

Audited Financial Statements

Weston Preparatory Academy
Detroit, Michigan

June 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Weston Preparatory Academy

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weston Preparatory Academy, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Weston Preparatory Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Weston Preparatory Academy, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Weston Preparatory Academy 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 opinions.

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 Weston Preparatory Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. 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 Weston Preparatory Academy'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 Weston Preparatory Academy'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as detailed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Weston Preparatory Academy's basic financial statements. The accompanying additional supplementary information, as identified in the Table of Contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the additional supplementary information, including the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024, on our consideration of Weston Preparatory Academy'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 Weston Preparatory Academy'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 Weston Preparatory Academy's internal control over financial reporting and compliance.



Croskey Lanni, PC

Rochester, Michigan
October 28, 2024

MANAGEMENT’S DISCUSSION AND ANALYSIS

Weston Preparatory Academy is a kindergarten through eighth grade Public School Academy located in Detroit, Michigan. This Management’s Discussion and Analysis, a requirement of GASB 34, is intended to be the Weston Preparatory Academy administration’s discussion and analysis of the financial results for the fiscal year ended June 30, 2024.

FINANCIAL HIGHLIGHTS OF THE ACADEMY

Table 1 - Basic Financial Information

	Current Fiscal Year	Prior Fiscal Year
State Aid Funding Per Pupil	\$ 9,608	\$ 9,150
Enrollment	253	253
General Fund Balance Increase/(Decrease)	\$ 795,353	\$ 443,808
General Fund Balance as Percent of Unrestricted State Aid Revenue	82%	58%
Instructional Expenditures as Percent of Total Expenditures	47%	32%

OVERVIEW OF THE FINANCIAL STATEMENTS

U.S. generally accepted accounting principles (GAAP) according to GASB 34 requires the reporting of two types of financial statements: Academy-wide Financial Statements and Fund Financial Statements.

FUND FINANCIAL STATEMENTS

For the most part, the fund financial statements are comparable to general purpose financial statements. The primary difference is that the Account Groups: General Fixed Assets and General Long-Term Debt are no longer reported. The fund level statements are reported on a modified accrual basis. Only those assets that are “measurable” and “currently available” are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education’s “Accounting Manual.” In the State of Michigan, the Academy’s major instruction and instructional support activities are reported in the General Fund. Additional governmental activities are reported in their relevant Special Revenue Funds.

In the fund financial statement, capital assets purchased are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year’s payments of principal and interest on long-term obligations are recorded as expenditures. Future year’s debt obligations are not recorded.

The Academy has one kind of fund:

Governmental fund – Most of the Academy’s basic services are included in governmental funds which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy’s programs. Because this information does not encompass the additional long-term focus of the academy-wide statements, we provide additional information with the governmental funds statement that explains the relationship (or differences) between them.

ACADEMY-WIDE FINANCIAL STATEMENTS

The Academy-wide financial statements are maintained using the “full accrual” basis. They report all of the Academy’s assets and liabilities, both short and long term, regardless if they are “currently available” or not. For example, assets that are restricted for use in the Debt Funds solely for the payment of long-term principal or interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the Academy are reported in the Statement of Net Position of the Academy-wide financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Academy’s budget for the year. Figure A-1 shows how the various parts of the annual report are arranged and related to one another.

Figure A-1 Organization of Weston Preparatory Academy’s Annual Financial Report

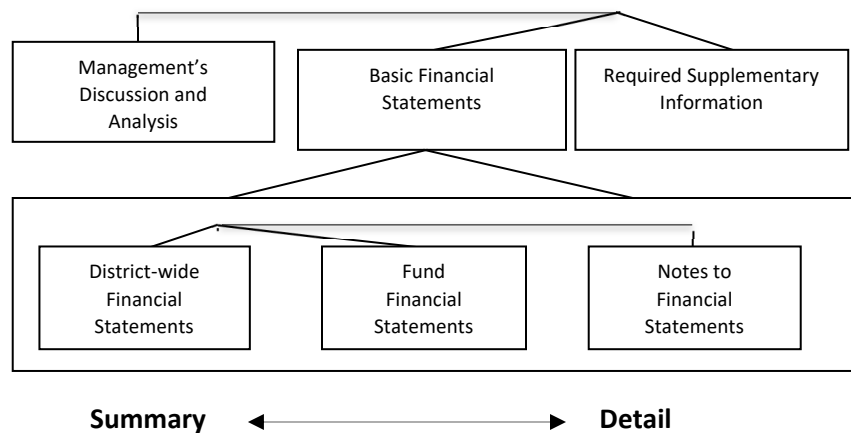


Figure A-2 summarizes the major features of the Academy’s financial statements, including the portion of the Academy’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Figure A – 2 Major Features of the Academy-Wide and Fund Financial Statements

	Academy-wide statements	Fund Financial Statements
Scope	Entire academy (except fiduciary funds)	All activities of the Academy that are not fiduciary
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

