

**OAKLAND INTERNATIONAL ACADEMY**  
**Detroit, Michigan**

**FINANCIAL STATEMENTS**  
**June 30, 2025**



**Gardner | Provenzano  
Thomas & Luplow**

**CERTIFIED PUBLIC ACCOUNTANTS**

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# Gardner | Provenzano Thomas & Luplow

CERTIFIED PUBLIC ACCOUNTANTS

Frederick C. Gardner  
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## INDEPENDENT AUDITOR'S REPORT

September 17, 2025

To The Board of Directors  
Oakland International Academy  
Detroit, Michigan

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the remaining fund information of Oakland International Academy, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Oakland International 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, each major fund and the remaining fund information of Oakland International 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 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 Oakland International 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 Oakland International 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 Oakland International 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 Oakland International Academy's ability to continue as a going concern for a reasonable period of time.

To the Board of Directors  
Oakland International Academy  
Page Three

### **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 identified in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2025 on our consideration of Oakland International 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 Oakland International 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 Oakland International Academy's internal control over financial reporting and compliance.

*Murdan, Provenzano, Thomas & Lupton*

Certified Public Accountants  
Saginaw, Michigan

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**OAKLAND INTERNATIONAL ACADEMY  
MANAGEMENT'S DISCUSSION & ANALYSIS (Unaudited)**

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**Introduction**

This section of the annual financial report presents management's discussion and analysis of Oakland International Academy's financial results for the fiscal year ended June 30, 2025. Please read this along with the financial statements that follow for a comprehensive understanding of the financial position of the Academy.

**Academy Wide Financial Statements**

The Academy Wide Financial Statements appear first and report all assets and liabilities using the accrual basis of accounting, similar to the accounting method 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. The statement of activities covers all the Academy's services including instruction and support services which are financed through Unrestricted State Aid and State and Federal grants. In addition, revenue less expense results in net position, which can either increase or decrease on an annual basis.

**Fund Financial Statements**

The Fund Financial Statements are reported on a modified accrual basis and are formatted to comply with the legal requirements of the Michigan Department of Education's Accounting Manual. The Academy uses funds to help control and manage money for specific purposes or to meet legal responsibilities for certain grants. Funds provide a detailed short-term view of the operations and services of the Academy, show how money flows through and out of funds, and the balances left at year-end. Reviewing the funds helps the reader consider whether the Academy is accountable for the resources taxpayers and others provide and gives insight into the Academy's overall financial health.

The relationship between governmental activities (Academy Wide Financial Statements) and governmental fund activities (Fund Financial Statements) will be reconciled later in the report.

**OAKLAND INTERNATIONAL ACADEMY  
MANAGEMENT'S DISCUSSION & ANALYSIS (Unaudited)**

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**Condensed Financial Statements  
Analysis of Overall Financial Position and Results of Operations**

The Academy's net position at June 30, 2025 and 2024 are summarized below.

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current assets	\$ 9,307,786	\$ 7,183,617
Capital assets - net of accumulated depreciation	<u>11,642,158</u>	<u>6,942,208</u>
Total Assets	<u>20,949,944</u>	<u>14,125,825</u>
<b>Liabilities</b>		
Current liabilities	2,863,853	2,895,227
Long-term liabilities	<u>2,242,391</u>	<u>32,326</u>
Total Liabilities	<u>5,106,244</u>	<u>2,927,553</u>
<b>Net assets</b>		
Net investment in capital assets	8,912,658	6,895,802
Unrestricted	<u>6,931,042</u>	<u>4,302,470</u>
Total Net Position	<u>\$ 15,843,700</u>	<u>\$ 11,198,272</u>

- Net investment in capital assets totaling \$8,912,658 were computed by taking the original cost of the assets and subtracting the depreciation, amortization and related debt.
- "Unrestricted net position" of \$6,931,042 represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

**OAKLAND INTERNATIONAL ACADEMY  
MANAGEMENT'S DISCUSSION & ANALYSIS (Unaudited)**

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**Condensed Financial Statements  
Analysis of Overall Financial Position and Results of Operations (cont.)**

The results of operations for the Academy as a whole for the years ended June 30, 2025 and 2024 are reported below.

