

**Audited Financial Statements**

# **Oakland Academy**

Portage, Michigan

**June 30, 2025**

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## **Independent Auditors' Report**

Board of Directors and Management  
**Oakland 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 the Oakland Academy (the "Academy"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the 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 the Academy, as of June 30, 2025, and the respective changes in financial position, thereof 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 the 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 the 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 the 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 the 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 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 the Academy's basic financial statements. The accompanying supplementary information, as identified in the Table of Contents, is presented for purposes of additional analysis and is 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 supplementary information, is 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 30, 2025 on our consideration of the 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 the 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 the Academy's internal control over financial reporting and compliance.

*CBIZ CPAs P.C.*

Rochester, MI  
October 30, 2025



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**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 and Management of  
**Oakland Academy**

We have audited, in accordance with the 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*"), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oakland Academy (the "Academy"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated October 30, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Academy'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 the 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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CBIZ CPAs P.C.*

CBIZ CPAs P.C.  
Rochester, MI

October 30, 2025



Oakland Academy  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2025

This Management's Discussion and Analysis ("MD&A") provides an overview of Oakland Academy's financial performance and activities for the fiscal year ended June 30, 2025. The intent of this section is to present, in clear and accessible terms, an analytical summary of the Academy's financial position, operations, and overall fiscal health. Readers are encouraged to review this narrative in conjunction with the accompanying financial statements and related notes to enhance their understanding of the Academy's financial condition.

This information is presented in accordance with the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, which mandates the inclusion of two primary types of financial statements: (1) School-wide Financial Statements and (2) Fund Financial Statements.

**Overview of the Financial Statements**

The annual financial report for Oakland Academy consists of four main components:

1. The Independent Auditors' Report
2. Management's Discussion and Analysis (this section)
3. The Basic Financial Statements
4. Required Supplementary Information

The financial statements are accompanied by notes that explain specific line items and provide more detailed information. Following the basic statements is a section of required supplementary information, which includes a comparison of the Academy's original and final budgets with actual results for the year. This comparison offers additional insight into financial performance and budgetary stewardship.

**School-wide Financial Statements**

The school-wide financial statements provide a broad view of the Academy's finances, reporting information about the Academy as a single, integrated entity. These statements are prepared using the *full accrual basis of accounting*, which recognizes all assets, deferred inflows and outflows, and liabilities—both short-term and long-term—regardless of when cash transactions occur.

There are two school-wide statements:

**The Statement of Net Position**, which reports the Academy's assets, liabilities, and deferred inflows/outflows, including capital assets and long-term obligations.

**The Statement of Activities**, which summarizes the year's revenues and expenses, presenting how the Academy's net position changed over the fiscal year.

Together, these statements offer insight into the Academy's overall financial health and whether it is improving or deteriorating over time.



Oakland Academy  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2025

- An increase in net position typically indicates financial improvement and the accumulation of resources for future needs.
- A decrease may suggest resource constraints or growing obligations.

When evaluating the Academy's overall condition, it is important to consider both financial indicators and non-financial factors—such as student achievement, enrollment trends, and facility condition—to obtain a complete picture of the Academy's operational health.

All of the Academy's activities are reported under governmental activities, encompassing core services such as instruction, special education, administration, and operations. These activities are primarily financed through state foundation grants and federal program funding.

**Fund Financial Statements**

The fund financial statements provide a more detailed view of individual areas of the Academy's operations, focusing on how available resources were spent and what remains for future use. Fund-level reporting is prepared using the *modified accrual basis of accounting*, which recognizes revenues when they are both measurable and available, and expenditures when the related liability is incurred and expected to be paid with current resources.

The Academy's accounting structure complies with the Michigan Department of Education's Accounting Manual requirements. Oakland Academy's primary operating fund is the General Fund, which accounts for the majority of instructional and support services. The principal sources of revenue for the General Fund are the state foundation allowance, state categorical aid, and federal grants.

