



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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May 18, 2023

Charter School Board
Invent Learning Hub, Inc.
1849 E Pleasant Run Pkwy S Dr.
Indianapolis, IN 46203

We have reviewed the audit report of Invent Learning Hub, 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 Invent Learning Hub, 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 State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for Invent Learning Hub, 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

INVENT LEARNING HUB, INC.

FINANCIAL STATEMENTS
Together with Independent Auditors' Report

For the Years Ended June 30, 2022 and 2021



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Donovan CPAs

Independent Auditors' Report

The Board of Directors
Invent Learning Hub, Inc.

Opinion

We have audited the financial statements of Invent Learning Hub, Inc. (the “School”), 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 financial statements referred to above present fairly, in all material respects, the financial position of the School 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 the School 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 these 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 the School’s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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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 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 the School'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 the School'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 audits.

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 March 20, 2023 on our consideration of the School'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 the School'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 the School'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
March 20, 2023

INVENT LEARNING HUB, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,177,369	\$ 811,331
Grants receivable	<u>179,705</u>	<u>164,784</u>
<i>Total current assets</i>	<u>1,357,074</u>	<u>976,115</u>
PROPERTY AND EQUIPMENT		
Building and improvements	1,907,972	1,892,310
Furniture and equipment	333,458	261,835
Less: accumulated depreciation	<u>(310,163)</u>	<u>(186,958)</u>
<i>Property and equipment, net</i>	<u>1,931,267</u>	<u>1,967,187</u>
TOTAL ASSETS	<u>\$ 3,288,341</u>	<u>\$ 2,943,302</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of note payable	\$ 45,454	\$ 42,654
Accounts payable and accrued expenses	<u>61,758</u>	<u>81,750</u>
<i>Total current liabilities</i>	<u>107,212</u>	<u>124,404</u>
LONG-TERM LIABILITIES		
Note payable, net of current portion	1,346,562	1,392,015
Less: unamortized debt issuance costs	<u>(14,502)</u>	<u>(20,293)</u>
<i>Total long-term liabilities, net of unamortized debt issuance costs</i>	<u>1,332,060</u>	<u>1,371,722</u>
<i>Total liabilities</i>	1,439,272	1,496,126
NET ASSETS, WITHOUT DONOR RESTRICTIONS	<u>1,849,069</u>	<u>1,447,176</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,288,341</u>	<u>\$ 2,943,302</u>

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

INVENT LEARNING HUB, 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	\$ 1,436,103	\$ 1,295,703
Grant revenue	1,138,315	634,517
Other income	26,070	18,317
	<u>2,600,488</u>	<u>1,948,537</u>
<i>Total revenue and support</i>		
EXPENSES		
Program services	1,403,040	979,242
Management and general	795,555	612,099
	<u>2,198,595</u>	<u>1,591,341</u>
<i>Total expenses</i>		
CHANGE IN NET ASSETS FROM OPERATIONS	401,893	357,196
PAYCHECK PROTECTION PROGRAM		
LOAN FORGIVENESS INCOME	<u>-</u>	<u>56,410</u>
CHANGE IN NET ASSETS	401,893	413,606
NET ASSETS, BEGINNING OF YEAR	<u>1,447,176</u>	<u>1,033,570</u>
NET ASSETS, END OF YEAR	<u>\$ 1,849,069</u>	<u>\$ 1,447,176</u>

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

INVENT LEARNING HUB, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>			<u>2021</u>		
	<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	\$ 659,070	\$ 403,644	\$ 1,062,714	\$ 519,938	\$ 300,256	\$ 820,194
Professional services	97,283	74,711	171,994	69,642	69,015	138,657
Employee benefits	31,012	126,933	157,945	35,467	48,727	84,194
Depreciation	123,205	-	123,205	97,627	-	97,627
Student transportation	120,553	-	120,553	35,280	-	35,280
Food costs	118,994	-	118,994	53,310	-	53,310
Interest	-	96,019	96,019	-	98,647	98,647
Occupancy	95,645	-	95,645	63,956	-	63,956
Staff development	60,168	-	60,168	36,550	-	36,550
Classroom and office supplies	32,832	22,716	55,548	14,621	15,924	30,545
Insurance	-	47,123	47,123	-	44,166	44,166
Repairs and maintenance	41,401	-	41,401	35,302	-	35,302
Advertising	-	13,216	13,216	-	24,219	24,219
Information technology	13,041	-	13,041	982	-	982
Equipment	-	-	-	13,390	-	13,390
Other	9,836	11,193	21,029	3,177	11,145	14,322
<i>Total functional expenses</i>	<u>\$ 1,403,040</u>	<u>\$ 795,555</u>	<u>\$ 2,198,595</u>	<u>\$ 979,242</u>	<u>\$ 612,099</u>	<u>\$ 1,591,341</u>