	<u>2025</u>	<u>2024</u>
Revenue		
Program revenue		
Grants and categoricals	\$ 5,282,364	\$ 5,514,859
General revenue		
State foundation allowance	19,573,062	15,957,831
Other	1,160,754	1,058,216
Total revenue	<u>26,016,180</u>	<u>22,530,906</u>
Function/Program expenses		
Instruction	10,201,135	8,305,868
Support services	9,084,490	8,451,487
Interest	172,808	5,591
Food services	1,030,730	931,003
Amortization	413,500	275,059
Depreciation	468,089	334,081
Total expenses	<u>21,370,752</u>	<u>18,303,089</u>
Increase (decrease) in net position	<u>\$ 4,645,428</u>	<u>\$ 4,227,817</u>

- Revenues of the Academy for the year totaled \$26,016,180.
- Revenues increased over the prior year by approximately \$3,485,274.
- The cost of government activities for the year totaled \$21,370,752.
- Funding for the above activities comes from a variety of sources. Some activities are partially funded by grants and categoricals from the State and Federal governments. The remaining activities are paid for with the State Foundation Allowance and other revenues.
- Total expenses increased over the prior year by approximately \$3,067,663. The increase was due to the continued increase of distance learning students.
- The Academy had an increase in net position of \$4,645,428. The general fund balance decreased by \$317,444. The difference is due to the effect of depreciation and amortization of capital assets and the fact that purchases of capital assets are expenditures in the general fund, but do not affect results of operations in the Academy Wide financial statements. Also, proceeds from and repayments of long-term debt are revenues and expenditures in the general fund, but do not affect the results of operations in the Academy Wide financial statements. In addition, the general fund transferred \$3,000,000 to the capital projects fund during 2025.

**OAKLAND INTERNATIONAL ACADEMY  
MANAGEMENT'S DISCUSSION & ANALYSIS (Unaudited)**

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**General Fund**

The General Fund is the primary operating fund for the Academy. For fiscal year ending June 30, 2025, the fund decreased by \$317,444. This decrease is less than the final budgeted increase in fund balance of \$436,189.

**Budget Highlights**

Oakland International Academy's budget was developed according to the Uniform Budget Act of the State of Michigan requirements. The Act requires that the original budget for the upcoming fiscal year be approved prior to July 1, the start of the fiscal year. During the fiscal year ended June 30, 2025, the Academy amended the budget twice during the year. A schedule showing the Academy's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements. A discussion of the changes to the Academy's original budget and final amended amounts is provided below.

**Original vs. Final Amended Budget**

Budgets are revised as changes in revenue and expenditures occur. Approximately 91% of the Academy's revenue comes from the State through a Foundation Allowance and Categoricals (specific program grants). The State Foundation Allowance is based on student enrollment and an amount per pupil designated by the State. Therefore, the budget is primarily based on an estimate of the student population including the following September count, the per-pupil amount set by the State, and an estimate of the categoricals that will be approved by the State.

State law requires that budgets be amended to ensure that expenditures do not exceed appropriations. Original and final budgets, as well as actual amounts paid and received, are included in the required supplemental information.

**Revenue**

When establishing the 2024/2025 revenue budget in June with a beginning fiscal date of July 1, only estimates could be used, as there were a number of budget factors that had not yet been determined. These factors included potential increases or decreases in per pupil funding and fluctuations with student enrollment. Budgeted revenues changed significantly from the original budget due to an increase in enrollment and the increased availability of grant funds.

**Expenditures**

Budgeted expenditures increased by \$5,509,424. This increase was primarily due to the Academy incurring more Instruction, Business and Operational Maintenance expenditures than originally forecasted.

**OAKLAND INTERNATIONAL ACADEMY  
MANAGEMENT'S DISCUSSION & ANALYSIS (Unaudited)**

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**Original vs. Final Amended Budget (cont.)**

**Expenditures (continued)**

A schedule showing the Academy's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements.

The balance of variance results from adjustments to several individual expenditure line items and is not considered significant by management.

**Final Budget vs. Actual**

The variances between the final budgeted amounts and actual amounts are illustrated below.

