

**GEO NEXT GENERATION HIGH SCHOOL, INC.**

**FINANCIAL STATEMENTS**

June 30, 2025 and 2024

GEO NEXT GENERATION HIGH SCHOOL, INC.  
FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
GEO Next Generation High School, Inc.  
Baton Rouge, Louisiana

**Report on the Audit of the Financial Statements*****Opinion***

We have audited the financial statements of GEO Next Generation High School, Inc. (the School), 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 the school 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 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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## ***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 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 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.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026 on our consideration of the School'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 the School'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 the School's internal control over financial reporting and compliance.

*Crowe LLP*

Crowe LLP

Indianapolis, Indiana  
January 28, 2026

GEO NEXT GENERATION HIGH SCHOOL, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2025 and 2024

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	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,494,183	\$ 707,577
Accounts receivable	50,902	4,883
Grants receivable	39,135	38,821
Prepaid expenses	48,499	89,858
Right of use asset (Note 4)	1,345,018	2,019,026
Property and equipment, net (Note 2)	<u>54,183</u>	<u>128,500</u>
Total assets	<u>\$ 3,031,920</u>	<u>\$ 2,988,665</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 272,066	371,030
Lease liability (Note 4)	1,661,000	2,493,000
Due to management company (Note 3)	<u>4,446</u>	<u>107,987</u>
Total liabilities	1,937,512	2,972,017
<b>NET ASSETS</b>		
Without donor restrictions	<u>1,094,408</u>	<u>16,648</u>
Total liabilities and net assets	<u>\$ 3,031,920</u>	<u>\$ 2,988,665</u>

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See accompanying notes to financial statements.

GEO NEXT GENERATION HIGH SCHOOL, INC.  
 STATEMENTS OF ACTIVITIES  
 Years ended June 30, 2025 and 2024

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	<u>2025</u>	<u>2024</u>
<b>Revenues and support</b>		
State and local sources	\$ 7,220,475	\$ 6,409,788
Federal sources	713,414	1,185,049
Contributions and grants	5,000	77,907
Other revenue	<u>14,111</u>	<u>7,581</u>
Total revenue and support	<u>7,953,000</u>	<u>7,680,325</u>
<b>Expenses</b>		
Program services:		
Instructional	5,630,287	6,331,020
Supporting services:		
Management and general	<u>1,244,953</u>	<u>1,254,115</u>
Total expenses	<u>6,875,240</u>	<u>7,585,135</u>
<b>Change in net assets</b>	1,077,760	95,190
Net assets without donor restrictions, beginning of year	<u>16,648</u>	<u>(78,542)</u>
<b>Net assets without donor restrictions, end of year</b>	<u>\$ 1,094,408</u>	<u>\$ 16,648</u>

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See accompanying notes to financial statements.

GEO NEXT GENERATION HIGH SCHOOL, INC.  
 STATEMENTS OF CASH FLOWS  
 Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 1,077,760	\$ 95,190
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	79,643	105,951
Right of use amortization expense	674,008	653,008
Change in assets and liabilities:		
Accounts receivable	(46,019)	11,908
Grants receivable	(314)	241,516
Prepaid expenses	41,359	(24,034)
Accounts payable and accrued expenses	(98,964)	124,971
Right of use asset	-	(42,000)
Lease liability	(832,000)	(769,000)
Deferred revenue	-	(77,907)
Due to/from management company	(103,541)	(245,460)
Net cash from operating activities	<u>791,932</u>	<u>74,143</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	<u>(5,326)</u>	<u>(3,555)</u>
Net cash used in investing activities	(5,326)	(3,555)
Net change in cash and cash equivalents	786,606	70,588
Cash and cash equivalents, beginning of year	<u>707,577</u>	<u>636,989</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,494,183</u>	<u>\$ 707,577</u>

See accompanying notes to financial statements.

