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February 19, 2020


Charter School Board
Montessori Academy at Geist, Inc.
13942 E 96th Street, Suite 120
McCordsville, IN 46055

We have reviewed the audit report of Montessori Academy at Geist, Inc. which was opined upon by Donovan CPAs, Independent Public Accountants, for the period July 1, 2018 to June 30, 2019. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Montessori Academy at Geist, Inc. as of June 30, 2019 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Donovan CPAs prepared the audit report in accordance with guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for Montessori Academy at Geist, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Financial Statements and Independent Auditors' Report and the Supplemental Audit Report are filed in our office as a matter of public record.


Paul D. Joyce, CPA
State Examiner

MONTESSORI ACADEMY AT GEIST, INC.
AND GMA HOLDING, LLC
CONSOLIDATED FINANCIAL STATEMENTS
Together with Independent Auditors' Report
For the Years Ended June 30, 2019 and 2018



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Donovan CPAs

Independent Auditors' Report

The Board of Directors
Montessori Academy at Geist, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Montessori Academy at Geist, Inc. and GMA Holding, LLC which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Montessori Academy at Geist, Inc. and GMA Holding, LLC as of June 30, 2019 and 2018, and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules of financial position on pages 13 and 14 and the consolidating schedules of activities and change in net assets on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

DONOVAN

A handwritten signature in dark ink that reads "DONOVAN". The signature is written in a cursive, slightly stylized font.

Indianapolis, Indiana
January 30, 2020

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 403,725	\$ 2,426,624
Accounts receivable		
Grants	24,000	-
Other	19,419	11,457
Due from affiliated entity	-	5,103
Prepaid expenses	<u>12,000</u>	<u>38,126</u>
<i>Total current assets</i>	<u>459,144</u>	<u>2,481,310</u>
PROPERTY AND EQUIPMENT		
Land	546,248	546,248
Construction in progress	2,659,465	80,626
Leasehold improvements	184,893	184,893
Furniture and equipment	293,031	293,031
Textbooks	26,602	11,172
Less: accumulated depreciation	<u>(380,132)</u>	<u>(358,410)</u>
<i>Property and equipment, net</i>	<u>3,330,107</u>	<u>757,560</u>
OTHER ASSETS		
Security deposit	<u>11,000</u>	<u>11,000</u>
TOTAL ASSETS	<u><u>\$ 3,800,251</u></u>	<u><u>\$ 3,249,870</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of notes payable	\$ 218,137	\$ 218,137
Accounts payable and accrued expenses	102,500	111,916
Construction costs payable	511,121	-
Deferred revenue	54,965	49,845
Refundable advances	-	10,375
Due to affiliated entity	<u>845</u>	<u>-</u>
<i>Total current liabilities</i>	<u>887,568</u>	<u>390,273</u>
LONG-TERM LIABILITIES		
Notes payable, net of current portion	1,417,889	1,636,026
Less: unamortized debt issuance costs	<u>(83,257)</u>	<u>-</u>
<i>Total long-term liabilities, net of unamortized debt issuance costs</i>	<u>1,334,632</u>	<u>1,636,026</u>
<i>Total liabilities</i>	2,222,200	2,026,299
NET ASSETS, WITHOUT DONOR RESTRICTIONS	<u>1,578,051</u>	<u>1,223,571</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,800,251</u></u>	<u><u>\$ 3,249,870</u></u>

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

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUE AND SUPPORT		
State education support	\$ 2,431,022	\$ 2,325,654
Grant revenue	335,998	327,911
Student fees	95,170	79,370
Investment income	16,519	12,093
Other income	<u>92,257</u>	<u>68,938</u>
<i>Total revenue and support</i>	<u>2,970,966</u>	<u>2,813,966</u>
EXPENSES		
Program services	2,060,964	2,067,327
Management and general	<u>555,522</u>	<u>477,642</u>
<i>Total expenses</i>	<u>2,616,486</u>	<u>2,544,969</u>
CHANGE IN NET ASSETS	354,480	268,997
NET ASSETS, BEGINNING OF YEAR	<u>1,223,571</u>	<u>954,574</u>
NET ASSETS, END OF YEAR	<u>\$ 1,578,051</u>	<u>\$ 1,223,571</u>