<u>General Fund</u>	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Total Revenue	\$ 26,022,211	\$ 28,192,203	\$ 2,169,992
Total Expenditures	25,586,022	28,509,647	(2,923,625)
Excess Revenue/Expenditures	<u>\$ 436,189</u>	<u>\$ (317,444)</u>	<u>\$ (753,633)</u>

The budget variances in revenue and expenditures are due primarily to the Academy not including in the final budget incoming transfers related to the building leases that began in July 2025 (\$3,152,769) and the general fund transfer to the capital projects fund of \$3,000,000 in 2025. There is more detail of the individual line item variances in the required supplementary information. Management does not believe these individual budget variances to be significant.

**Capital Assets**

As of June 30, 2025, the Academy has \$11,642,158 in net capital assets. Capital assets include leased facilities and equipment, land, furniture, equipment, and building and grounds, less depreciation and amortization.

	<u>2025</u>	<u>2024</u>
Land	\$ 139,740	\$ 139,740
Buildings and grounds	10,899,001	5,391,401
Construction in process	-	3,278,000
Right to use - leased facilities	3,152,769	2,546,115
Equipment and furniture	638,922	539,724
Right to use - leased equipment	47,556	47,556
Vehicles	617,725	517,753
Modular classrooms	304,550	304,550
Less accumulated depreciation	(3,743,386)	(3,275,297)
Less accumulated amortization	(414,719)	(2,547,334)
Net capital assets	<u>\$ 11,642,158</u>	<u>\$ 6,942,208</u>

**OAKLAND INTERNATIONAL ACADEMY  
MANAGEMENT'S DISCUSSION & ANALYSIS (Unaudited)**

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**Long Term Debt**

The Academy has entered into lease obligations for two of its school buildings and for copy machines.

A summary of the transactions associated with the Academy's long-term obligations follows.

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
Facility leases payable	\$ -	\$ 3,152,769	\$ 455,595	\$ 2,697,174
Equipment leases payable	46,406	-	14,080	32,326
Total	<u>\$ 46,406</u>	<u>\$ 3,152,769</u>	<u>\$ 469,675</u>	<u>\$ 2,729,500</u>

We present more detailed information about long-term liabilities in the notes to the financial statements.

**Conditions Affecting Next Year's Budget**

Our appointed officials and administration consider many factors when setting the Academy's 2025/26 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2025/26 budget was adopted in June 2025, based on an estimate of students that will be enrolled in September 2025. Approximately 78% of total general fund revenue is from the foundation allowance. As a result, Academy funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2025/26 school year, we anticipate that the fall student count will be slightly more than the estimates used in creating the 2025/26 budget. Once the final student count and related per pupil funding is validated, State law requires the Academy to amend the budget if actual Academy resources are not sufficient to fund original appropriations.

**OAKLAND INTERNATIONAL ACADEMY  
MANAGEMENT'S DISCUSSION & ANALYSIS (Unaudited)**

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**Conditions Affecting Next Year's Budget (continued)**

Since the Academy's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriations to academies. The State periodically holds a revenue-estimating conference to estimate revenues. Based on the results of the most recent conference, the State estimates funds are sufficient to fund the appropriation. The overall State economy, however, is not very healthy at this time and is cause for concern. We believe that a conservative approach is warranted as to what we can expect from the State in future years.

**Requests for Information**

This report is designed to provide our stakeholders and taxpayers with a general overview of the Academy's finances. If you have questions about this report or need additional information, contact the Academy Board Office, Oakland International Academy, 4001 Miller St. Detroit, MI 48211.

## BASIC FINANCIAL STATEMENTS

OAKLAND INTERNATIONAL ACADEMY  
Academy Wide  
Statement of Net Position  
June 30, 2025

	Governmental Activities
<b>Assets</b>	
Cash	\$ 5,080,858
Due from other governmental units	4,226,928
Capital assets less accumulated depreciation/amortization	11,642,158
Total Assets	20,949,944
 <b>Liabilities</b>	
Accounts payable	168,780
Due to management company	1,219,535
State aid anticipation note	372,967
Unearned revenue	615,462
Right to use assets leases payable, due within one year	487,109
<b>Long-term liabilities</b>	
Right to use assets leases payable, due in more than one year	2,242,391
Total Liabilities	5,106,244
 <b>Net Position</b>	
Net investment in capital assets	8,912,658
Unrestricted	6,931,042
Total Net Position	\$ 15,843,700

The accompanying notes are an integral part of these financial statements.