In addition, the Academy maintains two Special Revenue Funds:

**Food Service Fund**, which accounts for the operations of the federally funded school lunch program.

**Student Activity Fund**, which tracks resources held in trust for student organizations and activities.

Together, these separate funds ensure transparent and compliant financial management in alignment with state and federal requirements. During the year, the Academy reviewed its fund classifications and determined that the special revenue fund – food services, previously reported as a non-major governmental fund, meets the criteria for major fund reporting according to Governmental Accounting Standards Board (GASB) Statement 34 for state and local governments.



Oakland Academy  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 For the Year Ended June 30, 2025

**Financial Analysis of the Academy as a Whole**

The net position of the Academy as of June 30, 2025, was \$454,915 compared to \$295,825 in 2024. Figure A-1 below shows a condensed breakdown of a comparative statement of net position for school year ended 2025 and 2024.

**Figure A-1**  
**Oakland Academy's Net Position**

	2025	2024
Current and other assets	\$ 731,195	\$ 689,467
Current liabilities	275,580	391,810
Long-term debt	700	1,832
Total liabilities	276,280	393,642
Net position:		
Invested in capital assets	(80)	(25)
Restricted	67,905	81,266
Unrestricted	387,090	214,584
Total net position	\$ 454,915	\$ 295,825

**Comments on Major Changes to Net Position**

The net position of the Academy is \$454,915 during the 2024-2025 year which is the twenty-sixth year of operation. Figure A-2 shows a comparative breakdown of this change for the school year 2025 and 2024. The Statement of Activities presented later in the school-wide financial statements provides greater detail on the Academy's annual activity. The cost of the Academy's governmental activities for the year ended June 30, 2025, was \$1,875,459 compared to \$1,825,186 for the year ended June 30, 2024.



Oakland Academy  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 For the Year Ended June 30, 2025

**Statement of Activities Analysis**

Total revenues from all sources during the school year 2024-25 was \$2,034,549 for the twenty-sixth year of operation compared to \$2,020,433 during school year 2023-24.

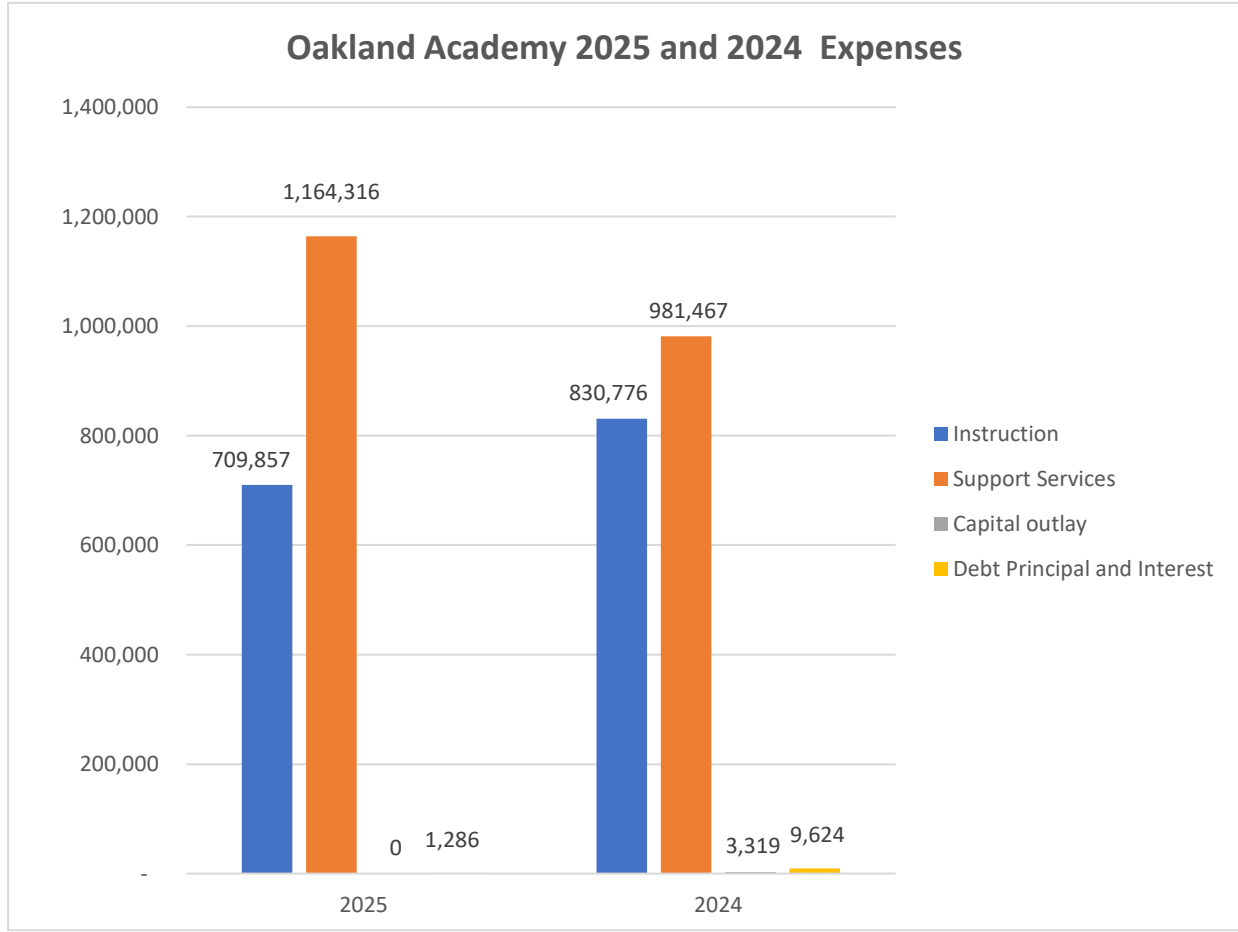
Expenses reported on the statement of activities by function; See Figure A-2 for a comparative statement of expenditures by function for school year 2025 and 2024.

