

Inkster Preparatory Academy

(A Michigan Public School Academy)

Financial Statements

For the Year Ended June 30, 2024



THE CLAIMOUNT GROUP, PLC

Certified Public Accountants

Table of Contents

	Page(s)
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-7
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities.....	9
Fund Financial Statements:	
Governmental Funds	
Combined Balance Sheet	10
Statement of Revenue, Expenditures and Changes in Fund Balance	11
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	11
Notes to Financial Statements	12-16
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	17
Single Audit	
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 <i>Governmental Audit Standards</i>	18-19
Independent Auditor's Report on Compliance for Major Program and on Internal Control over Compliance Required By Uniform Guidance	20-22
Schedule of Expenditures of Federal Awards	23-24
Notes to Schedule of Expenditures of Federal Awards.....	25
Schedule of Findings and Questioned Costs	26-27



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Inkster Preparatory Academy

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund (General Fund), and the School Service Fund information of Inkster Preparatory Academy as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Inkster Preparatory Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the School Service Fund of Inkster 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Inkster 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.

Emphasis of Matter – Correction of an Error

We draw attention to Note 4 of the financial statements, which describes the correction of an error related to the recognition of GASB 86, Lease, in the prior period's financial statements. As disclosed in the note, the previously issued financial statements for the year ended June 30, 2023, have been restated to reflect this correction. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Inkster 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Inkster 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 Inkster 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.

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 listed 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 auditing standards generally accepted in the United States of America, 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 Schedule of Expenditures of Federal Awards and the reconciliation of the financial statements' federal revenue with the schedule of expenditures of federal awards are presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the statement of revenues – general fund and the schedule of expenditures of federal awards and the reconciliation of the financial statements' federal revenue with the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken 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, 2024, on our consideration of Inkster 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 Inkster 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 Inkster Preparatory Academy's internal control over financial reporting and compliance.

The Clairmount Group, PLC

The Clairmount Group, PLC
Detroit, Michigan
October 30, 2024

Inkster Preparatory Academy Management’s Discussion and Analysis

This section of the Inkster Preparatory Academy (the “Academy”) annual financial report presents our discussion and analysis of the Academy’s financial performance during the year ending June 30, 2024. Please read it in conjunction with the Academy’s financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes on those statements. Those statements are organized so the reader can understand Inkster Preparatory Academy (the “Academy”) financially as a whole. The government-wide financial statements provide information about the activities of the whole Academy, presenting both an aggregate view of the Academy’s finances and a longer-term view of those finances. These fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the Academy’s operation in more detail than the government-wide financial statements by providing information about the Academy’s most significant fund. The General Fund is presented with the School Service Fund, which is included in a separate column as a non-major fund. The components of the annual report are as follows:

Management’s Discussion and Analysis (MD&A)
(Required Supplementary Information)

Basic Financial Statements
Government-Wide Financial Statements- Fund Financial Statements
Notes to the Basic Financial Statements
(Required Supplementary Information)
Budgetary Information for Major Fund

Reporting the Academy as a Whole – Government-Wide Financial Statements

One of the most important questions asked about the Academy is, “As a whole, what is the Academy’s financial condition as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities, which appear first in the Academy’s financial statements, report information on the Academy as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using an accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Academy’s net position - the difference between assets and liabilities, as reported in the Statement of Net Position – as one way to measure the Academy’s financial position. Over time, increases or decreases in the Academy’s net position – as reported in the Statement of Activities –are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Academy’s operating results. However, the Academy’s goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of education provided and the safety of the school, to assess the overall health of the Academy.

The Statement of Net Position and the Statement of Activities report the governmental activities for the Academy, which encompass all of the Academy’s services, including instruction, support services, and School Service s. Unrestricted state aid (foundation allowance revenue) and state and federal grants finance most of these activities.

Inkster Preparatory Academy Management’s Discussion and Analysis (Continued)

Reporting the Academy’s Governmental Fund – Fund Financial Statements

The Academy’s fund financial statements provide detailed information about the most significant funds - not the Academy as a whole. However, the Academy establishes many other funds to help it control and manage money for particular purposes (the School Service Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The governmental funds of the Academy use the following accounting approach: The governmental funds of the Academy use the following accounting approach:

Governmental Funds - All of the Academy’s services are reported in the governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Academy and the services it provides. Governmental fund information 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. We describe the relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the reconciliation of governmental funds.