FINANCIAL ANALYSIS OF THE ACADEMY AS A WHOLE

Table 2 - Financial Results

	Current Fiscal Year	Prior Fiscal Year
Ending General Fund Balance	\$ 2,340,580	\$ 1,545,227
Total General Fund Revenue	\$ 3,883,648	\$ 3,680,723
State Aid Foundation Allowance as percent of Academy Revenues	73%	72%
Total Cost of Instructional Programs	\$ 1,524,648	\$ 1,478,408
Total Cost of Support/Operational Services	\$ 1,757,282	\$ 3,179,116
Support/Operational Services as percent of Total Expenditures	53%	68%
Total Expenditures transferred to Debt Service	\$ -	\$ -
Transfer to Debt Service as percent of Total Expenditures	0%	0%

ACADEMY GOVERNMENTAL ACTIVITIES

Summary of Net Position:

The following summarizes the net position at fiscal year ended June 30, 2024 and 2023:

Table 3 - Net Position Detail

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets	\$ 3,107,823	\$ 2,547,405
Capital Assets	2,007,529	2,002,483
Less: Accumulated Depreciation	(503,444)	(419,232)
Capital Assets, Net Book Value	1,504,085	1,583,251
Total Assets	<u>\$ 4,611,908</u>	<u>\$ 4,130,656</u>
Liabilities		
Current Liabilities	\$ 360,345	\$ 335,494
Long-term Liabilities	1,901,337	1,988,607
Total Liabilities	<u>\$ 2,261,682</u>	<u>\$ 2,324,101</u>
Net Position		
Net Investment in Capital Assets	\$ (484,522)	\$ (485,700)
Restricted	494,168	726,142
Unrestricted	2,340,580	1,566,113
Total Net Position	<u>\$ 2,350,226</u>	<u>\$ 1,806,555</u>

During the fiscal year ended June 30, 2024, the Academy's net position increased by \$543,671 compared to a net increase of \$598,612 in the prior fiscal year. The most significant difference between prior year and current year is the total general fund revenue decreased and total general fund expenditures increased.

Results of Operations

For the fiscal year ended June 30, 2024 and 2023, the Academy-wide results of operations were:

Table 4 - Change in Net Position

	2024		2023	
	Amount	% of Total	Amount	% of Total
General Revenue:				
State of Michigan Aid - All Sources	\$ 2,459,673	60.42%	\$ 2,320,857	59.49%
Other	63,192	1.55%	100,112	2.57%
Total General Revenue	2,522,865	61.98%	2,420,969	62.05%
Program Revenue:				
Charges for Services	32,508	0.80%	-	0.00%
Operating Grants - Federal and State	1,514,952	37.22%	1,480,499	37.95%
Total Program Revenue	1,547,460	38.02%	1,480,499	37.95%
Total Revenue	4,070,325	100.00%	3,901,468	100.00%
Expenses:				
Instruction and Instructional Services	1,524,648	43.24%	1,478,408	44.75%
Support Services	1,504,336	42.66%	1,394,153	42.21%
Food Service	213,866	6.06%	124,010	3.75%
Community Services	2,800	0.08%	2,005	0.06%
Student Activities	32,036	0.91%	35,980	1.09%
Unallocated Depreciation / Amortization	84,212	2.39%	248,738	7.53%
Interest on Long-term Debt	164,756	4.67%	19,562	0.59%
Total Expenses	3,526,654	100.00%	3,302,856	100.00%
Change in Net Position	\$ 543,671		\$ 598,612	

State of Michigan Aid and Other Factors affecting Revenue

The State of Michigan aid is determined by the following variables:

- Per Student Foundation Allowance: Annually, the State of Michigan sets the per student foundation allowance. The Weston Preparatory Academy foundation allowance was \$9,608.
- Student Enrollment: The Academy's student enrollment for the fall count of 2023-24 was 253 students. To calculate total state aid to be provided by the foundation allowance, a system (Section 25) where the funding follows the student was used. This means adjustments were made to the current year fall count when students enrolled or unenrolled until the current year winter count to calculate the adjusted fall count. A blend of 90% of the adjusted current year fall count and 10% of the prior year spring count is multiplied by the Academy's foundation allowance.

- Total Section 25 adjustment was 2.95 FTE or (\$28,343).
- Additional federal funding was available during the 2023-24 fiscal year to supplement programs.

Subsequent to year end June 30, 2024, preliminary student enrollments for 2024-25 indicate that the 2024 fall student enrollment should be somewhat higher than the 2023-24 levels as the Academy will be providing bus services for the 2024-25 school year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Uniform Budget Act of the State of Michigan requires that the local Board of Directors approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. Over the course of the year, the Academy revised the annual operating budget twice. These budget amendments fall into several categories:

Changes were made in the second and fourth quarters to account changes in student enrollment, federal funding, and changes in assumptions (e.g. staffing changes, instructional, transportation, food services and community services) since the original budget was adopted.

The Academy's revenues from General Fund operations exceeded expenditures by \$795,353 for the fiscal year ended June 30, 2024.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Academy's net investment in capital assets decreased by \$79,166 during the fiscal year.