**Figure A-2**  
**Changes in Oakland Academy's Net Position**

	<b>2025</b>	<b>2024</b>
Revenues:		
Program revenues:		
Charges for services	\$ 15,431	\$ -
Federal and state operating grants	389,865	381,888
General revenues:		
State aid - unrestricted	1,629,253	1,638,530
Miscellaneous	-	15
Total revenues	2,034,549	2,020,433
Expenses:		
Instruction	709,857	830,776
Support services	1,164,316	984,786
Unallocated depreciation/amortization	1,106	461
Interest on long-term debt	180	9,163
Total expenses	1,875,459	1,825,186
Increase (decrease) in net position	\$ 159,090	\$ 195,247



Oakland Academy  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
 For the Year Ended June 30, 2025



**Financial Analysis of the School’s Funds**

The financial performance of the Academy is reflected in its governmental funds as well. The total governmental fund balance is \$454,995 and \$295,850 during the school year 2025 and 2024 respectively. School year 2025 is the twenty-sixth year of operation. The General Fund balance ended the year at \$387,090 or 85% of total with other funds totaling \$67,905 or 15%. The primary factors affecting the Academy’s governmental funds’ fund balance are listed below.

***Factors Impacting Fund Equity***

- ***Student enrollment*** – Proposal A tied state aid funding to student enrollment. The Academy’s student count on which our foundation allowance was based was 151.72 State Aid membership for the 2024-2025 school year.



Oakland Academy  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2025

**General Fund Budgetary Highlights**

The Uniform Budgeting and Accounting Act of the State of Michigan requires that the Board of Directors adopt the original budget for the upcoming fiscal year prior to July 1, which marks the beginning of the fiscal year. In preparing the annual budget, several variables and uncertainties must be considered. Accordingly, management utilizes reasonable estimates for key factors such as student enrollment, state aid allocations, service provider contracts, staffing levels, utilities, and facility maintenance.

As a matter of sound fiscal practice, the Academy reviews its budget periodically throughout the year and adopts formal budget amendments as necessary. These revisions are implemented to reflect material changes in revenues or expenditures resulting from updated information, enrollment fluctuations, or unforeseen operational needs. This ongoing budget monitoring and adjustment process ensures fiscal accountability and compliance with statutory requirements, while supporting the Academy's mission and educational goals.