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

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2019 and 2018

	2019			2018		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries and wages	\$ 1,181,980	\$ 331,518	\$ 1,513,498	\$ 1,134,377	\$ 289,106	\$ 1,423,483
Employee benefits	151,116	61,530	212,646	178,504	54,505	233,009
Professional services	140,350	31,388	171,738	171,340	22,473	193,813
Authorizer oversight fees	-	65,769	65,769	-	58,909	58,909
Staff development and recruitment	2,329	-	2,329	15,071	-	15,071
Food costs	2,719	-	2,719	2,687	-	2,687
Property rental and equipment	17,395	-	17,395	23,895	-	23,895
Classroom, kitchen, and office supplies	64,412	-	64,412	83,264	156	83,420
Occupancy	453,101	-	453,101	414,856	-	414,856
Depreciation	21,722	-	21,722	23,186	-	23,186
Insurance	-	36,376	36,376	-	20,208	20,208
Interest	-	15,814	15,814	-	19,087	19,087
Repairs and maintenance	10,455	-	10,455	2,972	-	2,972
Other	15,385	13,127	28,512	17,175	13,198	30,373
	<u>\$ 2,060,964</u>	<u>\$ 555,522</u>	<u>\$ 2,616,486</u>	<u>\$ 2,067,327</u>	<u>\$ 477,642</u>	<u>\$ 2,544,969</u>
<i>Total functional expenses</i>						

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

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 354,480	\$ 268,997
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	21,722	23,186
Change in certain assets and liabilities:		
Grants receivable	(24,000)	-
Other receivable	(7,962)	(2,398)
Due from/to affiliated entity	5,948	62,104
Prepaid expenses	26,126	-
Accounts payable and accrued expenses	(9,416)	26,632
Deferred revenue	5,120	9,217
Refundable advances	<u>(10,375)</u>	<u>(6,791)</u>
<i>Net cash provided by operating activities</i>	<u>361,643</u>	<u>380,947</u>
INVESTING ACTIVITIES		
Construction in progress payments	(2,058,467)	(74,526)
Purchases of property and equipment	<u>(15,430)</u>	<u>-</u>
<i>Net cash used in investing activities</i>	<u>(2,073,897)</u>	<u>(74,526)</u>
FINANCING ACTIVITIES		
Principal payments on note payable	(218,137)	(218,137)
Debt issuance costs	<u>(92,508)</u>	<u>-</u>
<i>Net cash used in financing activities</i>	<u>(310,645)</u>	<u>(218,137)</u>
NET CHANGE IN CASH	(2,022,899)	88,284
CASH, BEGINNING OF YEAR	<u>2,426,624</u>	<u>2,338,340</u>
CASH, END OF YEAR	<u>\$ 403,725</u>	<u>\$ 2,426,624</u>
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ 16,905	\$ 20,178
NON-CASH TRANSACTIONS		
Construction in progress in payables	511,121	-
Amortization of debt issuance costs in construction in progress	9,251	-

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

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General – Montessori Academy at Geist, Inc. (“GMA”) is a public benefit not-for-profit organization incorporated under the laws of the State of Indiana. GMA operates a public charter school established under Indiana Code 20-24 and is sponsored by Ball State University. During the 2018-2019 school year, GMA served approximately 375 students in grades kindergarten to eight by providing an alternative to the traditional public schools.

Effective December 26, 2018, GMA formed GMA Holding, LLC, a wholly-owned subsidiary of the School. GMA Holding, LLC was established to own land and construct a school building for use by the School. During the year ended June 30, 2019, GMA Holding, LLC began construction of the new school facility. As of June 30, 2019, construction in progress totaled \$2,659,465. Total project cost, including land, is expected to be approximately \$7,000,000. The School moved into the building in November and December 2019.

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of Montessori Academy at Geist, Inc. and GMA Holding LLC, collectively referred to as the “School.” All significant intercompany transactions and balances have been eliminated in consolidation.