Table 5 - Capital Assets

	Beginning Balance 6/30/23	Additions	Disposals	Ending Balance 6/30/24
Right to use assets	\$ 25,448	\$ -	\$ -	\$ 25,448
Building and improvements	1,648,074	-	-	1,648,074
Equipment and furniture	328,961	5,046	-	334,007
Less: Accumulated Depreciation / Amortization	419,232	84,212	-	503,444
Capital Assets, net	<u>\$ 1,583,251</u>	<u>\$ (79,166)</u>	<u>\$ -</u>	<u>\$ 1,504,085</u>

Depreciation/Amortization Expense

GASB 34 requires Public School Academies to maintain a record of annual depreciation/amortization expense and accumulated depreciation/amortization. The net increase in accumulated depreciation/amortization expense is a reduction in net position in the entity-wide financial statements. Depreciation/amortization is not recognized in the fund financial statements and has been noted as a reconciling item in the Academy's financial statements.

For the fiscal year ended June 30, 2024, the net increase in accumulated depreciation/amortization was \$84,212.

Depreciation/amortization expense is recorded on a straight-line basis over the estimated useful lives of assets. In accordance with U.S. generally accepted accounting principles (GAAP), depreciation/amortization expense is recorded based on the original cost of the asset, less an estimated salvage value.

Long-term Debt

Table 6 - Debt, Principal Payments

	Balance 6/30/2023	New Financings	Principal Payments	Balance 6/30/2024
Direct Borrowing	\$ 19,201	\$ -	\$ 7,693	\$ 11,508
Building Loan	2,049,750	-	72,651	1,977,099
Total Long-term Obligations	\$ 2,068,951	\$ -	\$ 80,344	\$ 1,988,607

ECONOMIC FACTORS BEARING ON THE ACADEMY’S FUTURE

The Preliminary Budget for the 2024-24 Fiscal Year was adopted by the Board of Directors in June 2024. Few definite factors were known as the budget was being drafted, and others were unknown and needed to be projected with management’s best estimates based on perceived interest from the community. Some key factors and estimates used in the 2024-25 budget preparation process include:

- Conservative enrollment projections of 269 students in grades K-8.
- State Aid Foundation was budgeted with a \$200 per pupil increase. Subsequent to year end the Foundation allowance was not increased but the Academy is receiving a one-time \$375 per pupil separate categorical – Section 22.
- Continued improvement of academic achievement through changes in academic programs.

Since the Academy’s revenue is heavily dependent on State funding and the health of the State’s School Aid Fund, the actual revenue received depends on the State’s ability to collect revenues to fund its appropriation to School Districts and Public School Academies. The State periodically holds revenue-estimating conferences to estimate what the State’s available resources will be throughout the remainder of its fiscal year. In spite of the current economic uncertainties, we remain cautiously confident that the State will find the resources to sufficiently fund current appropriations.

CONTACTING THE ACADEMY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our students, parents and creditors with a general overview of the Academy’s finances and to demonstrate the Academy’s accountability for the money it receives. If you have questions about this report or need additional information, contact the Academy’s office at 22930 Chippewa Street, Detroit, MI 48219.

WESTON PREPARATORY ACADEMY

STATEMENT OF NET POSITION JUNE 30, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$ 2,267,170
Due from other governmental units	723,754
Prepaid expenses	<u>116,899</u>
Total current assets	3,107,823

Capital Assets - Net of Accumulated Depreciation / Amortization

1,504,085

Total assets \$ 4,611,908

LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	\$ 20,358
Unearned revenue	235,418
Other accrued liabilities	17,299
Long-term debt - current portion	<u>87,270</u>
Total current liabilities	360,345

Long-Term Debt - Long-Term Portion

1,901,337

Net Position

Net investment in capital assets	(484,522)
Restricted	494,168
Unrestricted	<u>2,340,580</u>
Total net position	<u>2,350,226</u>
Total liabilities and net position	<u>\$ 4,611,908</u>

See accompanying notes to financial statements

WESTON PREPARATORY ACADEMY

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

		Program Revenues		Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Government Type Activities
Functions				
Instruction				
Basic programs	\$ 884,480	\$ -	\$ 394,648	\$ (489,832)
Added needs	640,168	-	640,168	-
Support services				
Pupil support services	155,181	-	135,359	(19,822)
Instructional staff support services	184,893	-	165,296	(19,597)
General administration	353,741	-	-	(353,741)
School administration	383,604	-	-	(383,604)
Business support services	466	-	-	(466)
Operations and maintenance	373,284	-	-	(373,284)
Pupil transportation services	1,626	-	1,626	-
Central support services	51,541	-	-	(51,541)
Other support activities	32,036	32,508	-	472
Food services	213,866	-	175,055	(38,811)
Community services	2,800	-	2,800	-
Unallocated depreciation / amortization	84,212	-	-	(84,212)
Unallocated interest	164,756	-	-	(164,756)
Total primary government	\$ 3,526,654	\$ 32,508	\$ 1,514,952	(1,979,194)
General Purpose Revenues				
State school aid - unrestricted				2,459,673
Miscellaneous revenues				63,192
Total general purpose revenues				2,522,865
Change in net position				543,671
Net position - July 1, 2023				1,806,555
Net position - June 30, 2024				\$ 2,350,226

