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Paul D. Joyce, CPA
State Examiner

January 7, 2026

Charter School Board
Avondale Meadows Academy, Inc.
d/b/a United Schools of Indianapolis
Marion County, Indiana

We have reviewed the audit report of Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis, which was opined upon by Barnes, Dennig & Co., Ltd., Independent Public Accountants, for the period July 1, 2024 to June 30, 2025. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis as of June 30, 2025 and the results of its operations for the period then ended on the basis of accounting described in the report.

In our opinion, Barnes, Dennig & Co., Ltd. prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report of Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis, was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Beth Kelley

Beth Kelley, CPA, CFE
Deputy State Examiner

Avondale Meadows Academy Inc. d/b/a United Schools of Indianapolis

Financial Statements and Supplementary Information
June 30, 2025 and 2024
With Independent Auditors' Report

AVONDALE MEADOWS ACADEMY, INC.
D/B/A UNITED SCHOOLS OF INDIANAPOLIS
June 30, 2025 and 2024

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Independent Auditors' Report

To the Board of Directors of
Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis (a network of Indiana public charter schools, USI), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of USI as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about USI's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditors' Report
(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USI's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USI's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2025 on our consideration of USI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of USI's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering USI's internal control over financial reporting and compliance.

Barnes, Dennig & Co., Ltd.

December 2, 2025
Indianapolis, Indiana

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current		
Cash and cash equivalents	$ 1,581,848	$ 1,442,441
Investments	1,845,355	1,766,440
Grants receivable	462,588	362,020
Prepaid expenses and deposits	140,577	141,468
Total current assets	4,030,368	3,712,369
Cash restricted for bond redemption	2,995,017	2,797,290
Beneficial interest in lead trust	7,603,117	7,767,103
Property and equipment		
Land	564,800	564,800
Buildings and building improvements	20,016,627	19,964,292
Furniture and equipment	1,816,986	1,762,478
Textbooks	443,776	413,187
Computers and software	556,839	552,019
Accumulated depreciation	(7,415,462)	(6,653,375)
Total property and equipment, net	15,983,566	16,603,401
Right-of-use assets - operating leases	48,616	98,187
Total assets	$ 30,660,684	$ 30,978,350

(Continued)

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Statements of Financial Position (Continued)
June 30, 2025 and 2024

	2025	2024
Liabilities and net assets		
Current		
Accounts payable and accrued expenses	$ 157,594	$ 255,003
Accrued payroll and related liabilities	685,039	655,115
Accrued bond interest	508,984	520,539
Current portion of long-term debt	425,000	400,000
Current portion of operating lease liabilities	46,908	49,571
Total current liabilities	1,823,525	1,880,228
Long-term		
Long-term debt, net of current portion, unamortized bond discount, and deferred bond issuance costs	18,319,518	18,718,359
Operating lease liabilities, net of current portion	1,708	48,614
Total long-term liabilities	18,321,226	18,766,973
Total liabilities	20,144,751	20,647,201
Net assets		
Without donor restrictions	1,960,337	1,867,614
Without donor restrictions - board designated	90,000	90,000
Total net assets without donor restrictions	2,050,337	1,957,614
With donor restrictions	8,465,596	8,373,535
Total net assets	10,515,933	10,331,149
Total liabilities and net assets	$ 30,660,684	$ 30,978,350

See accompanying notes to financial statements

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Statements of Activities
For the Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support						
State education support	$ 8,597,615	$ 2,228,191	$ 10,825,806	$ 8,091,322	$ 3,023,257	$ 11,114,579
Federal funding	4,016,863	-	4,016,863	3,878,196	-	3,878,196
Student fees	36,190	-	36,190	42,520	-	42,520
Contributions and grants	566,778	924,442	1,491,220	37,716	8,228,384	8,266,100
Investment income	237,657	-	237,657	254,476	-	254,476
Special events	109,844	-	109,844	270,205	-	270,205
Other	33,320	-	33,320	43,059	-	43,059
Net asset released from restriction	3,060,572	(3,060,572)	-	3,597,773	(3,597,773)	-
Total revenue and support	16,658,839	92,061	16,750,900	16,215,267	7,653,868	23,869,135
Expenses (Note 10)						
Salaries and wages	10,805,602	-	10,805,602	9,925,424	-	9,925,424
Professional services	1,283,298	-	1,283,298	1,520,601	-	1,520,601
Food cost	901,099	-	901,099	869,809	-	869,809
Repairs, maintenance, and supplies	940,595	-	940,595	989,979	-	989,979
Occupancy	491,294	-	491,294	533,634	-	533,634
Depreciation	762,089	-	762,089	738,256	-	738,256
Interest	1,042,572	-	1,042,572	1,064,126	-	1,064,126
Special events	35,611		35,611	36,080		36,080
Other	303,956	-	303,956	296,680	-	296,680
Total expenses	16,566,116	-	16,566,116	15,974,589	-	15,974,589
Change in net assets	92,723	92,061	184,784	240,678	7,653,868	7,894,546
Net assets, beginning of year	1,957,614	8,373,535	10,331,149	1,716,936	719,667	2,436,603
Net assets, end of year	$ 2,050,337	$ 8,465,596	$ 10,515,933	$ 1,957,614	$ 8,373,535	$ 10,331,149

