



# Nineveh – Hensley – Jackson United School Corporation (NHJUSC)

Charter Authorizer Compliance Report 2018 – 2019 for the  
Indiana Agriculture and Technology School

Prepared November 2019

Submitted December 20, 2019

Published and Available for Review on [www.indiancreekschools.com](http://www.indiancreekschools.com)

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**PURPOSE:**

The purpose of this Authorizer Compliance Report is to provide a snapshot of the benchmarks pursuant to [IC 20-24-9-1](#) and the required contents as set forth by [IC 20-24-9-2](#). Those items are included for the public's reference below:

**IC 20-24-9-1 Annual report to department**

Sec. 1. (a) An authorizer that has established a charter school shall submit an annual report to the department and the state board for informational and research purposes. The authorizer shall make the annual report available on the authorizer's Internet web site.

(b) The department and state board shall make all annual reports submitted under subsection (a) available on the department's and state board's Internet web sites.

[Pre-2005 Elementary and Secondary Education Recodification Citation: 20-5.5-9-1.]

*As added by P.L.1-2005, SEC.8. Amended by P.L.91-2011, SEC.21; P.L.33-2014, SEC.2; P.L.5-2015, SEC.45.*

**IC 20-24-9-2 Annual report; contents**

Sec. 2. An annual report under this chapter must contain the following information:

- (1) Results of statewide assessment program measures.
- (2) Student growth and improvement data for each authorized school.
- (3) Attendance rates for each authorized school. In the case of a virtual charter school, the virtual charter school must include the methodology used to determine attendance rate with the attendance rate.
- (4) Graduation rates (if appropriate), including attainment of Indiana diplomas with a Core 40 designation and Indiana diplomas with Core 40 with academic honors designations for each authorized school.
- (5) Student enrollment data for each authorized school, including the following:
  - (A) The number of students enrolled.
  - (B) The number of students expelled.
- (6) Status of the authorizer's charter schools, identifying each of the authorizer's charter schools that are in the following categories:
  - (A) Approved but not yet open.
  - (B) Open and operating.
  - (C) Closed or having a charter that was not renewed, including:
    - (i) the year closed or not renewed; and
    - (ii) the reason for the closure or nonrenewal.
- (7) Names of the authorizer's board members or ultimate decision making body.
- (8) Evidence that the authorizer is in compliance with [IC 20-24-2.2-1.5](#).
- (9) A report summarizing the total amount of administrative fees collected by the authorizer and how the fees were expended, if applicable.
- (10) Total amount of other fees or funds not included in the report under subdivision (9) received by the authorizer from a charter school and how the fees or funds were expended.
- (11) The most recent audits for each authorized school submitted to the authorizer under [IC 5-11-1-9](#).
- (12) For a virtual charter school, the student engagement requirements or policies.

The information provided within this report is specific to the Indiana Agriculture and Technology School. No other charters were authorized by NHJUSC during the 2018 – 2019 academic calendar.

**INTRODUCTION:**

Charter Schools are independent, state funded, public schools that are open to all students. Students do not pay tuition to attend these schools. The purpose of charter schools as defined by [IC 20-24-2-1](#) is the following:

- (1) Serve the different learning styles and needs of public school students.
- (2) Offer public school students appropriate and innovative choices.
- (3) Provide varied opportunities for professional educators.
- (4) Allow public schools freedom and flexibility in exchange for exceptional levels of accountability.
- (5) Provide parents, students, community members, and local entities with an expanded opportunity for involvement in the public school system.

In Indiana, charter schools may be authorized by a limited number of entities, such as governing boards of a nonprofit college or university that provides a four (4) year educational program for which it awards a baccalaureate or more advanced degree, including all of the listed entities in [IC 20-24-1-2.5\(5\)](#). School Corporations under [IC 20-24-2.2-1.2\(b\)](#) provides that a governing body of a school corporation can register with the state board for charter authority within the attendance area of the corporation as well.

### **Overview of the Indiana Agriculture and Technology School:**

The Indiana Agriculture and Technology School is a blended public charter school using cutting-edge virtual learning technologies blended with live hands-on experiences in agricultural sciences and technology. The school provides students in grades 7 thru 12 with layers of accountability to ensure they stay on a path to success. Some of the highlights of the learning environment include:

- Student Learning Advocates monitor student activity, progress and work with the student and their family.
- Each course has a lead teacher who provides content review, assessments and timely feedback.
- Concept and Success Coaches tutor, assist and mentor students in the learning environment.
- CTE Certified Agriculture Teacher(s) lead students throughout the hands-on, practical learning opportunities.

[www.indiana.ag](http://www.indiana.ag)

**Component Review 1:****Results of Statewide Tests and End of Course Assessments**

## Standardized Tests and End of Course Assessment Data

<b>ILEARN Performance Data</b>	<b>English/Language Arts</b>	<b>Mathematics</b>
Grade 7	22% Proficient (9)	11% Proficient (11)
Grade 8	28 % Proficient (18)	0% Proficient (18)

<b>ISTEP Performance Data</b>	<b>English/Language Arts</b>	<b>Mathematics</b>
Grade 10 First Time Test Takers	44% Pass (18)	28 % Pass (18)
Grade 11 and 12 Re-test	8% Pass (12)	7% Pass (15)

**Component Review 1:**

**Results of Statewide Tests and End of Course Assessments**

Standardized Tests and End of Course Assessment Data

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Grade 7	22% Proficient (9)	11% Proficient (11)
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Grade 11 and 12 Re-test	8% Pass (12)	7% Pass (15)

Authorizer's Note/Opinion:

Upon review of the demographic/previous schools of students, it was seen that a large number of students were coded as home school students previous to enrolling in IATS. How are home school students progressions tracked to ensure 21st Century workforce readiness? What data was available upon enrollment?

**Component Review 2:****Student Growth and Improvement Data for each Authorized School**

Growth data is not available due to the first year of the school's existence. Data points from State testing will set the benchmark for measuring growth throughout the 2019 – 2020 academic school year.