The Academy as a Whole

As discussed above, the Statement of Net Position provides information on the Academy as a whole. Below is a summary of the Academy’s net position as of June 30, 2024:

Table 1

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 1,526,755	\$ 1,700,178
Total Assets	<u>\$ 1,526,755</u>	<u>\$ 1,700,178</u>
<u>Liabilities</u>		
Current Liabilities	1,387,332	1,589,865
Total Liabilities	<u>1,387,332</u>	<u>1,589,865</u>
<u>Net Position</u>		
Unrestricted	139,423	110,313
Total Net position	<u>139,423</u>	<u>110,313</u>
Total Liabilities and Net position	<u>\$ 1,526,755</u>	<u>\$ 1,700,178</u>

The above analysis focuses on the net position (see Table 1). The change in net position of the Academy’s governmental activities is discussed below. The Academy’s net position was \$139,423 on June 30, 2024. The unrestricted net assets balance enables the Academy to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the general fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year’s operations for the Academy as a whole are reported in the Statement of Activities, which shows the change in net position for the fiscal year ending June 30, 2024.

The Academy’s beginning net position has been restated to reflect the cumulative effect of prior period adjustments. The adjustment was made to properly reflect the building lease that was incorrectly accounted for under GASB Statement No. 87, Leases in the prior year.

Inkster Preparatory Academy Management's Discussion and Analysis (Continued)

As reported in the Statement of Activities, the cost of our governmental activities this year was \$3,867,592. Certain activities were partially funded by those who benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions of \$1,277,880. We paid for the remaining "public benefit" portion of our governmental activities with \$2,618,822 in state foundation allowance and with our other revenues.

Table 2

<u>Revenues</u>	<u>2024</u>	<u>2023</u>
Program Revenues:		
Operating grants and contributions	\$ 1,277,880	\$ 612,868
General Revenues:		
State foundation allowance	2,610,022	2,925,592
Other	<u>8,800</u>	<u>32,348</u>
Total Revenues	<u>3,896,702</u>	<u>3,570,808</u>
Function/Program Expenses:		
Instruction	1,580,876	1,334,284
Support services	2,003,014	1,974,475
Food services	282,623	231,047
Community activities	<u>1,079</u>	<u>-</u>
Total Expenses	<u>3,867,592</u>	<u>3,539,806</u>
Prior period adjustment - Correction of an Error	<u>17,299</u>	<u>-</u>
Change in Net Position	<u>\$ 46,409</u>	<u>\$ 31,002</u>

As discussed above, the net cost shows the financial burden that was placed on the Academy by each of these functions. Since unrestricted state aid constitutes most of the Academy's operating revenue sources, the board of directors and administration must annually evaluate the needs of the Academy and balance those needs with state-prescribed available unrestricted resources.

The General Fund

The General Fund had revenues of \$3,670,358 and total expenditures of \$3,641,248. The fund balance was \$139,423. As we noted earlier, the Academy uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the Academy is being accountable for the resources the state and others provide and may provide insight into the Academy's overall financial health.

General Fund Budgetary Highlights

Over the course of the year, the Academy revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditure does not exceed appropriations. The final amendment to the budget was actually adopted just before year end. A schedule showing the Academy's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these financial statements.

There were revisions made to the 2022-2024 General Fund original budgets. Budgeted revenues and expenditures were increased to reflect the increase in student enrollment.

Inkster Preparatory Academy Management's Discussion and Analysis (Continued)

Economic Factors Affecting Next Year's Budgets

The Academy's administration considered many factors when setting the Academy's 2025 fiscal year's budget. The State foundation allowance for the 2025 fiscal year is \$9,608. The 2025 budget was adopted in June 2024, based on the estimated number of students that will be enrolled in September 2024. Approximately 75% of the total general fund revenue is from the foundation allowance. As a result, the Academy funding is primarily dependent on the state's ability to fund local school operations; thus, the Academy is focused on maintaining its historical levels of enrollment. The Academy is also looking to receive more grants and private revenues. This will allow the Academy to place more funds in the classroom and enhance its financial position.