**Currently Known Facts**

Through historically demonstrated organizational soundness and fiscal stability the Academy successfully obtained reauthorization through GVSU for a 5-year term during the 24-25 fiscal year. The Academy performs comparable in testing to their peer schools, which proves to be a strong indicator of excellent student academic outcomes. The Academy remains a pillar in the community.

On October 15, 2025, Oakland Academy reached a significant milestone with the acquisition of its facility, marking a new era in its institutional history. Since its founding in 1998, Oakland Academy has served as a cornerstone of K-8 education in the Kalamazoo/Portage community, delivering small-class learning, individualized instruction, and strong parental engagement through its charter-school model.

While the enrollment trend for the 2025–26 academic year reflects a decline — attributable in part to the recent rebuilding of a new elementary building by the local traditional public school less than one mile from the Academy — the Academy is proactively addressing this challenge through an enhanced marketing and outreach initiative aimed at student recruitment and retention. In parallel, the newly owned facility provides a strengthened platform for growth and reinforces the Academy's long-term strategic positioning.

**Requests for Information**

This financial report is designed to provide the school's parents, students, investors and creditors with a general overview of the School's finances, and to show how the Academy is accountable for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to Travis Gostinger, CAO, Oakland Academy, 6325 Oakland Drive, Portage, MI 49024, telephone number (269) 324-8951.

# OAKLAND ACADEMY

## STATEMENT OF NET POSITION JUNE 30, 2025

### ASSETS

#### Current Assets

Cash and cash equivalents	\$	322,459
Accounts receivable		9,624
Deposits		61,982
Due from other governmental units		334,267
Prepaid expenses		1,111
		<hr/>
Total current assets		729,443

#### Capital Assets - Net of Accumulated Depreciation / Amortization

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1,752

Total assets \$ 731,195

### LIABILITIES AND NET POSITION

#### Current Liabilities

Accounts payable	\$	3,733
Notes payable		26,160
Unearned revenue		96,496
Other accrued liabilities		148,059
Long-term debt - current portion		1,132
		<hr/>
Total current liabilities		275,580

#### Long-Term Debt - Long-Term Portion

700

#### Net Position

Net investment in capital assets		(80)
Restricted for food services and student activities		67,905
Unrestricted		387,090
		<hr/>
Total net position		454,915
		<hr/>
Total liabilities and net position	\$	<u><u>731,195</u></u>

See accompanying notes to financial statements

## OAKLAND ACADEMY

### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants</u>	<u>Net (Expense) Revenues and Changes in Net Position Government Type Activities</u>
<b>Functions</b>				
Instruction				
Basic programs	\$ 594,496	\$ -	\$ 169,559	\$ (424,937)
Added needs	115,361	-	94,646	(20,715)
Support services				
Pupil support services	50,189	-	-	(50,189)
Instructional staff support services	4,259	-	2,119	(2,140)
General administration	304,381	-	-	(304,381)
School administration	206,771	-	-	(206,771)
Business support services	13,006	-	-	(13,006)
Operations and maintenance	380,912	-	-	(380,912)
Central support services	77,952	-	918	(77,034)
Student activities	16,686	15,431	-	(1,255)
Food services	110,160	-	122,623	12,463
Unallocated depreciation / amortization	1,106	-	-	(1,106)
Unallocated interest	180	-	-	(180)
	<u>\$ 1,875,459</u>	<u>\$ 15,431</u>	<u>\$ 389,865</u>	<u>(1,470,163)</u>
<b>General Purpose Revenues</b>				
State school aid - unrestricted				<u>1,629,253</u>
Change in net position				159,090
Net position - July 1, 2024				<u>295,825</u>
Net position - June 30, 2025				<u>\$ 454,915</u>

See accompanying notes to financial statements

## OAKLAND ACADEMY

### COMBINED BALANCE SHEET – ALL GOVERNMENTAL FUNDS JUNE 30, 2025

#### ASSETS

	<u>General</u>	Special Revenue	Non-Major Special Revenue	<u>Total</u>
		<u>Food Services</u>	<u>Student Activities</u>	
Cash and cash equivalents	\$ 301,163	\$ -	\$ 21,296	\$ 322,459
Accounts receivable	9,624	-	-	9,624
Deposits	61,982	-	-	61,982
Due from other governmental units	334,267	-	-	334,267
Due from other funds	117,502	164,111	-	281,613
Prepaid expenses	1,111	-	-	1,111
<b>Total assets</b>	<b><u>\$ 825,649</u></b>	<b><u>\$ 164,111</u></b>	<b><u>\$ 21,296</u></b>	<b><u>\$ 1,011,056</u></b>