**Component Review 3:****Attendance Rate for each Authorized School**

2019 Attendance Rate	State Indicator
	80.42 %

## Authorizer's Note/Opinion:

The Indiana Agriculture and Technology School submitted an original attendance rate of 100 percent to the Indiana Department of Education for reporting purposes. The original calculation did not take into account Agriculture Performance Days (all day field experiences). The School was directed by the Authorizer to recalculate attendance to include those days as well. The resulting attendance rate is reflected above. The School attempted to submit the updated data to the Indiana Department of Education.

**Component Review 4:****Graduation Rates for each Authorized School**

2019 Graduation Rate	State Indicator	Federal Indicator
	75.00 %	75.00%

**Core 40 and Academic Honors Diploma Awarded**

2019 Core 40 Diplomas	2019 Academic Honors Diplomas
4	0

Authorizer's Note/Opinion:

There were also two (2) students who were awarded General Diplomas for 2019.

**Component Review 5:****Student Enrollment Data for each Authorized School**

<b>Grade Level (ADM Count Day Data)</b>	<b>Enrollment</b>
7	22
8	25
9	25
10	26
11	13
12	18
<b>TOTAL</b>	<b>129</b>

## Authorizer's Note/Opinion:

The ADM Sign-off sheet is included as documentation. It is located in the Appendix as Exhibit 'A' for review.

**Component Review 5, Continued:****Student Enrollment Data and Additional Data for each Authorized School**

<b>Number of Students Expelled</b>	<b>Student Count</b>
	0

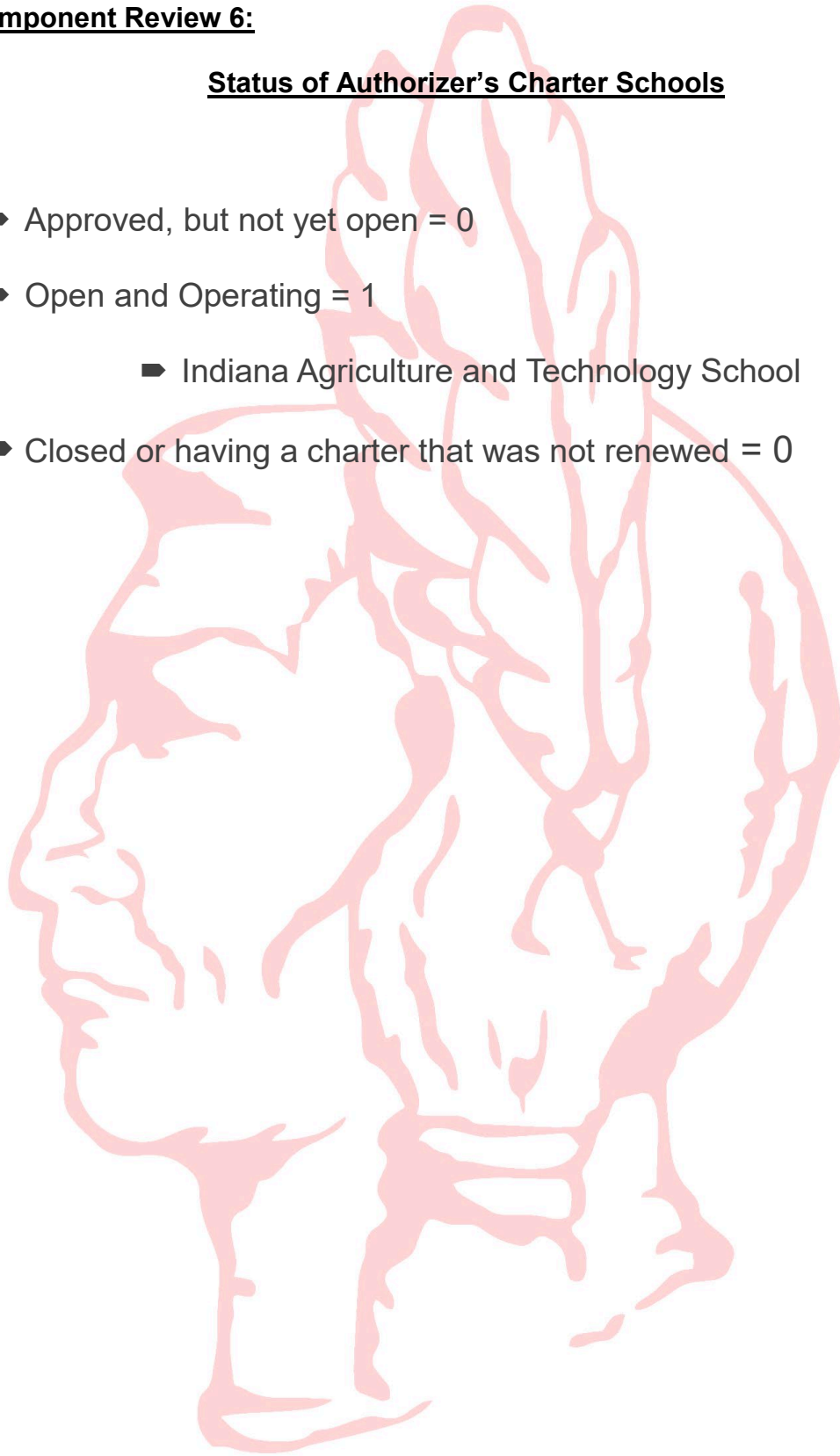
<b>Number of Incidents Involving an SRO</b>	<b>Student Count</b>
	0

<b>Number of Students Restrained or Secluded</b>	<b>Student Count</b>
	0

**Component Review 6:**

**Status of Authorizer's Charter Schools**

- ▶ Approved, but not yet open = 0
- ▶ Open and Operating = 1
  - ▶ Indiana Agriculture and Technology School
- ▶ Closed or having a charter that was not renewed = 0



**Component Review 7:**

**Authorizer's Board Members and Decision Making Body**

- Dr. Tim Edsell, Ph. D. Superintendent of Schools
- Mr. Ed Harvey, Board President
- Mr. Greg Waltz, Vice-President
- Ms. Judy Misiniec, Secretary
- Mr. Thomas Burgett, Member
- Mr. Ben Swopes, Member
- Mr. Andy Cline, Compliance Monitor

**Indiana Agriculture and Technology School Board (Reference Information)**

- Mr. Allan Sutherlin, President
- Mr. Brad Barkley, Vice-President
- Mr. Steve Riddle, Treasurer
- Mr. Peter Beering, Secretary
- Mr. Andy Sighting, Member
- Mr. Keith Marsh, Chief Academic Officer/Principal

**Component Review 8:**

**Authorizer’s Acknowledgement of Authorizing Practices**

Nineveh – Hensley Jackson United School Corporation acknowledges the following organizations for their contribution in improving authorizing practices.