See accompanying notes to financial statements

WESTON PREPARATORY ACADEMY

COMBINED BALANCE SHEET – ALL GOVERNMENTAL FUNDS JUNE 30, 2024

ASSETS

	General	Capital Projects	Non-Major	Total
Cash and cash equivalents	\$ 2,265,261	\$ -	\$ 1,909	\$ 2,267,170
Due from other governmental units	723,754	-	-	723,754
Due from other funds	-	460,954	31,305	492,259
Prepaid expenses	116,899	-	-	116,899
 Total assets	 \$ 3,105,914	 \$ 460,954	 \$ 33,214	 \$ 3,600,082

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$ 20,358	\$ -	\$ -	\$ 20,358
Due to other funds	492,259	-	-	492,259
Unearned revenue	235,418	-	-	235,418
Other accrued liabilities	17,299	-	-	17,299
 Total liabilities	 765,334	 -	 -	 765,334

Fund Balance

Nonspendable	116,899	-	-	116,899
Restricted	-	460,954	33,214	494,168
Assigned	163,679	-	-	163,679
Unassigned	2,060,002	-	-	2,060,002
 Total fund balance	 2,340,580	 460,954	 33,214	 2,834,748
 Total liabilities and fund balance	 \$ 3,105,914	 \$ 460,954	 \$ 33,214	 \$ 3,600,082

See accompanying notes to financial statements

WESTON PREPARATORY ACADEMY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Total Governmental Fund Balances	\$ 2,834,748
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$2,007,529 and the accumulated depreciation / amortization is \$503,444.	1,504,085
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,988,607)</u>
Net Position of Governmental Activities	<u>\$ 2,350,226</u>

See accompanying notes to financial statements

WESTON PREPARATORY ACADEMY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ALL GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major</u>	<u>Total</u>
Revenues				
Local sources	\$ 63,192	\$ -	\$ 32,508	\$ 95,700
State sources	2,833,758	-	1,520	2,835,278
Federal sources	878,690	-	173,535	1,052,225
Interdistrict sources	108,008	-	-	108,008
Total governmental fund revenues	3,883,648	-	207,563	4,091,211
Expenditures				
Instruction				
Basic program	884,480	-	-	884,480
Added needs	640,168	-	-	640,168
Support services				
Pupil support services	155,181	-	-	155,181
Instructional staff support services	184,893	-	-	184,893
General administration	353,741	-	-	353,741
School administration	383,604	-	-	383,604
Business support services	466	-	-	466
Operations and maintenance	373,284	-	-	373,284
Pupil transportation services	1,626	-	-	1,626
Central support services	51,541	-	-	51,541
Other support activities	-	-	32,036	32,036
Food services	-	-	213,866	213,866
Community services	2,800	-	-	2,800
Capital outlay	5,046	-	-	5,046
Debt principal and interest	245,100	-	-	245,100
Total governmental fund expenditures	3,281,930	-	245,902	3,527,832
Excess (deficiency) of revenues over expenditures	601,718	-	(38,339)	563,379
Other Financing Sources (Uses)				
Operating transfers in	193,635	-	-	193,635
Operating transfers out	-	(193,635)	-	(193,635)
Total other financing sources (uses)	193,635	(193,635)	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	795,353	(193,635)	(38,339)	563,379
Fund balance - July 1, 2023	1,545,227	654,589	71,553	2,271,369
Fund balance - June 30, 2024	<u>\$ 2,340,580</u>	<u>\$ 460,954</u>	<u>\$ 33,214</u>	<u>\$ 2,834,748</u>

See accompanying notes to financial statements

WESTON PREPARATORY ACADEMY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 563,379
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital outlay	\$ 5,046	
Depreciation and amortization expense	<u>(84,212)</u>	(79,166)

Revenue is reported in the statement of activities when earned, but not reported in the funds unless collected or collectible within 60 days of year end. (20,886)

The governmental funds report loan proceeds as an other financing source, while repayment of loan principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general loan obligations is as follows:

Repayment of loan principal	<u>80,344</u>
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Change in Net Position of Governmental Activities	<u>\$ 543,671</u>
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See accompanying notes to financial statements

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Weston Preparatory Academy (the “Academy”) conform to generally accepted accounting principles applicable to public school academies. The following is a summary of the significant accounting policies:

Reporting Entity

Weston Preparatory Academy was formed as a public school academy pursuant to the Michigan School Code of 1976, as amended by Act No. 362 of the Public Acts of 1993 and Act No. 416 of the Public Acts of 1994. The Academy filed articles of incorporation as a nonprofit corporation pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, in June 1998, and began operation in July 1998.

The Academy entered into a contract with Oakland University's Board of Trustees to charter a public school academy through June 30, 2023. The contract has been subsequently renewed through June 30, 2028. The contract requires the Academy to act exclusively as a governmental agency and not undertake any action inconsistent with its status as an entity authorized to receive state school aid funds pursuant to the State constitution. The University's Board of Trustees is the fiscal agent for the Academy and is responsible for overseeing the Academy's compliance with the contract and all applicable laws. The Academy pays the Oakland University's Board of Trustees three percent of State aid as administrative fees. Total administrative fees paid for the year ended June 30, 2024 were \$86,894.

The Academy entered into an agreement with CS Partners, “CSP” through June 30, 2023. The agreement has been subsequently renewed to run concurrently with the authorizer agreement through June 30, 2028. Under the terms of this agreement, CSP provides a variety of management services including the support of the Academy's instructional and operational systems, as well as human resource functions. The Academy is obligated to pay CSP ten percent of its state aid. The total paid for these services amounted to \$243,390 for the year ended June 30, 2024.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the public school academy. Based on application of criteria, the Academy does not contain component units.