#### LIABILITIES AND FUND BALANCE

##### Liabilities

Accounts payable	\$ 3,733	\$ -	\$ -	\$ 3,733
Notes payable	26,160	-	-	26,160
Due to other funds	164,111	117,486	16	281,613
Unearned revenue	96,496	-	-	96,496
Other accrued liabilities	148,059	-	-	148,059
<b>Total liabilities</b>	<b>438,559</b>	<b>117,486</b>	<b>16</b>	<b>556,061</b>

##### Fund Balance

Nonspendable	1,111	-	-	1,111
Restricted	-	46,625	21,280	67,905
Assigned	107,351	-	-	107,351
Unassigned	278,628	-	-	278,628
<b>Total fund balance</b>	<b><u>387,090</u></b>	<b><u>46,625</u></b>	<b><u>21,280</u></b>	<b><u>454,995</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 825,649</u></b>	<b><u>\$ 164,111</u></b>	<b><u>\$ 21,296</u></b>	<b><u>\$ 1,011,056</u></b>

See accompanying notes to financial statements

## OAKLAND ACADEMY

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2025

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

<b>Total Governmental Fund Balances</b>	\$ 454,995
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$26,260 and the accumulated depreciation / amortization is \$24,508.	1,752
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,832)</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 454,915</u>

## OAKLAND ACADEMY

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ALL GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	<u>General</u>	<u>Special Revenue Food Services</u>	<u>Non-Major Special Revenue Student Activities</u>	<u>Total</u>
<b>Revenues</b>				
Local sources	\$ -	\$ -	\$ 15,431	\$ 15,431
State sources	1,692,991	62,032	-	1,755,023
Federal sources	49,800	60,591	-	110,391
Interdistrict sources	153,704	-	-	153,704
	<hr/>	<hr/>	<hr/>	<hr/>
Total governmental fund revenues	1,896,495	122,623	15,431	2,034,549
<b>Expenditures</b>				
Instruction				
Basic programs	594,496	-	-	594,496
Added needs	115,361	-	-	115,361
Support services				
Pupil support services	40,335	9,854	-	50,189
Instructional staff support services	4,259	-	-	4,259
General administration	289,666	14,715	-	304,381
School administration	206,771	-	-	206,771
Business support services	13,006	-	-	13,006
Operations and maintenance	380,912	-	-	380,912
Central support services	77,952	-	-	77,952
Student activities	-	-	16,686	16,686
Food services	-	110,160	-	110,160
Debt principal and interest	1,231	-	-	1,231
	<hr/>	<hr/>	<hr/>	<hr/>
Total governmental fund expenditures	1,723,989	134,729	16,686	1,875,404
Excess (deficiency) of revenues over expenditures	172,506	(12,106)	(1,255)	159,145
Fund balance - July 1, 2024, as previously presented	<hr/> 214,584	<hr/> -	<hr/> 81,266	<hr/> 295,850
Changes within financial reporting entity (non-major to major fund)	<hr/> -	<hr/> 58,731	<hr/> (58,731)	<hr/> -
Fund balance - July 1, 2024, as adjusted	214,584	58,731	22,535	295,850
Fund balance - June 30, 2025	<u>\$ 387,090</u>	<u>\$ 46,625</u>	<u>\$ 21,280</u>	<u>\$ 454,995</u>

See accompanying notes to financial statements

## OAKLAND 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, 2025

**Net Change in Fund Balances - Total Governmental Funds** \$ 159,145

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.

Depreciation and amortization expense (1,106)

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 1,051

**Change in Net Position of Governmental Activities** \$ 159,090

# OAKLAND ACADEMY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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

The accounting policies of Oakland 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**

Oakland 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, as amended, on May 26, 1998, and began operation in July 1998.