OAKLAND INTERNATIONAL ACADEMY  
Academy Wide  
Statement of Activities  
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Governmental Activities Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Instruction	\$ 10,201,135	\$ -	\$ 3,727,052	\$ (6,474,083)
Support services	9,084,490	-	578,566	(8,505,924)
Food services	1,030,730	-	976,746	(53,984)
Interest	172,808	-	-	(172,808)
Amortization (unallocated)	413,500	-	-	(413,500)
Depreciation (unallocated)	468,089	-	-	(468,089)
Totals	\$ 21,370,752	\$ -	\$ 5,282,364	(16,088,388)
General revenues:				
				19,573,062
State aid - unrestricted				1,160,754
Other				20,733,816
Total General Revenues				
Change in Net Position				4,645,428
Net Position - Beginning of Year				11,198,272
Net Position - End of Year				\$ 15,843,700

The accompanying notes are an integral part of these financial statements.

OAKLAND INTERNATIONAL ACADEMY  
 Governmental Funds Balance Sheet  
 June 30, 2025

	Governmental Fund Type			Totals
	General	(Non-Major) Food Service	Capital Projects	
<u>Assets</u>				
Cash	\$ 2,080,858	\$ -	\$ 3,000,000	\$ 5,080,858
Due from other governmental units	4,226,928	-	-	4,226,928
Due from other funds	-	150,658	-	150,658
Total Assets	<u>\$ 6,307,786</u>	<u>\$ 150,658</u>	<u>\$ 3,000,000</u>	<u>\$ 9,458,444</u>
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accounts payable	\$ 168,780	\$ -	\$ -	\$ 168,780
Due to management company	1,219,535	-	-	1,219,535
State aid anticipation note	372,967	-	-	372,967
Unearned revenue	615,462	-	-	615,462
Due to other funds	150,658	-	-	150,658
Total Liabilities	<u>2,527,402</u>	<u>-</u>	<u>-</u>	<u>2,527,402</u>
<u>Fund Balance</u>				
Restricted	-	150,658	-	150,658
Assigned	-	-	3,000,000	3,000,000
Unassigned	3,780,384	-	-	3,780,384
Total Fund Balance	<u>3,780,384</u>	<u>150,658</u>	<u>3,000,000</u>	<u>6,931,042</u>
Total Liabilities and Fund Balance	<u>\$ 6,307,786</u>	<u>\$ 150,658</u>	<u>\$ 3,000,000</u>	<u>\$ 9,458,444</u>

The accompanying notes are an integral part of these financial statements.

OAKLAND INTERNATIONAL ACADEMY  
Reconciliation of Balance Sheet of Governmental Funds To Net Position  
June 30, 2025

Total Fund Balances - Governmental Funds \$ 6,931,042

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

Capital assets used in governmental activities are not financial  
resources and are not reported in the funds.

The cost of the capital assets is	15,800,263
Accumulated depreciation/amortization is	(4,158,105)

Long-term liabilities are not due and payable in the current  
period and are not reported in the funds.

Liability on right to use assets	(2,729,500)
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Total Net Position - Government Activities (Academy Wide)	<u><u>\$ 15,843,700</u></u>
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The accompanying notes are an integral part of these financial statements.

OAKLAND INTERNATIONAL ACADEMY  
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended June 30, 2025

	General	(Non-Major) Food Service	Capital Projects	Totals
<b>Revenue</b>				
Local	\$ 1,160,754	\$ -	\$ -	\$ 1,160,754
State	22,889,786	36,395	-	22,926,181
Federal	988,894	940,351	-	1,929,245
<b>Total Revenue</b>	<u>25,039,434</u>	<u>976,746</u>	<u>-</u>	<u>26,016,180</u>
<b>Expenditures</b>				
Instruction				
Basic programs	4,904,365	-	-	4,904,365
Added needs	6,039,768	-	-	6,039,768
Support services				
Pupil	644,906	-	-	644,906
Staff	1,169,328	-	-	1,169,328
Administration	1,417,283	-	-	1,417,283
Business	3,524,123	-	-	3,524,123
Operation and maintenance	6,667,830	-	-	6,667,830
Transportation	332,131	-	-	332,131
Central services	622,870	-	-	622,870
Community Services	187,043	-	-	187,043
Food services	-	1,030,730	-	1,030,730
<b>Total Expenditures</b>	<u>25,509,647</u>	<u>1,030,730</u>	<u>-</u>	<u>26,540,377</u>
Excess (Deficiency) of Revenues over Expenditures	(470,213)	(53,984)	-	(524,197)
<b>Other Financing Sources (Uses)</b>				
Operating transfers in/out	(3,000,000)	-	3,000,000	-
Proceeds from lease obligations	3,152,769	-	-	3,152,769
<b>Total Other Financing Sources (Uses)</b>	<u>152,769</u>	<u>-</u>	<u>3,000,000</u>	<u>3,152,769</u>
<b>Net Change in Fund Balances</b>	(317,444)	(53,984)	3,000,000	2,628,572
Fund Balances - Beginning of Year	4,097,828	204,642	-	4,302,470
Fund Balances - End of Year	<u>\$ 3,780,384</u>	<u>\$ 150,658</u>	<u>\$ 3,000,000</u>	<u>\$ 6,931,042</u>