Financial Statement Presentation – Effective with the June 30, 2019 year end, the School adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires changes to the financial reporting model for not-for-profit entities, including changing from three classes of net assets to two classes: net assets with donor restrictions and net assets without donor restrictions. ASU 2016-14 also requires additional disclosures regarding the liquidity of financial assets. ASU 2016-14 must be applied on a retrospective basis, therefore the net assets as of and for the year ended June 30, 2018 have been restated to comply with ASU 2016-14.

Accounting Estimates – The preparation of consolidated 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.

Revenue Recognition – Revenues generally come from resources provided under the Indiana Charter Schools Act. Under the Act, the School receives an amount per student in relation to the funding received by other public schools in the same geographic area. Funding from the State of Indiana is based on enrollment, and is paid in monthly installments in July through June coinciding with the academic school year. Revenue is recognized in the year in which educational services are rendered.

Student fees are recognized in the academic school year to which the payments pertain.

A portion of the School’s revenue is the product of cost reimbursement grants. Accordingly, the School recognizes revenue under these grants in the amount of costs and expenses at the time they are incurred.

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and equivalents – Cash consists of cash held in bank accounts and cash equivalents consists of short-term, highly liquid investment with original maturities of three months or less. There were no cash equivalents at June 30, 2019 and 2018.

Grants Receivable – Grants receivable relate to activities funded under federal grants and legislation enacted by the State of Indiana. The School believes that it is operating in compliance with regulatory requirements and as such no allowance for doubtful accounts is deemed necessary.

Other Accounts Receivable – Other accounts receivable relate to student fees. The School believes that all amounts are collectible, thus an allowance for doubtful accounts is not deemed necessary.

Due from Affiliated Entity – The School pays expenses and salaries for the Geist Montessori Pre-Kindergarten (“Pre-K”) program, which is a separate entity from the School. Several times during the year, Pre-K pays the School the balance of the account. In addition, Pre-K’s annual net revenues in excess of expenses is contributed to the School and reported in other income (\$60,000 and \$55,000 for 2019 and 2018, respectively). As of June 30, 2019, the School owes Pre-K \$845 and as of June 30, 2018 Pre-K owes the School \$5,103.

Debt Issuance Costs – During January 2019, GMA Holding, LLC entered into a construction loan agreement with First Financial Bank, with maximum borrowings of \$4,500,000. Total costs incurred to secure the financing were \$92,508. Amortization is provided on a straight-line basis over the term of the agreement (60 months). Accumulated amortization as of June 30, 2019 was \$9,251 and is included in construction in progress during the construction phase and interest expense thereafter. As provided by ASU 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, debt issuance costs are presented as a direct deduction from the carrying amount of the related debt liability.

Taxes on Income – Montessori Academy at Geist, 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. GMA Holding, LLC is in the process of applying for the provision of Section 501(c)(3) of the Internal Revenue Code as a tax-exempt organization. The School would be subject to tax on income unrelated to its tax-exempt purpose. For the years ended June 30, 2019 and 2018, no accounting for federal and state income taxes was required to be included in the accompanying consolidated financial statements.

Professional accounting standards require the School to recognize a tax liability only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax liability that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax liability is recorded. The School has examined this issue and has determined that there are no material contingent tax liabilities or questionable tax positions. Tax years ending after 2015 are open to audit for both federal and state purposes.

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property and Equipment – Purchases of assets and expenditures that materially increase value or extend useful lives are capitalized and are included in the accounts at cost. Routine maintenance and repairs, and minor replacement costs are charged to expense as incurred.

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

Leasehold improvements	9 to 12 years
Furniture and equipment	3 to 5 years
Textbooks.....	3 years

Deferred Revenue – Deferred revenue consists of student fee deposits received as part of the enrollment process that apply to the subsequent academic school year.

Subsequent Events – The School evaluated subsequent events through January 30, 2020, the date these consolidated financial statements were available to be issued. Events occurring through that date have been evaluated to determine whether a change in the consolidated financial statements or related disclosures would be required.

NOTE 2 - NOTES PAYABLE

The note payable consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Note payable to State Board of Education, payable \$109,068 semi-annually (January 1 and July 1) plus interest at 1.00% per annum.	\$ 1,636,026	\$ 1,854,163
Less: current portion	<u>(218,137)</u>	<u>(218,137)</u>
Long-term portion	<u>\$ 1,417,889</u>	<u>\$ 1,636,026</u>

The note payable to the State Board of Education is the result of the Common School Funds Charter School Innovation Fund Advancement program. This note is secured by the School’s future tuition support payments on the School’s basic grant.

As discussed in Note 1, during January 2019, GMA Holding, LLC entered into an agreement with First Financial Bank for a construction loan of \$4,500,000. Borrowings accrue interest at 2.00% above LIBOR (a total of 4.44% at June 30, 2019). The School did not take any draws until subsequent to the year ended June 30, 2019. On February 1, 2020, the construction loan converts to a 48-month term note, using a 240-month amortization period.

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2019 and 2018

NOTE 2 - NOTES PAYABLE, Continued

Principal maturities of the note payable are as follows for the years ending June 30:

2020	\$	218,137
2021		218,137
2022		218,137
2023		218,137
2024		218,137
Thereafter		<u>545,341</u>
	\$	<u><u>1,636,026</u></u>

NOTE 3 - REFUNDABLE ADVANCES

The School has been awarded grants to provide educational instruction. The grants are considered to be exchange transactions. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. At June 30, 2018, the School had refundable grant advances in excess of expenditures of \$10,375.

NOTE 4 - LEASES

The School leases its education facilities and certain items of office equipment under operating leases for terms from three to seven years. The facility leases include options to renew and provisions for rate escalation based on the Consumer Price Index. Under one facility lease, the School is responsible for insurance, taxes, repairs and utilities. Another facility lease provides for early termination by the School subject to a buyout provision. Due to the completion of the new school facility, both of the facility lease agreements were terminated in December 2019. The School paid a buyout fee of \$68,442. Expense under operating leases for the years ended June 30, 2019 and 2018 were \$416,998 and \$381,972, respectively.

Future minimum lease obligations under noncancelable operating leases with initial lease terms in excess of one year are as follows for the years ending June 30:

2020	\$	189,964
2021		13,996
2022		13,996
2023		13,996
2024		13,996
Thereafter		4,665

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2019 and 2018

NOTE 5 - RETIREMENT PLAN

Retirement benefits for School employees are provided under a Section 403(b) defined contribution retirement plan. Under the plan, the School matches 100% of each participant's contributions not to exceed 7% of compensation for the plan year. Additional contributions may be made to the plan at the discretion of the Board of Directors. No discretionary contributions were made in 2019 and 2018. Retirement plan expense for the years ended June 30, 2019 and 2018 was \$31,671 and \$34,455, respectively.

NOTE 6 - COMMITMENTS

The School operates under a charter granted by Ball State University. As the sponsoring organization, Ball State University exercises certain oversight responsibilities. Under this charter, the School has agreed to pay to Ball State University an annual administrative fee equal to 3% of state tuition support received. Expense under this charter agreement was \$65,769 and \$58,909 for the years ended June 30, 2019 and 2018, respectively. The charter remains in effect until June 30, 2021, and is renewable thereafter by mutual consent.

NOTE 7 - RISKS AND UNCERTAINTIES

The School provides educational instruction services to families residing in Hancock 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 the School. Additionally, the School is subject to monitoring and audit by state and federal agencies. Those examinations may result in additional liability to be imposed on the School.

Financial instruments that potentially subject the School to concentrations of credit risk consist principally of receivables from the State of Indiana. Cash deposits are maintained at First Financial Bank and are insured up to the FDIC insurance limit.

NOTE 8 - LIQUIDITY

Under ASU 2016-14 the School is required to disclose the assets it has available at June 30, 2019 to meet its cash needs for general expenditures within one year of the date of the consolidated statement of financial position. At June 30, 2019, the School's financial assets, consisting of cash and accounts receivable, total \$447,144, all of which are available to meet cash needs for general expenditures within one year.

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended June 30, 2019 and 2018

NOTE 8 - LIQUIDITY, Continued

From time to time, the School receives donor restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, the School must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the School's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 9 - FUNCTIONAL EXPENSE REPORTING

The costs of providing the educational activities have been summarized on a functional basis in the consolidated statements of activities and change in net assets. Management of the School has categorized expenses as program services or management and general according to the underlying nature of the expense. As such, no allocation of specific transactions between these categories was required.

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2019

	<u>GMA</u>	<u>GMA Holding</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash	\$ 397,735	\$ 5,990	\$ -	\$ 403,725
Accounts receivable:				
Grants	24,000	-	-	24,000
Other	19,419	-	-	19,419
Due from affiliated entity	2,785,934	-	(2,785,934)	-
Prepaid expenses	12,000	-	-	12,000
	<u>3,239,088</u>	<u>5,990</u>	<u>(2,785,934)</u>	<u>459,144</u>
<i>Total current assets</i>				
	<u>3,239,088</u>	<u>5,990</u>	<u>(2,785,934)</u>	<u>459,144</u>
PROPERTY AND EQUIPMENT				
Land	-	546,248	-	546,248
Construction in progress	-	2,659,465	-	2,659,465
Leasehold improvements	184,893	-	-	184,893
Furniture and equipment	293,031	-	-	293,031
Textbooks	26,602	-	-	26,602
Less: accumulated depreciation	(380,132)	-	-	(380,132)
	<u>124,394</u>	<u>3,205,713</u>	<u>-</u>	<u>3,330,107</u>
<i>Property and equipment, net</i>				
	<u>124,394</u>	<u>3,205,713</u>	<u>-</u>	<u>3,330,107</u>
OTHER ASSETS				
Security deposit	11,000	-	-	11,000
	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>11,000</u>
TOTAL ASSETS	<u>\$ 3,374,482</u>	<u>\$ 3,211,703</u>	<u>\$ (2,785,934)</u>	<u>\$ 3,800,251</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current portion of notes payable	\$ 218,137	\$ -	\$ -	\$ 218,137
Accounts payable and accrued expenses	102,500	-	-	102,500
Construction costs payable	-	511,121	-	511,121
Deferred revenue	54,965	-	-	54,965
Due to affiliated entity	845	2,785,934	(2,785,934)	845
	<u>376,447</u>	<u>3,297,055</u>	<u>(2,785,934)</u>	<u>887,568</u>
<i>Total current liabilities</i>				
	<u>376,447</u>	<u>3,297,055</u>	<u>(2,785,934)</u>	<u>887,568</u>
LONG-TERM LIABILITIES				
Notes payable, net of current portion	1,417,889	-	-	1,417,889
Less: unamortized debt issuance costs	-	(83,257)	-	(83,257)
	<u>1,417,889</u>	<u>(83,257)</u>	<u>-</u>	<u>1,334,632</u>
<i>Total long-term liabilities, net of unamortized debt issuance costs</i>				
	<u>1,417,889</u>	<u>(83,257)</u>	<u>-</u>	<u>1,334,632</u>
<i>Total liabilities</i>	1,794,336	3,213,798	(2,785,934)	2,222,200
NET ASSETS, WITHOUT DONOR RESTRICTIONS	<u>1,580,146</u>	<u>(2,095)</u>	<u>-</u>	<u>1,578,051</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,374,482</u>	<u>\$ 3,211,703</u>	<u>\$ (2,785,934)</u>	<u>\$ 3,800,251</u>

See independent auditors' report

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

June 30, 2018

	<u>GMA</u>	<u>GMA Holding</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash	\$ 2,426,624	\$ -	\$ -	\$ 2,426,624
Accounts receivable	11,457	-	-	11,457
Due from affiliated entity	5,103	-	-	5,103
Prepaid expenses	38,126	-	-	38,126
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total current assets</i>	2,481,310	-	-	2,481,310
	<hr/>	<hr/>	<hr/>	<hr/>
PROPERTY AND EQUIPMENT				
Land	546,248	-	-	546,248
Construction in progress	80,626	-	-	80,626
Leasehold improvements	184,893	-	-	184,893
Furniture and equipment	293,031	-	-	293,031
Textbooks	11,172	-	-	11,172
Less: accumulated depreciation	(358,410)	-	-	(358,410)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Property and equipment, net</i>	757,560	-	-	757,560
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER ASSETS				
Security deposit	11,000	-	-	11,000
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 3,249,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,249,870</u>
	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current portion of note payable	\$ 218,137	\$ -	\$ -	\$ 218,137
Accounts payable and accrued expenses	111,916	-	-	111,916
Deferred revenue	49,845	-	-	49,845
Refundable advances	10,375	-	-	10,375
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total current liabilities</i>	390,273	-	-	390,273
	<hr/>	<hr/>	<hr/>	<hr/>
NOTE PAYABLE, NET OF CURRENT PORTION	1,636,026	-	-	1,636,026
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total liabilities</i>	2,026,299	-	-	2,026,299
	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS, WITHOUT DONOR RESTRICTIONS	1,223,571	-	-	1,223,571
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,249,870</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,249,870</u>
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See independent auditors' report

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended June 30, 2019

	<u>GMA</u>	<u>GMA Holding</u>	<u>Eliminations</u>	<u>Total</u>
REVENUE AND SUPPORT				
State education support	\$ 2,431,022	\$ -	\$ -	\$ 2,431,022
Grant revenue	335,998	-	-	335,998
Student fees	95,170	-	-	95,170
Investment income	16,519	-	-	16,519
Other income	<u>92,257</u>	<u>-</u>	<u>-</u>	<u>92,257</u>
<i>Total revenue and support</i>	<u>2,970,966</u>	<u>-</u>	<u>-</u>	<u>2,970,966</u>
EXPENSES				
Program services	2,060,964	-	-	2,060,964
Management and general	<u>553,427</u>	<u>2,095</u>	<u>-</u>	<u>555,522</u>
<i>Total expenses</i>	<u>2,614,391</u>	<u>2,095</u>	<u>-</u>	<u>2,616,486</u>
CHANGE IN NET ASSETS	356,575	(2,095)	-	354,480
NET ASSETS, BEGINNING OF YEAR	<u>1,223,571</u>	<u>-</u>	<u>-</u>	<u>1,223,571</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ 1,580,146</u>	<u>\$ (2,095)</u>	<u>\$ -</u>	<u>\$ 1,578,051</u>

See independent auditors' report

MONTESSORI ACADEMY AT GEIST, INC. AND GMA HOLDING, LLC
CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended June 30, 2018

	<u>GMA</u>	<u>GMA Holding</u>	<u>Eliminations</u>	<u>Total</u>
REVENUE AND SUPPORT				
State education support	\$ 2,325,654	\$ -	\$ -	\$ 2,325,654
Grant revenue	327,911	-	-	327,911
Student fees	79,370	-	-	79,370
Investment income	12,093	-	-	12,093
Other income	<u>68,938</u>	<u>-</u>	<u>-</u>	<u>68,938</u>
<i>Total revenue and support</i>	<u>2,813,966</u>	<u>-</u>	<u>-</u>	<u>2,813,966</u>
EXPENSES				
Program services	2,067,327	-	-	2,067,327
Management and general	<u>477,642</u>	<u>-</u>	<u>-</u>	<u>477,642</u>
<i>Total expenses</i>	<u>2,544,969</u>	<u>-</u>	<u>-</u>	<u>2,544,969</u>
CHANGE IN NET ASSETS	268,997	-	-	268,997
NET ASSETS, BEGINNING OF YEAR	<u>954,574</u>	<u>-</u>	<u>-</u>	<u>954,574</u>
NET ASSETS, END OF YEAR	<u>\$ 1,223,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,223,571</u>

See independent auditors' report

MONTESSORI ACADEMY AT GEIST, INC.
OTHER REPORT
For the Year Ended June 30, 2019

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

Supplemental Audit Report of Montessori Academy at Geist, Inc.

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.