In July 2018, the Academy entered into a contract with Grand Valley State University’s Board of Control to charter a public school academy through June 30, 2025. The contract has been subsequently renewed through June 30, 2030. 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 Control 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 Grand Valley State University’s Board of Control three percent of state aid as administrative fees. Total administrative fees paid for the year ended June 30, 2025 were approximately \$44,000.

In July 2023, the Academy entered into a two-year consulting agreement with Summit Management, LLC. The agreement has been extended to run coterminous with the authorizer agreement. Under the terms of this agreement, Summit will provide a variety of services including oversight of administration and staff and coordinate the development of budgets and financial reports. The Academy is obligated to pay Summit 12% of total revenues received by the Academy. The total paid for these services amounted to approximately \$226,000 for the year ended June 30, 2025.

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 operation of 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.

## OAKLAND ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### **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 a report, into generic fund types in two broad fund categories.

#### **Governmental Funds**

A governmental fund is a fund through which most Academy functions typically are operated. 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 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.

**Debt Service Fund** - The debt service fund, which the Academy does not currently maintain, is used to record certain revenue and the payment of interest, principal and other expenditures on long-term debt.

**Capital Projects Fund** - The capital projects fund, which the Academy does not currently maintain, 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.

## OAKLAND ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- 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.

#### 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 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 use are 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.

## **OAKLAND ACADEMY**

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

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

#### **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 had no investments as of June 30, 2025. 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.

#### **Receivables**

Due from other governmental units at June 30, 2025 consist primarily of state school aid due from the State of Michigan and the federal government. All receivables were fully collected in July and August of 2025 and are considered measurable and available for the purposes of these financial statements.

#### **Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond June 30, 2025, 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.

# OAKLAND ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

All reported capital assets, with the exception of land or construction in progress, when applicable, 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 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. Net position is displayed in the following three components:

*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 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.

## OAKLAND ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Fund Balance

The Academy 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. The balances shown as restricted, include \$46,625 for school lunch operations, and \$21,280 for student activities.
- b. *Committed fund balance* – amounts that can only be used for specific purposes pursuant to specific purposes imposed by formal action of the Academy's highest level of decision-making authority, the Board. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.
- 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. The balances shown as assigned, include \$107,351 of resources held in the general fund. This amount is assigned to cover budgeted appropriations.
- d. *Unassigned fund balance* – amounts that include the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within 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)*

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

## OAKLAND ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 judgments 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.

#### Implemented and Upcoming Accounting Pronouncements

The Academy implemented the following GASB pronouncements during the school year: GASB Statement No. 101, Compensated Absences and GASB Statement No. 102, Certain Risk Disclosures. These pronouncements did not impact the financial statements during the current school 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:

## OAKLAND ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- 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.

In September 2024, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

## **OAKLAND ACADEMY**

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### **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 general and special revenue fund budgets. During the year ended June 30, 2025 the budget was amended in a legally permissible manner. Pages 20 and 21 of these financial statements details the budget to actual comparison.

### **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 ("NRSRO"s). As of June 30, 2025, the Academy held 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, 2025, the Academy held no investments.

#### **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, 2025, \$52,811 of the Academy's cash was exposed to custodial credit risk because it was uninsured. All cash balances were uncollateralized as of June 30, 2025.

## **OAKLAND ACADEMY**

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### **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. As of June 30, 2025, the Academy held no investments.

#### **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 fair value measurement.

## OAKLAND ACADEMY

NOTES TO FINANCIAL STATEMENTS – Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of the following:

State sources	\$ 324,081
Federal sources	<u>10,186</u>
Total	<u><u>\$ 334,267</u></u>

### NOTE 5 – CAPITAL ASSETS

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

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2025</u>
Capital assets subject to depreciation / amortization				
Right to use - assets	\$ 3,319	\$ -	\$ -	\$ 3,319
Software, computers and equipment	<u>22,941</u>	<u>-</u>	<u>-</u>	<u>22,941</u>
Sub-total	26,260	-	-	26,260
Accumulated depreciation / amortization				
Right to use - assets	461	1,106	-	1,567
Software, computers and equipment	<u>22,941</u>	<u>-</u>	<u>-</u>	<u>22,941</u>
Sub-total	<u>23,402</u>	<u>1,106</u>	<u>-</u>	<u>24,508</u>
Total net capital assets	<u><u>\$ 2,858</u></u>	<u><u>\$ (1,106)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,752</u></u>

Depreciation and amortization is reported as unallocated in the Statement of Activities as the Academy considers its assets to impact multiple activities and allocation is not practical.