See accompanying notes to financial statements

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 184,784	$ 7,894,546
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	762,089	738,256
Realized and unrealized gains on investments	(237,657)	(254,476)
Contribution of beneficial interest in lead trust	-	(7,767,103)
Change in beneficial interest in lead trust	163,986	-
Changes in:		
Grants receivable	(100,568)	816,139
Prepaid expenses and deposits	891	10,681
Accounts payable and accrued expenses	(97,409)	57,952
Accrued payroll and related liabilities	29,924	(99,965)
Accrued bond interest	(11,555)	(9,625)
Operating lease liabilities, net	2	(2)
Net cash and cash equivalents provided by operating activities	694,487	1,386,403
Cash flows from investing activities		
Purchases of investments	(4,987,410)	181,841
Proceeds from sale of investments	5,146,152	-
Purchases of property and equipment	(142,254)	(491,070)
Net cash and cash equivalents provided by (used in) investing activities	16,488	(309,229)
Cash flows from financing activities		
Principal repayment of long-term debt	(373,841)	(358,840)
Net change in cash and cash equivalents	337,134	718,334
Cash and cash equivalents and cash restricted for bond redemption, beginning of year	4,239,731	3,521,397
Cash and cash equivalents and cash restricted for bond redemption, end of year	4,576,865	4,239,731
Cash restricted for bond redemption	(2,995,017)	(2,797,290)
Total cash and cash equivalents in current assets	$ 1,581,848	$ 1,442,441
Supplemental disclosure		
Interest paid	$ 1,027,968	$ 1,047,592

See accompanying notes to financial statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis (USI) is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. USI (formerly named Challenge Foundation Academy, Inc.) is the organizer of three charter schools located in Indianapolis, Indiana. Each of the schools is a public charter school established under Indiana Code 20-24 and sponsored by the City of Indianapolis Mayor's Office of Education Innovation (OEI). USI's main sources of revenue and support are from state education support and federal funding.

Avondale Meadows Academy (Avondale), which opened in 2006, is a K-5 tuition-free quality public charter school founded on the Core Knowledge curriculum. The core focus is to provide an outstanding education for children equipping them with the knowledge, wisdom, core values, and behaviors to be successful in life. The mission of Avondale is to provide a rigorous and relevant college-preparatory program, grounded in the belief in the ability of every child to succeed at high levels.

Vision Academy at Riverside (Vision), which opened in 2014, is K-8. Vision provides every scholar in its school a college-preparatory education. Vision couples a literacy-based, content-rich academic program with a unique Vision curriculum, focused on goal setting and individual passions. Vision also offers every scholar ample after-school and extra-curricular opportunity as well as a rich array of family involvement opportunities, designed to ensure every scholar has the skills and support to succeed in college and in life.

Avondale Meadows Middle School (AMMS), which opened in July 2017, is a free, public, neighborhood charter school serving grades 6 - 8. AMMS offers a strong Core Knowledge curriculum which complements Indiana's Academic Standards and Common Core Standards. This curriculum is integrated with and supported by enVision Mathematics and Reader's and Writer's Workshop, which is intended to prepare students for college.

There are certain transactions that occur during the normal course of business between Avondale, Vision, AMMS, and USI. These transactions have been eliminated for reporting purposes.

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared on an accrual basis of accounting. 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, USI considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were cash equivalents of $4,683,839 and $4,413,427 at June 30, 2025 and 2024, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

USI maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. USI believes it is not exposed to any significant credit risk on cash.

Investments and Fair Value Measurements

USI invests in FDIC-insured bank certificates of deposit, which are recorded at cost and totaled $156,533 at June 30, 2025. The certificate bears interest at a rate of 4.018% and have original maturities of six months, with penalties for early withdrawal. Any penalties with early withdrawal would not have a material effect on the financial statements.

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Investment income and gains and losses on investments are reported in the statements of activities as increases or decreases in net assets without donor restrictions.

Accounting Standards for Fair Value Measurement define fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Those standards also establish a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Fair values measured on a recurring basis at June 30 are as follows:

	2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments:				
U.S. treasury bills	$ 1,688,822	$ 1,688,822	$ -	$ -
Beneficial interest in lead trust	7,603,117	-	7,603,117	-
Total assets at fair value	$ 9,291,939	$ 1,688,822	$ 7,603,117	$ -

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Fair Value Measurements (Continued)

	2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments				
U.S. treasury bills	$ 1,616,137	$ 1,616,137	$ -	$ -
Corporate and government bonds	150,303	150,303	-	-
Total investments	1,766,440	1,766,440	-	-
Beneficial interest in lead trust	7,767,103	-	7,767,103	-
Total assets at fair value	$ 9,533,543	$ 1,766,440	$ 7,767,103	$ -

Following is a description of the valuation methodologies used for assets measured at fair value.