- ▶ National Association of Charter School Authorizers (NACSA)
- ▶ Indiana Department of Education Charter School Office
- ▶ School Works

The School Corporation will continue to seek out resources and participate in opportunities to review and refine its authorizing practices.

**Component Review 9:**

**Collection of Administrative Fees and their Expenditure**

- ▶ \$20,868.41 collected as Authorizer Administrative Fees for 2018 – 2019
  - ▶ \$0 spent from collected funds during the 2018 – 2019 Academic Year.
  - ▶ Funds will be spent during the 2019 – 2020 Academic Year to pay for the position of part-time community relations representative.

Authorizer's Note/Opinion:

Appendix 'B' represents the Fund History Report accounting for funds from the Authorizer's accounting software (Komputrol).



**Component Review 10:**

**Collection of 'Other' Funds and their Expenditure**

- ▶ \$20,660.00 collected as 'other fees' to fund the shared position of mental health counselor for Nineveh-Hensley-Jackson Schools and IATS.
  - ▶ This occurred during the 2018 – 2019 school year only.
  - ▶ No funds expected to be collected for the 2019 -2020 school year for this purpose.

Authorizer's Note/Opinion:

Appendix 'C' represents the Fund History Report accounting for funds from the Authorizer's accounting software (Komputrol).

**Component Review 11:**

**Most Recent Audit of Authorized School Submitted Under [IC 5-11-1-9](#)**

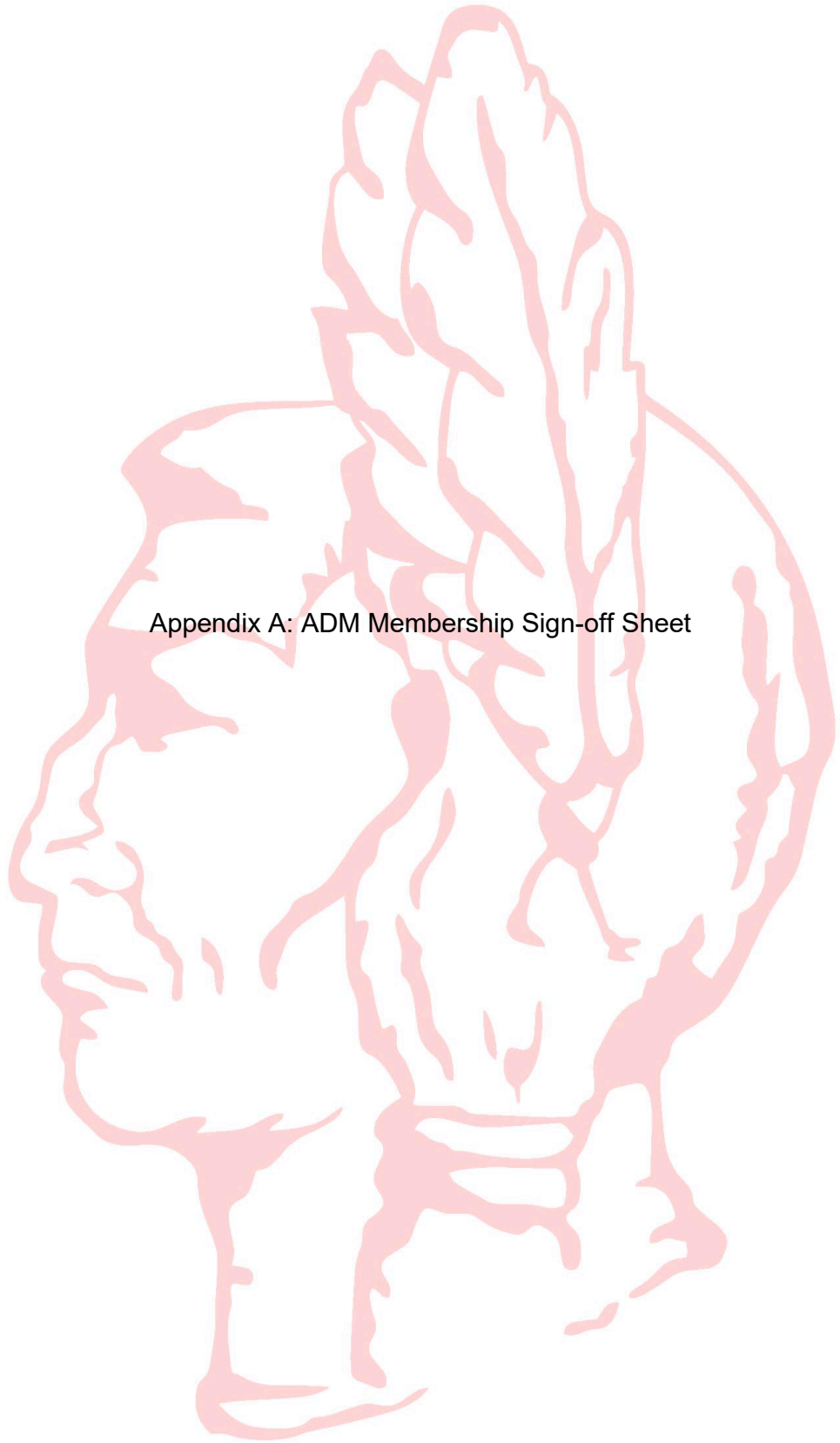
Authorizer's Note/Opinion:

Appendix 'D' represents the Complete Audit for the 2018 – 2019 school accounting for funds from the Indiana Agriculture and Technology School.

Appendix 'E' represents the Supplemental Audit for the 2018 – 2019 school accounting for funds from the Indiana Agriculture and Technology School.

Appendix 'F' represents the **State Board of Accounts Audit Review Notice** (2018 – 2019) school accounting for funds from the Indiana Agriculture and Technology School.