GEO NEXT GENERATION HIGH SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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

Description of Organization: The GEO Next Generation High School, Inc. (the School) is a nonprofit organization established in 2019 for the purpose of operating a free 9-12 public charter school located in Baton Rouge, Louisiana. With the School's Early College model, students are able to take free college courses for up to 60 college credits while simultaneously earning a high school diploma.

The School's initial school year began in August 2019 for the 2019-2020 academic year serving 9<sup>th</sup> grade students only and added a grade each year over the subsequent three years. The Louisiana State Board of Elementary and Secondary Education ("BESE") granted the School a Type 2 charter. The School has full responsibility for its finances and operations and operates under an 8-member School Board.

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 5011(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, 2025 and 2024.

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 statement of cash flows, the School considers all highly liquid debt instruments, if any, purchased with a maturity of three months or less to be cash equivalent.

Accounts and Grants Receivable: Accounts and grants receivable balances consist of amounts billed or billable for services provided or contracted. Grants receivable includes receivables related to cost-reimbursement federal grants. The School does not accrue interest on any of its grants receivables.

Allowances: No allowance for uncollectible receivables is recorded as of June 30, 2025 and 2024. 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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(Continued)

GEO NEXT GENERATION HIGH SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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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 \$5,000 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	3-7 years
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Assets acquired with Department of Education funds are owned by the School while used in the purpose for which it was purchased. The Department of Education, however, has a reversionary interest in these assets. Should the charter not be renewed, title in any assets purchased with those funds will transfer to the appropriate agency.

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, 2025 and 2024, management believes that no impairment exists.

Fair Value of Financial Instruments: Cash and cash equivalents and accounts payable approximate fair value because of the short maturity of these instruments. Grants receivable are not readily marketable. The School has estimated their fair value to be the carrying value. The carrying value of all the School's financial instruments, approximate fair 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 asset 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 School had no net assets with donor restrictions of this nature as of June 30, 2025 and 2024. The net asset with donor restrictions that are kept in perpetuity class 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 to be kept in perpetuity as of June 30, 2025 and 2024.

Public Support and Revenue: Support funded by grants is recognized as the School satisfies the related conditions under various grant agreements. Grant revenue is typically recognized as eligible expenses are incurred or as eligible students are served. This includes the revenue from the Minimum Foundation Program (MFP). The amount of the MFP funding is based on an allocation of funds provided by the State of Louisiana and local taxes. MFP funding represented approximately 88% and 83% of total revenue and support for the years ended June 30, 2025 and 2024, respectively.

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.

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(Continued)

GEO NEXT GENERATION HIGH SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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

Functional and Allocated Expenses: Expenses are charged directly to activities when specifically identifiable. All other costs are allocated to the activities based upon various actual statistical bases. Salaries and related expenses are charged based on the relative amount of time historically spent by personnel. The School did not incur any fundraising expenses during the years ended June 30, 2025 and 2024, respectively.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2025, to determine the need for any adjustments or disclosures to the financial statements for the year ended June 30, 2025. Management has performed their analysis through January 28, 2026, the date the financial statements were available to be issued.

**NOTE 2 – PROPERTY AND EQUIPMENT**

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

	<u>2025</u>	<u>2024</u>
Computers and equipment	\$ 544,830	\$ 539,504
Buildings and improvements	8,946	8,946
Less: accumulated depreciation	<u>(499,593)</u>	<u>(419,950)</u>
	<u>\$ 54,183</u>	<u>\$ 128,500</u>

Depreciation expense was \$79,643 and \$105,951 for the years ended June 30, 2025 and 2024, respectively.

**NOTE 3 – MANAGEMENT AGREEMENT**

In accordance with a management agreement, for the term of five (5) years beginning July 1, 2019 and ending on June 30, 2024, GEO Foundation will be responsible for all management, academic, operational and administrative services necessary for the operation of the School; in consultation and communication with the School's Board of Directors. For those services, the School paid GEO Foundation \$765,462 and \$689,849 for the years ended June 30, 2025 and 2024, respectively.