The methods for determining fair value have not changed in fiscal year 2025.

- Corporate and government bonds: Valued based on quoted market prices.
- U.S. treasury bills: Valued based on quoted market prices.
- Beneficial in lead trust: valued at the present value of future payments to be received over the trusts term (Note 3).

The cost of Level 1 investments at June 30, 2025 and 2024 was $1,681,625 and $1,713,267 respectively.

Grants Receivable

Grants receivable relate to activities funded under private grants and federal and state programs. Management believes that USI is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary. All grants receivable are due within one year.

Property and Equipment

Purchases of property and equipment greater than $1,000 that materially increase value or extend useful lives are capitalized and are recorded at cost. Computer purchases exceeding $300 are recorded at cost and capitalized. Donated property and equipment is recorded at estimated fair market value on the date of contribution. Routine maintenance and repairs and minor replacement costs are charged to expense as incurred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	40 years
Furniture and equipment	5 years
Textbooks	4 years
Computers and software	3 years

Leases

USI leases equipment. Management determines if an arrangement is a lease at inception. The operating leases are included as right-of-use (ROU) assets, short-term lease liabilities, and long-term lease liabilities on the statements of financial position.

The ROU asset represents USI's right to use an underlying asset for the lease term and the lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The operating lease ROU assets also include any lease payments made and exclude lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that USI will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

USI elected the available practical expedients to use a risk-free rate when discounting future lease payments to measure leases at present value on the statement of financial position when the implicit rate is unknown and to account for lease and non-lease components as a single lease component.

In addition, USI elected to not apply the recognition requirements in the lease standard to short-term leases (a lease that at commencement date has a lease term of 12 months or less and does not contain a purchase option that the lessee is reasonably certain to exercise).

Net Assets

USI maintains the following classes of net assets:

- Net assets without donor restrictions – represent net assets that the Board of Directors has discretionary control to use in carrying on the operations of USI in accordance with its articles of incorporation and by-laws. See Note 6.

- Net assets with donor restrictions – represent net assets restricted by the donor, grantor, or other outside party for a specific purpose, time period, or in perpetuity. See Note 7.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenues primarily come from resources provided under the Indiana Charter Schools Act. Under the Act, USI 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 is paid in monthly installments in July through June coinciding with the academic school year. Revenue is recognized over time in the year in which educational services are rendered.

Contributions and Grants

Unconditional contributions and grants are measured at their fair values and are reported as an increase in net assets in the period they are promised. USI reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

A portion of USI's grants are cost reimbursable which are conditioned upon incurrence of allowable qualifying expenses. These grants are recognized as revenue when USI has incurred expenditures in compliance with specific contract or grant provisions. At June 30, 2025 and 2024, USI had cost reimbursement grants of $565,007 and $2,618,308, respectively, that had not been recognized because qualifying expenditures have not yet been incurred.

Advertising

Advertising expenses totaled $78,815 and $105,634 for fiscal years 2025 and 2024, respectively. USI's policy is to record advertising expenditures in the period in which they are incurred.

Tax Status

USI is exempt from income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, however, USI would be subject to tax on income unrelated to its tax-exempt purpose. USI is not considered a private foundation as defined in Section 509(a) of the Internal Revenue Code.

Subsequent Events

USI evaluated subsequent events through December 2, 2025, which is the date these financial statements were available to be issued.

NOTE 2 AVAILABLE RESOURCES AND LIQUIDITY

USI regularly monitors liquidity required to meet its operations and other commitments. USI has various sources of liquid assets at its disposal. Per OEI guidelines, USI is required to have 45 days cash on hand.

NOTE 2 AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)

For purposes of analyzing resources available to meet general expenditures over 12-month period, USI considers all expenditures related to ongoing activities as well as the supporting operations to be general expenditures.

Financial assets available for general expenditure, within one year, consist of the following at June 30:

	2025	2024
Financial assets at year-end		
Cash and cash equivalents without restriction	$ 1,581,848	$ 1,442,441
Investments	1,845,355	1,766,440
Grants receivable	462,588	362,020
Beneficial interest in trust	7,603,117	7,767,103
Total financial assets available for use within one year	11,492,908	11,338,004
Board designated net assets	(90,000)	(90,000)
Net assets with donor restrictions	(8,465,596)	(8,373,535)
Total financial assets not available for use within one year	(8,555,596)	(8,463,535)
Financial assets available to meet general expenditures within one year	$ 2,937,312	$ 2,874,469

NOTE 3 BENEFICIAL INTEREST IN LEAD TRUST

USI is the beneficiary of an irrevocable charitable lead trust held and administered by an independent trustee. Under the terms of the trust, USI will receive $500,000 per year for twenty-five years through August 2048. The fair value of the beneficial interest in the trust is estimated based on the present value of the future payments to be received using a Treasury bill rate with a comparable remaining term (4.96% at June 30, 2025). The funds received from the trust are to be used to provide performance-based bonuses to retain high performance staff. USI was notified of the gift in November 2023 and recognized a contribution with donor restrictions of $7,767,103 in the statement of activities for the year ended June 30, 2024.