The accompanying notes are an integral part of these financial statements.

OAKLAND INTERNATIONAL 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 - Governmental Funds \$ 2,628,572

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

Governmental funds report capital outlays as expenditures. However, in the  
 statement of activities, the cost of these assets is depreciated over their  
 estimated useful lives.

Capital outlay	5,581,539
Depreciation expense	(468,089)
Amortization expense	(413,500)

Repayment of principal is an expenditure in the governmental funds,  
 but not in the Academy Wide statement of activities

Obligation under right to use assets	469,675
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Lease proceeds are an other financing source in the governmental funds,  
 but not in the Academy Wide statement of activities

Obligation under right to use assets	(3,152,769)
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Change in Net Position of Governmental Activities (Academy Wide)	\$ 4,645,428
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The accompanying notes are an integral part of these financial statements.

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1--Summary of Significant Accounting Policies

Oakland International Academy was formed as a Charter School Academy pursuant to the Michigan School Code of 1976, as amended by Act 362 of the Public Acts of 1993 and Act No. 416 of the Public Acts of 1994. The Academy filed articles of incorporation as a nonprofit corporation pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982.

In 1999, the Academy entered into a five-year contract with Saginaw Valley State University to charter a public-school academy. The contract was extended through June 30, 2031. Under the terms of the contract, Oakland International Academy remains independent as a body corporate and governmental entity authorized by the Code. 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 Saginaw Valley State University Board of Trustees is the fiscal agent for the Academy and is responsible for overseeing the Academy's compliance with the contract and all applicable laws. The Academy pays the Saginaw Valley State University Board of Trustees three percent of unrestricted state aid as administrative fees. The total administrative fees incurred to the Saginaw Valley State University Board of Trustees for the year ended June 30, 2025, approximated \$565,149.

The Academy's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

A. Reporting Entity

The accompanying financial statements have been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational and financial relationships that determine which of the governmental organizations are a part of the Academy's reporting entity, and which organizations are legally separate component units of the Academy. The Academy has no component units.

B. Academy-Wide Statements

The statement of net position and the statement of activities display information about the Academy as a whole. The usual purpose of these statements is to distinguish between activities that are governmental and those that are considered business-type activities. Currently, all activities of the Academy are considered to be governmental.

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1--Summary of Significant Accounting Policies (continued)

B. Academy-Wide Statements (continued)

The Academy-wide statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. This basis is different from the manner in which the governmental fund financial statements are prepared. Therefore, reconciliations are included to identify the relationship between the Academy-wide statements and the statements for the governmental funds.

The Academy-wide statement of activities presents a comparison between program expenses and program revenues; revenues that are not classified as direct program revenues are presented as general revenues. The comparison of program expenses and revenues identifies the extent to which each program is self-financing or draws resources from the Academy.

The Academy-wide approach is focused more on the sustainability of the Academy as an entity and the change in the Academy's net position from the current year's activities.

C. Fund Financial Statements

The accounts of the Academy are organized on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following fund types are used by the Academy:

Governmental Funds

The governmental fund statements are prepared using the current resources measurement focus and the modified accrual basis of accounting. The fund approach is focused on the currently available resources and changes in the currently available resources of the Academy.