Fund Financial Statements

Fund financial statements report detailed information about the Academy. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Basis of Presentation – Fund Accounting

The accounts of the Academy are organized on the basis of funds. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the combined financial statements in this report, into generic fund types in two broad fund categories.

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental Funds

A governmental fund is a fund through which most Academy functions typically are financed. The acquisition, use and balances of the Academy's expendable financial resources and the related current liabilities, are accounted for through a governmental fund.

General Fund - The general fund is used to record the general operations of the Academy pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget.

Special Revenue Fund (Food Service) - The special revenue fund is used to account for the food service program operations. The special revenue fund is a subsidiary operation and is an obligation of the general fund. Therefore, any shortfall in the special revenue fund will be covered by an operating transfer from the general fund.

Special revenue Fund (Student Activities) – The Academy presently maintains an activity fund to record the transactions of student groups for school and school-related purposes. The student activity fund is a subsidiary operation and is an obligation of the general fund. Therefore, any shortfall in the student activity fund will be covered by an operating transfer from the general fund.

Capital Projects Fund – The capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities.

Governmental funds utilize the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- a. Revenue that is both measurable and available for use to finance operations is recorded as revenue when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.
- b. Payments for inventorable types of supplies, which are not significant at year end, are recorded as expenditures at the time of purchase.
- c. Principal and interest of general long-term debt are not recorded as expenditures until their due dates.
- d. The State of Michigan utilizes a foundation allowance funding approach, which provides for specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenue from state sources is primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the State's School Aid Fund and is recognized as revenue in accordance with state law. A major portion of the Academy's revenue is derived from this state aid. As such, the Academy is considered to be economically dependent on this aid. The Academy's existence is dependent upon qualification for such aid.

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationships between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between expenses and program revenues of the Academy and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. The Academy does not allocate indirect expenses to programs. In creating the government-wide financial statements the Academy has eliminated inter-fund transactions. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or function is self-financing or draws from the general revenues of the Academy. When both restricted and unrestricted resources are available for use, it is the Academy's policy to use restricted resources first.

Net position should be reported as restricted when constraints placed on net position's use is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Academy first utilizes restricted resources to finance qualifying activities.

Cash and Cash Equivalents

The Academy's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition. The Academy reports its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and GASB No. 40, Deposit and Investment Risk Disclosures. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the Academy intends to hold the investment until maturity. The Academy held no investments during the year ended June 30, 2024. State statutes authorize the Academy to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, saving accounts, deposit accounts, and or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Academy is also authorized to invest in U.S. Government or Federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables

Accounts receivables and due from other governmental units at June 30, 2024 consist primarily of state school aid due from the State of Michigan and the federal government. All receivables are expected to be fully collected in July and August of 2024 and are considered current for the purposes of these financial statements.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

Capital Assets and Depreciation

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions or retirements during the year. The Academy follows the policy of not capitalizing assets with a useful life of less than one year. The Academy does not possess any infrastructure assets.

All reported capital assets, with the exception of land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Right to use assets of the Academy are amortized using the straight-line method over the shorter of the lease/subscription period or the estimated useful lives. Depreciation and amortization are computed using the straight-line method over the following useful lives:

Building and improvements	10 – 50 years
Furniture and equipment	5 – 15 years
Computers and software	3 – 10 years

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of leases that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Net Position

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is displayed in the following three components: Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors or laws of regulations of other governments.

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization and reduced by any outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of Net investment in capital assets or Restricted.

Fund Equity

The Academy has adopted GASB 54 as part of its fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Academy's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. This category typically includes prepaid items and inventories.

In addition to nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- a. *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- b. *Committed fund balance* – amounts constrained to specific purposes by the Board; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes action to remove or change the constraint.
- c. *Assigned fund balance* – amounts the Board intends to use for a specific purpose; intent can be expressed by the Board or by an official or committee to which the Board delegates the authority.
- d. *Unassigned fund balance* – amounts that are available for any purpose; these amounts are reported only in the general fund.

The Academy follows the policy that restricted, committed, or assigned amounts will be considered to have been spent when an expenditure is incurred for purposes for which both unassigned and restricted, committed, or assigned fund balances are available. There are no governmental funds with a deficit.

Leases

Leases and Subscription Based IT Arrangements (SBITA)

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Academy is a lessee for a noncancelable lease of equipment. The Academy recognizes a lease/SBITA liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease/subscription, the Academy initially measures the lease/SBITA liability at the present value of payments expected to be made during the lease/SBITA term. Subsequently, the lease/SBITA liability is reduced by the principal portion of lease/SBITA payments made. The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/SBITA payments made at or before the lease/SBITA commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases included how the Academy determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

- The Academy uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Academy generally uses its estimated incremental borrowing rate as the discount rate for leases/SBITA.
- The lease/SBITA term includes the noncancelable period of the lease/subscription. Lease/SBITA payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase option price that the Academy is reasonably certain to exercise.