At June 30, 2025 and 2024, the School had a payable to GEO Foundation in the amount of \$0 and \$100,000, respectively, for reimbursement of management services.

In addition, during the year ended June 30, 2022, the School entered into an operating cash flow revolving loan with GEO Foundation in the amount of \$481,160, at an interest rate of 0% per annum. The balance at June 30, 2024 was \$7,987. The outstanding balance was included with "due to management company" on the statements of financial position. The School repaid the remaining balance of its promissory note during fiscal year 2025. Accordingly, there was no long-term debt outstanding as of June 30, 2025.

At June 30, 2025, the school has a payable to GEO Foundation in the amount of \$4,446 for reimbursement of credit card activity. The outstanding balance is included with "Due to management company" on the statements of financial position.

At June 30, 2025, the school has a receivable from GEO Foundation in the amount of \$3,537. The outstanding balance is included within "Accounts receivable" on the statements of financial position.

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(Continued)

GEO NEXT GENERATION HIGH SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 4 – 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 statement of financial position.

The School has recognized a right of use asset of \$1,345,018 and \$2,019,026, and a lease liability of \$1,661,000 and \$2,493,000, on the statements of financial position as of June 30, 2025 and 2024, respectively.

Effective August 1, 2020, the School entered into a building lease agreement with GEO Properties Foundation, Inc. (a related entity of the management company noted in Note 3) through fiscal year 2027 which includes annual rent escalators. The School utilized the 7-year Treasury rate to determine the net present value of the lease liability which approximated 0.40% at lease inception. In accordance with GAAP, the School recognizes rent expense on a straight-line basis. Rent expense totaled \$665,556 for the years ended June 30, 2025 and 2024, respectively.

Effective November 27, 2023 the School entered into a copier lease agreement through fiscal year 2027. The school utilized a 3-year Treasury rate to determine the net present value of the lease liability which approximated 4.45% at lease inception. In accordance with GAAP, the School recognizes rent expense on a straight-line basis. Rent expense totaled \$19,872 and \$14,904 for the years ended June 30, 2025 and 2024, respectively.

Future minimum lease payments under leases at June 30, 2025, are as follows:

2026	\$ 843,420
2027	<u>828,516</u>
Total minimum lease payments	1,671,936
Present value discount	<u>(10,936)</u>
Lease liability	<u>\$ 1,661,000</u>

**NOTE 5 – RETIREMENT PLAN**

Employees of the School may participate in a 403(b) defined contribution plan. Eligible employees may elect to contribute a portion of their salaries to the plan. The School may elect to make a discretionary contribution equal to 200% of the participant’s contributions not to exceed 3% of the participant’s compensation. The School made contribution to the plan of \$68,827 and \$28,072 for the years ended June 30, 2025 and 2024, respectively.

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(Continued)

GEO NEXT GENERATION HIGH SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

**NOTE 6 – FUNCTIONAL EXPENSES BY NATURAL CLASSIFICATION**

The statements of activities report certain categories of expenses attributable to the program and supporting functions of the School. Functions include program expense for instructional services and management and general activities. The tables below presents these functional expenses by their natural classification for the years ended June 30, 2025 and 2024.