General Fund is the general operating fund of the Academy. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Academy maintains full control of this fund. The Special Revenue Fund maintained by the Academy is the Food Service Fund.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1--Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

Usually the emphasis in fund financial statements is on the major funds. The Academy has opted to display information for all funds without regard to the criteria for determination of major funds as determined by GASB 34. However, only the general fund and the capital projects fund met the criteria as a major fund.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Accounting basis relates to the timing of the measurements made regardless of the measurement focus applied.

Full Accrual

The full accrual basis of accounting requires recognition of revenues when earned and expenses when a liability is incurred, regardless of the timing of related cash flows. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. This method is used for the Academy-wide statements.

Modified Accrual

The modified accrual basis recognizes revenues when they are measurable and available, available means collectible with the current period or within 60 days after year-end. Expenditures are still recognized when incurred; however, principal and interest on long-term debt is recognized when payment is due. This method is used for the fund level statements.

The most significant difference between the full accrual basis of accounting and the modified accrual basis of accounting is the way in which capital assets and long-term debt are recognized. The full accrual basis of accounting recognizes purchases of capital assets as an asset and long-term debt proceeds as a liability (similar to a for-profit business). The modified accrual basis of accounting recognizes the purchase of capital assets as expenditures and long-term debt proceeds as other revenue sources.

Cash

Cash includes cash on hand and demand deposits.

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1--Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts

Receivables

Receivables consist of all revenues earned at year-end but not yet received.

Capital Assets and Depreciation

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The Academy does not possess infrastructure type assets. Depreciation on all assets is provided on the straight-line method over the following estimated useful lives:

Furniture and equipment	5-20 years
Leasehold improvements	3-15 years
Buildings	39 years
Vehicles	5-7 years

Accounts Payable

Accounts payable consist of items from which the Academy benefited during the current fiscal year but has not yet paid.

Unearned Revenue

Unearned revenue represents amounts for which the Academy has received, but has not yet earned. Unearned revenue is usually caused by the receipt of grant program revenues in excess of expenses/expenditures related to the grant. The revenues are deferred until the proceeds have been fully expensed/expended.

Due to Management Company

Due to Management Company consists of administrative fees and accrued expenditures that are due and payable for the current fiscal year.

Inter-fund Activity

Inter-fund activity is reported as transfers and is eliminated upon consolidation.

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1--Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Fund Balance

The Academy recognizes the following categories of fund balance:

- Non-spendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed – Amounts that have been formally set aside by the Board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Board.
- Assigned – Intent to spend resources on specific purposes expressed by the Board.
- Unassigned – Amounts that are available for any purpose.

As of June 30, 2025, the Academy's Food Service fund balance was restricted and the Capital Projects fund balance was assigned.

Net position flow assumption

Sometimes the Academy will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Academy's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the Academy will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Academy's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1--Summary of Significant Accounting Policies (continued)

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Academy had no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Academy had no items that qualified for reporting in this category.

Leases

The Academy is a lessee for noncancelable leases of two buildings and copy machines. The Academy recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The Academy recognizes lease liabilities with an initial, individual value of \$10,000 or more.

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

Key estimates and judgements related to leases include how the Academy determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease 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.
- The lease term includes the noncancelable period of the lease.

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1--Summary of Significant Accounting Policies (continued)

Leases (continued)

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 17, 2025, which is the date the financial statements were available to be issued.

NOTE 2--Stewardship, Compliance, and Accountability

The Academy formally adopted a General Fund and Food Service Fund budget by activity for the year ended June 30, 2025. State law requires the Academy to have its budget in place by July 1. Unexpended appropriations lapse at year-end; encumbrances are not formally recorded.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. Budgeted amounts presented in the financial statements are amended by the Board of Directors. State law permits Academies to amend their budgets during the year. The budgetary comparison presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level.

The Academy's expenditure budget variances are illustrated in the required supplemental information.

NOTE 3--Deposits and Investments

The Academy is authorized, by the State of Michigan, to deposit its fund in banks, savings and loan associations, or credit unions having a principal office in Michigan.

**OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3--Deposits and Investments (continued)**

The Academy is also authorized to invest in the following:

- a. Direct bonds and obligations of the U.S. or agency or instrumentality,
- b. CDs, savings accounts with banks, savings and loan associations, or credit unions which are insured with the applicable federal agency,
- c. Commercial paper – within three highest rate classifications by at least two rating services, maturing not later than 270 days,
- d. U.S. or agency repurchase agreements,
- e. Banker's acceptance of U.S. banks, and
- f. Mutual funds – investments which local unit can make directly.