Request of Information

The financial report is designed to give an overview of the financial conditions of Inkster Preparatory Academy. If you should desire additional financial information, it can be obtained by contacting the Academy's Management Company:

ACCEL Schools
27355 Woodsfield Street
Inkster, Michigan
(313) 278-3825

Inkster Preparatory Academy
Statement of Net Position
June 30, 2024

Assets

Cash and cash equivalents	\$ 683,080
Due from governmental units	829,380
Prepaid expenses	<u>14,295</u>
Total current assets	<u>\$ 1,526,755</u>

Liabilities and Net Position

Liabilities

Accounts payable	\$ 1,000,392
Accrued salaries and benefits	57,985
Unearned revenue	<u>328,955</u>
Total liabilities	1,387,332

Net Position

Unassigned	<u>139,423</u>
Total net position	<u>139,423</u>
Total liabilities and net position	<u>\$ 1,526,755</u>

See accompanying notes to the Financial Statements.

Inkster Preparatory Academy
Statement of Activities
Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue Operating Grants and Contributions</u>	<u>Activities Net (Expense) Revenues and Changes in Net Assets</u>
Primary Government-Governmental Activities:			
Instruction	\$ 1,580,876	\$ 1,042,536	\$ (538,340)
Support services	2,003,014	-	(2,003,014)
Community activities	1,079	9,000.00	7,921
Food service	<u>282,623</u>	<u>226,344</u>	<u>(56,279)</u>
Total Governmental Activities	<u>\$ 3,867,592</u>	<u>\$ 1,277,880</u>	<u>\$ (2,589,712)</u>
General Revenues:			
State aid not restricted to specific purposes			2,610,022
Other Income			<u>8,800</u>
Total general revenues			<u>2,618,822</u>
Prior period adjustment - Correction of an Error			<u>17,299</u>
Change in net position			46,409
Net Position - Beginning of year			<u>93,014</u>
Net Position - End of year			<u>\$ 139,423</u>

See accompanying notes to the Financial Statements.

Inkster Preparatory Academy
Balance Sheet – Governmental Fund
June 30, 2024

	General Fund	Non Major School Service Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 683,080	\$ -	\$ 683,080
Due from other governmental units	829,380	-	829,380
Prepaid expenses	14,295	-	14,295
Total assets	<u>\$ 1,526,755</u>	<u>\$ -</u>	<u>\$ 1,526,755</u>
Liabilities			
Accounts payable	\$ 1,000,392	\$ -	\$ 1,000,392
Accrued salaries and benefits	57,985	-	57,985
Unearned revenue	328,955	-	328,955
Total liabilities	1,387,332	-	1,387,332
Fund Balance			
Nonspendable	14,295	-	14,295
Unassigned	125,128	-	125,128
Total fund balance	<u>139,423</u>	<u>-</u>	<u>139,423</u>
Total liabilities and fund balance	<u>\$ 1,526,755</u>	<u>\$ -</u>	<u>\$ 1,526,755</u>

See accompanying notes to the Financial Statements.

Inkster Preparatory Academy
Statement of Revenues, Expenditures and Changes in Fund
Balance – All Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Non Major School Service Fund	Total Governmental Funds
Revenues			
Local sources	\$ 132,940	\$ -	\$ 132,940
State sources	2,719,049	834	2,719,883
Federal sources	818,369	225,510	1,043,879
Total revenues	3,670,358	226,344	3,896,702
Expenditures			
Current			
Instruction services			
Basic programs	1,023,102	-	1,023,102
Added needs	557,774	-	557,774
Total instruction services	1,580,876	-	1,580,876
Support services			
Pupil	170,627	-	170,627
Instructional	116,104	-	116,104
General administration	170,584	-	170,584
School administration	335,689	-	335,689
Business services	35,688	-	35,688
Operation and maintenance	756,457	-	756,457
Pupil transportation and services	311,355	-	311,355
Central services	106,510	-	106,510
Total support services	2,003,014	-	2,003,014
Community Activities	1,079	-	1,079
Food service	-	282,623	282,623
Total expenditures	3,584,969	282,623	3,867,592
Other financing sources (uses)			
Operating transfers in	-	56,279	56,279
Operating transfers out	(56,279)	-	(56,279)
Total financing sources(uses)	(56,279)	56,279	-
Net change in fund balance	29,110	-	29,110
Fund Balances - Beginning of year	110,313	-	110,313
Fund Balances - End of year	\$ 139,423	\$ -	\$ 139,423
Net Change in Fund Balance - Total governmental funds		\$ 29,110	
Amounts reported for governmental activities in the			
Prior period adjustment - Correction of an Error		17,299	
Change in Net Position of Governmental Activities		\$ 46,409	