	<u>Instructional</u>	<u>Management and General</u>	<u>Total</u>
<u>2025</u>			
Salaries	\$ 2,144,181	\$ -	\$ 2,144,181
Purchased property services	817,723	133,118	950,841
Professional purchased services	132,286	812,614	944,900
Employee benefits	427,334	-	427,334
Food service	360,037	-	360,037
Marketing	-	55,141	55,141
Materials and supplies	377,355	-	377,355
Transportation services	578,656	-	578,656
Other purchased services	495,104	-	495,104
Other expenses	-	207,636	207,636
Utilities	84,917	13,824	98,741
Insurance	70,456	11,470	81,926
Student activities fund	73,745	-	73,745
Depreciation	<u>68,493</u>	<u>11,150</u>	<u>79,643</u>
Total expenses	<u>\$ 5,630,287</u>	<u>\$ 1,244,953</u>	<u>\$ 6,875,240</u>
<u>2024</u>			
Salaries	\$ 2,332,548	\$ -	\$ 2,332,548
Purchased property services	817,414	133,068	950,482
Professional purchased services	123,458	758,385	881,843
Employee benefits	421,163	-	421,163
Food service	315,915	-	315,915
Marketing	-	49,459	49,459
Materials and supplies	562,129	-	562,129
Transportation services	571,703	-	571,703
Other purchased services	890,190	-	890,190
Other expenses	-	279,621	279,621
Utilities	94,665	15,411	110,076
Insurance	20,505	3,338	23,843
Student activities fund	90,212	-	90,212
Depreciation	<u>91,118</u>	<u>14,833</u>	<u>105,951</u>
Total expenses	<u>\$ 6,331,020</u>	<u>\$ 1,254,115</u>	<u>\$ 7,585,135</u>

(Continued)

GEO NEXT GENERATION HIGH SCHOOL, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2025 and 2024

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**NOTE 7 – LIQUIDITY AND AVAILABILITY**

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

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,494,183	\$ 707,577
Accounts receivable	50,902	4,883
Grants receivable	<u>39,135</u>	<u>38,821</u>
Total financial assets	<u>\$ 1,584,220</u>	<u>\$ 751,281</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 8 – COVID-19 IMPACT**

From fiscal years 2021 through 2024, the School received allocations of Elementary and Secondary School Emergency Relief through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and American Rescue Plan Act (ARP) totaling \$518,994 and \$1,216,215, respectively.

The School had recognized \$1,734,952 as federal grant revenue and included the amounts within the Federal sources line on the statement of activities through the year ended June 30, 2024.

There was no grant activity during fiscal year 2025, as all grant periods ended during the year and no additional eligible expenditures were incurred.

**SUPPLEMENTARY INFORMATION**

GEO NEXT GENERATION HIGH SCHOOL, INC.  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO THE AGENCY HEAD  
June 30, 2025

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Agency Head Name:	Shaunessy <u>Matthews</u>
Purpose	<u>Amount</u>
Salary	\$ 117,500
Bonus	2,500
Stipend	3,000
Benefits-insurance	424
Benefits-retirement	4,380
Benefits-FICA and Medicare	9,333
Car allowance	-
Cell phone	-
Vehicle provided by government	-
Per diem	-
Reimbursements	52
Travel	1,966
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<hr/>
Total	<u>\$ 139,155</u>

INDEPENDENT AUDITOR'S 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*

The Board of Directors  
GEO Next Generation High School, Inc.  
Baton Rouge, Louisiana

We have audited, in accordance with 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, the financial statements of GEO Next Generation High School, Inc. (the School), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated January 28, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 the School'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 have not been identified.

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(Continued)

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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*.

### 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
January 28, 2026

**SCHEDULES REQUIRED BY STATE LAW**  
**(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**

INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

The Board of Directors  
GEO Next Generation High School, Inc.  
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the performance and statistical data accompanying the annual financial statements of the School for the fiscal year ended June 30, 2025; and to determine whether the specified schedules are free of obvious errors and omissions, in compliance with Louisiana Revised Statute 24:514 I. Management of the School is responsible for its performance and statistical data.

The School has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the performance and statistical data accompanying the annual financial statements. Additionally, the Louisiana Department of Education and the Louisiana Legislative Auditor have agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings are as follows:

**General Fund Instructional and Support Expenditures and Certain Local Revenue Sources  
(Schedule 1)**

We selected a random sample of 25 transactions, traced to supporting documentation, and observed that the sampled expenditures/revenues are recorded in the applicable category of amounts among the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

**Results of Procedure:** No exceptions noted.

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(Continued)

### **Class Size Characteristics (Schedule 2)**

We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a random sample of 10 classes to the October 1 roll books for those classes and observed that the class agrees to the schedule.