## OAKLAND ACADEMY

NOTES TO FINANCIAL STATEMENTS – Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 6 – NOTES PAYABLE

Notes payable as of June 30, 2025 can be summarized as follows:

#### Loan Information

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Other</u>
SAAN 23/24	8.00%	July, 2024	Paid in full
SAAN 24/25	8.00%	July, 2025	Issued to provide the Academy with funds to finance its operations; secured by future state aid payments

#### Loan Activity

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements and Payments</u>	<u>Balance June 30, 2025</u>
SAAN 23/24	\$ 25,800	\$ -	\$ 25,800	\$ -
SAAN 24/25	-	250,000	223,840	26,160
	<u>\$ 25,800</u>	<u>\$ 250,000</u>	<u>\$ 249,640</u>	<u>\$ 26,160</u>

### NOTE 7 – OTHER ACCRUED LIABILITIES

Other accrued liabilities may be summarized as follows:

Oversight and management fees	\$ 86,652
Purchased services - payroll and benefits	59,342
Other accrued expenses	<u>2,065</u>
Total other accrued liabilities	<u>\$ 148,059</u>

## OAKLAND ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 8 - LONG-TERM OBLIGATIONS PAYABLE

The following is a summary of long-term obligations for the Academy during the year ended June 30, 2025:

#### Loan Information

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Other</u>
Equipment lease	7.50%	January, 2027	Lease of depreciable office equipment.

#### Loan Activity

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements and Payments</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>
Equipment lease	\$ 2,883	\$ -	\$ 1,051	\$ 1,832	\$ 1,132

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

	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,132	\$ 99
2027	700	18

### NOTE 9 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (worker's compensation), as well as medical benefits provided to employees. The Academy has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

### NOTE 10 – CHANGE WITHIN REPORTING ENTITY

During the fiscal year ended June 30, 2025, the Academy reviewed its fund classifications and determined that the special revenue fund – food services, previously reported as a non-major governmental fund, meets the criteria for major fund reporting according to Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

**OAKLAND ACADEMY**

NOTES TO FINANCIAL STATEMENTS - Continued  
 FOR THE YEAR ENDED JUNE 30, 2025

**NOTE 10 – CHANGE WITHIN REPORTING ENTITY - Continued**

The special revenue fund – food services fund has been reclassified as a major governmental fund for the fiscal year ended June 30, 2025. This reclassification is based on the fund’s financial activity, which did not previously meet the quantitative thresholds established for major fund reporting. The effects of this reclassification are reflected in the accompanying financial statements for the fiscal year ended June 30, 2025, in accordance with GASB Statement 100, Accounting Changes and Error Corrections. The reclassification did not impact the total net position or change in net position for the Academy.

	<b>Reporting Units Affected by Adjustment to Beginning Fund Balances</b>	
	<b>Special Revenue Food Services</b>	<b>Non-Major Governmental Funds</b>
July 1, 2024, as previously reported	\$ -	\$ 81,266
Adjustment - change from non-major to major	<u>58,731</u>	<u>(58,731)</u>
July 1, 2024, as adjusted	<u>\$ 58,731</u>	<u>\$ 22,535</u>