Appendix 'G' represents the **State Board of Accounts Supplemental Audit Review Notice** (2018 – 2019) school accounting for funds from the Indiana Agriculture and Technology School.



Appendix A: ADM Membership Sign-off Sheet

**ADM Report - As of 10/12/2018 2:36:35 PM**

**Membership Count Date: 09/14/2018**

9505 - Indiana Agriculture and Technology

5472 - Indiana Agriculture and Technology

Grade	Resident Enrollment (exclude dual enrollment students)	Transfers Out	Cash Transfers	State Obligations	Placements In	Sub Total Col 2+3+4+5+6	Dual Enrollment Full Time Equivalency	Total ADM Col 7+8	Dual Enrollment Student Count	FDK
07	22	0	0	0	0	22	0	22	0	
08	25	0	0	0	0	25	0	25	0	
09	25	0	0	0	0	25	0	25	0	
10	26	0	0	0	0	26	0	26	0	
11	13	0	0	0	0	13	0	13	0	
12	18	0	0	0	0	18	0	18	0	
Total	129	0	0	0	0	129	0	129	0	

Students reported as attending other schools (i.e., ADM Type 2 "Transfers Out" and ADM Type 1 "Resident Enrollment" students attending a cooperative in another corporation) are not included on the School ADM Report, but are included on your Corporation's ADM Report.

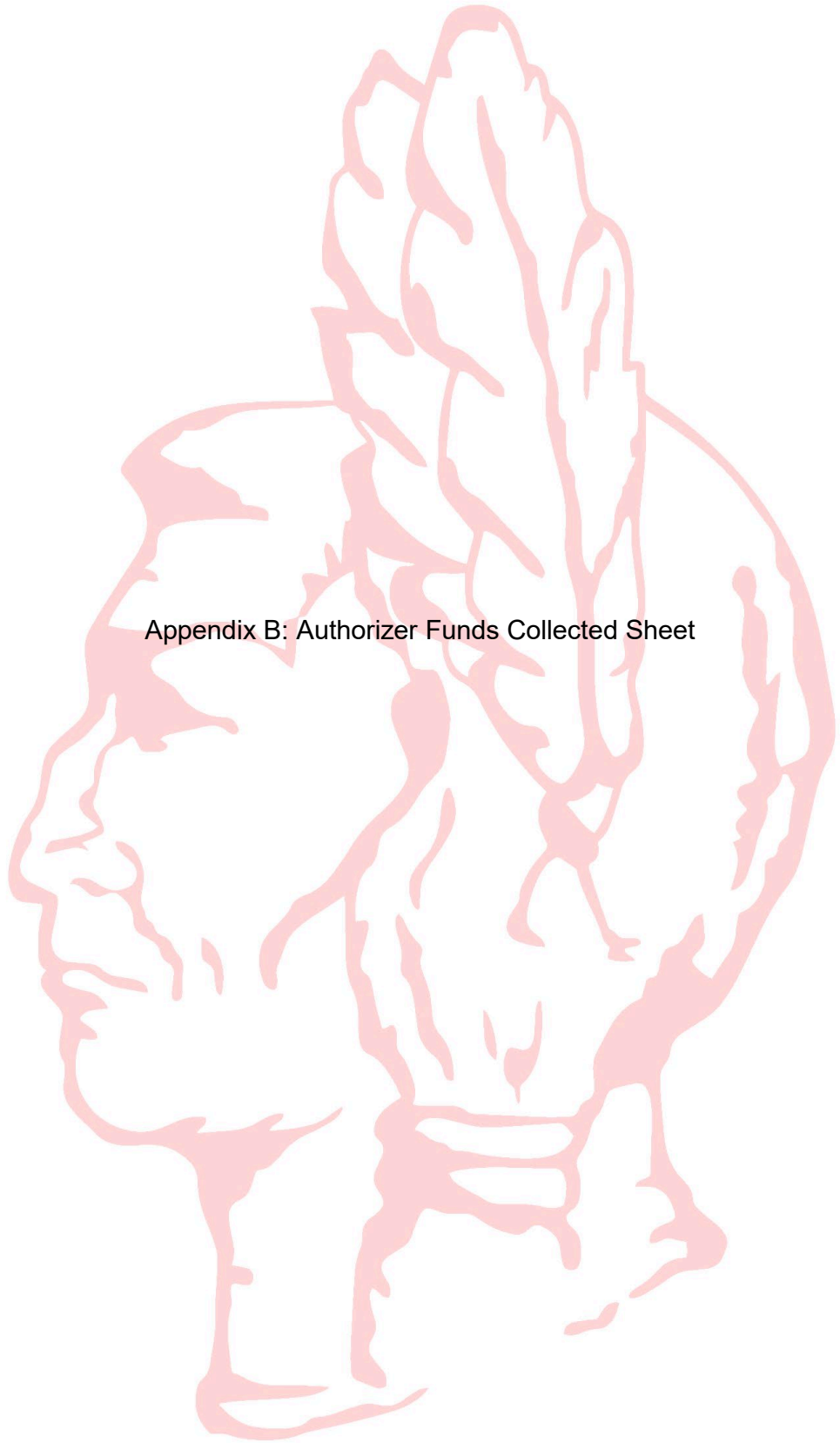
Students participating in FDK program count as 1 and students participating in a half-day program count as .5

**Full Day KG Summary Report - 10/12/2018 2:36:35 PM**

No records found.