**Inkster Preparatory Academy
Notes to Financial Statements
June 30, 2024**

NOTE 1 – NATURE OF OPERATIONS

Reporting Entity

Inkster 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, as amended, and began operation in July 2016.

In August 2016, the Academy entered into a five-year contract with Central Michigan University's Board of Regents to charter a public school academy. This contract was extended an additional five years until June of 2026. 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 Regents 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 Central Michigan University's Board of Regents three percent of state aid as administrative fees. Total administrative fees paid for the year ended June 30, 2024, were approximately \$72,112.

In August 2016, the Academy entered into a five-year agreement with Accel Schools Michigan, LLC ("ACCEL"). This agreement was extended for five years until June of 2026. Under the terms of the agreement, ACCEL provides a variety of services, including human resources, educational programs, and consulting. ACCEL receives all revenues as its service fee, from which it shall pay all operating costs of the Academy. ACCEL is then entitled to retain as compensation for the services provided any residual income in the event of a yearly surplus. In the event of a yearly deficit, ACCEL shall contribute an amount to the Academy to ensure that the fund balance remains positive. Fees paid under this contract amounted to approximately \$48,761 for the year ended June 30, 2024. As of June 30, 2024 \$1,000,392 was due to ACCEL from the Academy.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Inkster Preparatory Academy (the "Academy") conform to generally accepted accounting principles applicable to governmental entities. The following is a summary of the significant accounting policies:

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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.

**Inkster Preparatory Academy
Notes to Financial Statements
June 30, 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide Financial Statements (Continued)

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the business-type activities 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.

Net position is 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.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected 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 60 days of the end of the current fiscal period. Revenue not meeting this definition is classified as a deferred inflow of resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Fund Classification

The financial activities of the Academy are organized on the basis of funds. The operation of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

General Fund - The General Fund is the Academy's primary operating fund. It accounts for all financial resources of the Academy, except those required to be accounted for in another fund.

School Service Fund - The School Service Fund is used to account for the food service operations. The fund is a subsidiary operation and is an obligation of the general fund. Therefore, any shortfall in the fund will be covered by an operating transfer from the general fund. The fund does not maintain its own assets and liabilities; accordingly, no balance sheet is presented for this fund.

Cash and Cash Equivalents

The Academy's cash and cash equivalents are considered to be cash on hand and demand deposits with original maturities of three months or less from the date of acquisition.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due from Other Governmental Units

Receivables consist primarily of state school aid due from the State of Michigan and the federal government.

Prepaid Expense

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.

Accrued Liabilities

All payables and accrued liabilities 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. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources.

Unearned Revenue

Unearned revenue is reported in connection with funds received for services that have not been performed and are, therefore, not yet earned.

Net Position

Net position represents the difference between assets plus deferred outflows less 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.

Fund Balance

Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance is the portion of a fund balance that cannot be spent because it is not in a spendable form or is legally required to remain intact. Restricted fund balance represents those resources within fund balance for which constraints exist that cannot be changed or redirected by management. The term committed represents amounts that can only be used for the specific purpose determined by a formal resolution of the board. The term assigned is used to classify the fund balance intended to be used by the board but does not meet the criteria to be restricted or committed. The term unassigned is used for amounts that have not been restricted, committed, or otherwise assigned for future uses.

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.

Inkster Preparatory Academy
Notes to Financial Statements
June 30, 2024

NOTE 3 - 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 the amounts budgeted are 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, 2024 the budget was amended in a legally permissible manner. A comparison of amounts appropriated against actual results can be found on page 22 of these financial statements.