**Results of Procedure:** No exceptions noted.

### **Education Levels/Experience of Public School Staff (NO SCHEDULE)**

We obtained October 1<sup>st</sup> PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a random sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience agreed on the PEP data or equivalent listing prepared by management.

**Results of Procedure:** We noted six instances in our random sample of 25 individuals where the employee education level reported to the Department of Education did not agree to the employee's personnel file. We also noted three instances in our random sample of 25 individuals where the employee experience level reported to the Department of Education did not agree to the employee's personnel file.

**Management's Response:** Management will refine the onboarding process to include an additional verification process for receipt of all necessary paperwork. Management will also review all current staff files to ensure all verified information is correct and entered into the system.

### **Public School Staff Data: Average Salaries (NO SCHEDULE)**

We obtained June 30<sup>th</sup> PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a random sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents agrees to the PEP data (or equivalent listing prepared by management).

**Results of Procedure:** We noted one instance in our random sample of 25 individuals where the employee salary reported to the Department of Education did not agree to the internal payroll report.

**Management's Response:** Management will review and reconcile salary amounts reported to the Department of Education to internal payroll records prior to submission to ensure accuracy. Management will also implement an additional review procedure for salary data used in external reporting and will review current employee salary records to confirm amounts are accurately reported and supported by payroll documentation.

We were engaged by the School to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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(Continued)

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the School, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Crowe LLP*

Crowe LLP

Indianapolis, Indiana  
January 28, 2026

GEO NEXT GENERATION HIGH SCHOOL, INC.  
BATON ROUGE, LOUISIANA  
SCHEDULES REQUIRED BY STATE LAW  
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)  
As of and for the Year ended June 30, 2025

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**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 (Formerly Schedule 6) Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

GEO NEXT GENERATION HIGH SCHOOL, INC.  
 SCHEDULE 1: GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES  
 AND CERTAIN LOCAL REVENUE SOURCES  
 Year ended June 30, 2025

<u>General Fund Instructional and Equipment Expenditures</u>	<u>Column A</u>	<u>Column B</u>
General fund instructional expenditures:		
Teacher and student interaction activities:		
Classroom teacher salaries	\$ 1,154,444	
Other instructional staff activities	77,816	
Instructional staff employee benefits	288,799	
Purchased professional and technical services	656,966	
Instructional materials and supplies	310,720	
Instructional equipment	-	
Total teacher and student interaction activities	-	\$ 2,488,745
Other instructional activities		49,410
Pupil support activities	\$ 410,672	
Less: equipment for pupil support activities	-	
Net pupil support activities		410,672
Instructional staff services	12,132	
Less: equipment for instructional staff services	-	
Net instructional staff services		12,132
School administration	\$ 1,348,031	
Less: equipment for school administration	-	
Net school administration		1,348,031
Total general fund instructional expenditures		\$ 4,308,990
Total general fund equipment expenditures		\$ 5,325

Certain local revenue sources

This section is not applicable to GEO Next Generation High School, Inc.

GEO NEXT GENERATION HIGH SCHOOL, INC.  
 SCHEDULE 2: CLASS SIZE CHARACTERISTICS  
 As of October 1, 2024

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<b>School Type</b>	<b>Class Type</b>	<b>01-20</b>	<b>Percent 01-20</b>	<b>21-26</b>	<b>Percent 21-26</b>	<b>27-33</b>	<b>Percent 27-33</b>	<b>34+</b>	<b>Percent 34+</b>
High School	Regular	102	53.1%	26	13.5%	46	24.0%	18	9.4%
High School	Activity	7	35.0%	1	5.0%	7	35.0%	5	25.0%

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.