*John R. Lutz*  
*John R. Lutz*  
 Board Treasurer, 10/12/18

*Carol Ann* 10/12/2018  
 Principal



Appendix B: Authorizer Funds Collected Sheet

11/06/19  
12:36:41

R E V E N U E   H I S T O R Y   R E P O R T

BD440/DEBBIE

PAGE 1

ACTIVE AND INACTIVE

DATE RANGE: 7/01/18 - 6/30/19

ACCOUNT NUMBER	BNK #	TRANS NUMBR	RCPT #	POSTING DATE	REFERENCE/RECEIVED FROM	REVENUE ADJUSTMENT	YTD REVENUE	MTD REVENUE	FTD REVENUE
----------------	-------	-------------	--------	--------------	-------------------------	--------------------	-------------	-------------	-------------

\*\*\*\*\*  
2917 1951.00 IAE AUTHORIZED AGENT \*  
\*\*\*\*\*

1	22590	14158		11/09/18	3% OF TUITIOM SUPPORT NOV 2018		1,709.25		
	21790			11/13/18	CORRECT FUND		3,418.50		
	23819			11/30/18	CORRECT FUND NUMBER		1,709.25		
1	24600	14290		12/07/18	3% TUIITION IN AG SCHOOL		1,709.25		
1	1032	14504		1/18/19	MENTAL HEALTH ADVISOR		2,066.66		
1	3487	14612		2/07/19	3 PERCENT FEE		1,709.25		
1	5394	14792		3/15/19	INDIANA AGRICULTURE EDUCATION		1,709.25		
1	6766	14820		3/29/19	INDIANA AGRICULTURE EDUCATION		1,709.25		
1	7613	14925		4/19/19	INDIANA AGRICULTURE EDUCATION		1,709.25		
1	11248	15109		5/24/19	INDIANA AGRICULTURE		1,709.25		
1	13179	15202		6/27/19	INDIANA AG		1,709.25		

HISTORY FILE TOTAL FOR DATE RANGE 20,868.41  
 MAINTENANCE FILE TOTAL .00 12,322.16 .00 .00  
 \*\* HISTORY TO MAINTENANCE DIFFERENCE 8,546.25-

2917 \*\*\*\*\* \*\* AUTHORIZED AGENT IAE TOTAL 20,868.41

HISTORY GRAND TOTAL 20,868.41

Plans to spend this money on a part-time  
Public Relations/HR employee

*Debra E. Carter*

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Appendix C: Authorizer/Charter Funds & Shared Expenses

11/06/19  
12:33:27

REVENUE HISTORY REPORT  
ACTIVE AND INACTIVE  
DATE RANGE: 7/01/18 - 6/30/19

BD440/DEBBIE  
PAGE 1

ACCOUNT NUMBER	BNK #	TRANS NUMBR	RCPT #	POSTING DATE	REFERENCE/RECEIVED FROM	REVENUE ADJUSTMENT	YTD REVENUE	MTD REVENUE	FTD REVENUE
----------------	-------	-------------	--------	--------------	-------------------------	--------------------	-------------	-------------	-------------

\*\*\*\*\*  
100 6600.00 MISCELLANEOUS REVENUE \*INACTIVE\* \*  
\*\*\*\*\*

1	15466	13693		8/10/18	POSTAGE REIMBURSEMENT		85.54		
1	16938	13776		8/28/18	MENTAL HEALTH		2,066.66		
1	17684	13836		9/07/18	RREFUND		27.18		
1	17681	13853		9/11/18	MENTAL HEALTH		2,066.66		
1	19161	13898		9/19/18	WEC SUPPORT FUNDS		2,500.00		
1	20155	13993		10/05/18	CHECK REQUEST		52.53		
1	20121	14048		10/17/18	MENTAL HEALTH ADVISOR		2,066.66		
1	22651	14122		11/02/18	ICHS HEALTH REIMBURSEMENT		250.00		
1	22652	14163		11/09/18	MENTAL HEALTH ADVISOR		2,066.66		
1	22612	14177		11/14/18	LOST LIBRARY BOOK PAYMENT		13.01		
1	22641	14186		11/16/18	FOB REPLACEMENT FEE		10.00		
1	22945	14200		11/19/18	LIBRARY FEES		16.00		
1	23090	14247		11/30/18	WELLNESS INCENTIVE		2,200.00		
1	23091	14248		11/30/18	GENERAL FUND		1,709.25		
1	23099	14255		11/30/18	EMPLOYEE BACKGROUND REIMBUR		21.95		
	23818			11/30/18	CORRECT FUND NUMBER		1,709.25-		
1	24787	14340		12/13/18	TBR/LIBRARY FEES		17.00		
1	24793	14348		12/14/18	IN AG MENTAL HEALTH ADVISOR		2,066.66		

HISTORY FILE TOTAL FOR DATE RANGE 15,526.51  
 MAINTENANCE FILE TOTAL .00 .00 .00 .00  
 \*\* HISTORY TO MAINTENANCE DIFFERENCE 15,526.51-

100 \*\*\*\*\* \*\* \*\* GENERAL FUND TOTAL 15,526.51

\*\*\*\*\*  
101 6600.00 MISCELLANEOUS REVENUE \*  
\*\*\*\*\*

1	1033	14505		1/18/19	JANUARY GENERAL		1,709.25		
1	1251	14510		1/18/19	TBR/LIBRARY FEE		5.29		
1	3484	14589		2/01/19	INMAC ED/WORKFORCE DEVEL AWARD		2,000.00		
1	3494	14636		2/12/19	MENTAL HEALTH ADVISOR		2,066.66		
1	4025	14688		2/25/19	CHROMEBOOK REPAIR		76.25		
	4340			3/06/19	TRAN FROM TBR TO EDU LIB BK		8.50		
1	5395	14792		3/15/19	INDIANA AGRICULTURE EDUCATION		2,066.66		
1	7431	14886		4/12/19	INDIANA AGRICULTURE EDUCATION		2,066.66		
1	10071	14992		5/03/19	LIBRARY FINES		11.37		
1	10087	15011		5/08/19	INDIANA AGRICULTURE EDUCATION		2,066.66		
1	10396	15093		5/23/19	TBR/LIBRARY		52.50		
1	10363	15097		5/24/19	LIBRARY FINES		82.71		
1	12170	15142		6/05/19	LIBRARY FEES		12.00		
1	12209	15149		6/05/19	INDIANA AG EDUCATION		2,066.66		