The Academy monitors changes in circumstances that would require a remeasurement of its lease/SBITA and will remeasure the lease/SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability.

Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term obligations on the statement of net position.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Upcoming Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. This Statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a consistent basis with accounting principles generally accepted in the United States of America and state law for the general fund. All annual appropriations lapse at fiscal year end and encumbrances are not formally recorded.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the Academy to have its budget in place by July 1. Expenditures in excess of amounts budgeted is a violation of Michigan Law. The Academy is required by law to adopt a general fund and special revenue fund budget. During the year ended June 30, 2024 the budget was amended in a legally permissible manner. Budget detail can be found on page 19 of these financial statements.

NOTE 3 - DEPOSITS AND INVESTMENTS

Interest Rate Risk

In accordance with its investment policy, the Academy will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Academy's cash requirements.

Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2024, the Academy had no investments.

Concentration of Credit Risk

The Academy will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Academy's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. As of June 30, 2024, the Academy was not exposed to concentrated credit risk.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. As of June 30, 2024, \$2,019,056 of the Academy's cash was exposed to custodial credit risk because it was uninsured. All cash balances were uncollateralized as of June 30, 2024.

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Academy will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Academy will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Academy will do business.

Foreign Currency Risk

The Academy is not authorized to invest in investments which have this type of risk.

Fair Value

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Academy has the ability to access.
- b. Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.
- c. Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The observable inputs should be developed based on the best information available in the circumstances and may include the Academy's own data.)

The Academy does not have any investments that are subject to the fair value measurement.

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of the following:

State sources	\$ 541,365
Federal sources	<u>182,389</u>
Total	<u><u>\$ 723,754</u></u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the Academy's governmental activities was as follows:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2024</u>
Capital assets subject to depreciation / amortization				
Right to use - assets	\$ 25,448	\$ -	\$ -	\$ 25,448
Building and improvements	1,648,074	-	-	1,648,074
Equipment and furniture	<u>328,961</u>	<u>5,046</u>	<u>-</u>	<u>334,007</u>
Sub-total	2,002,483	5,046	-	2,007,529
Accumulated depreciation / amortization				
Right to use - assets	6,362	8,483	-	14,845
Building and improvements	89,083	74,487	-	163,570
Equipment and furniture	<u>323,787</u>	<u>1,242</u>	<u>-</u>	<u>325,029</u>
Sub-total	<u>419,232</u>	<u>84,212</u>	<u>-</u>	<u>503,444</u>
Total net capital assets	<u><u>\$ 1,583,251</u></u>	<u><u>\$ (79,166)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,504,085</u></u>

Depreciation and amortization expense was not charged to activities as the Academy considers its assets to impact multiple activities and allocation is not practical.

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6 – OTHER ACCRUED EXPENSES

Other accrued expenses may be summarized as follows:

Purchased services - payroll and benefits	\$ 1,380
Oversight fee	<u>15,919</u>
Total other accrued expenses	<u>\$ 17,299</u>

NOTE 7 – LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations for the Academy during the year ended June 30, 2024:

Loan Information

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Other</u>		
Direct borrowing - copiers	4.50%	June, 2026	Monthly payment of \$700		
Direct borrowing - building	4.50%	June, 2023	Average monthly payment of \$20,711		
	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Retirements and Payments</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Building loan	\$ 2,049,750	\$ -	\$ 72,651	\$ 1,977,099	\$ 79,223
Direct borrowing - copiers	<u>19,201</u>	<u>-</u>	<u>7,693</u>	<u>11,508</u>	<u>8,047</u>
	<u>\$ 2,068,951</u>	<u>\$ -</u>	<u>\$ 80,344</u>	<u>\$ 1,988,607</u>	<u>\$ 87,270</u>

Following are maturities of long-term obligations for principal and interest for the next five years and in total:

	<u>Principal</u>	<u>Interest</u>
2025	\$ 87,270	\$ 157,831
2026	89,354	150,846
2027	93,124	143,576
2028	1,718,859	136,110

WESTON PREPARATORY ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 8 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions. The Academy has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage since its inception.

SUPPLEMENTARY INFORMATION

WESTON PREPARATORY ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Local sources	\$ 40,749	\$ 44,900	\$ 63,192	\$ 18,292
State sources	2,684,189	3,051,542	2,833,758	(217,784)
Federal sources	799,765	950,575	878,690	(71,885)
Interdistrict sources	85,000	96,000	108,008	12,008
Total general fund revenues	3,609,703	4,143,017	3,883,648	(259,369)
Expenditures				
Instruction				
Basic programs	1,139,756	1,121,890	884,480	(237,410)
Added needs	545,216	643,167	640,168	(2,999)
Support services				
Pupil support services	202,087	307,414	155,181	(152,233)
Instructional staff support services	179,248	195,283	184,893	(10,390)
General administration	378,213	370,936	353,741	(17,195)
School administration	353,258	390,500	383,604	(6,896)
Business support services	21,200	1,200	466	(734)
Operations and maintenance	396,181	430,230	373,284	(56,946)
Pupil transportation services	300	4,500	1,626	(2,874)
Central support services	51,120	57,438	51,541	(5,897)
Community services	6,630	17,496	2,800	(14,696)
Capital outlay	-	200,000	5,046	(194,954)
Debt principal and interest	1,086,608	253,308	245,100	(8,208)
Total general fund expenditures	4,359,817	3,993,362	3,281,930	(711,432)
Excess (deficiency) of revenues over expenditures	(750,114)	149,655	601,718	452,063
Other Financing Sources (Uses)				
Operating transfers in	-	193,635	193,635	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(750,114)	343,290	795,353	452,063
Fund balance - July 1, 2023	1,545,227	1,545,227	1,545,227	-
Fund balance - June 30, 2024	\$ 795,113	\$ 1,888,517	\$ 2,340,580	\$ 452,063