As of year-end, the carrying amount of the Academy deposits was \$5,080,858 and the bank balances were \$5,284,977. The Academy had uninsured bank balances of \$5,026,008 at June 30, 2025. The Academy does not hold any investments and does not have an investment policy. However, the Board is in the process of adopting an investment policy.

**NOTE 4--Capital Assets and Accumulated Depreciation**

Capital asset activity of the Academy was as follows:

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Capital assets not subject to depreciation/amortization				
Land	\$ 139,740	\$ -	\$ -	\$ 139,740
Subtotal	<u>139,740</u>	<u>-</u>	<u>-</u>	<u>139,740</u>
Capital assets subject to depreciation/amortization				
Buildings and grounds	5,391,401	5,507,600	-	10,899,001
Construction in process	3,278,000	-	3,278,000	-
Right to use - leased facilities	2,546,115	3,152,769	2,546,115	3,152,769
Equipment and furniture	539,724	99,198	-	638,922
Right to use - leased equipment	47,556	-	-	47,556
Vehicles	517,753	99,972	-	617,725
Modular classrooms	304,550	-	-	304,550
Subtotal	<u>12,625,099</u>	<u>8,859,539</u>	<u>5,824,115</u>	<u>15,660,523</u>
Total capital assets	<u>12,764,839</u>	<u>8,859,539</u>	<u>5,824,115</u>	<u>15,800,263</u>
Accumulated depreciation/amortization				
Buildings and grounds	2,576,102	330,778	-	2,906,880
Equipment and furniture	445,776	42,377	-	488,153
Vehicles	144,093	87,125	-	231,218
Modular classrooms	109,326	7,809	-	117,135
Right to use - leased facilities	2,546,115	398,837	2,546,115	398,837
Right to use - leased equipment	1,219	14,663	-	15,882
Total accumulated depreciation/amortization	<u>5,822,631</u>	<u>881,589</u>	<u>2,546,115</u>	<u>4,158,105</u>
Total net capital assets	<u>\$ 6,942,208</u>	<u>\$ 7,977,950</u>	<u>\$ 3,278,000</u>	<u>\$ 11,642,158</u>

Allocation of depreciation and amortization to a specific program/function is not practical. Therefore, depreciation totaling \$468,089 and amortization totaling \$413,500 were not allocated for the year ended June 30, 2025.

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 5--Lease Commitments

The Academy rents building from the Iman Islamic Complex in Hamtramck under a lease agreement that ends on June 30, 2029, and calls for yearly rent of \$200,000. The Academy paid Iman Islamic Complex \$200,000 for rent during the year ended June 30, 2025. The Academy also rents a school building from the Archdiocese of Detroit. The lease with the Archdiocese ends on June 30, 2031. The agreement calls for monthly rent based on 10 percent of the students that attend the school face-to-face at that building based on fall student count. The lease agreement has a minimum yearly rent of \$175,000 plus \$25,000 for the use of the gymnasium. The Academy paid the Archdiocese \$363,100 for use of the building and the gymnasium for the year ended June 30, 2025.

The Academy also leases four copy machines. The lease agreements expire during the 2027-2028 school year and requires minimum monthly payments of \$1,295. The agreement also provides monthly usage-based charges if applicable.

NOTE 6--Risk Management

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. During the year ended June 30, 2025, the Academy carried commercial insurance for the above listed risks of loss.

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7--Management Agreement

On May 30, 2024, effective July 1, 2024, the Academy entered into a management agreement with Education and Management Networks, Inc. (EMAN). The agreement covered seven academic years and ends on June 30, 2031. Under terms of this agreement, EMAN is responsible (accountable to the Academy's Board of Directors) for the management of the school, the design of the school's educational program, strategic planning, public relations, and other special functions, to include financial services, assistance with compliance reporting, and assistance with the purchase of equipment and furniture. In exchange for these services, the Academy pays EMAN 12% of all revenues received by the Academy. The total management fee expensed by Oakland International Academy for the year ended June 30, 2025 was \$3,120,897.

NOTE 8--Long-term Debt

Annual debt service requirements for the Academy's lease obligations are illustrated below.