For the year ended June 30, 2025, USI recognized contribution revenue of $336,014 for the acretion of the discount related to present value of the future payments. The asset balance was $7,603,117 and $7,763,103 as of June 30, 2025 and 2024, respectively.

NOTE 4 LONG-TERM DEBT

Long-term debt consisted of the following as of June 30:

	2025	2024
2017 Series Bonds	$ 19,320,000	$ 19,720,000
Less: current portion	(425,000)	(400,000)
Less: unamortized discount on 2017 series bonds	(364,255)	(380,813)
Less: deferred loan costs	(211,227)	(220,828)
Long-term, net	$ 18,319,518	$ 18,718,359

In June 2018, USI obtained financing for the purpose of refinancing the previously existing Series 2013 bonds, paying off a development lease arrangement, and constructing a new building for AMMS through the sale of Educational Facilities Multipurpose Revenue Bonds, Series 2017, issued by the Indiana Finance Authority. The Series 2017 bonds are payable in a series of escalating payments of principal and interest beginning in July 2019 and January 2018, respectively, with the final payment due in July 2047. The bonds have an interest rate beginning at 5.0% and rising to 5.375% by July 2038. The bonds are secured by land, buildings, and other business assets.

The Series 2017 bonds require the establishment of a debt reserve fund of $1,442,968 that will assist with final payment of the bonds. A bond escrow account with a balance of $1,176,158 and $1,072,640 at June 30, 2025 and 2024, respectively, was also established in conjunction with the Series 2017 bond agreement to secure against defeasance on the bonds. Pursuant to the bond agreement in fiscal year 2022, USI created a repairs and replacement reserve to assist with future building improvements, additions, and repairs. The balance of the repairs and replacement reserve was $375,891 and $281,682 at June 30, 2025 and 2024, respectively. These accounts are reported as cash restricted for bond redemption in the statements of financial position.

The loan agreements contain certain covenants that limit USI's ability to incur indebtedness or guarantees, purchase or dispose of assets, or change the nature of the business. The agreement also contains financial maintenance covenants establishing a minimum debt service coverage ratio and days cash on hand requirement.

Costs associated with securing financing, have been deferred and are being amortized over the term of the bonds using the straight-line method.

Future maturities of long-term debt at June 30 are as follows:

2026	$ 425,000
2027	445,000
2028	465,000
2029	490,000
2030	515,000
Thereafter	16,980,000
	$ 19,320,000

NOTE 5 OPERATING LEASES

USI has two operating lease agreements for office equipment which expire at various dates through June 2027.

	2025	2024
Operating lease expense	$ 52,778	$ 52,778
Operating cash flows from operating leases	$ 51,695	$ 51,695
Weighted average remaining lease term - operating leases	0.99 years	1.97 years
Weighted average discount rate – operating leases	2.98%	2.98%

Future minimum lease payments under the non-cancellable operating lease as of June 30, 2025 were as follows:

2026	$ 47,544
2027	1,730
Total undiscounted cash flows	49,274
Less: present value discount	(658)
Total lease liability	48,616
Less: current liability	(46,908)
Long term lease liability	$ 1,708

NOTE 6 BOARD DESIGNATED NET ASSETS

The Charters for Avondale, Vision, and AMMS require that each establish an account held in escrow of $30,000 no later than December of the third year of operations. The escrow is designated for any potential dissolution costs of the schools. Board designated net assets were as follows at June 30:

	2025	2024
Avondale	$ 30,000	$ 30,000
Vision	30,000	30,000
AMMS	30,000	30,000
	$ 90,000	$ 90,000

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent resources received from grantors and donors that were not expended for restricted purposes. Net assets with donor restrictions as of June 30 were available for the following purposes:

	2025	2024
School lunch program	$ 251,335	$ 424,631
Textbook program	-	80,271
Teacher awards and bonuses	7,758,261	7,868,633
K12 initiative	456,000	-
	$ 8,465,596	$ 8,373,535

Net assets were released from donor restrictions by satisfying the restricted purposes. The following purpose restrictions were accomplished during the years ended June 30:

	2025	2024
School lunch program	$ 1,071,204	$ 833,925
Textbook program	80,271	170,150
Teacher awards and bonuses	551,500	16,854
Facility costs	1,281,000	2,041,285
Student literacy and tutoring	24,110	290,000
Other programs	52,487	245,559
	$ 3,060,572	$ 3,597,773

NOTE 8 RETIREMENT PLANS

USI provides retirement benefits covering substantially all full-time employees. Retirement benefits for teaching personnel are provided by the Indiana State Teachers' Retirement Fund ("TRF"), which is a cost-sharing multiple-employer defined benefit retirement plan governed by the State of Indiana and administered by the Indiana Public Retirement System ("INPRS") Board. Contribution requirements of plan members are determined annually by the INPRS Board. USI contributed 6.5% of compensation for teaching faculty to TRF related to fiscal year 2025 and 2024, respectively. Should USI elect to withdraw from TRF, USI could be subject to a withdrawal fee. USI's contributions represent an insignificant percentage of the total contributions received by TRF.