# REQUIRED SUPPLEMENTARY INFORMATION

# OAKLAND ACADEMY

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
State sources	\$ 1,846,574	\$ 1,701,412	\$ 1,692,991	\$ (8,421)
Federal sources	309,967	124,672	49,800	(74,872)
Interdistrict sources	74,860	74,126	153,704	79,578
Total general fund revenues	2,231,401	1,900,210	1,896,495	(3,715)
<b>Expenditures</b>				
Instruction				
Basic programs	734,071	690,597	594,496	(96,101)
Added needs	219,583	141,749	115,361	(26,388)
Support services				
Pupil support services	72,366	40,600	40,335	(265)
Instructional staff support services	14,579	2,119	4,259	2,140
General administration	350,809	305,253	289,666	(15,587)
School administration	206,079	223,447	206,771	(16,676)
Business support services	400	13,200	13,006	(194)
Operations and maintenance	393,584	391,800	380,912	(10,888)
Pupil transportation services	500	-	-	-
Central support services	217,925	75,318	77,952	2,634
Community services	2,500	-	-	-
Debt principal and interest	12,636	1,300	1,231	(69)
Total general fund expenditures	2,225,032	1,885,383	1,723,989	(161,394)
Excess (deficiency) of revenues over expenditures	6,369	14,827	172,506	157,679
Fund balance - July 1, 2024	214,584	214,584	214,584	-
Fund balance - June 30, 2025	<u>\$ 220,953</u>	<u>\$ 229,411</u>	<u>\$ 387,090</u>	<u>\$ 157,679</u>

## OAKLAND ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
State sources	\$ 135,977	\$ 52,839	\$ 62,032	\$ 9,193
Federal sources	2,748	60,611	60,591	(20)
Total general fund revenues	138,725	113,450	122,623	9,173
<b>Expenditures</b>				
Support services				
Pupil support services	-	12,124	9,854	(2,270)
General administration	-	13,614	14,715	1,101
Food services	127,355	110,886	110,160	(726)
Total general fund expenditures	127,355	136,624	134,729	(1,895)
Excess (deficiency) of revenues over expenditures	11,370	(23,174)	(12,106)	11,068
Fund balance - July 1, 2024, as adjusted	58,731	58,731	58,731	-
Fund balance - June 30, 2025	<u>\$ 70,101</u>	<u>\$ 35,557</u>	<u>\$ 46,625</u>	<u>\$ 11,068</u>

## SUPPLEMENTARY INFORMATION

**OAKLAND ACADEMY**

SCHEDULE OF REVENUES – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025

**State Sources**

At risk	\$	59,284
Special education		4,454
State aid		<u>1,629,253</u>
Total state sources		1,692,991

**Federal Sources**

Title I		36,912
Title II A		3,037
Other program revenue		<u>9,851</u>
Total federal sources		49,800

**Interdistrict Sources**

		<u>153,704</u>
Total general fund revenues	\$	<u><u>1,896,495</u></u>

# OAKLAND ACADEMY

## SCHEDULE OF EXPENDITURES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2025

### Basic Programs

Purchased services	\$ 572,683
Repairs and maintenance	6,120
Supplies and materials	14,199
Other expenditures	1,494
	<hr/>
Total basic programs	594,496

### Added Needs

Purchased services	114,465
Supplies and materials	896
	<hr/>
Total added needs	115,361

### Pupil Support Services

Psychological services	3,500
Speech pathology and audiology	36,835
	<hr/>
Total pupil support services	40,335

### Instructional Staff Support Services

Purchased services	4,259
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### General Administration

Purchased services	269,769
Other expenditures	19,897
	<hr/>
Total general administration	289,666

### School Administration

Purchased services	203,649
Supplies and materials	2,065
Other expenditures	1,057
	<hr/>
Total school administration	206,771

## OAKLAND ACADEMY

### SCHEDULE OF EXPENDITURES – GENERAL FUND - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### **Business Support Services**

Purchased services	1,344
Other expenditures	<u>11,662</u>
Total business support services	13,006

#### **Operations and Maintenance**

Purchased services	74,520
Repairs and maintenance	10,661
Rentals	263,784
Other purchased services	12,609
Supplies and materials	17,138
Other expenditures	<u>2,200</u>
Total operations and maintenance	380,912

#### **Central Support Services**

Purchased services	61,893
Repairs and maintenance	9,388
Other purchased services	279
Supplies and materials	100
Other expenditures	<u>6,292</u>
Total central support services	77,952

#### **Debt Principal and Interest**

	<u>1,231</u>
Total general fund expenditures	<u><u>\$ 1,723,989</u></u>