



STATE OF INDIANA
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August 18, 2023

Charter School Board
Montessori Academy at Geist, Inc.
6058 W 900 N
McCordsville, IN 46055

We have reviewed the Supplemental Audit Report for Montessori Academy at Geist, Inc. prepared by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report on pages 3 and 4. Management's response is on page 6.

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

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**SUPPLEMENTAL AUDIT REPORT
MONTESSORI ACADEMY AT GEIST, INC.
HANCOCK COUNTY, INDIANA
JULY 1, 2021 TO JUNE 30, 2022**



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**MONTESSORI ACADEMY AT GEIST, INC.
TABLE OF CONTENTS
JULY 1, 2021 TO JUNE 30, 2022**

SCHOOL OFFICIALS	1
INDEPENDENT AUDITORS' REPORT	2
AUDIT RESULTS AND COMMENTS	3
EXIT CONFERENCE	5
OFFICIAL RESPONSE	6

**MONTESSORI ACADEMY AT GEIST, INC.
HANCOCK COUNTY, INDIANA
SCHOOL OFFICIALS
JULY 1, 2021 TO JUNE 30, 2022**

<u>Office</u>	<u>Official</u>	<u>Term</u>
Board President	Lacey Willard	07/01/2021 – 06/30/2022
Executive Director	Jennifer Gosch	07/01/2021 – 06/30/2022
Assistant Executive Director	Jamie Rahmany	07/01/2021 – 06/30/2022



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Montessori Academy at Geist, Inc.
McCordsville, Indiana

We have audited the consolidated financial statements of Montessori Academy at Geist, Inc. (the School) as of and for the year ended June 30, 2022, and have issued our report thereon dated July 11, 2023. 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Indianapolis, Indiana
July 11, 2023

**MONTESSORI ACADEMY AT GEIST, INC.
HANCOCK COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS
JULY 1, 2021 TO JUNE 30, 2022**

AVERAGE DAILY MEMBERSHIP (ADM) TESTING – ENROLLMENT

Enrollment documents and attendance records are required to be maintained by the School in accordance with guidance by the Indiana Department of Education (IDOE). The School has a written policy stating the documents required to be obtained at enrollment. During our testing of ADM, we noted there were three (3) students out of 66 selections where the School did not maintain consistent and complete enrollment records.

Officials shall maintain records (enrollment applications, attendance records, reporting forms, etc.) which substantiate the number of students claimed for ADM. A student claimed for ADM must be an “eligible pupil.” An eligible pupil is a student that is enrolled and attending. IC 20-43-1-11: “‘Eligible pupil’ refers to an individual who qualifies as an eligible pupil under IC 20- 43-4-1.” IC 20-43-1-11.5 defines “Enrolled” as registered with a school corporation to attend educational programs offered by or through the school corporation; and attending these educational programs or receiving education services. IC 20-43-1-7.5 defines “Attending” as physical or virtual presence of a student with the expectation of continued services in the education programs for which the student is registered.

The Organizer is responsible for reporting ADM to the Indiana Department of Education (IDOE). The ADM Summary Report shall provide a written certification of ADM to properly document responsibility. The ADM Summary Report must be signed by the Superintendent/Principal/Director of Schools and the Trustee/Corporate Treasurer and be uploaded to IDOE for each reporting period in the fiscal year. Supporting documentation of enrollment and attendance/engagement information by grade and school must be maintained for audit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Part 9).

PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) AND SIGNIFICANT AUDIT ADJUSTMENTS

Due to significant changes in governance and leadership of the School, parties involved in the building project had not retained all agreements related to the building project of the School, including agreements with the financial institution. The School also had significant changes in contacts at the financial institution, which also did not provide the necessary information and statements to ensure all activity was properly accounted for in the books of the School. As such, significant audit adjustments (including a restatement of the June 30, 2021 financial statements) were detected as a result of audit procedures related to properly recording of debt and interest rate swap (approximately \$284,000 for 2022 and approximately \$418,000 for 2021), and related revenue and expenses for those items. These accounts were materially misstated and are considered a material weakness in internal controls. Proper procedures around debt activity, interest rate swap valuation, and financial statement preparation are an important element of internal controls.

Indiana Code 20-24-7-1 provides that “...The state examiner shall establish guidelines and prescribe reporting requirements for organizers under this section that are consistent with generally accepted accounting principles (GAAP)...”

**MONTESSORI ACADEMY AT GEIST, INC.
HANCOCK COUNTY, INDIANA
AUDIT RESULTS AND COMMENTS
JULY 1, 2021 TO JUNE 30, 2022**

PREPARATION OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) AND SIGNIFICANT AUDIT ADJUSTMENTS (CONTINUED)

Charter schools shall have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records, and financial statements about incorrect decision making. (Accounting and Uniform Compliance Guidelines for Indiana Charter Schools, Part 10)

**MONTESSORI ACADEMY AT GEIST, INC.
HANCOCK COUNTY, INDIANA
EXIT CONFERENCE
JULY 1, 2021 TO JUNE 30, 2022**

The contents of this report were discussed on June 15, 2023 with Jennifer Gosch (Executive Director), Jamie Rahmany (Assistant Executive Director), Beth Marsh (Outsourced Accountant) and Tina Spencer (Outsourced Accountant). The Official Response has been made a part of this report and may be found on page 6.



As we continue to work to improve systems of organization and processes and constantly seek opportunities to advance and improve our operations, we acknowledge that there will always be ways to better meet the requirements set forth by the State of Indiana and our charter authorizer. Our response to the findings is as follows:

ADM Testing

Three students from the ADM sample did not have the required documents for enrollment. To address this, our Registrar has, once again, completed an audit of all student files and we have implemented a two-part check of new enrollment files. All new enrollee files are checked twice before confirmation of enrollment is confirmed.

Parents of currently enrolled students with incomplete files have been contacted to provide the missing documentation within a designated time frame.

Montessori Academy at Geist, Inc. and GMA Holding, LLC

For the audit year ending June 30, 2021, First Financial Bank was unable to provide the proper reports to either the CPA or to outside bookkeeping company in order to properly record the interest expense and the market value of the interest rate swap agreement. Therefore, it was not known how the loan was set up and was recorded as a traditional loan. During the course of the current audit, the CPA was able to obtain the proper reports from First Financial Bank in order to properly account for the interest rate swap agreement. Because we are now receiving the proper documents from First Financial Bank we have procedures in place to accurately reflect the value of the interest rate swap agreement.

Jennifer Gosch, Executive Director, jgosch@gma.k12.in.us
Jamie Rahmany, Assistant Executive Director, jrahmany@gma.k12.in.us