

**Audited Financial Statements**

# **Jackson Preparatory & Early College**

Jackson, Michigan

**June 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Jackson Preparatory & Early College

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson Preparatory & Early College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Jackson Preparatory & Early College'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 aggregate remaining fund information of Jackson Preparatory & Early College, as of June 30, 2023, 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 Jackson Preparatory & Early College 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.

#### **Adoption of New Accounting Standard**

As described in Note 9 to the financial statements, in 2023, the Academy adopted new accounting guidance, GASB Statement No. 96, *Subscription-based IT Arrangements*. Our opinion is not modified with respect to this matter.

#### **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 Jackson Preparatory & Early College'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 Jackson Preparatory & Early College'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 Jackson Preparatory & Early College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as detailed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Jackson Preparatory & Early College's basic financial statements. The accompanying additional supplementary information, as identified in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, on our consideration of Jackson Preparatory & Early College'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 Jackson Preparatory & Early College'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 Jackson Preparatory & Early College's internal control over financial reporting and compliance.



Croskey Lanni, PC

Rochester, Michigan  
September 25, 2023



**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 Jackson Preparatory & Early College**

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 aggregate remaining fund information of Jackson Preparatory & Early College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Jackson Preparatory & Early College's basic financial statements, and have issued our report thereon dated September 25, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Jackson Preparatory & Early College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jackson Preparatory & Early College's internal control. Accordingly, we do not express an opinion on the effectiveness of Jackson Preparatory & Early College's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Jackson Preparatory & Early College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Croskey Lanni, PC

Rochester, Michigan  
September 25, 2023

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

This section of Jackson Preparatory and Early College’s, “JPEC”, annual financial report presents our discussion and analysis of the school’s financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the school’s financial statements, which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

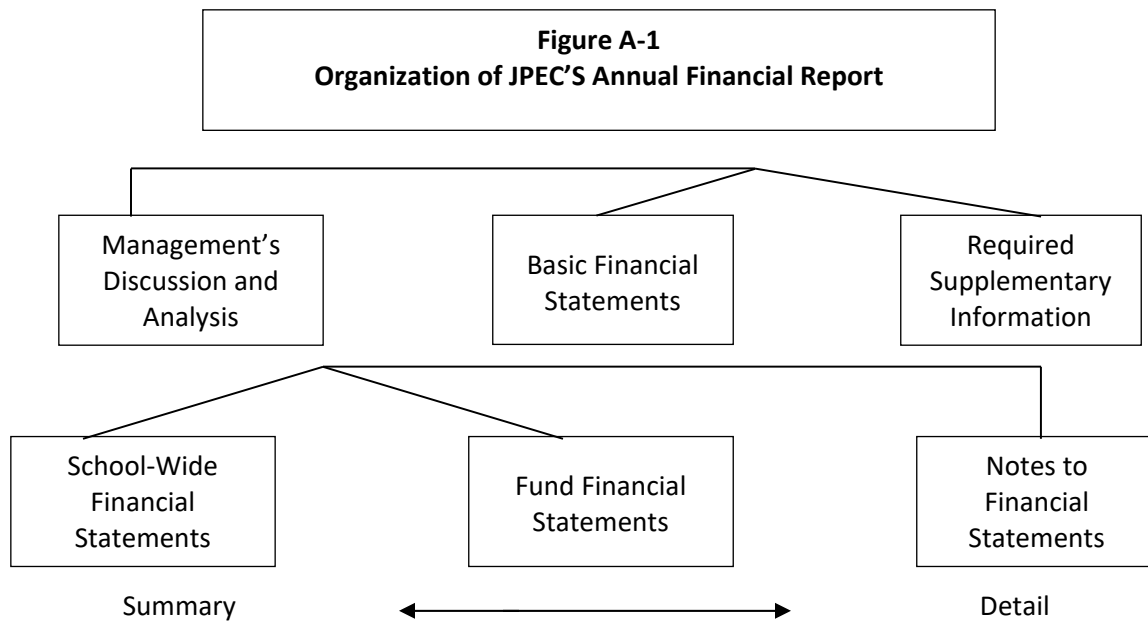
- ❖ The school’s financial position remains positive after the Academy’s ninth year of operation.
- ❖ The total cost of instructional programs was \$1,797,259 or 54% of total revenue.
- ❖ Revenues on a modified accrual basis were at \$3,329,425 while expenditures were \$3,131,050 (excluding capital outlay, debt principal and interest).
- ❖ Blended enrollment used for state aid purposes was 291.66 compared to 322.40 last year.
- ❖ The school decreased its fund balance in the General Fund from \$1,410,708 to \$1,353,441.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The financial statements include two kinds of statements that present different views of the school:

- The first two statements are school-wide financial statements that provide both short-term and long-term information about the school’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the school, reporting the school’s operations in more detail.
- The governmental fund statements tell how basic services like regular and special education were financed.
- Fiduciary funds statements provide information about the financial relationships in which the school acts solely as a trustee or agent for the benefit of others. These consist of student activity funds held by the school on behalf of the student group.