11/06/19  
12:33:27

REVENUE HISTORY REPORT  
ACTIVE AND INACTIVE  
DATE RANGE: 7/01/18 - 6/30/19

BD440/DEBBIE  
PAGE 2

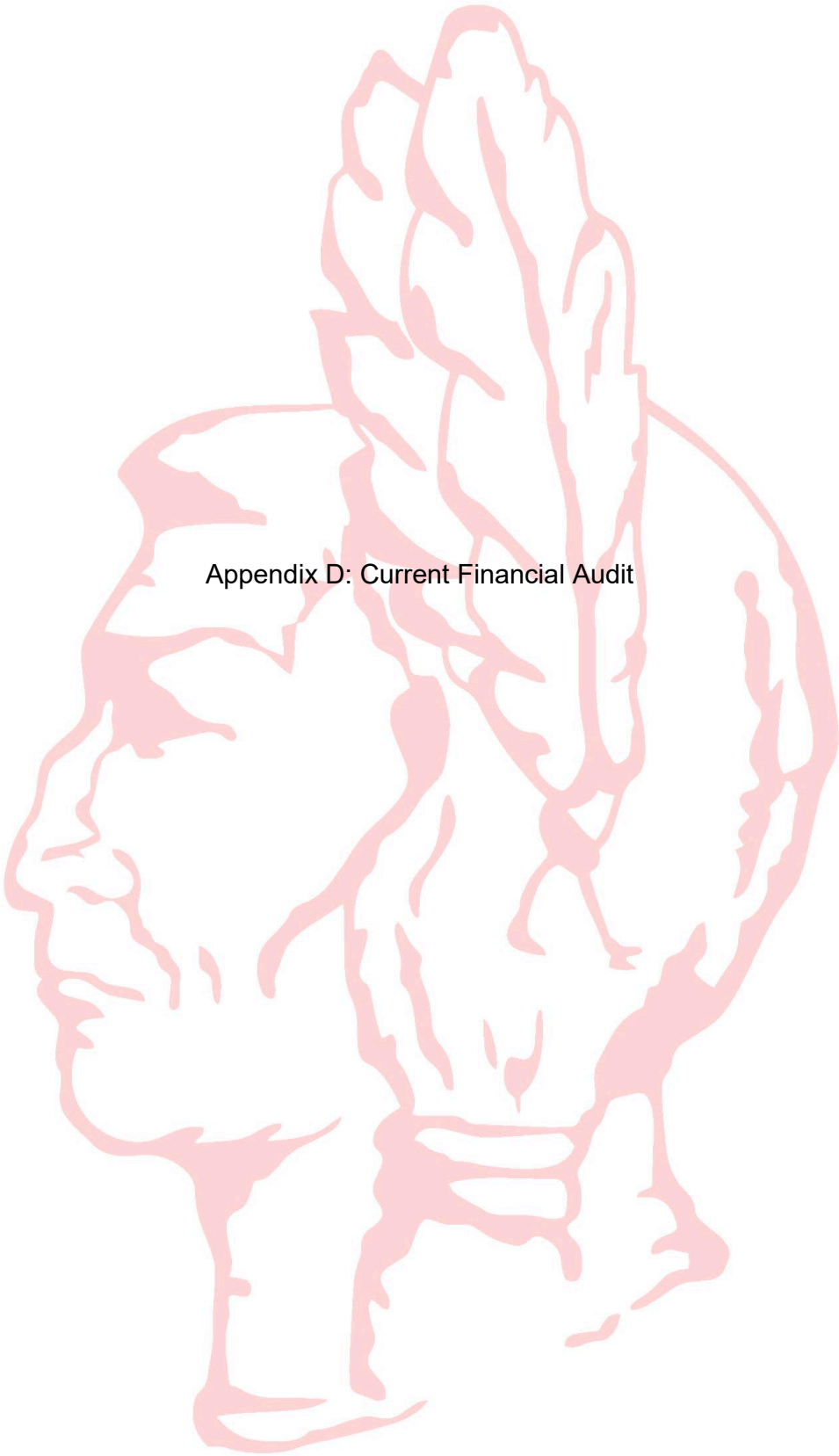
ACCOUNT NUMBER	BNK #	TRANS NUMBR	RCPT #	POSTING DATE	REFERENCE/RECEIVED FROM	REVENUE ADJUSTMENT	YTD REVENUE	MTD REVENUE	FTD REVENUE
	1	12212	15152	6/05/19	WELLNESS INCENTIVE		1,400.00		
	1	12499	15187	6/18/19	TBR/LIBRARY FEES		17.19		
HISTORY FILE TOTAL FOR DATE RANGE							15,708.36		
MAINTENANCE FILE TOTAL							.00	23,565.99	7,857.63
** HISTORY TO MAINTENANCE DIFFERENCE								7,857.63	

101 \*\*\*\*\* \*\* EDUCATION FUND TOTAL 15,708.36

\*\*\*\*\*  
HISTORY GRAND TOTAL 31,234.87

Total Received from Indiana Ag for Mental Health  
Counselor Salary - \$20,660.00  
All Spent on Mental Health Counselor Salary

*Debra E. Carter*



Appendix D: Current Financial Audit

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
FINANCIAL STATEMENTS  
Together with Independent Auditors' Report  
For the Year Ended June 30, 2019



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# Donovan CPAs

## *Independent Auditors' Report*

The Board of Directors  
Indiana Agriculture Education, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School, which comprise the statement of financial position as of June 30, 2019, 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.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

---

[www.cpadonovan.com](http://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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School as of June 30, 2019, 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.

DONOVAN

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

Indianapolis, Indiana  
August 7, 2019

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2019**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 112,629
Accounts receivable	<u>98</u>
<i>Total current assets</i>	<u>112,727</u>

**PROPERTY AND EQUIPMENT**

Equipment	16,515
Less: accumulated depreciation	<u>(5,746)</u>
<i>Property and equipment, net</i>	<u>10,769</u>

**TOTAL ASSETS**

\$ 123,496

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 14,718
---------------------------------------	-----------

**LONG-TERM LIABILITIES**

Notes payable	<u>94,333</u>
<i>Total liabilities</i>	109,051

**NET ASSETS WITHOUT DONOR RESTRICTIONS**

14,445

**TOTAL LIABILITIES AND NET ASSETS**

\$ 123,496

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

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**For the Year Ended June 30, 2019**

**REVENUE AND SUPPORT**

State education support	\$ 802,373
Grant revenue	279,609
Contributions:	
Forgiveness of notes payable	440,000
Other	4,250
Other income	<u>2,821</u>
 <i>Total revenue and support</i>	 <u>1,529,053</u>