<u>Year ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 487,109	\$ 92,054	\$ 579,163
2027	505,189	73,993	579,182
2028	510,811	54,879	565,690
2029	527,006	37,464	564,470
2030	343,277	19,819	363,096
2031	356,018	7,078	363,096
	<u>\$ 2,729,410</u>	<u>\$ 285,287</u>	<u>\$ 3,014,697</u>

NOTE 9--Interfund – Receivables, Payables, and Transfers

The makeup of inter-fund balance is as follows:

<u>Fund</u>	<u>Due from General Fund</u>	<u>Fund</u>	<u>Due to Food Service</u>
Food service	\$ 150,658	General	\$ 150,658
	<u>\$ 150,658</u>		<u>\$ 150,658</u>

The makeup of transfers are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Fund</u>	<u>Transfer Out</u>
Capital projects	\$ 3,000,000	General	\$ 3,000,000
	<u>\$ 3,000,000</u>		<u>\$ 3,000,000</u>

The general fund transferred \$3,000,000 to the capital projects fund to fund capital project plans. The general fund is allowed to transfer 20% of unrestricted state aid to the capital projects fund. The transfer of \$3,000,000 did not exceed the 20% allowed.

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 10--Grant Programs

All grant programs are subject to a final audit from the grantor agency, the outcome of which may or not result in disallowed costs that the Academy may be required to be paid back.

NOTE 11--Upcoming Accounting Pronouncements

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

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

OAKLAND INTERNATIONAL ACADEMY  
NOTES TO THE FINANCIAL STATEMENTS

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NOTE 11--Upcoming Accounting Pronouncements (continued)

- 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 assets 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.

REQUIRED SUPPLEMENTAL INFORMATION

OAKLAND INTERNATIONAL ACADEMY  
Budgetary Comparison  
For the Year Ended June 30, 2025

	General Fund			Special Revenue Fund (Food Service)		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenue						
Local	\$ 994,869	\$ 1,490,722	\$ 1,160,754	\$ -	\$ -	\$ -
State	18,724,388	23,515,687	22,889,786	-	-	36,395
Federal	793,530	1,015,802	988,894	881,538	1,033,650	940,351
Incoming transfers	-	-	3,152,769	-	-	-
Total Revenues	20,512,787	26,022,211	28,192,203	881,538	1,033,650	976,746
Expenditures						
Instruction						
Basic programs	3,846,623	5,451,583	4,904,365	-	-	-
Added needs	5,086,628	6,230,437	6,039,768	-	-	-
Support services						
Pupil	624,236	739,862	644,906	-	-	-
Staff	1,174,023	1,411,347	1,169,328	-	-	-
Administration	1,382,820	1,669,021	1,417,283	-	-	-
Business	2,976,412	3,661,678	3,524,123	-	-	-
Operation and maintenance	4,529,900	4,916,202	6,667,830	-	-	-
Transportation	216,275	470,652	332,131	-	-	-
Central services	630,371	676,982	622,870	-	-	-
Community services	150,038	358,258	187,043	-	-	-
Food services	-	-	-	977,167	1,213,238	1,030,730
Outgoing transfers and other	50,425	-	3,000,000	-	-	-
Total Expenditures	20,667,751	25,586,022	28,509,647	977,167	1,213,238	1,030,730
Excess (Deficiency) of Revenues						
Over Expenditures	(154,964)	436,189	(317,444)	(95,629)	(179,588)	(53,984)
Fund Balance - Beginning of Year	4,097,828	4,097,828	4,097,828	204,642	204,642	204,642
Fund Balance - End of Year	\$ 3,942,864	\$ 4,534,017	\$ 3,780,384	\$ 109,013	\$ 25,054	\$ 150,658



Frederick C. Gardner  
Giacamo Provenzano  
Heather A. Thomas  
Brett A. Luplow

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*

September 17, 2025

To the Board of Directors  
Oakland International Academy  
Detroit, Michigan

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, each major fund, and the remaining fund information of Oakland International Academy, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Oakland International Academy's basic financial statements, and have issued our report thereon dated September 17, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Oakland International 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 Oakland International Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Oakland International 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.

To the Board of Directors  
Oakland International Academy  
Page Two

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 may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Oakland International 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.

*Murdin, Provenzano, Thomas & Lupton*

Certified Public Accountants  
Saginaw, Michigan