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

INVENT LEARNING HUB, 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	\$ 401,893	\$ 413,606
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	123,205	97,627
Amortization of debt issuance costs	5,791	5,791
Paycheck Protection Program loan forgiveness income	-	(56,410)
Changes in certain assets and liabilities:		
Grants receivable	(14,921)	(52,616)
Accounts payable and accrued expenses	<u>(19,992)</u>	<u>27,138</u>
<i>Net cash provided by operating activities</i>	495,976	435,136
INVESTING ACTIVITIES		
Purchases of property and equipment	(87,285)	(91,432)
FINANCING ACTIVITIES		
Principal payments on note payable	<u>(42,653)</u>	<u>(40,026)</u>
NET CHANGE IN CASH	366,038	303,678
CASH, BEGINNING OF YEAR	<u>811,331</u>	<u>507,653</u>
CASH, END OF YEAR	<u>\$ 1,177,369</u>	<u>\$ 811,331</u>
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 90,228	\$ 92,856

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

INVENT LEARNING HUB, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – Invent Learning Hub, 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 under Indiana Code 20-24 and is sponsored by the Office of Education Innovation ("OEI") of the Mayor of the City of Indianapolis. The charter is effective through June 30, 2026 and is renewable thereafter by mutual consent. During the 2021-2022 school year, the School served approximately 160 students in kindergarten through eighth grade (approximately 135 students in grades kindergarten through seventh grade during the 2020-2021 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 accompanying financial statements have been prepared 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.

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 small equipment purchases 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 for building and improvements are 30 years and furniture and equipment are 5 years.

Debt Issuance Costs – The School incurred costs totaling \$29,438 associated with the financing of the school facility. Amortization is provided on a straight-line basis over 61 months. Amortization for both years ended June 30, 2022 and 2021 was \$5,791 and is included in interest expense. Accumulated amortization as of June 30, 2022 and 2021 was \$14,936 and \$9,145, respectively. As provided by ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, debt issuance costs are presented as a direct reduction from the carrying amount of the related debt liability.

INVENT LEARNING HUB, 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 received a determination from the U.S. Treasury Department stating 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 examined this issue and 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 March 20, 2023, 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 Policy – 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 significant 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. Incurring approved costs under the grant is considered satisfaction of the performance obligations.

The School receives contributions and grants from other agencies and individuals, which are recorded in accordance with the underlying agreements.

Among other items, other income includes student fees, which 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.

INVENT LEARNING HUB, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

NOTE 3 - PAYCHECK PROTECTION PROGRAM

On April 9, 2020, the School was granted a loan from Chase Bank in the amount of \$139,747, pursuant to the Paycheck Protection Program (“PPP”) under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. Under the terms of the PPP, the loan funds are to be forgiven if they are used for qualifying expenses as described in the CARES Act. As of June 30, 2020, the School evaluated the expenses to which the funds were applied and determined the loan requirements had been met for the \$83,337 of qualified expenses incurred through that date and recognized that amount as PPP loan forgiveness income during the year ended June 30, 2020. The remaining funds were spent on qualified expenses and recognized as PPP loan forgiveness income during the year ended June 30, 2021. The School was notified by Chase Bank on March 29, 2021 that the PPP loan has been forgiven in full.

NOTE 4 - NOTE PAYABLE

Note payable consisted of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Note payable to IFF, payable \$11,073 monthly, including interest at 6.375% per annum through September 2024, at which time interest will be recalculated, matures October 1, 2034, secured by mortgage on the school facility	\$ 1,392,016	\$ 1,434,669
Less: current portion	<u>(45,454)</u>	<u>(42,654)</u>
Long-term portion	<u>\$ 1,346,562</u>	<u>\$ 1,392,015</u>

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

2023	\$ 45,454
2024	48,437
2025	51,617
2026	55,006
2027	58,617
Thereafter	<u>1,132,885</u>
	<u>\$ 1,392,016</u>

INVENT LEARNING HUB, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

NOTE 5 - COMMITMENTS

As the sponsoring organization, OEI exercises certain oversight responsibilities. Beginning with the 2022-2023 school year, OEI will assess a fee equal to 1% of the basic tuition support received by the School.