**EXPENSES**

Program services	653,760
Management and general	<u>362,560</u>
 <i>Total expenses</i>	 <u>1,016,320</u>

**CHANGE IN NET ASSETS**

512,733

**NET DEFICIT, BEGINNING OF YEAR**

(498,288)

**NET ASSETS, END OF YEAR**

\$ 14,445

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



**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and wages	\$ 143,923	\$ 109,608	\$ 253,531
Online curriculum services	245,491	-	245,491
Occupancy	125,866	-	125,866
Professional services	59,387	56,439	115,826
Advertising	-	79,517	79,517
Interest	-	47,227	47,227
Supplies	26,425	9,833	36,258
Employee benefits	16,608	11,421	28,029
Authorizer oversight fee	-	20,511	20,511
Travel	-	15,003	15,003
Student transportation	10,232	-	10,232
Information technology services	8,665	-	8,665
Repairs and maintenance	7,446	-	7,446
Insurance	-	6,434	6,434
Depreciation	4,021	-	4,021
Staff development	2,850	-	2,850
Other	2,846	6,567	9,413
	<u>2,846</u>	<u>6,567</u>	<u>9,413</u>
<i>Total functional expenses</i>	<u>\$ 653,760</u>	<u>\$ 362,560</u>	<u>\$ 1,016,320</u>

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

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2019**

**OPERATING ACTIVITIES**

Change in net assets	\$ 512,733
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,021
Forgiveness of notes payable	(440,000)
Changes in certain assets and liabilities:	
Accounts receivable	(98)
Prepaid expenses	9,766
Accounts payable and accrued expenses	<u>7,121</u>
 <i>Net cash provided by operating activities</i>	 93,543

**FINANCING ACTIVITIES**

Proceeds from related party note payable	<u>10,500</u>
--	---------------

**NET CHANGE IN CASH**

104,043

**CASH, BEGINNING OF YEAR**

8,586

**CASH, END OF YEAR**

\$ 112,629

**SUPPLEMENTAL INFORMATION**

Cash paid for interest	\$ 47,227
------------------------	-----------

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

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General – Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School (the “School”) is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana and operates a public charter school established under Indiana Code 20-24. The School instructs students using a combination of virtual learning technologies and live hands-on experiences in agriculture, conservation, and environmental sciences. During the School’s first year of operations (2018-2019 school year), the School served approximately 120 students in seventh through twelfth grade. The School is sponsored by Nineveh-Hensley-Jackson United School Corporation. The charter remains in effect until June 30, 2025, and is renewable thereafter by mutual consent.

Financial Statement Presentation – The School has adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 requires the financial reporting for not-for-profit entities to include two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. As of June 30, 2019, the School had only net assets without donor restrictions.

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

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

A portion of the School’s revenue is the product of cost reimbursement grants. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred.

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 and equipment purchases are charged to expense as incurred.

Depreciation is provided over the estimated useful lives of the respective assets (3 to 5 years) using the straight-line method.

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Taxes on Income – Indiana Agriculture Education, Inc. has 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 would be subject to tax on income unrelated to its tax-exempt purpose. For the year ended June 30, 2019, no accounting for federal and state income taxes was required to be included in the accompanying financial statements.

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

Subsequent Events – The School evaluated subsequent events through August 7, 2019, 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 - PRIOR PERIOD FINANCIAL ACTIVITY**

Prior to the year ended June 30, 2019 (the School's first year of operations), the School received loans from related parties totaling \$523,833 to fund necessary startup costs. At July 1, 2018, the School had a cash balance of \$8,586, prepaid expenses of \$9,766, equipment (net of accumulated depreciation) of \$14,790, accounts payable of \$7,597, and a net deficit of \$498,288.

**NOTE 3 - RELATED PARTY TRANSACTIONS**

The School received loans from, and executed lease agreements with, companies owned by related parties.

The School received loans from Integrated Investments of Indiana, Inc. and Stakeholder International, LLC (see Note 4), which are owned by John Curtis and Allan Sutherlin, respectively. John Curtis is the former School Board Treasurer, current School Ad Hoc Board Member, and is the current School Treasurer (see Note 6). Allan Sutherlin is the current School Board President. John Curtis and Allan Sutherlin are co-founders of the School.

The School leases a farm property and office space from entities owned by John Curtis. The farm is owned by Network Venture Funding, which is partly owned by Integrated Investments of Indiana, Inc. Additionally, the School's office space is owned by Network Capital, LLC, which is owned by John Curtis (see Note 5).

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 3 - RELATED PARTY TRANSACTIONS, Continued**

The School's Director of Enrollment/Registrar is the son of a board member.

**NOTE 4 - NOTES PAYABLE**

The notes payable consist of the following at June 30, 2019:

	<u>Original Principal Balance</u>	<u>Interest Paid</u>	<u>Note Forgiven</u>	<u>Balance at June 30, 2019</u>
Note payable to Integrated Investments of Indiana, Inc., principal due in full by August 30, 2020. Interest at 15% per annum is paid monthly.	\$ 233,833	\$ 24,215	\$ 150,000	\$ 83,833
Note payable to Greenwood Surveying Company, interest at 15% per annum is paid monthly.	120,000	9,200	120,000	-
Note payable to Stephen M. Hoss, interest at 15% per annum is paid monthly.	120,000	9,250	120,000	-
Note payable to Stakeholder International, LLC, interest at 15% per annum is paid monthly.	50,000	3,812	50,000	-
Note payable to Stakeholder International, LLC, principal due in full by August 30, 2020. Interest at 15% per annum is paid monthly.	<u>10,500</u>	<u>750</u>	<u>-</u>	<u>10,500</u>
	<u>\$ 534,333</u>	<u>\$ 47,227</u>	<u>\$ 440,000</u>	<u>\$ 94,333</u>

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 5 - LEASES**

The School executed leases with two companies owned by related parties (see Note 3) for office space and farm property.

The office space lease provides for monthly rental payments of \$3,000 through November 2018 and decreasing to \$1,828 thereafter. The lease terminates in November 2020, with an option to renew the lease for thirty-six months. Total expense under this lease was \$30,895 for the year ended June 30, 2019.