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

**Figure A-2  
Major Features of School-Wide and Fund Financial Statements**

	<b>School-Wide Statements</b>	<b>Government Funds</b>
Scope	Entire school (except fiduciary funds)	The activities of the school that are not proprietary or fiduciary, such as special education and building maintenance.
Required Financial Statements	*Statement of net position *Statement of activities	*Balance sheet *Statement of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when good or services have been received and the related liability is due and payable

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

## **SCHOOL-WIDE STATEMENTS**

The school-wide statements report information about the school as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the school's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two school-wide statements report the school's net position and how it has changed. Net position – the difference between the school's assets, deferred outflows, liabilities, and deferred inflows – are one way to measure the school's financial health or position.

- ❖ Over time, increases or decreases in the school's position is an indicator of whether its financial position is improving or deteriorating, respectively.
- ❖ To assess the overall health of the school, you need to consider additional non-financial factors such as changes in the school's enrollment and the condition of school buildings and other facilities.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the school's funds, focusing on its most significant or "major" funds – not the school as a whole. Funds are accounting devices the school uses to keep track of specific sources of funding and spending on particular programs:

- ❖ *Governmental activities* – Most of the school's basic services are included in the general fund, such as regular and special education and administration. State foundation aid finances most of these activities.
- ❖ The school establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues.

The school has one kind of fund:

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

## **FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE**

The comparison of current year to prior year financial information is on the following pages. See Tables A-3 and A-4. The fiscal year ending June 30, 2023 was the school's ninth year of operations. The school's beginning net position of \$1,405,705 decreased by \$52,264 during the year.

### **School Governmental**

The stability of the school's finances is a result of the following measures:

- ❖ Expenditure control that aligns with revenue received from the state.
- ❖ Enhancing classroom learning experiences by a combination of highly qualified teachers and specialized educational software and programming will continue to maintain steady JPEC enrollment.

### **General Fund Budgetary Analysis**

Over the course of the year, the school revised the general fund operating budget when necessary. Adjustments were made to re-align changes in enrollment, funding, staffing, instructional needs and operational costs.

### **Financial Outlook**

JPEC's financial forecast is fairly positive heading into the 2023-24 school year as the school expects enrollment to stabilize and the continuation of steady state funding. These factors were taken into account by school management during budget preparation and expect no significant impact to the school's fund balance.

Table A-3  
JPEC's Net Position

	<u>2023</u>	<u>2022*</u>
Current and other assets	\$ 1,524,238	\$ 1,609,284
Capital assets	<u>281,276</u>	<u>457,301</u>
Total assets	1,805,514	2,066,585
Long-term debt outstanding	281,276	462,304
Other liabilities	<u>170,797</u>	<u>198,576</u>
Total liabilities	452,073	660,880
Net position		
Net investment (deficit) in capital assets	-	(5,003)
Unrestricted	<u>1,353,441</u>	<u>1,410,708</u>
Total net position	<u>\$ 1,353,441</u>	<u>\$ 1,405,705</u>

\* The 2022 figures have not been updated for the adoption of GASB 96

Table A-4  
Changes in JPEC's Net Position

	<u>2023</u>	<u>2022*</u>
Revenues		
Program revenues:		
Charges for services	\$ -	\$ -
Federal and state operating grants	538,134	505,375
General revenues:		
State aid - unrestricted	2,729,356	2,807,410
Miscellaneous	61,935	33,815
Total revenues	<u>3,329,425</u>	<u>3,346,600</u>
Expenses		
Instruction	1,797,259	1,856,080
Support services	1,333,791	1,294,731
Unallocated interest	5,740	15,700
Unallocated depreciation / amortization	244,899	232,759
Total expenses	<u>3,381,689</u>	<u>3,399,270</u>
Change in net position	<u>\$ (52,264)</u>	<u>\$ (52,670)</u>

\* The 2022 figures have not been updated for the adoption of GASB 96

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

As of June 30, 2023, JPEC had a capital asset in the forms of a right of use facility and subscription-based IT with a combined net book value of \$281,276 as of June 30, 2023. See Note 5 to these financial statements for more detail.

#### **Long-Term Debt**

At year end the Academy had a right of use building and subscription-based IT obligation of \$281,276 as described in Note 7 to the financial statements.

### **FACTORS BEARING ON THE SCHOOL'S FUTURE**

- ❖ Improvement of enrollment trends
- ❖ State revenue instability

### **CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our students, parents and creditors with a general overview of the school's finances and to demonstrate the school's accountability for the money it receives. If you have questions about this report or need additional information, contact the school's office at:

Jackson Preparatory and Early College, 2111 Emmons Road, Jackson, MI 49201

# JACKSON PREPARATORY & EARLY COLLEGE

## STATEMENT OF NET POSITION JUNE 30, 2023

### ASSETS

#### Current Assets

Cash and cash equivalents	\$	837,513
Due from other governmental units		681,723
Prepaid expenses		<u>5,002</u>
Total current assets		1,524,238

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

281,276

Total assets \$ 1,805,514

### LIABILITIES AND NET POSITION

#### Current Liabilities

Accounts payable	\$	2,094
Unearned revenue		31,214
Other accrued expenses		137,489
Long-term debt - current portion		<u>239,288</u>
Total current liabilities		410,085

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

41,988

#### Net Position

Unrestricted		<u>1,353,441</u>
Total liabilities and net position	\$	<u>1,805,514</u>

See accompanying notes to financial statements

## JACKSON PREPARATORY & EARLY COLLEGE

### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues		Net (Expense) Revenues and Changes in Net Position Government Type Activities
	Expenses	Charges for Services	Operating Grants	
<b>Functions</b>				
Instruction				
Basic programs	\$ 1,590,339	\$ -	\$ 345,643	\$ (1,244,696)
Added needs	206,920	-	53,564	(153,356)
Support services				
Pupil support services	101,061	-	101,061	-
Instructional staff support services	32,354	-	37,866	5,512
General administration	489,541	-	-	(489,541)
School administration	129,084	-	-	(129,084)
Business support services	212,423	-	-	(212,423)
Operations and maintenance	123,417	-	-	(123,417)
Pupil transportation services	24,976	-	-	(24,976)
Central support services	137,529	-	-	(137,529)
Other activities	9,838	-	-	(9,838)
Athletic activities	73,568	-	-	(73,568)
Unallocated depreciation / amortization	244,899	-	-	(244,899)
Unallocated interest	5,740	-	-	(5,740)
Total primary government	\$ 3,381,689	\$ -	\$ 538,134	(2,843,555)
<b>General Purpose Revenues</b>				
State school aid - unrestricted				2,729,356
Miscellaneous revenues				61,935
Total general purpose revenues				2,791,291
Change in net position				(52,264)
Net position - July 1, 2022				1,405,705
Net position - June 30, 2023				\$ 1,353,441

See accompanying notes to financial statements

# JACKSON PREPARATORY & EARLY COLLEGE

## COMBINED BALANCE SHEET – ALL GOVERNMENTAL FUNDS JUNE 30, 2023

### ASSETS

Cash and cash equivalents	\$	837,513
Due from other governmental units		681,723
Prepaid expenses		<u>5,002</u>
Total assets	\$	<u><u>1,524,238</u></u>

### LIABILITIES AND FUND BALANCE

#### Liabilities

Accounts payable	\$	2,094
Unearned revenue		31,214
Other accrued expenses		<u>137,489</u>
Total liabilities		170,797

#### Fund Balance

Nonspendable prepaid expenses		5,002
Assigned		174,738
Unassigned		<u>1,173,701</u>
Total fund balance		<u>1,353,441</u>
Total liabilities and fund balance	\$	<u><u>1,524,238</u></u>

See accompanying notes to financial statements

**JACKSON PREPARATORY & EARLY COLLEGE**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION  
OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2023

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

<b>Total Governmental Fund Balances</b>	\$ 1,353,441
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$738,610 and the accumulated depreciation / amortization is \$457,334.	281,276
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(281,276)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 1,353,441</u></u>



## JACKSON PREPARATORY & EARLY COLLEGE

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ALL GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED JUNE 30, 2023

#### Revenues

Local sources	\$ 61,935
State sources	2,869,166
Federal sources	365,666
Interdistrict sources	<u>32,658</u>
 Total governmental fund revenues	 3,329,425

#### Expenditures

Instruction	
Basic programs	1,590,339
Added needs	206,920
Support services	
Pupil support services	101,061
Instructional staff support services	32,354
General administration	489,541
School administration	129,084
Business support services	212,423
Operations and maintenance	123,417
Pupil transportation services	24,976
Central support services	137,529
Other activities	9,838
Athletic activities	73,568
Capital outlay	49,875
Debt principal and interest	<u>255,642</u>
 Total governmental fund expenditures	 <u>3,436,567</u>

Excess (deficiency) of revenues over expenditures	(107,142)
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#### Other Financing Sources (Uses)

Proceeds from leases	<u>49,875</u>
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Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(57,267)
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Fund balance - July 1, 2022	<u>1,410,708</u>
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Fund balance - June 30, 2023	<u><u>\$ 1,353,441</u></u>
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See accompanying notes to financial statements

## JACKSON PREPARATORY & EARLY COLLEGE

### 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, 2023

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	(57,267)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital outlay	\$	49,875	
Depreciation and amortization expense		<u>(244,899)</u>	(195,024)

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

Proceeds from leases	\$	(49,875)	
Repayment of loan principal		<u>249,902</u>	<u>200,027</u>

<b>Change in Net Position of Governmental Activities</b>	\$	<u>(52,264)</u>
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# JACKSON PREPARATORY & EARLY COLLEGE

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

#### **Reporting Entity**

Jackson Preparatory & Early College 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 2014.

In July 2022, the Academy renewed a contract with Jackson College Board of Trustees to charter a public school academy expiring on June 30, 2032. 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 College 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 Jackson College Board of Trustees three percent of state aid as administrative fees. Total administrative fees paid for the year ended June 30, 2023 were approximately \$87,000. Amounts owed to the authorizer maintained within other accrued expenses as of June 30, 2023 are approximately \$15,700. All personnel are leased through a third party.

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

#### **Fund Financial Statements**

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

#### **Basis of Presentation – Fund Accounting**

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

## JACKSON PREPARATORY & EARLY COLLEGE

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

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

#### Governmental Funds

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

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

**Special Revenue Fund (Food Service)** - The special revenue fund, which the Academy does not currently maintain, is used to account for the food service program operations. The special revenue fund is a subsidiary operation and is an obligation of the general fund. Therefore, any shortfall in the special revenue fund will be covered by an operating transfer from the general fund. The special revenue fund does not maintain its own assets and liabilities; accordingly, no balance sheet is presented for this fund.

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

**Capital Projects Fund** - The capital projects fund, which the Academy does not currently maintain, accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities.

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

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

## **JACKSON PREPARATORY & EARLY COLLEGE**

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

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

#### **Government-Wide Financial Statements**

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

The government-wide Statement of Activities presents a comparison between expenses and program revenues 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. When both restricted and unrestricted resources are available for use, it is the Academy's policy to use restricted resources first.

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

#### **Cash and Cash Equivalents**

The Academy's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition. The Academy reports its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and GASB No. 40, Deposit and Investment Risk Disclosures.

Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the Academy intends to hold the investment until maturity.

## JACKSON PREPARATORY & EARLY COLLEGE

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

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

The Academy held no investments during the year ended June 30, 2023. State statutes authorize the Academy to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, saving accounts, deposit accounts, and or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Academy is also authorized to invest in U.S. Government or Federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

#### Receivables

Receivables at June 30, 2023 consist primarily of state school aid due from the State of Michigan and the federal government. All receivables are expected to be fully collected in July and August of 2023 and are considered current for the purposes of these financial statements.

#### Prepaid Assets

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

#### Capital Assets and Depreciation

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions or retirements during the year. The Academy follows the policy of not capitalizing assets with a useful life of less than one year or an original cost less than \$5,000. The Academy does not possess any infrastructure assets.

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

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

#### Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of capital leases that will be paid from governmental funds are reported as a liability in the fund financial

## JACKSON PREPARATORY & EARLY COLLEGE

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

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

statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

#### Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors or laws of regulations of other governments.

#### Fund Equity

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

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

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

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

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

## JACKSON PREPARATORY & EARLY COLLEGE

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

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

#### Leases

##### *Leases and Subscription Based IT Arrangements (SBITA)*

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

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

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

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

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

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

#### Estimates

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



## JACKSON PREPARATORY & EARLY COLLEGE

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

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

#### Upcoming Accounting Pronouncements

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

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

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the Academy to have its budget in place by July 1. Expenditures in excess of amounts budgeted is a violation of Michigan Law. The Academy is required by law to adopt a general fund budget. During the year ended June 30, 2023 the budget was amended in a legally permissible manner. Comparison of budget versus actual for the year ended June 30, 2023 is detailed on page 19 of these financial statements.

### NOTE 3 - DEPOSITS AND INVESTMENTS

#### Interest Rate Risk

In accordance with its investment policy, the Academy will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell

## **JACKSON PREPARATORY & EARLY COLLEGE**

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

### **NOTE 3 - DEPOSITS AND INVESTMENTS - Continued**

securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Academy's cash requirements.

#### **Credit Risk**

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2023, the Academy held no investments

#### **Concentration of Credit Risk**

The Academy will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Academy's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

#### **Custodial Credit Risk - Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. As of June 30, 2023, \$717,825 of the Academy's cash was exposed to custodial credit risk. All cash balances were uncollateralized as of June 30, 2023.

#### **Custodial Credit Risk - Investments**

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

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

#### **Foreign Currency Risk**

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

#### **Fair Value**

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

## JACKSON PREPARATORY & EARLY COLLEGE

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

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

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

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

### NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of the following:

State sources	\$ 525,938
Federal sources	<u>155,785</u>
Total	<u><u>\$ 681,723</u></u>

## JACKSON PREPARATORY & EARLY COLLEGE

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 5 - CAPITAL ASSETS

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

	<b>As Restated Balance July 1, 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance June 30, 2023</b>
Capital assets subject to depreciation /amortization				
Right to use - assets	\$ 690,060	\$ 49,875	\$ 20,324	\$ 719,611
Right to use - subscription-based IT	18,999	-	-	18,999
Sub-total	709,059	49,875	20,324	738,610
Accumulated depreciation / amortization				
Right to use - assets	232,759	238,977	20,324	451,412
Right to use - subscription-based IT	-	5,922	-	5,922
Sub-total	232,759	244,899	20,324	457,334
Total net capital assets	<u>\$ 476,300</u>	<u>\$ (195,024)</u>	<u>\$ -</u>	<u>\$ 281,276</u>

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

### NOTE 6 – OTHER ACCRUED EXPENSES

Other accrued expenses are summarized as follows:

Purchased services - payroll and benefits	\$ 111,810
University oversight fee	15,707
Other	<u>9,972</u>
Total other accrued expenses	<u>\$ 137,489</u>

## JACKSON PREPARATORY & EARLY COLLEGE

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 7 – LONG-TERM OBLIGATIONS PAYABLE

Long-term obligations as of June 30, 2023 can be summarized as follows:

#### Loan Information

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Other</u>
Direct borrowing - building	3.00%	June, 2024	Payable monthly at \$18,583 to Jackson College
Direct borrowing - copier	3.00%	June, 2023	Payable monthly at \$871
Direct borrowing - subscription based IT	3.00%	Various	Multiple arrangements with total payable monthly at \$517

#### Loan Activity

	<u>As Restated Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements and Payments</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Direct borrowing - building	\$ 452,016	\$ -	\$ 228,150	\$ 223,866	\$ 223,866
Direct borrowing - copier	10,288	49,875	15,830	44,333	9,500
Direct borrowing - subscription based IT	18,999	-	5,922	13,077	5,922
Total	<u>\$ 481,303</u>	<u>\$ 49,875</u>	<u>\$ 249,902</u>	<u>\$ 281,276</u>	<u>\$ 239,288</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 239,288	\$ 10,171	\$ 249,459
2025	12,230	1,127	13,357
2026	12,096	755	12,851
2027	11,631	570	12,201
2028	6,031	805	6,836

### 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 the commercial insurance have not exceeded the amount of insurance coverage for the past three fiscal years.

## JACKSON PREPARATORY & EARLY COLLEGE

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2023

### NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2023, the Academy implemented the following new pronouncement: GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

#### Summary:

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements* was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The restatement of the beginning of year had no impact on net position. The change for capital assets and long-term obligations is as follows:

	<u>Capital Assets</u>	<u>Long Term Obligations</u>
Balances as of July 1, 2022, as previously stated	\$ 457,301	\$ 462,304
Adoption of GASB Statement 96	<u>18,999</u>	<u>18,999</u>
Balances as of July 1, 2022, as restated	<u>\$ 476,300</u>	<u>\$ 481,303</u>

## SUPPLEMENTARY INFORMATION

## JACKSON PREPARATORY & EARLY COLLEGE

### REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local sources	\$ 30,000	\$ 54,640	\$ 61,935	\$ 7,295
State sources	2,890,304	2,866,359	2,869,166	2,807
Federal sources	302,635	381,047	365,666	(15,381)
Interdistrict sources	39,000	32,658	32,658	-
Total general fund revenues	3,261,939	3,334,704	3,329,425	(5,279)
<b>Expenditures</b>				
Instruction				
Basic programs	1,505,428	1,549,772	1,590,339	40,567
Added needs	173,315	218,859	206,920	(11,939)
Support Services				
Pupil support services	62,490	120,634	101,061	(19,573)
Instructional staff support services	177,810	192,517	32,354	(160,163)
General administration	449,510	482,340	489,541	7,201
School administration	104,450	130,450	129,084	(1,366)
Business support services	176,720	224,846	212,423	(12,423)
Operations and maintenance	281,704	118,516	123,417	4,901
Pupil transportation services	25,000	24,976	24,976	-
Central support services	147,610	269,462	137,529	(131,933)
Other activities	11,000	42,650	9,838	(32,812)
Athletic activities	70,451	75,128	73,568	(1,560)
Capital outlay	-	-	49,875	49,875
Debt principal and interest	-	95,673	255,642	159,969
Total general fund expenditures	3,185,488	3,545,823	3,436,567	(109,256)
Excess (deficiency) of revenues over expenditures	76,451	(211,119)	(107,142)	103,977
<b>Other Financing Sources (Uses)</b>				
Proceeds from leases	-	95,673	49,875	(45,798)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	76,451	(115,446)	(57,267)	58,179
Fund balance - July 1, 2022	1,410,708	1,410,708	1,410,708	-
Fund balance - June 30, 2023	<u>\$ 1,487,159</u>	<u>\$ 1,295,262</u>	<u>\$ 1,353,441</u>	<u>\$ 58,179</u>



# JACKSON PREPARATORY & EARLY COLLEGE

## SCHEDULE OF REVENUES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

### Local Sources

Earnings on investments	\$ 2,467
Student activities	11,006
Other local revenues	<u>48,462</u>
Total local sources	61,935

### State Sources

At risk	118,904
Special education	20,906
State aid	<u>2,729,356</u>
Total state sources	2,869,166

### Federal Sources

Title I	64,208
Title II A	7,972
Title IV	12,051
Other program revenue	<u>281,435</u>
Total federal sources	365,666

### Interdistrict Sources

	<u>32,658</u>
Total general fund revenues	<u><u>\$ 3,329,425</u></u>

## JACKSON PREPARATORY & EARLY COLLEGE

### SCHEDULE OF EXPENDITURES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

#### Basic Programs

Purchased services	\$ 1,511,550
Supplies and materials	77,928
Non-depreciable capital assets	<u>861</u>
Total basic programs	1,590,339

#### Added Needs

Purchased services	110,726
Supplies and materials	<u>96,194</u>
Total added needs	206,920

#### Pupil Support Services

Guidance services	67,536
Psychological services	<u>33,525</u>
Total pupil support services	101,061

#### Instructional Staff Support Services

Purchased services	11,172
Supplies and materials	<u>21,182</u>
Total instructional staff support services	32,354

#### General Administration

Purchased services	487,425
Supplies and materials	1,992
Other expenditures	<u>124</u>
Total general administration	489,541

#### School Administration

Purchased services	128,634
Other expenditures	<u>450</u>
Total school administration	129,084

# JACKSON PREPARATORY & EARLY COLLEGE

## SCHEDULE OF EXPENDITURES – GENERAL FUND - Continued FOR THE YEAR ENDED JUNE 30, 2023

### Business Support Services

Purchased services	212,349
Other expenditures	74
	<hr/>
Total business support services	212,423

### Operations and Maintenance

Purchased services	51,768
Repairs and maintenance	21,762
Rentals	7,835
Supplies and materials	42,052
	<hr/>
Total operations and maintenance	123,417

### Pupil Transportation Services

Purchased services	24,976
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### Central Support Services

Purchased services	96,883
Non-depreciable capital assets	2,310
Other expenditures	38,336
	<hr/>
Total central support services	137,529

### Other Activities

Other purchased services	7,578
Supplies and materials	2,260
	<hr/>
Total other activities	9,838

### Athletic Activities

Purchased services	55,489
Supplies and materials	5,648
Other expenditures	12,431
	<hr/>
Total athletic activities	73,568

### Capital Outlay

49,875

### Debt Principal and Interest

255,642

Total general fund expenditures	<hr/> <hr/>
	\$ 3,436,567