As of June 30, 2024 (the latest year reported), TRF was 85.3% funded. A copy of the complete annual report for the year ended June 30, 2024, can be obtained at:

INPRS Annual Report FY24 Working Version

NOTE 8 RETIREMENT PLANS (CONTINUED)

USI also offers a 403(b) defined contribution retirement plan. Non-teaching personnel and teachers who opt to not participate in TRF are eligible for benefits under the 403(b) plan. Under the 403(b) plan, USI contributed 6.0% of employee's compensation for fiscal years 2025 and 2024, respectively.

For fiscal years 2025 and 2024, retirement plan expense under both plans was $467,157 and $393,516, respectively.

NOTE 9 RISKS AND UNCERTAINTIES

USI provides education services to families residing in Marion County and surrounding counties in Indiana, and is subject to the risks of economic and competitive forces at work within this geographic area.

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

NOTE 10 FUNCTIONAL EXPENSES

The costs of providing the educational activities have been summarized on a natural classification basis in the statement of activities. Following is a summary of expenses comprising program services, management and general, and fundraising for the years ended June 30:

2025	Program	Management and General	Fundraising	Total
Personnel	$ 6,503,551	$ 4,151,352	$ 150,699	$ 10,805,602
Professional services	399,309	883,989	-	1,283,298
Food cost	901,099	-	-	901,099
Repairs, maintenance, and supplies	627,427	313,168	-	940,595
Occupancy	491,294	-	-	491,294
Depreciation	762,089	-	-	762,089
Interest	1,042,572	-	-	1,042,572
Other	303,956	-	-	303,956
	$ 11,031,297	$ 5,348,509	$ 150,699	$ 16,530,505

NOTE 10 FUNCTIONAL EXPENSES (CONTINUED)

2024	Program	Management and General	Fundraising	Total
Personnel	$ 6,338,594	$ 3,443,504	$ 143,326	$ 9,925,424
Professional services	582,256	938,345	-	1,520,601
Food cost	869,809	-	-	869,809
Repairs, maintenance, and supplies	696,070	293,909	-	989,979
Occupancy	533,634	-	-	533,634
Depreciation	738,256	-	-	738,256
Interest	1,064,126	-	-	1,064,126
Other	295,680	-	1,000	296,680
	$ 11,118,425	$ 4,675,758	$ 144,326	$ 15,938,509

NOTE 11 RECLASSIFICATION

Certain amounts in the fiscal year 2024 financial statements have been reclassified for comparative purposes to conform with the presentation in the fiscal year 2025 financial statements. These reclassifications had no impact on net assets as of June 30, 2024.

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Independent Auditors' Report on Supplementary Information

To the Board of Directors of
Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis

We have audited the financial statements of Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis (USI) as of and for the years ended June 30, 2025 and 2024, and our report thereon dated December 2, 2025, which expressed an unmodified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for the purpose of additional analysis and is not a required part of the financial statements. Exhibits I and II are presented for purposes of additional analysis, rather than to present financial position and results of operations by school and are not a required part of the financial statements. The schedule of expenditures of federal awards and Exhibits I and II are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards for the year ended June 30, 2025, and the statements of financial position and activities by school as of and for the years ended June 30, 2025 and 2024, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Barnes, Dennig & Co., Ltd.

December 2, 2025
Indianapolis, Indiana

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Schedule of Financial Position By School
June 30, 2025

Exhibit I

	Avondale	Vision	AMMS	USI	Eliminations	Total
Assets						
Current						
Cash and cash equivalents	$ 519,853	830,751	$ 271,551	$ (40,307)	$ -	$ 1,581,848
Investments	300,000	330,000	230,000	985,355	-	1,845,355
Grants receivable	157,901	187,341	117,346	-	-	462,588
Prepaid expenses and deposits	46,156	47,146	25,474	21,801	-	140,577
Total current assets	1,023,910	1,395,238	644,371	966,849	-	4,030,368
Cash restricted for bond redemption	2,200,483	536,965	257,569	-	-	2,995,017
Beneficial interest in lead trust	-	-	-	7,603,117	-	7,603,117
Property and equipment						
Land	564,800	-	-	-	-	564,800
Buildings and building improvements	5,654,294	8,972,416	5,389,917	-	-	20,016,627
Furniture and equipment	701,972	803,895	306,592	4,527	-	1,816,986
Textbooks	238,932	161,833	43,011	-	-	443,776
Computers and software	163,524	166,528	215,744	11,043	-	556,839
Accumulated depreciation	(2,608,957)	(3,336,459)	(1,459,555)	(10,491)	-	(7,415,462)
Total property and equipment, net	4,714,565	6,768,213	4,495,709	5,079	-	15,983,566
Right-of-use assets - operating leases	23,220	23,220	2,176	-	-	48,616
Total assets	$ 7,962,178	$ 8,723,636	$ 5,399,825	$ 8,575,045	$ -	$ 30,660,684
Liabilities and net assets (accumulated deficit)						
Current						
Accounts payable and accrued expenses	$ 45,083	$ 33,129	$ 32,512	$ 46,870	$ -	$ 157,594
Accrued payroll and related liabilities	233,140	257,965	146,382	47,552	-	685,039
Accrued bond interest	138,444	250,420	120,120	-	-	508,984
Current portion of long-term debt	115,600	209,100	100,300	-	-	425,000
Current portion of operating lease liabilities	22,404	22,404	2,100	-	-	46,908
Total current liabilities	554,671	773,018	401,414	94,422	-	1,823,525
Long-term liabilities, net						
Long-term debt, net of current portion, unamortized bond discount, and deferred bond issuance costs	4,983,969	9,011,997	4,323,552	-	-	18,319,518
Operating lease liabilities, net of current portion	816	816	76	-	-	1,708
Total long-term liabilities	4,984,785	9,012,813	4,323,628	-	-	18,321,226
Total liabilities	5,539,456	9,785,831	4,725,042	94,422	-	20,144,751
Net assets (accumulated deficit)						
Without donor restrictions	2,323,910	(1,232,355)	602,420	266,362	-	1,960,337
Without donor restrictions - board designated	30,000	30,000	30,000	-	-	90,000
Total net assets without donor restrictions (accumulated deficit)	2,353,910	(1,202,355)	632,420	266,362	-	2,050,337
With donor restrictions	68,812	140,160	42,363	8,214,261	-	8,465,596
Total net assets (accumulated deficit)	2,422,722	(1,062,195)	674,783	8,480,623	-	10,515,933
Total liabilities and net assets (accumulated deficit)	$ 7,962,178	$ 8,723,636	$ 5,399,825	$ 8,575,045	$ -	$ 30,660,684

See independent auditors' report on supplementary information

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Schedule of Activities By School
For the Year Ended June 30, 2025

Exhibit I

	Avondale	Vision	AMMS	USI	Eliminations	Total
Revenue and support						
State education support	$ 3,876,157	$ 4,601,099	$ 2,348,550	$ -	$ -	$ 10,825,806
Federal funding	1,423,222	1,956,029	637,612	-	-	4,016,863
Student fees	18,541	10,905	6,744	-	-	36,190
Contributions and grants	142,985	218,266	192,070	937,899	-	1,491,220
Investment income	105,308	-	-	132,349	-	237,657
Special events	-	-	-	109,844	-	109,844
Other	2,796	(35)	1,338	1,007,333	(978,112)	33,320
Total revenue and support	5,569,009	6,786,264	3,186,314	2,187,425	(978,112)	16,750,900
Expenses						
Salaries and wages	3,349,709	3,893,730	1,975,361	1,586,802	-	10,805,602
Professional services	721,011	1,008,959	219,790	311,650	(978,112)	1,283,298
Food cost	346,147	363,351	191,601	-	-	901,099
Repairs, maintenance, and supplies	316,627	361,579	180,011	82,378	-	940,595
Occupancy	188,021	184,728	118,030	515	-	491,294
Depreciation	268,592	335,780	155,803	1,914	-	762,089
Interest	283,954	512,211	246,407	-	-	1,042,572
Special Events	-	-	-	35,611	-	35,611
Other	46,160	58,211	63,342	136,243	-	303,956
Total expenses	5,520,221	6,718,549	3,150,345	2,155,113	(978,112)	16,566,116
Change in net assets	48,788	67,715	35,969	32,312	-	184,784
Transfer of net assets	(158,182)	(132,984)	(216,562)	507,728	-	-
Net assets (accumulated deficit), beginning of year	2,532,116	(996,926)	855,376	7,940,583	-	10,331,149
Net assets (accumulated deficit), end of year	$ 2,422,722	$ (1,062,195)	$ 674,783	$ 8,480,623	$ -	$ 10,515,933

See independent auditors' report on supplementary information

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Schedule of Financial Position By School
June 30, 2024

Exhibit II

	Avondale	Vision	AMMS	USI	Eliminations	Total
Assets						
Current						
Cash and cash equivalents	$ 669,428	$ 868,341	$ 546,596	$ (641,924)	$ -	$ 1,442,441
Investments	300,000	330,000	230,000	906,440	-	1,766,440
Grants receivable	121,807	196,859	43,354	-	-	362,020
Prepaid expenses and deposits	53,410	39,277	26,063	22,718	-	141,468
Total current assets	1,144,645	1,434,477	846,013	287,234	-	3,712,369
Cash restricted for bond redemption	2,156,631	452,141	188,518	-	-	2,797,290
Beneficial interest in lead trust	-	-	-	7,767,103	-	7,767,103
Property and equipment						
Land	564,800	-	-	-	-	564,800
Buildings and building improvements	5,631,190	8,956,291	5,376,811	-	-	19,964,292
Furniture and equipment	654,087	797,272	306,592	4,527	-	1,762,478
Textbooks	225,982	144,194	43,011	-	-	413,187
Computers and software	161,533	165,172	215,744	9,570	-	552,019
Accumulated depreciation	(2,340,364)	(3,000,680)	(1,303,754)	(8,577)	-	(6,653,375)
Total property and equipment, net	4,897,228	7,062,249	4,638,404	5,520	-	16,603,401
Right-of-use assets - operating leases	46,896	46,896	4,395	-	-	98,187
Total assets	$ 8,245,400	$ 8,995,763	$ 5,677,330	$ 8,059,857	$ -	$ 30,978,350
Liabilities and net assets (accumulated deficit)						
Current						
Accounts payable and accrued expenses	$ 58,981	$ 76,631	$ 47,712	$ 71,679	$ -	$ 255,003
Accrued payroll and related liabilities	263,388	208,851	135,281	47,595	-	655,115
Accrued bond interest	142,718	255,340	122,481	-	-	520,539
Current portion of long-term debt	108,800	196,800	94,400	-	-	400,000
Current portion of operating lease liabilities	23,676	23,676	2,219	-	-	49,571
Total current liabilities	597,563	761,298	402,093	119,274	-	1,880,228
Long-term liabilities, net						
Long-term debt, net of current portion, unamortized bond discount, and deferred bond issuance costs	5,092,502	9,208,172	4,417,685	-	-	18,718,359
Operating lease liabilities, net of current portion	23,219	23,219	2,176	-	-	48,614
Total long-term liabilities	5,115,721	9,231,391	4,419,861	-	-	18,766,973
Total liabilities	5,713,284	9,992,689	4,821,954	119,274	-	20,647,201
Net assets (accumulated deficit)						
Without donor restrictions	2,344,053	(1,243,287)	694,896	71,952	-	1,867,614
Without donor restrictions - board designated	30,000	30,000	30,000	-	-	90,000
Total net assets without donor restrictions (accumulated deficit)	2,374,053	(1,213,287)	724,896	71,952	-	1,957,614
With donor restrictions	158,063	216,361	130,480	7,868,631	-	8,373,535
Total net assets (accumulated deficit)	2,532,116	(996,926)	855,376	7,940,583	-	10,331,149
Total liabilities and net assets (accumulated deficit)	$ 8,245,400	$ 8,995,763	$ 5,677,330	$ 8,059,857	$ -	$ 30,978,350

See independent auditors' report on supplementary information

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Schedule of Activities By School
For the Year Ended June 30, 2024

Exhibit II

	Avondale	Vision	AMMS	USI	Eliminations	Total
Revenue and support						
State education support	$ 3,824,590	$ 4,827,163	$ 2,462,826	$ -	$ -	$ 11,114,579
Federal funding	1,448,268	1,649,472	780,456	-	-	3,878,196
Student fees	12,365	14,687	15,468	-	-	42,520
Contributions and grants	112,887	184,753	166,461	7,801,999	-	8,266,100
Investment income	110,803	-	-	143,673	-	254,476
Special events, net of expense of $28,351	-	-	-	270,205	-	270,205
Other	13,048	3,939	9,091	837,606	(820,625)	43,059
Total revenue and support	5,521,961	6,680,014	3,434,302	9,053,483	(820,625)	23,869,135
Expenses						
Salaries and wages	3,348,008	3,812,840	1,933,505	831,071	-	9,925,424
Professional services	761,179	884,860	456,468	238,719	(820,625)	1,520,601
Food cost	292,384	395,417	182,008	-	-	869,809
Repairs, maintenance, and supplies	297,536	431,030	193,736	67,677	-	989,979
Occupancy	180,024	206,333	147,277	-	-	533,634
Depreciation	257,747	315,748	163,966	795	-	738,256
Interest	289,394	523,605	251,127	-	-	1,064,126
Special events, net of expense of $28,351	-	-	-	36,080	-	36,080
Other	64,806	79,333	74,414	78,127	-	296,680
Total expenses	5,491,078	6,649,166	3,402,501	1,252,469	(820,625)	15,974,589
Change in net assets	30,883	30,848	31,801	7,801,014	-	7,894,546
Transfer of net assets	(18,304)	(4,958)	(21,886)	45,148	-	-
Net assets (accumulated deficit), beginning of year	2,519,537	(1,022,816)	845,461	94,421	-	2,436,603
Net assets (accumulated deficit), end of year	$ 2,532,116	$ (996,926)	$ 855,376	$ 7,940,583	$ -	$ 10,331,149

