



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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February 5, 2024

Charter School Board  
Gary Middle College, Inc.  
Lake County, Indiana

We have reviewed the audit report of Gary Middle College, Inc. which was opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Gary Middle College, Inc. as of June 30, 2023 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP 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 Gary Middle College, Inc., 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.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

**GARY MIDDLE COLLEGE, INC.**

**FINANCIAL STATEMENTS**

June 30, 2023 and 2022

GARY MIDDLE COLLEGE, INC.

FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Gary Middle College, Inc.  
Gary, Indiana

**Opinion**

We have audited the financial statements of Gary Middle College, Inc. (the School), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flow 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 the School as of June 30, 2023 and 2022, and the results of its operations 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the 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 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 the School's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

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(Continued)

## ***Auditor's 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 auditor's 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 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, 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 the School'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 the School'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.

*Crowe LLP*

Crowe LLP

Indianapolis, Indiana  
January 31, 2024

GARY MIDDLE COLLEGE, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2023 and 2022

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	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 747,947	\$ 694,426
Grants receivable	128,035	79,378
Prepaid expenses	22,218	50,074
Due from related parties (Note 5)	9,709	20,114
Right of use asset (Note 3)	167,383	223,027
Property and equipment, net (Note 2)	<u>480,506</u>	<u>539,009</u>
 Total assets	 <u>\$ 1,555,798</u>	 <u>\$ 1,606,028</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 78,207	\$ 133,383
Deferred revenue (Note 1)	8,852	11,611
Due to management company (Note 5)	5,841	8,927
Lease liability (Note 3)	173,004	226,000
Note payable (Note 4)	<u>70,000</u>	<u>90,000</u>
Total liabilities	335,904	469,921
 <b>NET ASSETS</b>		
Without donor restrictions	<u>1,219,894</u>	<u>1,136,107</u>
 Total liabilities and net assets	 <u>\$ 1,555,798</u>	 <u>\$ 1,606,028</u>

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See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.  
STATEMENTS OF ACTIVITIES  
Years ended June 30, 2023 and 2022

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	<u>2023</u>	<u>2022</u>
<b>Public support and revenues</b>		
Federal grants	\$ 308,530	\$ 545,898
State and local grants	1,685,982	1,397,147
Supporting services	167,968	149,325
Contribution from merger (Note 12)	-	1,334,902
Loss on disposal of property and equipment	<u>(633)</u>	<u>-</u>
Total revenue and support	2,161,847	3,427,272
<b>Expenses</b>		
Education services	1,833,159	2,489,389
Management and general	<u>244,901</u>	<u>212,970</u>
Total expenses	<u>2,078,060</u>	<u>2,702,359</u>
Change in net assets	83,787	724,913
Net assets – without donor restrictions, beginning of year	<u>1,136,107</u>	<u>411,194</u>
Net assets – without donor restrictions, end of year	<u>\$ 1,219,894</u>	<u>\$ 1,136,107</u>

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See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.  
STATEMENTS OF CASH FLOWS  
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 83,788	\$ 724,913
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	128,312	154,924
Right of use amortization expense	55,644	34,973
Contributions from merger	-	(1,334,902)
Change in assets and liabilities		
Grants receivable	(48,657)	(10,154)
Prepaid expenses	27,855	(33,059)
Due to/from management company	7,319	(43,571)
Accounts payable and other accrued expenses	(55,176)	8,382
Deferred revenue	(2,759)	7,054
Lease Liability	<u>(52,996)</u>	<u>(32,000)</u>
Net cash provided from (used for) operating activities	143,330	(523,440)
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	<u>(69,809)</u>	<u>(12,516)</u>
Net cash used for investing activities	(69,809)	(12,516)
<b>Cash flows from financing activities</b>		
Payments on note payable	<u>(20,000)</u>	<u>(20,000)</u>
Net cash used for financing activities	<u>(20,000)</u>	<u>(20,000)</u>
Net change in cash and cash equivalents	53,521	(555,956)
Cash and cash equivalents, beginning of year	694,426	192,569
Cash brought in from merger	<u>-</u>	<u>1,057,813</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 747,947</u>	<u>\$ 694,426</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ 1,600	\$ 2,008

See accompanying notes to financial statements.

GARY MIDDLE COLLEGE, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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

Description of Organization: Effective July 1, 2021, Gary Middle College, Inc. d/b/a Gary Middle College East merged into East Chicago Focus Academy, Inc. d/b/a Gary Middle College West. As a result of the merger, East Chicago Focus Academy, Inc. d/b/a Gary Middle College West changed its name to Gary Middle College, Inc. (the School).

The School is a nonprofit corporation established to operate a charter school. The School is dedicated to ensure that all students are armed with the skills and tools they will need to not only receive a high school diploma, but also to excel at the collegiate level.

