Nineveh - Hensley - Jackson United School Corporation (NHJUSC)

Charter Authorizer Compliance Report 2020-2021 for the Indiana Agriculture and Technology School

Prepared November 2021
Submitted January 10, 2022

Published and Available for Review on www.indiancreekschools.com

INDEX	
Purpose	3
Introduction	4
Overview of the Indiana Agriculture and Technology School	5
Component Review 1 –Standardized Test & Assessments	6
Component Review 2 Growth and Improvement	7
Component Review 3 –Attendance Rates	8
Component Review 4 –Graduation Rates and Diploma Types	9
Component Review 5 –Student Enrollment	10
Component Review 6 -Authorizer Status Summaries	12
Component Review 7 –Governing Board Directory Information	13
Component Review 8 –Authorizer Best Practice Compliance	14
Component Review 9 –Administrative Fees Collected	15
Component Review 10 –Other Funds Collected and Use	16
Component Review 11 –Current Financial Audit Documentation	17
APPENDIX:	
Appendix A: Attendance Summary Sign-off Sheet	
Appendix B: ADM Membership Count Sheets (Fall and Spring)	
Appendix C: Authorizer Funds Collected Sheet	
Appendix D: Current Financial Audit	
Appendix E: Current, Supplemental Financial Audit	
Appendix F: State Board of Accounts Audit Review Notice	
Appendix G: State Board of Accounts Supplemental Audit Review Notice	

PURPOSE:

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

IC 20-24-9-1Annual 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 20-24-9-2Annual 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.

[Pre-2005 Elementary and Secondary Education Recodification Citation: 20-5.5-9-2.]

As added by P.L.1-2005, SEC.8. Amended by P.L.91-2011, SEC.22; P.L.280-2013, SEC.47; P.L.33-2014, SEC.3; P.L.233-2015, SEC.82; P.L.192-2018, SEC.9; P.L.159-2019, SEC.11.

The information provided within this report is specific to the Indiana Agriculture and Technology School. No other charters were authorized by NHJUSC during the 2020 – 2021 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, having completed its third year with student enrollment, is a public charter school using cutting-edge, applied 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.
- Dual Credit opportunities are provided through Ivy Tech in a variety of courses for students to earn college-ready credit.

www.indiana.ag

Component Review 1:

Results of Statewide Tests and End of Course Assessments

Standardized Tests and End of Course Assessment Data

ILEARN Performance Data	English/Language Arts	Mathematics
Grade 7	23.5%	11.8%
Grade 8	20.9%	7.0%

ISTEP Performance Data	English/Language Arts	Mathematics
Grade 10 First Time Test Takers	64.9%	26.3%
Grade 11 and 12 Re-test (Fall 2020)	2 Passed (29%) 5 DNP (71%)	10 DNP (100%)

Authorizer's Note/Opinion:

Indiana Agriculture and Technology School assessment data demonstrates the common trend throughout the state of Indiana for 2020-2021 with regard to learning gaps due to the ongoing pandemic. ISTEP data reflects the fall retest window for 11th and 12th, which included 7 students for English and 10 students for Mathematics.

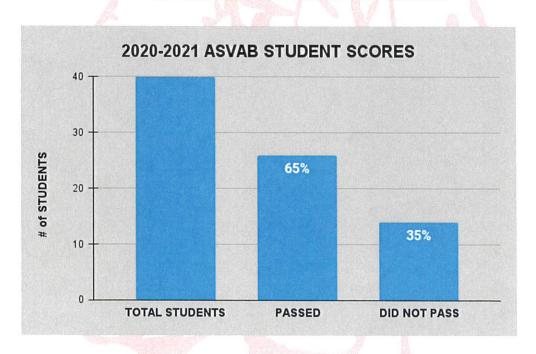
Component Review 2:

Student Growth and Improvement Data for each Authorized School

Results Driven Accountability (RDA) data used to monitor the proficiency of delivering instructional services and opportunities for growth to students within special education indicated for 2020-2021 the school was in compliance.

In addition, the school has shared and reviewed the administration of the ASVAB test model, showing preparation and growth necessary to serve in the armed forces. That data is summarized below for 2020-2021.

SY 2020-2021 IATS ASVAB TEST RESULTS



Component Review 3:

Attendance Rate for each Authorized School

Percent of weeks during the 2020- 2021 School year the school provided Virtual Instruction (as Primary Mode)	Percent of weeks during the 2020- 2021 School year the school provided In- Person Instruction (as Primary Mode)	Percent of weeks during the 2020- 2021 School year the school provided Hybrid Instruction (as Primary Mode)	2020-2021 Attendance Rate
90%+	0-10%	0-10%	100%

Authorizer's Note/Opinion:

This includes 236 (per ME2) students reported having attended the school over the 180 day attendance period.

https://www.in.gov/doe/it/data-center-and-reports/

Component Review 4:

Graduation Rates for each Authorized School

2021Graduation Rate	State Indicator	Federal Indicator
47.06%	47.06%	47.06%

Graduate Types

General (GQE or Graduation Pathway)	Core 40 Diplomas	Academic Honors Diplomas	General (Evidence- Based Waiver)
3	17	1	3

Authorizer's Note/Opinion:

There were 24 graduates. The 2021 cohort accounted for 51 students. 12 students in the cohort have returned for the 2021-2022 school year to continue working on their credits required for a diploma.

Component Review 5:

Student Enrollment Data for each Authorized School

Grade Level (ADM Count Day Data)	Enrollment ME 1 Count Day September 18, 2020	Enrollment ME 2 Count Day February 1, 2021
7	24	21
8	46	45
9	42	44
10	51	53
11	41	40
12	48	33
TOTAL	252	236

Authorizer's Note/Opinion:

The ADM Sign-off sheets are included as documentation. They are located in the Appendix as Exhibit 'B' for review.

Component Review 5, Continued:

Student Enrollment Data and Additional Data for each Authorized School

Number of Students Expelled	Student Count
	0
	TIL
Number of Incidents Involving an SRO	Student Count
	0

Number of Students Restrained or Secluded	Student Count
	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, Superintendent of Schools
- Mrs. Judy Misiniec, Board President
- Mr. Ed Harvey, Vice-President
- Ms. Greg Waltz, 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 Sichting, Local Appointed 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
- Indiana State Board of Education
- 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

- ⇒ \$42,064.70 collected as Authorizer Administrative Fees for 2020-2021
 - All funds collected will be spent on the position of parttime community relations director for the NHJ School Corporation and for any other expenses from being a charter school authorizer.

Authorizer's Note/Opinion:

Appendix 'C' represents the Fund History Report accounting for funds from the Authorizer's accounting software (Komputrol). The second document provided by IATS correlates amounts disbursed versus amounts received. The totals between the two documents are equal to the amount listed above.

Component Review 10:

Collection of 'Other' Funds and their Expenditure

- No other funds were collected by the Authorizer during the 2020-2021 school year.
 - This occurred only during the 2018 2019 school year only in a joint effort to employ a mental health counselor.
 - No funds were collected for the 2020-2021 school year for this purpose.

Authorizer's Note/Opinion:

See the 2018 – 2019 Authorizer report for a breakdown of the 'other funds' collected for the shared employment of a mental health counselor during that academic year. The counselor served both NHJ and IATS students.

Component Review 11:

Most Recent Audit of Authorized School Submitted Under IC 5-11-1-9

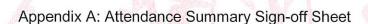
Authorizer's Note/Opinion:

Appendix 'D' represents the Complete Audit for the 2020-2021 school accounting for funds from the Indiana Agriculture and Technology School.

Appendix 'E' represents the Supplemental Audit for the 2020-2021 school accounting for funds from the Indiana Agriculture and Technology School.

Appendix 'F' represents the State Board of Accounts Audit Review Notice (2020-2021) school accounting for funds from the Indiana Agriculture and Technology School.

Appendix 'G' represents the State Board of Accounts Supplemental Audit Review Notice (2020-2021) school accounting for funds from the Indiana Agriculture and Technology School.



https://www.in.gov/doe/it/data-center-and-reports/

Due to the new process requiring data submitted via the Data Exchange, the Attendance Summary Sign-off Sheet is not accessible to include with this report. The link listed above provides the verification of Virtual Instruction, In-Person Instruction, Hybrid Instruction, and overall Attendance reported for 2020-2021.

Appendix B: Membership Summary (Fall and Spring) Sign-off Sheets

Indiana Department of Education

Friday, September School Year 2021 REPORT OF AVERAGE DAILY (ADM) - Revised MEMBERSHIP

18, 2020 Count

Upload Process:

Print the Summary Report located under Data Verification>Reports>Membership>MemberShip Summary Report
Scan the Signed Document
Upload the Signed Document under Administration>Upload Signed Summary Report
To Verify the document has been uploaded correctly go back to Collection Management to find in your sign off box the word SUBMITTED.

ADM Report - As of 10/16/2020 11:43:19 AM

Membership Count Date: 09/18/2020

9505 - Indiana Agriculture and Technology

0000 - Central Office

P	Grade	Resident Enrollment (exclude dual enrollment students)	Transfers Cash Out Transfe	Cash Transfers	Cash State Transfers Obligations	Placements In	Dual Enrollment FTE	Total ADM	Dual Total Enrollment Virtual Virtual FDK FTE ADM Student Yes No FDK	Virtual Yes	Virtual No	NG.
07		24	0	0	0	0	0	24	0	0	24	
08		46	0	0	0	0	0	46	0	Jamai	45	
99		42	0	0	0	0	0	42	0	0	42	
10		51	0	0	0	0	0	51	0	0	51	
H		41	0	0	0	0	0	41	0	0	41	
12		48	0	0	0	0	0	48	0	0	48	
Total	图	252	0	0	0	0	0	252	0	jama.	251	
Sta	dents	Students reported as attending other schools (i.e., ADM Type 2 "Transfers Out" and ADM Type 1 "Resident Enrollment" students	other schoo	ls (i.e., AD	M Type 2 "T	ransfers Out	and ADM T	Type 1	"Resident En	rollment	" student	/ 1

attending a cooperative in another corporation) are not included on the School ADM Report, but are included on your Corporation's Students participating in FDK program count as 1 and students participating in a half-day program count as .5 ADM Report.

Full Day KG Summary Report - 10/16/2020 11:43:13 AM

No records found.

Superintendent/Principal/Director of Schools

The undersigned certify that this report is true and accurate in every respect to the best of their knowledge and belief

Trustee or Corporate Treasurer

Date:

10-16-2020

Indiana Department of Education

AVERAGE DAILY MEMBERSHIP REPORT OF

School Year 2027 Monday, February (ADM) - Revised

1, 2021 Count

Upload Process:

Print the Summary Report located under Data Verification>Reports>Membership>MemberShip Summary Report
Scan the Signed Document

Upload the Signed Document under Administration>Upload Signed Summary Report To Verify the document has been uploaded correctly go back to Collection Management to find in your sign off box the word SUBMITTED.

ADM Report - As of 4/13/2021 9:49:58 AM

Membership Count Date: 02/01/2021

9505 - Indiana Agriculture and Technology

0000 - Central Office

Dual Virtual Yes Vir tual Yes Student Yes N Count 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
Dual Enrollment FTE Total ADM Student Count Virtual V
Virtual Virtual Yes No 21 0 21 0 45 0 45 0 53 1 39
Virtual Virtual Yes No 21 0 21 0 45 0 45 0 53 1 39 1 239
Virtual Virtual Yes No 21 0 21 0 45 0 45 0 53 1 39 1 239

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

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

Full Day KG Summary Report - 4/13/2021 9:49:41 AM

No records found.

Superintendent/Principal/Director of Schools

The undersigned certify that this report is true and accurate in every respect to the best of their knowledge and belief

Trustee or Corporate Treasurer

~ (NE BLAND

Date:

1202/21

Appendix C: Authorizer Funds Collected Sheet

Indiana Agriculture Education Inc. Account QuickReport

2021	
30.	
June	
of J	
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12/01/21 Accrual Basis

10:42 AM

Туре	Date	Num	Name	Memo	Split	Amount	ВаІапсе
Checking 0300 - Operations Fund	Fired						-38,433.19 -38,433.19
Bill Pmt -Check	07/29/2020	2049	Nineveh-Henslev-Jackson United School Cor		Accounts Payable	-3,409.77	41,842.96
Bill Prnt -Check	08/15/2020	2073	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,409.77	-45,252.73
Bill Pmt -Check	09/15/2020	2124	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,593.39	-48,846.12
Bill Pmt -Check	10/28/2020	2183	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,672.08	-52,518,20
Bill Prnt -Check	12/15/2020	2251	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,672.08	-56,190,28
Bill Pmt -Check	12/31/2020	2281	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,672.08	-59,862.36
Bill Pmt -Check	02/18/2021	2356	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,440.88	-63,303.24
Bill Pmt -Check	03/03/2021	2369	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,438.93	-66,742.17
Bill Pint -Check	04/16/2021	2443	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,438.93	-70,181.10
Bill Pmt -Check	05/03/2021	2458	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,438.93	-73,620.03
Bill Pmt -Check	05/28/2021	2513	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,438.93	-77,058.96
Bill Pmt -Check	06/14/2021	2536	Nineveh-Hensley-Jackson United School Cor		Accounts Payable	-3,438.93	-80,497,89
Total 0300 - Operations Fund	ons Fund				'	-42,064.70	-80,497.89
Total Checking					,	-42,064.70	-80,497.89
TOTAL					· ·	-42,064.70	-80,497.89

FUND NAME	EDUCATION FUND	EDUCATION FUND	EDUCATION FUND	AUTHORIZED AGENT IN AG EDU									
REVENUE AMT	\$3,409.77	\$3,409.77	\$3,593.39	\$3,672.08	\$3,672.08	\$3,672.08	\$3,440.88	\$3,438.93	\$3,438.93	\$3,438.93	\$3,438.93	\$3,438.93	\$42,064.70
TITLE	MISCELLANEOUS REVENUE	MISCELLANEOUS REVENUE	MISCELLANEOUS REVENUE	IAE AUTHORIZED AGENT									
ACCOUNT	0099	0099	0099	1951	1951	1951	1951	1951	1951	1951	1951	1951	
FUND	101	101	101	1500	1500	1500	1500	1500	1500	1500	1500	1500	
REFERENCE/RECEIVED FROM FUND ACCOUNT	JULY CHECK	AUGUST CHECK	SEPTEMBER CHECK	INAG	INAG	IN AG ED							
RCPT DATE	20978 11/10/2020	20979 11/10/2020	20980 11/10/2020	17230 11/24/2020	17360 12/23/2020	17421 1/13/2021	17627 3/4/2021	17671 3/12/2021	17811 4/21/2021	17885 5/7/2021	18010 6/4/2021	18048 6/22/2021	

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 Years Ended June 30, 2021 and 2020



TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Change in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to the Financial Statements	7 - 11
OTHER REPORT	12



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 (the "School"), which comprise the statements of financial position as of June 30, 2021 and 2020, 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.

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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 qualified audit opinion.

Basis for Qualified Opinion

The School's financial statements do not disclose a potential liability owed to the State of Indiana pertaining to issues with its charter status. On January 25, 2021, a State Board of Accounts Special Investigation Report was issued. The report found that the School owed the State of Indiana \$329,510 for reimbursement of overpayment of various forms of tuition support. The School was deemed to have been overpaid due to operating a virtual charter school rather than a brick and mortar charter school. Virtual charter schools are paid a lower rate for tuition support funding than brick and mortar charter schools. The School is in the process of appealing the findings of the State Board of Accounts Special Investigation Report. In our opinion, the recording and disclosure of this information is required by accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the omission of the information described in the Basis for Qualified Opinion paragraph, 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, 2021 and 2020, 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.

DONOVAN

Indianapolis, Indiana October 11, 2021

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 164,663	\$ 120,040
Grants receivable	14,869	11,341
Prepaid expenses	 38,996	 -
Total current assets	 218,528	 131,381
PROPERTY AND EQUIPMENT		
Leasehold improvements	22,625	22,625
Equipment	16,515	16,515
Less: accumulated depreciation	(27,974)	 (17,309)
Property and equipment, net	 11,166	 21,831
OTHER ASSETS		
Security deposit	5,057	 5,057
TOTAL ASSETS	\$ 234,751	 158,269
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 71,940	\$ 39,968
NET ASSETS WITHOUT DONOR RESTRICTIONS	 162,811	 118,301
TOTAL LIABILITIES AND NET ASSETS	\$ 234,751	\$ 158,269

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

For the Years Ended June 30, 2021 and 2020

		<u>2021</u>	<u>2020</u>
REVENUE AND SUPPORT			
State education support	\$	1,674,977	\$ 1,343,393
Grant revenue		273,851	390,190
CARES Act funding		-	67,900
Contributions		833	1,197
Student fees		26,783	17,528
Other income		8,297	 9,950
Total revenue and support		1,984,741	 1,830,158
EXPENSES			
Program services		1,515,667	1,337,732
Management and general		424,564	 388,570
Total expenses		1,940,231	 1,726,302
CHANGE IN NET ASSETS		44,510	103,856
NET ASSETS, BEGINNING OF YEAR		118,301	14,445
NET ASSETS, END OF YEAR	_\$_	162,811	\$ 118,301

INDIANA AGRICULTURE & TECHNOLOGY SCHOOL d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2021 and 2020

	j			2021				;		2020		
	E SI	Program <u>Services</u>	Ma	Management and General		<u>Total</u>	₹ ŵl	Program <u>Services</u>	Man and	Management and General		<u>Total</u>
Online curriculum services	6	499,301	↔	ı	\$	499,301	69	404,901	\$	•	↔	404,901
Salaries and wages		269,438		155,138		424,576		198,508		150,998		349,506
Occupancy		332,048		•		332,048		269,555		1		269,555
Professional services		189,466		87,971		277,437		213,709		48,858		262,567
Supplies		117,960		17,268		135,228		194,693		25,546		220,239
Advertising		ſ		63,104		63,104		ı		53,888		53,888
Employee benefits		29,736		19,757		49,493		22,683		19,387		42,070
Repairs and maintenance		43,650		1		43,650		6,834		ı		6,834
Authorizer oversight fee		ı		42,065		42,065		ı		34,688		34,688
Travel		579		21,306		21,885		1		20,695		20,695
Information technology services		12,990		ı		12,990		10,836		•		10,836
Depreciation		10,665		1		10,665		11,563		1		11,563
Insurance		ı		7,740		7,740		ι		8,984		8,984
Interest		ı		198		198		•		13,202		13,202
Other		9,834		10,017		19,851		4,450		12,324		16,774
Total functional expenses	S	\$ 1,515,667	8	424,564	8	\$ 1,940,231	5∕3	1,337,732	↔	388,570	↔	1,726,302

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

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 44,510	\$ 103,856
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation	10,665	11,563
Changes in certain assets and liabilities:		
Grants receivable	(3,528)	(11,243)
Prepaid expenses	(38,996)	-
Security deposit	-	(5,057)
Accounts payable and accrued expenses	 31,972	 25,250
Net cash provided by operating activities	44,623	124,369
INVESTING ACTIVITIES		
Purchase of property and equipment	-	(22,625)
FINANCING ACTIVITIES		
Proceeds from related party note payable	 	 (94,333)
NET CHANGE IN CASH	44,623	7,411
CASH, BEGINNING OF YEAR	 120,040	 112,629
CASH, END OF YEAR	\$ 164,663	\$ 120,040
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 198	\$ 13,202

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

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. The School served approximately 250 and 210 students during the 2020-2021 and 2019-2020 school years, respectively, in seventh through twelfth grade. The School was sponsored by Nineveh-Hensley-Jackson United School Corporation through the year ended June 30, 2021. The School signed a sponsor agreement with University of Southern Indiana that took effect August 31, 2021. The charter remains in effect until June 30, 2025, and is renewable thereafter by mutual consent.

<u>Financial Statement Presentation</u> - The School reports its financial position and activities according to two classes of net assets:

- net assets without donor restrictions, which include unrestricted resources that are 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, 2021 and 2020, the School had only net assets without donor restrictions.

Basis of Accounting and Use of Estimates – The financial statements of the School have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

<u>Cash and Cash Equivalents</u> – Cash and cash equivalents consist of cash held in bank accounts and short-term, highly liquid investments with original maturities of three months or less.

<u>Grants Receivable</u> – Grants receivable relate primarily to activities funded under federal grants 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.

<u>Property and Equipment</u> – 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 Years Ended June 30, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

<u>Taxes on Income</u> – The School 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 years ended June 30, 2021 and 2020, 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 2017 are open to audit for both federal and state purposes.

<u>Subsequent Events</u> – The School evaluated subsequent events through October 11, 2021, 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 Standard — Effective July 1, 2020, the School adopted Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2014-09 replaced previous revenue recognition guidance under U.S. GAAP and requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. The School has applied the provisions of this ASU to the June 30, 2021 and 2020 financial statements. There was no material impact on the financial statements.

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 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.

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

NOTE 2 - REVENUE RECOGNITION, Continued

<u>Revenue Recognition Policy, Continued</u> – Student fees are recognized in the year in which the services are rendered.

<u>Disaggregation of Revenue</u> – Revenue is disaggregated on the statements of activities and changes in net assets.

NOTE 3 - RELATED PARTIES

The School executed lease agreements with companies owned by related parties. The School leases a farm property and office space from entities owned by John Curtis, the School's Treasurer.

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

NOTE 4 - CARES ACT FUNDING

On May 6, 2020, the School was granted a loan from PNC Bank, N.A. in the amount of \$67,900, pursuant to the Paycheck Protection Program under Division A, Title I of the CARES Act. Under the terms of the Paycheck Protection Program, the loan funds will 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 these funds were applied and determined the loan requirements had been met. The School elected to recognize the funds as a contribution during the year ended June 30, 2020. The School was notified on August 18, 2021 that the loan had been fully forgiven.

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 \$4,769 through August 2020, increasing to \$4,912 through August 2021, and increasing to \$5,057 through August 2022. Total expense under this lease was \$58,823 and \$51,342 for the years ended June 30, 2021 and 2020, respectively.

The farm lease provides for monthly rental payments of \$83 per student based on the number of students reported to the State of Indiana for ADM counts in September and February. The lease is renewable annually and expires on June 30. Total expense under this lease was \$243,993 and \$175,000 for the years ended June 30, 2021 and 2020, respectively.

The School entered into a month-to-month lease for a mobile classroom. Total expense under this lease was \$19,020 and \$26,400 for the years ended June 30, 2021 and 2020, respectively.

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

NOTE 5 - LEASES, Continued

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

2022 \$ 80,057 2023 10,114

NOTE 6 - LINE OF CREDIT

The School has a \$100,000 revolving line of credit with a commercial bank. Drawings against the line of credit bear interest at the prime rate plus 1.84% (a total of 5.09% at June 30, 2021) and are secured by all assets of the School. There was no balance outstanding on the line of credit as of June 30, 2021 and 2020.

NOTE 7 - LIQUIDITY

The School's financial assets consisted of cash and grants receivable totaling \$179,532 and \$131,381 at June 30, 2021 and 2020, respectively, all of which are 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.