The farm lease provides for monthly rental payments of \$5,000 through December 2018 and increasing to \$10,500 thereafter. The lease terminates in September 2019 and is expected to be renewed. Total expense under this lease was \$93,000 for the year ended June 30, 2019.

Following is a schedule of future minimum lease obligations for the years ending June 30:

2020	\$	53,776
2021		9,383

**NOTE 6 - VALUATION OF IN-KIND SERVICES**

The School received in-kind services from John Curtis, who operates as the School's Treasurer and provides accounting services (see Note 3). The School has not calculated an estimated value for these services. Accordingly, no in-kind amounts have been recorded for the year ended June 30, 2019.

**NOTE 7 - LIQUIDITY**

Under ASU 2016-14, the School is required to disclose the assets it has available at June 30, 2019 to meet its cash needs for general expenditures within one year of the date of the statement of financial position. The School's financial assets at June 30, 2019 total \$112,727, all of which are available to meet cash needs for general expenditures within one year.

**NOTE 8 - COMMITMENTS**

The School operates under a charter granted by Nineveh-Hensley-Jackson United School Corporation. As the sponsoring organization, Nineveh-Hensley-Jackson United School Corporation exercises certain oversight responsibilities. Under this charter, the School has agreed to pay Nineveh-Hensley-Jackson United School Corporation an annual administrative fee equal to 3% of state tuition payments received. Payments under this agreement were \$20,511 for the year ended June 30, 2019.

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 8 - COMMITMENTS, Continued**

The School has contracted with Edgenuity, Inc. to provide online instructional services for its students. The contract is for a three-year term through June 30, 2021. Payments under this agreement were \$237,200 for the year ended June 30, 2019.

**NOTE 9 - RISKS AND UNCERTAINTIES**

The School provides educational instruction to students residing 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 principally of receivables from the State of Indiana. In addition, deposits maintained at PNC Bank and are insured up to the FDIC insurance limit.

**NOTE 10 - FUNCTIONAL EXPENSE REPORTING**

The costs of providing educational activities have been summarized on a functional basis in the statement of activities and change in net assets. Accordingly, certain expenses have been allocated between program services and management and general expenses.

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**OTHER REPORT**  
**For the Year Ended June 30, 2019**

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

Supplemental Audit Report of Indiana Agriculture Education, Inc.  
d/b/a Indiana Agriculture & Technology School

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*.



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Appendix E: Current, Supplemental Financial Audit

SUPPLEMENTAL AUDIT REPORT  
OF  
**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**

HAMILTON COUNTY, INDIANA

July 1, 2018 to June 30, 2019



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**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**HAMILTON COUNTY, INDIANA**  
**School Officials**  
**July 1, 2018 to June 30, 2019**

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Allan Sutherlin	07/01/18 – 06/30/19
School Treasurer	John Curtis	07/01/18 – 06/30/19
Chief Academic Officer	Keith Marsh	07/01/18 – 06/30/19



# Donovan CPAs

The Board of Directors  
Indiana Agriculture Education, Inc.

We have audited the financial statements of Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School (the "School") as of and for the year ended June 30, 2019, and have issued our report thereon dated August 7, 2019. As part of our audit, we tested the School's compliance with provisions of the *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools* issued by the Indiana State Board of Accounts and related provisions of laws, regulations, contracts and grant agreements. Reported in the Audit Results and Comments are matters where we believe the School was not in compliance with those provisions.

DONOVAN

Indianapolis, Indiana  
August 7, 2019

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[www.cpadonovan.com](http://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

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**HAMILTON COUNTY, INDIANA**  
**Audit Results and Comments**  
**July 1, 2018 to June 30, 2019**

**PAYROLL POLICIES AND COMPLIANCE**

We requested employment contracts for the School's four employees. The School was unable to provide an employment contract for one employee.

All compensation and benefits paid to employees must be included in the labor contract or salary schedule unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

**MINIMUM INTERNAL CONTROL STANDARDS**

Per review and discussion with school personnel, it was determined that the School was not in compliance with either of the minimum internal control requirements as set forth by IC 5-11-1-27(g).

After June 30, 2016, the legislative body of a political subdivision shall ensure that:

1. the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
2. personnel received training concerning the internal control standards and procedures adopted by the political subdivision.

(IC 5-11-1-27(g))

**INDIANA AGRICULTURE EDUCATION, INC.**  
**d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL**  
**HAMILTON COUNTY, INDIANA**  
**Exit Conference**  
**July 1, 2018 to June 30, 2019**

The contents of this report were discussed on August 6, 2019 with John Curtis (School Treasurer), Keith Marsh (Chief Academic Officer), and Allan Sutherlin (President of Board of Directors). The Official Response has been made a part of this report and may be found on page 5.



Indiana Agriculture &  
Technology School

August 7, 2019

Gentlemen:

This letter will confirm that the (2) two items identified in our draft audit report have been corrected as of today's date.

Specifically, all members of the organization who have responsibility for financial management of the school have completed the State of Indiana's required training and have signed the certification documents.

Secondly, the contract for Thomas Sutherlin has been prepared, documented and authorized by myself and the President of the Board.

Thank you for your assistance with our first year's audit.

Sincerely,  
Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture and Technology School

A handwritten signature in black ink that reads "John R. Curtis". The signature is written in a cursive style with a large initial "J".

John R Curtis  
Treasurer



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Appendix F: State Board of Accounts Audit Review Notice



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B53329

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](http://www.in.gov/sboa)

September 17, 2019

Charter School Board  
Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School  
650 East Carmel Drive  
Carmel, IN 46260

We have reviewed the audit report of Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School which was opined upon by Donovan CPAs, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School as of June 30, 2019 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 Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School, 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

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Appendix G: State Board of Accounts Supplemental Audit Review Notice



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B53330

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](http://www.in.gov/sboa)

September 17, 2019

Charter School Board  
Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School  
650 East Carmel Drive  
Carmel, IN 46260

We have reviewed the Supplemental Audit Report for Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School prepared by Donovan CPAs, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Pages 3 contains two audit results and comments. Management's response is on page 5.

The Supplemental Audit Report and associated audited Financial Statements are filed in our office as a matter of public record.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner