November 21, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
THE *UNIFORM GUIDANCE***

The Board of Directors
Indiana Math and Science Academy - Indianapolis, Inc.

Report on Compliance for Each Major Federal Program

We have audited Indiana Math and Science Academy - Indianapolis, Inc.'s (the "School") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget Compliance Supplement* that could have a direct and material effect on the School's major federal programs for the year ended June 30, 2022. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on Each Major Federal Program

In our opinion, Indiana Math and Science Academy - Indianapolis, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Report on Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

DONOVAN



Indianapolis, Indiana
November 21, 2022

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiency identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness identified?	No
• Significant deficiency identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.425D	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

II. Financial Statement Findings

No matters were reportable.

III. Federal Award Findings and Questioned Costs

No matters were reportable.

INDIANA MATH AND SCIENCE ACADEMY - INDIANAPOLIS, INC.

OTHER REPORT

For the Year Ended June 30, 2022

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

Supplemental Audit Report of Indiana Math and Science Academy - Indianapolis, Inc.

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.