The School has access to a line of credit (see Note 6), which was unused as of June 30, 2021 and 2020.

NOTE 8 - COMMITMENTS

The School operated under a charter granted by Nineveh-Hensley-Jackson United School Corporation through the year ended June 30, 2021. As the sponsoring organization, Nineveh-Hensley-Jackson United School Corporation exercised certain oversight responsibilities. Under this charter, the School 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 \$42,065 and \$34,688 for the years ended June 30, 2021 and 2020, respectively. The School signed a sponsor agreement with University of Southern Indiana that took effect August 31, 2021 with the same annual administrative fee requirements.

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020

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 \$483,634 and \$343,848 for the years ended June 30, 2021 and 2020, respectively.

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 statements of activities and change in net assets. Accordingly, certain expenses have been allocated between program services and management and general expenses. Salaries and wages and employee benefits are allocated based on time estimates. All other expenses are directly applied to program services or management and general.

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL OTHER REPORT

For the Year Ended June 30, 2021

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

Supplemental Audit Report of 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.

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, 2020 to June 30, 2021



TABLE OF CONTENTS

	Page
School Officials	1
Transmittal Letter	2
Audit Results and Comments:	
Receipts & Deposits	3
Exit Conference	4
Official Response	5

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL HAMILTON COUNTY, INDIANA

School Officials July 1, 2020 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of Board of Directors	Allan Sutherlin	07/01/20 - 06/30/21
School Treasurer	John Curtis	07/01/20 - 06/30/21
Chief Academic Officer	Keith Marsh	07/01/20 - 06/30/21



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, 2021, and have issued our report thereon dated September 23, 2021. 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

October 11, 2021

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL HAMILTON COUNTY, INDIANA

Audit Results and Comments July 1, 2020 to June 30, 2021

RECEIPTS AND DEPOSITS

The School implemented the usage of receipt books for the 2021 fiscal year. We made a selection of twenty-five receipts from the receipt book for testing. During our testing, we noted the following:

- Detail indicating which receipts made up each bank deposit was not maintained. We were unable to trace individual receipts to the corresponding bank deposits.
- Of the twenty-five receipts selected for testing, eight did not have the date of issuance filled out.

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of payors. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 10)

INDIANA AGRICULTURE EDUCATION, INC. d/b/a INDIANA AGRICULTURE & TECHNOLOGY SCHOOL HAMILTON COUNTY, INDIANA

Exit Conference July 1, 2020 to June 30, 2021

The contents of this report were discussed on September 23, 2021 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.



September 23, 2021

Gentlemen:

This letter will confirm that the (1) one item identified in our draft supplemental audit report has been addressed as follows:

- 1. Staff training on the correct procedures in issuing receipts is now required of any staff member who handles receipts.
- 2. The school has implemented a "no cash" transaction policy.
- 3. Treasurer and deputy treasurer have been trained by our bookkeeping firm on the correct procedures in preparing receipts.
- 4. The school has ordered and taken delivery of SBOA approved receipt books and the school is implementing an online parent/student payment portal that will provide a secure, trackable payment solution that will eliminate most prior issues.

Sincerely,

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

Allan Sutherlin

Board President

Appendix F: State Board of Accounts Audit Review Notice



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

November 23, 2021

Charter School Board Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School 650 East Carmel Drive Carmel, IN 46032

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, 2020 to June 30, 2021. Per the *Independent Auditors' Report*, except for the omission of the information described in the Basis for Qualified Opinion paragraph, 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, 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.

We call your attention to the Basis for Qualified Opinion in the audit 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, CPA State Examiner

Appendix G: State Board of Accounts Supplemental Audit Review Notice



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

November 23, 2021

Charter School Board Indiana Agriculture Education, Inc. d/b/a Indiana Agriculture & Technology School 650 East Carmel Drive Carmel, IN 46032

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, 2020 to June 30, 2021. 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 finding in the report. Page 3 contains one audit result and comment. 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, CPA State Examiner