NOTE 4 – RESTATEMENT OF BEGINNING NET POSITION

The Academy's beginning net position has been restated to account for the cumulative effect of a prior-period adjustment. This adjustment corrects the prior-year misapplication of GASB Statement No. 87, Leases, which had improperly classified the building lease as a right-to-use asset and corresponding lease liability. The restatement ensures the financial statements accurately reflect the Academy's lease obligations in accordance with applicable standards.

Government-wide net position as of June 30, 2023	\$ 93,014
Prior period adjustment - Correction of an Error	<u>17,299</u>
Net position as of June 30, 2023	<u>\$ 110,313</u>

NOTE 5 - DEPOSITS

State statutes authorize the Academy to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations with Michigan offices.

Custodial Credit Risk– Custodial credit risk is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. The carrying value and bank balance of the Academy's deposits was \$683,080. At year end, \$276,433 of the Academy's deposits was not insured by FDIC.

NOTE 6 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of the following:

State of Michigan	\$ 524,138
Federal	<u>305,242</u>
	<u>\$ 829,380</u>

Management of the Academy evaluates its receivables for collectability annually. At June 30, 2024, management believes all receivables are collectible, and no allowance is necessary.

Inkster Preparatory Academy
Notes to Financial Statements
June 30, 2024

NOTE 7 - RELATED PARTY TRANSACTIONS

The Academy leases a building under a non-cancelable, five-year operating lease agreement with PanSophic Learning, a subsidiary of ACCEL. During the fiscal year ended June 30, 2024, the Academy incurred and paid lease expenses totaling approximately \$431,795. As of June 30, 2024, no amounts were outstanding or payable to PanSophic Learning under this lease agreement.

This lease arrangement does not meet the criteria for recognition of lease assets or liabilities under GASB Statement No. 87, Leases, due to the variable payment structure outlined in the lease terms.

NOTE 8 - 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 commercial insurance have not exceeded the amount of insurance coverage since its inception.

NOTE 9 - CONTINGENCIES

The Academy receives significant funding from federal and state grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

NOTE 10- SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 30, 2024, which is the date the financial statements were available to be issued. Events occurring after the date have not been evaluated to determine whether a change in the financial statements would be required.

Required Supplementary Information

**Inkster Preparatory Academy
Budgetary Comparison Schedule
General Fund
For the Year June 30, 2024**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 31,000	\$ 28,000	\$ 132,940	\$ 104,940
State sources	2,852,175	2,969,463	2,719,049	(250,414)
Federal sources	648,335	773,749	818,369	44,620
	<u>3,531,510</u>	<u>3,771,212</u>	<u>3,670,358</u>	<u>(100,854)</u>
Total revenue				
Expenditures				
Current				
Instruction:				
Basic programs	1,155,281	1,022,205	1,023,102	897
Added needs	496,624	907,730	557,774	(349,956)
	<u>1,651,905</u>	<u>1,929,935</u>	<u>1,580,876</u>	<u>(349,059)</u>
Support services:				
Pupil services	225,389	27,558	170,627	143,069
Instructional services	107,127	31,963	116,104	84,141
General administration	129,315	370,321	170,584	(199,737)
School administration	361,380	302,356	335,689	33,333
Business support services	12,700	46,459	35,688	(10,771)
Operation and maintenance	835,523	773,189	756,457	(16,732)
Pupil transportation and services	189,874	289,824	311,355	21,531
Central services	93,067	88,282		
Other	7,800	3,500	106,510	103,010
	<u>1,962,175</u>	<u>1,933,452</u>	<u>2,003,014</u>	<u>157,844</u>
Community Activities	4,392	-	1,079	1,079
	<u>3,618,472</u>	<u>3,863,387</u>	<u>3,584,969</u>	<u>(190,136)</u>
Total expenditures				
Other Financing Sources (Uses)				
Operating transfers out	(500)	(15,972)	(56,279)	40,307
	<u>(500)</u>	<u>(15,972)</u>	<u>(56,279)</u>	<u>40,307</u>
Excess (Deficiency) of Revenue Over (Under)				
Expenditures	(87,462)	(108,147)	29,110	129,589
Fund Balance - beginning of year	110,313	110,313	110,313	-
Fund Balance - end of year	<u>\$ 22,851</u>	<u>\$ 2,166</u>	<u>\$ 139,423</u>	<u>\$ 129,589</u>

Single Audit



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Inkster 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, the financial statements of the governmental activities, major fund, and the School Service Fund of Inkster Preparatory Academy, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Inkster Preparatory Academy's basic financial statements, and have issued our report thereon dated October 30, 2024.

