ENROLL INDY, INC.

FINANCIAL STATEMENTS
Together with Independent Auditors' Report

For the Year Ended June 30, 2017

Donovan
CPAs

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Donovan CPAs

Independent Auditors' Report

To the Board of Directors
Enroll Indy, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Enroll Indy, Inc., which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Enroll Indy, Inc. as of June 30, 2017, and the change in its net assets, functional expenses, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

DONOVAN

Donovan

Indianapolis, Indiana
January 4, 2018

ENROLL INDY, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2017

ASSETS	
CURRENT ASSETS	
Cash	$ 276,985
Grants receivable	75,000
Prepaid expense	10,739
Total current assets	362,724
PROPERTY AND EQUIPMENT, NET	5,436
OTHER ASSET	
Website development asset, net	349,102
TOTAL ASSETS	$ 717,262
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	$ 3,187
Accrued expenses	17,979
Total current liabilities	21,166
NET ASSETS	
Unrestricted	562,339
Temporarily restricted	133,757
Total net assets	696,096
TOTAL LIABILITIES AND NET ASSETS	$ 717,262

ENROLL INDY, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Contributions	$ 543,950	$ 133,757	$ 677,707
In-kind contributions	306,144	-	306,144
Total revenue and support	850,094	133,757	983,851
EXPENSES			
Program services	227,330	-	227,330
Management and general	45,008	-	45,008
Fundraising	15,417	-	15,417
Total expenses	287,755	-	287,755
CHANGE IN NET ASSETS	562,339	133,757	696,096
NET ASSETS, BEGINNING OF YEAR	-	-	-
NET ASSETS, END OF YEAR	$ 562,339	$ 133,757	$ 696,096

ENROLL INDY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2017

	Program Services	Management and General	Fundraising	Total
FUNCTIONAL EXPENSES				
Salaries and wages	$ 116,231	$ 14,977	$ 10,521	$ 141,729
Amortization	40,480	4,376	3,451	48,307
Professional fees	35,794	10,463	115	46,372
Office expense	-	12,122	-	12,122
Payroll taxes	8,510	1,063	731	10,304
Marketing and communication	9,745	-	-	9,745
Employee benefits	8,400	525	98	9,023
Occupancy	5,599	697	477	6,773
Technology	1,213	-	-	1,213
Travel	1,094	-	-	1,094
Depreciation	-	661	-	661
Workers compensation expense	264	34	24	322
Bank fees	-	90	-	90
Total functional expenses	$ 227,330	$ 45,008	$ 15,417	$ 287,755

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

ENROLL INDY, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017

OPERATING ACTIVITIES	
Change in net assets	$ 696,096
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
In-kind contributions capitalized	(299,756)
Depreciation	661
Amortization	48,307
Changes in certain assets and liabilities:	
Grants receivable	(75,000)
Prepaid expense	(10,739)
Accounts payable	3,187
Accrued expenses	17,979
Net cash provided by operating activities	380,735
INVESTING ACTIVITIES	
Purchase of property and equipment	(3,750)
Cash payments for website development costs	(100,000)
Net cash used in investing activities	(103,750)
NET CHANGE IN CASH	276,985
CASH, BEGINNING OF YEAR	-
CASH, END OF YEAR	$ 276,985

SUPPLEMENTAL CASH FLOW DISCLOSURES	
Website development asset acquired through in-kind donation	$ 297,409
Property and equipment acquired through in-kind donation	2,347

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization – Enroll Indy, Inc. (the "Organization") was established in 2016 to help families choose schools that meet their children's needs by providing a one-stop enrollment process, school information that is relevant and easy to understand, and data to inform about school improvement in Indianapolis, Indiana.

The Organization receives funding entirely from grants and donations from supporting organizations. None of the activities of the Organization generate revenue.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting as required by accounting principles generally accepted in the United States of America.

Basis of Presentation – The Organization reports financial position and activities according to two classes of net assets: unrestricted net assets and temporarily restricted net assets.

- Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization.

- Temporarily restricted net assets represent resources restricted by donors for specific purposes for which restrictions have not yet been met.