The School was established under the laws of the State of Indiana and operates under a Board of School Directors form of government.

Method of Accounting: The School maintains its accounts on the accrual basis of accounting and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Income Taxes: The School is exempt from income taxes on income from related activities under Section 501(c)(3) of the U. S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes. Additionally, the School is not considered to be a private foundation under Section 509(a) of the Internal Revenue Code.

The School has adopted applicable guidance with respect to accounting for uncertainty in income taxes. A tax position is recognized as a benefit only if it is “more likely than not” that 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 benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit will be recorded.

The School does not expect the total amount of unrecorded tax benefits to significantly change in the next 12 months. The School recognizes interest and/or penalties related to income tax matters in income tax expense. The School did not have any amounts accrued for interest and penalties at June 30, 2023 and 2022.

Use of Estimates: The preparation of financial statements in conformity with GAAP 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. Actual results could differ from those estimates.

Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000. Bank balances may periodically exceed FDIC insured limits. For the purpose of the statements of cash flows, the School considers all highly liquid instruments, if any, purchased with a maturity of three months or less to be cash equivalents.

Grants Receivable: Grants receivable balances consist of amounts billed or billable for services provided or contracted and are due within one year. The School does not accrue interest on any of its grants receivables.

Allowances: No allowance for doubtful accounts are recorded as of June, 30, 2023 and 2022. The allowances are based upon prior experience and management’s analysis of specific receivables and promises to give. Losses are charged off to the reserve when management deems further collection efforts will no longer produce additional recoveries. The School currently considers all receivables to be fully collectible.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment: Expenditures for property and equipment and items in excess of \$500 which substantially increase the useful lives of existing assets are capitalized at cost or at fair value at date of gift. Repairs and maintenance costs are expensed as incurred. Depreciation has been computed on straight-line method at rates designed to depreciate the costs of assets over their estimated useful lives as follows:

Property and equipment	3-15 years
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Impairment of Long-Lived Assets: In accordance with GAAP, the School reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of June 30, 2023 and 2022, management believes that no impairment exists.

Fair Value of Financial Instruments: The carrying value of all the School's financial instruments, which include cash and cash equivalents, accounts payable and note payable, approximate fair values. Grants receivable are not readily marketable. The School has estimated their fair value to be the carrying value.

Basis of Presentation: The School follows GAAP and reports information regarding its financial position and activities according to two classes of net assets:

*Net Assets Without Donor Restrictions* – The net asset without donor restrictions class includes general assets and liabilities of the School. The net assets without donor restrictions of the School may be used at the discretion of management to support the School's purposes and operations.

*Net Assets With Donor Restrictions* – The net asset with donor restrictions class includes assets of the School related to gifts and grants with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates.

The net asset with donor restrictions class also includes assets of the School related to contributions and other inflows of assets whose use by the School is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the School. The School had no net assets with donor restrictions as of June 30, 2023 and 2022.

Federal and State Grants: Support funded by grants is recognized as the School satisfies the related conditions under various grant agreements. Grant revenue is typically recognized as allowable expenses are incurred or as eligible students are served. The School's basic grant support from the State is based on per-pupil funding. Government grants and contracts are generally subject to conditions that have a barrier and a right of return that must be met before the School is entitled to funding. Accordingly, advances from granting agencies are generally considered refundable in the unlikely event specified services are not performed. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Supporting Services: Revenue in this category, is related to services (such as employee time) provided to charter schools managed by Greater Education Opportunities Foundation, Inc., (GEOF). Reimbursement is requested for services provided to offset the corresponding expense. Revenue is recognized as services are performed and performance obligations are achieved.

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(Continued)

GARY MIDDLE COLLEGE, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Deferred Revenue: Cash from certain grants are received in advance upon acceptance of the award and revenue is recognized as performance obligations are completed throughout the year. Unearned income represents cash receive for awards for expenditures have not occurred as of June 30. The following table represents balances and activity of deferred revenue as of and for the year ending June 30:

The following table represents activities for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Deferred revenue - beginning balance	\$ 11,611	\$ 4,557
Deferred revenue recognized during the year	(11,611)	(4,557)
Cash received in advance of performance obligations being met	8,852	11,611
	\$ 8,852	\$ 11,611

Functional and Allocated Expenses: Expenses have been classified as program services and supporting services based on the actual direct expenditures and estimated cost allocations based on employee head count and time incurred. Supporting services include management and general activities of the School. The School did not incur any fundraising expenses for the years ended June 30, 2023 and 2022.

Advertising: The School expenses advertising costs as incurred. During 2023 and 2022 expenses totaling \$33,350 and \$32,960, respectively, were incurred for advertising.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2023, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2023. Management has performed their analysis through January 31, 2024, the date the financial statements were available to be issued.

**NOTE 2 - PROPERTY AND EQUIPMENT**

At June 30, the carrying value of property and equipment consists of the following:

	<u>2023</u>	<u>2022</u>
Property and equipment	\$ 789,863	\$ 969,745
Buildings and Improvements	552,349	552,349
Vehicles	127,320	127,320
Less: accumulated depreciation and amortization	(989,026)	(1,110,405)
	\$ 480,506	\$ 539,009

Depreciation expense for the years ended June 30, 2023 and 2022 were \$128,312 and \$154,924, respectively.

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(Continued)

GARY MIDDLE COLLEGE, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 3 - LEASES**

Right of use (“ROU”) assets represent the School’s right to use the underlying assets for the lease term and lease liabilities represent the net present value of the School’s obligation to make payments arising from these leases. The lease liabilities are based on the present value of fixed lease payments over the lease term using the School’s incremental borrowing rate on the lease commencement date. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the School will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. As permitted by ASC 842, leases with an initial term of twelve months or less (“short-term leases”) are not recorded on the accompanying statements of financial position.

The School has recognized a right of use asset of \$167,383 and \$223,027, and a lease liability of \$173,004 and \$226,000, on the statements of financial position as of June 30, 2023 and 2022, respectively.

The School leases copiers, and a postage meter under various non-cancelable operating leases which expire at various dates through fiscal years 2023 and 2022. The School utilized the 3-year Treasury rate to determine the net present value of the lease liability which approximated 1.4% at lease inception.

In 2016, the School entered into a five-year building lease agreement with a third party through 2022. The original five-year lease term includes subsequent renewal options. During 2022, the School renewed the lease for an additional five-year lease term through 2027. The School utilized the 5-year Treasury rate to determine the net present value of the lease liability which approximated 1.5% at lease inception. Rent expense totaled \$59,060 and \$65,463 for the years ended June 30, 2023 and 2022, respectively.

In accordance with GAAP, the School recognizes rent expense on a straight-line basis. The future maturities lease payments under operating leases are as follows:

2024		\$ 59,236
2025		61,192
2026		45,153
2027		<u>12,294</u>
Total minimum lease payments		177,875
Present value discount		<u>(4,871)</u>
Lease liability		<u>\$ 173,004</u>

Operating lease expense for the years ended June 30, 2023 and 2022 were \$78,195 and \$80,927, respectively.

**NOTE 4 - NOTE PAYABLE**

Note payable consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Note payable to State of Indiana Treasurer to support school operations, payable semi-annually beginning January 2017, plus interest computed at 1.00%, through maturity in August 2026.	<u>\$ 70,000</u>	<u>\$ 90,000</u>

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(Continued)

GARY MIDDLE COLLEGE, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 4 - NOTE PAYABLE** (Continued)

The estimated future principal payments due on the note payable are:

2024	\$	20,000
2025		20,000
2026		20,000
2027		<u>10,000</u>
	\$	<u>70,000</u>

Interest expense during the years ending June 30, 2023 and 2022 were \$1,600 and \$2,008, respectively.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

The School has a management agreement with the Greater Education Opportunities Foundation, Inc., (GEOF). Under the management agreement, GEOF charges administrative and per student fees in exchange for the management, operation, administration, payroll and accounting services provided. During the years ended June 30, 2023 and 2022, the School paid GEOF a fee of \$209,385 and \$205,668, respectively. As part of the management services provided, GEOF acts as the payor of certain operating expenses, which are reimbursed to GEOF by the School. The School's Board retains final authority and responsibility for financial and budgetary commitments. At June 30, 2023 and 2022, the School had a payable to GEOF of \$5,841 and \$8,927, respectively. At June 30, 2023 and 2022 the School had a receivable from GEOF in the amount of \$8,317 and \$17,506, respectively.

The School periodically has receivables and payables with other charter schools managed by GEOF for shared costs. At June 30, 2023 and 2022, the School had a receivable balance with 21<sup>st</sup> Century Charter Schools @ Gary, Inc of \$1,392 and \$2,608, respectively.

**NOTE 6 - CHARTER AGREEMENT**

The School operates under a charter granted by Indiana Charter School Board (ICSB). As the sponsoring organization, ICSB exercises certain oversight responsibilities. Under this charter, the School has agreed to pay ICSB a monthly administrative fee equal to the amount set forth and approved by the Board in the Annual Budget each year. Payments under this charter agreement were \$9,983 and \$6,129 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 7 - PENSION PLANS**

The School's faculty and certain administrative employees are participants in a 403(b) tax deferred annuity retirement plan. All participants may contribute to the plan. There were no employer matching contributions to the plan for the years ended June 30, 2023 and 2022.

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(Continued)

GARY MIDDLE COLLEGE, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 7 - PENSION PLANS** (Continued)

The School participates in the Indiana Public Retirement System (INPRS). INPRS includes both the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF). PERF is a defined benefit pension plan. PERF is a cost sharing multi-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS. TRF is a defined benefit pension plan. TRF is a cost-sharing multi-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. The School employees are required to contribute three percent of their annual covered salary. The School is required to contribute an actuarially determined rate determined annually for PERF and TRF. The School's expense for the years ended June 30, 2023 and 2022 were \$44,161 and \$55,463, respectively.

**NOTE 8 - FUNCTIONAL EXPENSES BY NATURE**

The statements of activities report certain categories of expenses attributable to the program and supporting functions of the School. Functions include program expense for education services and management and general activities. The table below presents these functional expenses by their natural classification for the year ended June 30, 2023.

	2023		
	Education Services	Management and General	Total
Salaries and benefits	\$ 996,165	\$ -	\$ 996,165
Student support and supplies	365,145	-	365,145
Office and operation expense	179,658	-	179,658
Depreciation expense	128,312	-	128,312
Building and grounds	122,142	-	122,142
Service contracts	41,737	244,901	286,638
Total expenses	\$ 1,833,159	\$ 244,901	\$ 2,078,060

The table below presents these functional expenses by their natural classification for the year ended June 30, 2022.

	2022		
	Education Services	Management and General	Total
Salaries and benefits	\$ 1,313,238	\$ -	\$ 1,313,238
Student support and supplies	603,898	-	603,898
Office and operation expense	196,657	-	196,657
Depreciation expense	154,924	-	154,924
Building and grounds	135,100	-	135,100
Service contracts	85,572	212,970	298,542
Total expenses	\$ 2,489,389	\$ 212,970	\$ 2,702,359

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(Continued)

GARY MIDDLE COLLEGE, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 9 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The School's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 747,947	\$ 694,426
Grants receivable	<u>128,035</u>	<u>79,378</u>
Total financial assets	<u>\$ 875,982</u>	<u>\$ 773,804</u>

As part of the School's liquidity management, the School invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 10 - COVID-19 IMPACT**

During 2021, the School was awarded an allocation of the Education Stabilization Relief Fund through the Elementary and Secondary School Emergency Relief Funding (ESSER II) through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act totaling \$109,059. During the year ended June 30, 2022 the School had expended the full \$109,059 of funding, which had been recognized as revenue within the federal grant revenue line on the statements of activities.

During 2021, the School was awarded an allocation of the Education Stabilization Relief Fund through the Elementary and Secondary School Emergency Relief Funding (ESSER III) through American Rescue Plan (ARP) Act totaling \$526,996. As of June 30, 2023 and 2022, the School had accumulated expenditures of \$509,204 and \$442,752, respectively. Revenue is currently being recognized within the federal grant revenue line on the statements of activities. As of June 30, 2023 and 2022, the school had yet to receive \$5,811 and \$26,166, respectively, and has recorded a corresponding grants receivable. The remaining \$17,792 of the award is expected to be expended and recognized as revenue during fiscal year 2024.

**NOTE 11 - INDIANA CHARTER SCHOOL BOARD - FACILITY EXPENSE DISCLOSURE**

As required by the Indiana Charter School Board, the following table discloses certain facility expense details for the fiscal years ended June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Facility rental	\$ 66,608	\$ 65,463
Water and sewage	3,360	3,619
Waste disposal	928	768
Maintenance and repairs	15,546	23,522
Security services	52,639	699
Custodial supplies	10,072	16,259
Insurance	1,900	1,716
Electric and gas	<u>63,789</u>	<u>54,565</u>
	<u>\$ 214,842</u>	<u>\$ 166,611</u>

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(Continued)

GARY MIDDLE COLLEGE, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 12 - MERGER OF GARY MIDDLE COLLEGE, INC.**

The following table summarizes the assets, liabilities and net contribution recorded, from the merger of Gary Middle College, Inc. d/b/a Gary Middle College East into the School that occurred during 2022:

Cash and cash equivalents	\$ 1,057,813
Grants receivable	42,075
Prepaid expenses	17,014
Property and equipment, net	<u>461,757</u>
	<u>1,578,659</u>
Accounts payable and accrued expenses	(109,511)
Deferred revenue	(4,557)
Due to management company	(19,689)
Note payable	<u>(110,000)</u>
	<u>(243,757)</u>
Net contribution recorded	<u>\$ 1,334,902</u>

GARY MIDDLE COLLEGE, INC.  
OTHER REPORT  
June 30, 2023

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

Indiana State Board of Accounts Compliance Report of Gary Middle College, Inc.

The above 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 addressing is *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.