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) to determine the 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 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 or detect and correct of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses 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 determination of financial statement amounts. 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.

The Clairmount Group, PLLC

The Clairmount Group, PLC
Detroit, Michigan
October 30, 2024



THE CLAIRMOUNT GROUP, PLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Inkster Academy

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Inkster Academy's (the "Academy") 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 the Academy's major federal program for the year ended June 30, 2024. The Academy's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The 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 major federal program. Our audit does not provide a legal determination of The 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 The Academy's federal programs.

Auditor's 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 The 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 generally accepted auditing standards, 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 The Academy's compliance with the requirements of major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, 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 The 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 The 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 The 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 Auditor’s 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.

The Clairmount Group, PLC

The Clairmount Group, PLC
Detroit, Michigan
October 30, 2024

**Inkster Preparatory Academy
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grants/Pass-Through Grantor/Program Title	Assistant Listing Number	Pass-Through Grantor's Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2023	Other Adjustments	Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2024
Clusters:									
U.S. Department of Agriculture									
Passed Through the State of Michigan									
Child Nutrition Cluster:									
Noncash assistance (commodities)									
National School Lunch Program - Entitlement Commodities	10.555		\$ 10,535	\$ -	\$ -	\$ -	\$ 10,535	\$ 10,535	\$ -
Total noncash assistance			<u>10,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,535</u>	<u>10,535</u>	<u>-</u>
School Breakfast Program									
School Breakfast Program	10.553	231970	7,969	-	23,594	-	31,563	7,969	-
School Breakfast Program		241970	66,678	-	-	-	66,678	66,678	-
Total School Breakfast Program			<u>74,647</u>	<u>-</u>	<u>23,594</u>	<u>-</u>	<u>98,241</u>	<u>74,647</u>	<u>-</u>
National School Lunch Program									
National School Lunch Program	10.555	231960	14,616	-	42,231	-	56,847	14,616	-
National School Lunch Program		231980	673	-	-	-	673	673	-
National School Lunch Program		241960	117,589	-	-	-	117,589	117,589	-
National School Lunch Program		241980	2,304	-	-	-	2,304	2,304	-
Total National School Lunch Program			<u>135,182</u>	<u>-</u>	<u>42,231</u>	<u>-</u>	<u>177,413</u>	<u>135,182</u>	<u>-</u>
Summer Food Service Program for Children									
Summer Food Service Program for Children	10.559	230900	5,146	-	-	-	5,146	5,146	-
Total Summer Food Service Program for Children			<u>5,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,146</u>	<u>5,146</u>	<u>-</u>
Total Child Nutrition Cluster			<u>214,975</u>	<u>-</u>	<u>65,825</u>	<u>-</u>	<u>280,800</u>	<u>214,975</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>225,510</u>	<u>-</u>	<u>65,825</u>	<u>-</u>	<u>291,335</u>	<u>225,510</u>	<u>-</u>