- Permanently restricted net assets represent donated resources with stipulations that they be used for specific purpose, be preserved, or be invested to provide a permanent source of income. The Organization has no permanently restricted net assets at June 30, 2017.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition – Contributions are recognized when the donor makes a promise to give in writing to the Organization that is, in substance, unconditional. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions are recorded as unrestricted or temporarily restricted depending upon the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily restricted net assets. When the stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

In-kind contributions during 2017 represent transfers of assets from The Mind Trust, Inc. to the Organization (see Note 2).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Income Taxes – Enroll Indy, Inc. has received a determination from the U.S. Treasury Department stating that it qualifies under the provisions of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization; however, the Organization would be subject to tax on income unrelated to its tax-exempt purpose. For the year ended June 30, 2017, no accounting for federal and state income taxes was 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 Organization has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. Since the Organization was established in fiscal year 2017, no federal or state returns have been filed as of the date of these financial statements. Once filed, the returns are subject to audit for a period of three years.

Grants Receivable – Grants receivable are due from a donor in support of a future fiscal period. The Organization believes that it is operating in compliance with all of the requirements of the grant and as such no allowance for doubtful accounts is deemed necessary.

Property and Equipment – Property and equipment is valued at historical cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years. It is the Organization's policy to capitalize purchases of property and equipment that benefit future periods and exceed $1,000 in cost.

Website Development Asset – Website development asset represents transfers of valuable capitalized website development costs incurred by The Mind Trust, Inc. as well as direct expenditures incurred by the Organization to continue to develop its primary asset, the Enroll Indy website. The Organization accounts for the website development asset in accordance with FASB ASC 350-40-25 "Internal-use Software," which requires the various costs associated with developing an internal-use software to be capitalized or expensed according to its project stage. Capitalized website development costs are amortized over their estimated useful lives of 4 years.

Accrued Expenses – Accrued expenses consists primarily of paid time off. Employees are eligible to accrue up to 160 hours of paid time off. These expenses are accrued when incurred, and paid out as utilized by the employee, or upon termination.

Subsequent Events – Subsequent events have been evaluated by management through January 4, 2018, which is the date the financial statements were available to be issued.

NOTE 2 – WEBSITE DEVELOPMENT ASSET

As described in Note 1, the Organization's primary asset is its website (www.enrollindy.org). The majority of the costs capitalized as of June 30, 2017 were incurred by The Mind Trust, Inc., and were transferred to the Organization in February 2017 through an in-kind contribution. Costs incurred by The Mind Trust, Inc. prior to the transfer were accounted for in accordance with FASB ASC 350-40-25 "Internal-use Software," and were assigned 4 years useful lives. The value of the website development asset was calculated as follows:

Total cost capitalized by The Mind Trust, Inc.	$	313,750
Amortization of costs prior to transfer		(16,341)
In-kind contribution of website development asset		297,409
Direct expenditures incurred by the Organization		100,000
Total cost basis of website development asset		397,409
Less: current year amortization		(48,307)
Website development asset, net	$	349,102

NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30, 2017:

Purpose restriction:		
Executive Director salary and benefits	$	58,756
Time restriction:		
Restricted to fiscal year 2018		75,000
	$	133,756

No assets were released from restrictions during the year.

NOTE 4 – FUNCTIONAL ALLOCATION OF EXPENSE

Expenses are classified according to the functional purpose for which the costs are incurred. The cost of providing program, management and general, and fundraising services has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, supporting, and fundraising services benefited.

NOTE 5 – OPERATING LEASE

The Organization leases certain office space from the Board of School Commissioners of the City of Indianapolis. Monthly rent expense under this lease is $968, and the lease expires in October 2017. The lease renews annually thereafter under the same terms.

NOTE 6 – CONCENTRATION OF RISK

The Organization received all of its revenue from two sources: The Mind Trust, Inc. and the Central Indiana Community Foundation, representing 92% and 8% of total revenue, respectively. Changes in funding from these major donors could significantly impact the Organization and jeopardize its ability to continue as a going concern.

Bank deposits are maintained at First Republic bank, and are insured up to the FDIC insurance limit. Occasionally throughout the year, cash balances exceeded the FDIC insurance limit.

NOTE 7 – RETIREMENT PLAN

The Organization offers a 401(k) defined contribution plan through its professional employer organization. All employees with a minimum of nine months of services are eligible to participate. Under the 401(k) plan, the Organization matches 50% of each employee's contributions up to 6%, not to exceed 3% of total compensation. For the year ended June 30, 2017, retirement plan expense was $1,104.