WESTON PREPARATORY ACADEMY

COMBINING BALANCE SHEET – NON-MAJOR FUNDS
JUNE 30, 2024

ASSETS

	<u>Special Revenue</u>		<u>Total</u>
	<u>Food Service</u>	<u>Student Activities</u>	
Cash and cash equivalents	\$ -	\$ 1,909	\$ 1,909
Due from other funds	28,255	3,050	31,305
Total assets	<u>\$ 28,255</u>	<u>\$ 4,959</u>	<u>\$ 33,214</u>

LIABILITIES AND FUND BALANCE

Fund Balance			
Restricted	<u>\$ 28,255</u>	<u>\$ 4,959</u>	<u>\$ 33,214</u>

WESTON PREPARATORY ACADEMY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NON-MAJOR FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue		Total
	Food Service	Student Activities	
Revenues			
Local sources	\$ -	\$ 32,508	\$ 32,508
State sources	1,520	-	1,520
Federal sources	173,535	-	173,535
Total governmental fund revenues	175,055	32,508	207,563
Expenditures			
Support services			
Other support activities	-	32,036	32,036
Food services	213,866	-	213,866
Total governmental fund expenditures	213,866	32,036	245,902
Excess (deficiency) of revenues over expenditures	(38,811)	472	(38,339)
Fund balance - July 1, 2023	67,066	4,487	71,553
Fund balance - June 30, 2024	\$ 28,255	\$ 4,959	\$ 33,214

WESTON PREPARATORY ACADEMY

SCHEDULE OF REVENUES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2024

Local Sources

Other local revenues	\$ 63,192
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State Sources

At risk	349,430
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Special education	24,655
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State aid	<u>2,459,673</u>
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Total state sources	2,833,758
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Federal Sources

IDEA	86,728
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Title I	160,805
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Title II	14,529
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Title IV	5,560
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Other program revenues	<u>611,068</u>
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Total federal sources	878,690
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Interdistrict Sources

	<u>108,008</u>
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Total general fund revenues	<u>\$ 3,883,648</u>
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WESTON PREPARATORY ACADEMY

SCHEDULE OF EXPENDITURES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2024

Basic Programs

Purchased services	\$ 785,308
Rentals	5,328
Supplies and materials	<u>93,844</u>
Total basic programs	884,480

Added Needs

Purchased services	640,168
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Pupil Support Services

Health services	21,508
Psychological services	15,034
Speech pathology and audiology	13,546
Social work services	<u>105,093</u>
Total pupil support services	155,181

Instructional Staff Support Services

Purchased services	184,893
--------------------	---------

General Administration

Purchased services	20,066
Management fees	243,390
University oversight	86,894
Other expenditures	<u>3,391</u>
Total general administration	353,741

School Administration

Purchased services	375,163
Supplies and materials	8,036
Other expenditures	<u>405</u>
Total school administration	383,604

WESTON PREPARATORY ACADEMY

SCHEDULE OF EXPENDITURES – GENERAL FUND - CONTINUED FOR THE YEAR ENDED JUNE 30, 2024

Business Support Services

Other expenditures	466
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Operations and Maintenance

Purchased services	221,772
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Repairs and maintenance	81,972
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Rentals	1,717
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Supplies and materials	67,823
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Total operations and maintenance	373,284
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Pupil Transportation Services

Purchased services	1,626
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Central Support Services

Purchased services	43,275
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Supplies and materials	8,266
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Total central support services	51,541
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Community Services

Supplies and materials	2,800
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Capital Outlay

5,046

Debt Principal and Interest

245,100

Total general fund expenditures	<u>\$ 3,281,930</u>
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APPENDIX

Federal Awards Report



INDEPENDENT AUDITORS' 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*

**To the Board of Directors
of Weston Preparatory Academy**

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weston Preparatory Academy, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Weston Preparatory Academy's basic financial statements, and have issued our report thereon dated October 28, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Weston Preparatory Academy'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Weston Preparatory Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Weston Preparatory Academy'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 entity'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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Weston Preparatory Academy'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.