Inkster Preparatory Academy

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Grants/Pass-Through Grantor/Program Title	Assistant Listing Number	Pass-Through Grantor's Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2023		Federal Funds/ Payments In-kind Received	Expenditures	Accrued Revenue at June 30, 2024
U.S. Department of Education									
Passed through the Wayne County ISD									
Special Education Cluster									
IDEA Flowthrough:									
IDEA Flowthrough	84.027	2223	30,799	30,799	30,799	-	30,799	-	-
IDEA Flowthrough		2324	35,160	-	-	-	-	35,160	35,160
Total IDEA Flowthrough			65,959	30,799	30,799	-	30,799	35,160	35,160
Total Special Education Cluster			65,959	30,799	30,799	-	30,799	35,160	35,160
Passed through Wayne RESA Intermediate School District									
Title I Regional Assistance Grant	84.010		20,000	-	-	-	11,950	11,950	-
Passed through the Michigan Department of Education									
MI Charter School Program Grant									
MI Charter School Program Grant	84.282A	2223	110,178	110,178	10,779	-	-	-	10,779
MI Charter School Program Grant		2324	243,691	-	-	-	120,744	113,366	(7,378)
			353,869	110,178	10,779	-	120,744	113,366	3,401
Passed through the Michigan Department of Education									
Title I Part A									
Title I Part A	84.010	2223	165,792	63,970	63,970	-	95,656	31,686	-
Title I Part A		2324	164,067	-	-	-	78,251	125,326	47,075
Total Title I Part A			329,859	63,970	63,970	-	173,907	157,012	47,075
Passed through the Michigan Department of Education									
Title II Part A									
Title II Part A	84.367	2223	28,253	7,525	7,525	-	7,525	-	-
Title II Part A		2324	29,981	-	-	-	9,000	9,000	-
Total Title II Part A			58,234	7,525	7,525	-	16,525	9,000	-
Passed through the Michigan Department of Education									
Student Support and Academic Enrichment Program									
Student Support and Academic Enrichment Program	84.424	230750	11,836	7,036	7,036	-	7,036	-	-
Student Support and Academic Enrichment Program		240750	14,800	-	-	-	9,600	9,600	-
Total Student Support and Academic Enrichment Program			26,636	7,036	7,036	-	16,636	9,600	-
Passed through the Michigan Department of Education									
Education Stabilization Fund Program									
COVID-19 Elementary and Secondary School Emergency									
Ref relief (ESSER) Formula	84.425D	213712	325,855	69,745	33,987	(7,685)	37,187	10,885	-
COVID-19 Elementary and Secondary School Emergency	84.425U	213713							
Ref relief (ESSER) Formula			732,344	183,318	104,994	-	356,784	471,396	219,606
Total Education Stabilization Fund Program			1,058,199	253,063	138,981	(7,685)	393,971	482,281	219,606
Total US Department of Education			1,802,578	362,393	259,090	(7,685)	764,532	818,369	305,242
Total Federal Award			\$ 2,028,088	\$ 362,393	\$ 324,915	\$ (7,685)	\$ 1,055,867	\$ 1,043,879	305,242

Inkster Preparatory Academy
Notes to the Schedule of Expenditures
of Federal Awards
Year Ended June 30, 2024

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards (the "Schedule") includes the federal grant activity of Inkster Preparatory Academy under programs of the federal government for the year ended June 30, 2024. Expenditures reported on the Schedule are reported on the same basis of accounting as the general purpose financial statements. The information in the 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). Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements.

Because the Schedule presents only a selected portion of the operations of Inkster Preparatory Academy, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows, if applicable, of of Inkster Preparatory Academy. Pass-through entity identifying numbers are presented where available.

2. GRANT AUDITOR'S REPORT

Management has utilized the Cash Management System (CMS) Grant Auditor's Report to prepare the schedule of expenditure for federal awards. There were no exceptions due to the timing of cash receipts.

Cash received per the Schedule of Expenditures of Federal Awards	\$ 830,787
Cash received after June 30, 2023	171,796
Cash received from other governmental entities	42,749
Noncash item	<u>10,535</u>
Cash received per the Grant Auditor's Report	<u>\$ 1,055,867</u>

3. INDIRECT COST RATE

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

Inkster Preparatory Academy

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes _____ X _____ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes _____ X _____ None Noted

Noncompliance material to financial statements noted? _____ Yes _____ X _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes _____ X _____ No

Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes _____ X _____ None Noted

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes _____ X _____ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster:
84.425	Education Stabilization Fund
84.425D	Elementary and Secondary School Emergency Relief (ESSERS II)
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes _____ X _____ No

**Inkster Preparatory Academy
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Section II – Financial Statement Findings

There were none.

Section III – Federal Award Findings and Questioned Costs

There were none.

Section IV – Summary Schedule of Prior Audit Findings

There were none.