The charter agreement requires the School to establish an escrow account of no less than \$30,000 should a dissolution occur. As of June 30, 2022, the escrow account was funded with \$10,000, which is included in the cash balance on the statements of financial position.

NOTE 6 - RETIREMENT PLAN

The School provides retirement benefits covering substantially all full-time employees. Retirement benefits for teaching personnel are provided by the Indiana State Teachers' Retirement Fund ("TRF"), which is a cost-sharing multiple-employer defined benefit retirement plan governed by the State of Indiana and administered by the Indiana Public Retirement System ("INPRS") Board. Contribution requirements of plan members are determined annually by the INPRS Board. Under the plan, the School contributes 5.5% of compensation for electing teaching faculty to TRF. Should the School elect to withdraw from TRF, it could be subject to a withdrawal fee. The School's contributions represent an insignificant percentage of the total contributions received by TRF. As of June 30, 2022, TRF was approximately 92% funded.

The School also offers a 403(b) defined contribution retirement plan. Non-teaching personnel and teachers who opt to not participate in TRF are eligible for benefits under the 403(b) plan.

Retirement plan expense was \$9,996 and \$11,016 for the years ended June 30, 2022 and 2021, respectively.

NOTE 7 - RISKS AND UNCERTAINTIES

The School provides educational instruction services to families residing in Marion 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.

Financial instruments that potentially subject the School to concentrations of credit risk consist primarily of receivables from the State of Indiana. At June 30, 2022 and 2021, substantially the entire grants receivable balance was due from the State of Indiana. Bank deposits are maintained at JP Morgan Chase Bank, N.A. and are insured up to the FDIC insurance limit. As of and during the years ended June 30, 2022 and 2021, cash balances exceeded the FDIC insured limit.

INVENT LEARNING HUB, INC.
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended June 30, 2022 and 2021

NOTE 8 - LIQUIDITY

Financial assets of the School include cash and grants receivable. Financial assets available to meet cash needs for general expenditures within one year totaled \$1,347,074 and \$966,115 as of June 30, 2022 and 2021, respectively, which excludes the \$10,000 escrow account (Note 5).

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 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

INVENT LEARNING HUB, 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		\$ 47,084
National School Lunch Program	10.555		102,565
Summer Food Service Program for Children	10.559		14,911
Fresh Fruit and Vegetables Program	10.582		<u>9,097</u>
<i>Total U.S. Department of Agriculture</i>			<u>173,657</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	S010A210014	150,733
Title II, Part A;			
Supporting Effective Instruction State Grants	84.367	S367A210013	18,566
Title IV, Part A;			
Student Support and Academic Enrichment	84.424	S424A210015	11,096
Special Education Cluster;			
Special Education - Grants to States	84.027A	22611-629-PN01	38,364
Special Education - Preschool Grants	84.173A	22619-629-PN01	2,905
Special Education - ARP	84.027X	22611-629-ARP	2,629
Special Education - Preschool Grants - ARP	84.173X	22619-629-ARP	713
Charter Schools Program	84.282A		149,118
Education Stabilization Fund;			
Governor's Emergency Education Relief Fund	84.425C		21
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200013	36,700
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D210013	172,814
Elementary and Secondary School Emergency Relief Fund	84.425D	S425U210013	<u>143,125</u>
<i>Total U.S. Department of Education</i>			<u>726,784</u>
<i>Total federal awards expended</i>			<u>\$ 900,441</u>

See independent auditors' report and accompanying notes to this schedule

INVENT LEARNING HUB, 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 Invent Learning Hub, 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.



Donovan CPAs

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
Invent Learning Hub, 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 Invent Learning Hub, 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 March 20, 2023.

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.

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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
March 20, 2023



Donovan CPAs

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
Invent Learning Hub, Inc.

Report on Compliance for Each Major Federal Program

We have audited Invent Learning Hub, 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 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.

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Opinion on Each Major Federal Program

In our opinion, Invent Learning Hub, 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
March 20, 2023

INVENT LEARNING HUB, 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>
84.425C	Education Stabilization Fund;
84.425D	Governor's Emergency Education Relief Fund
84.282A	Elementary and Secondary School Emergency Relief Fund Charter Schools Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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II. Financial Statement Findings

No matters were reportable.

III. Federal Award Findings and Questioned Costs

No matters were reportable.

INVENT LEARNING HUB, 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 Invent Learning Hub, 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*.