See independent auditors' report on supplementary information

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through the Indiana Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	9645	$ 403,497
National School Lunch Program		9040	205,038
National School Lunch Program		9935	381,683
Total Child Nutrition Cluster, Indiana Department of Education, and U.S. Department of Agriculture			990,218
U.S. Department of Education			
Passed through the Indiana Department of Education			
Title I, Part A			
Title I Grants to Local Educational Agencies	84.010	S010A230014-9645	50,271
		S010A240014-9645	196,349
		S010A230014-9040	48,365
		S010A240014-9040	120,778
		S010A230014-9935	41,794
		S010A400014-9935	227,082
Total Title I Grants to Local Educational Agencies			684,639

(Continued)

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through the Indiana Department of Education			
Special Education Cluster (IDEA)			
Special Education Grants to States (IDEA, Part B)	84.027A	H027A230084	54,448
		H027A240084	237,541
Total Special Education Grants to States (IDEA, Part B)			291,989
Special Education Cluster - Special Education Preschool Grants (IDEA)	84.173A	H173A240104	5,437
Total Special Education Cluster (IDEA)			297,426
Education for Homeless Children and Youth	84.196A	S196A220015-9645	10,000
		S196A220015-9040	2,500
		S196A220015-9935	10,000
Total Education for Homeless Children and Youth			22,500
Supporting Effective Instruction State Grants	84.367A	S367A210013	76,128
Total Supporting Effective Instruction State Grants			76,128
Student Support and Academic Enrichment Program	84.424A	S424A230015	11,338
	84.424F	S424F220015	120,427
	84.424A	S424A240015	40,088
Total Student Support and Academic Enrichment Program			171,853

(Continued)

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Education Stabilization Relief Fund			
COVID-19 The American Rescue Plan Elementary and Secondary School Emergency Relief (Education Stabilization Fund III)	84.425U	S425U210013	1,856,395
Total U.S. Department of Education			3,108,941
U.S. Department of Health and Human Services			
Passed through the Indiana Department of Education			
Grants to States for Medicaid	93.778	9645	2,062
		9040	1,516
		9935	6,166
Total Grants to States for Medicaid and U.S. Department of Health and Human Services			9,744
Total expenditures of federal awards			$ 4,108,903

See accompanying notes to Schedule of Expenditures of Federal Awards

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of USI under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of USI, it is not intended to and does not present the financial position, changes in net assets, or cash flows of USI.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 INDIRECT COST RATE

USI has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance except for federal awards granted by the U.S. Department of Education. The U.S. Department of Education requires a de minimis indirect cost rate of 8-percent.

NOTE 4 SUBRECIPIENTS

USI did not provide any federal awards to subrecipients.

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Avondale Meadows Academy, Inc.
d/b/a United Schools of Indianapolis

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America (Government Auditing Standards), the financial statements of Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis (USI), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered USI's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of USI's internal control. Accordingly, we do not express an opinion on the effectiveness of USI's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether USI's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* (Continued)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of USI's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering USI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barnes, Dennig & Co., Ltd.

December 2, 2025
Indianapolis, Indiana

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Report On Compliance For Each Major Federal Program
And On Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of
Avondale Meadows Academy, Inc.
d/b/a United Schools of Indianapolis

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis' (USI) compliance with the types of compliance requirements identified as subject to audit in in the *OMB Compliance Supplement* that could have a direct and material effect on each of USI's major federal programs for the year ended June 30, 2025. USI's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, USI complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America (Government Auditing Standards); and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of USI and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of USI's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to USI's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on USI's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about USI's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding USI's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of USI's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of USI's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

**Report On Compliance For Each Major Federal Program
And On Internal Control Over Compliance Required by the Uniform Guidance
(Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Barnes, Dennig & Co., Ltd.

December 2, 2025
Indianapolis, Indiana

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Schedule of Finding and Questioned Costs
For the Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None noted

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major programs

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None noted

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516(a)? ____ Yes __X__ No

Identification of major programs

Assistance Listing Number	Name of Federal Programs or Clusters
84.425U	COVID-19 The American Rescue Plan Elementary and Secondary School Emergency Relief Fund (Education Stabilization Fund III)

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? __X__ Yes ____ No

Section II - Financial Statement Findings

None.

Section III – Major Federal Award Program Audit Findings and Questioned Costs

None.

Section IV – Major Federal Award Program Audit Prior Year Findings and Questioned Costs

None.

AVONDALE MEADOWS ACADEMY INC. D/B/A UNITED SCHOOLS OF INDIANAPOLIS

Other Report
As of And For the Year Ended June 30, 2025

The report presented herein was prepared in addition to another report prepared for USI as listed below:

Supplemental Audit Report of Avondale Meadows Academy, Inc. d/b/a United Schools of Indianapolis