Croskey Lanni, PC

Rochester, Michigan
October 28, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of Directors
of Weston Preparatory Academy**

**Report on Compliance for Each Major Federal Program
*Opinion on Each Major Federal Program***

We have audited Weston Preparatory Academy's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Weston Preparatory Academy's major federal programs for the year ended June 30, 2024. Weston Preparatory Academy's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Weston Preparatory Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit 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 (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Weston Preparatory Academy and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Weston Preparatory Academy's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Weston Preparatory Academy's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Weston Preparatory Academy's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Weston Preparatory Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Weston Preparatory Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Weston Preparatory Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Weston Preparatory Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Croskey Lanni, PC

Rochester, Michigan
October 28, 2024

WESTON PREPARATORY ACADEMY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2024

Program Title/Project Number Subrecipient Name	Grant/ Project Number	Federal ALN	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2024	Current Year Cash Transferred To Subrecipient
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
National School Lunch Program:										
Noncash Assistance (Commodities) -										
National Lunch Program Commodities 2023-2024	N/A	10.555	\$ 7,991	\$ -	\$ -	\$ -	\$ 7,901	\$ 7,901	\$ -	\$ -
Cash Assistance -										
National School Lunch Program 2024	231960/241960	10.555	117,781	-	-	-	117,781	117,781	-	-
COVID-19 - Supply Chain Assistance 2022-2023	220910/240910	10.555	10,859	-	-	-	10,859	10,859	-	-
Total National School Lunch Program Cash and Noncash Assistance		10.555	136,631	-	-	-	136,541	136,541	-	-
National School Breakfast Program:										
National School Breakfast Program 2023-2024	231970/241970	10.553	36,994	-	-	-	36,994	36,994	-	-
Total Child Nutrition Cluster			173,625	-	-	-	173,535	173,535	-	-
Special Education Cluster - U.S. Department of Education - Passed through the Wayne County RESA:										
IDEA Special Education – Formula Grants to ISDs:										
IDEA Flowthrough 2122	220450	84.027A	80,250	60,187	3,471	-	3,471	-	-	-
IDEA Flowthrough 2324	240450	84.027A	86,728	-	-	-	78,092	86,728	8,636	-
Total Special Education Cluster			166,978	60,187	3,471	-	81,563	86,728	8,636	-
Other Federal Awards:										
U.S. Department of Education - Passed Through the Michigan Department of Education:										
Title I, Part A: Improving Basic Programs Operated by LEAS:										
Title I Part A 2223	231530	84.010A	179,051	144,315	39,686	-	39,686	-	-	-
Title I Part A 2324	241530	84.010A	178,481	-	-	-	106,599	139,919	33,320	-
Total Title I Part A		84.010A	357,532	144,315	39,686	-	146,285	139,919	33,320	-
Title II, Part A: Supporting Effective Instruction:										
Title II Part A 2324	240520	84.367	28,547	-	-	-	12,858	14,529	1,671	-
Title IV, Part A: Student Support and Academic Enrichment:										
Title IV Part A 2324	240750	84.424A	23,546	-	-	-	-	5,560	5,560	-
Education Stabilization Fund:										
COVID-19 - ESSER III Formula – American Rescue Plan (ARP-ESSER)	213713	84.425U	1,093,881	494,976	58,840	-	522,918	597,280	133,202	-
COVID-19 - ESSER II – Section 98c Per-Pupil Payments for Learning Loss 2223	213782	84.425D	13,806	-	-	-	3,788	3,788	-	-
Total Education Stabilization Fund		84.425	1,107,687	494,976	58,840	-	526,706	601,068	133,202	-
Total Federal Awards			<u>\$1,857,915</u>	<u>\$ 699,478</u>	<u>\$ 101,997</u>	<u>\$ -</u>	<u>\$ 940,947</u>	<u>\$1,021,339</u>	<u>\$ 182,389</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards

WESTON PREPARATORY ACADEMY

RECONCILIATION OF BASIC FINANCIAL STATEMENTS FEDERAL REVENUES AND RECEIVABLES WITH SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2024

Revenue to Expenditures

Revenue from federal sources - As reported on modified accrual financial statements
(includes all funds):

General Fund	\$ 878,690
Special Revenue Fund	<u>173,535</u>
Subtotal	1,052,225
Prior year unavailable revenue collected	(20,886)
ARP Child Care Stabilization Grant received as a beneficiary not reported on the schedule of expenditures of federal awards	<u>(10,000)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 1,021,339</u></u>

WESTON PREPARATORY ACADEMY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Weston Preparatory Academy under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Weston Preparatory Academy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Weston Preparatory Academy.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

Weston Preparatory Academy has elected to not use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - GRANT AUDITOR REPORT

Management has utilized the Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditors.

WESTON PREPARATORY ACADEMY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF THE AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

yes no

Identification of major programs:

Assistance Listing Number(s)
84.425D, 84.425U

Name of Federal Program or Cluster
Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs as described in 2 CFR section 200.518(b):

\$750,000

Auditee qualified as low-risk auditee?

yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

WESTON PREPARATORY ACADEMY
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

1) *Audit findings that have been fully corrected:*

Fiscal Year: 2023

Finding Number: 2023-001

Finding: The Academy's actual expenditures exceeded board adopted appropriations by \$1,012,129. Actual expenditures differed from the budget as a result of entries resulting from a building purchase transaction that happened on June 28, 2023. There was no fund balance effect as the proceeds from this transaction were also included, however, these proceeds are shown as an other financing source and not a traditional revenue or expenditure. Actual expenditures, outside of this specific transaction did not exceed the final budgeted amounts.

Comments: The Academy has reviewed and revised its accounting procedures to ensure actual results are properly and timely reviewed resulting in budget amendments throughout the year.