

Audited Financial Statements

Momentum Academy

Waterford, Michigan

June 30, 2025

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Independent Auditors' Report

Board of Directors and Management
Momentum Academy

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Momentum Academy (the "Academy"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Academy, as of June 30, 2025, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. The accompanying supplementary information, as identified in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Rochester, MI
December 5, 2025



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**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

To the Board of Directors and Management of
Momentum Academy

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Momentum Academy (the "Academy"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated December 5, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Rochester, MI

December 5, 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS

Momentum Academy (the “School”) offers readers of the School’s basic financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2025.

Management’s discussion and analysis is included at the beginning of the School’s basic financial statements to provide, in layman’s terms, the past and current position of the School’s financial condition. This summary should not be taken as a replacement for the audit which consists of the basic financial statements and other supplementary information. Please read it in conjunction with the school’s financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

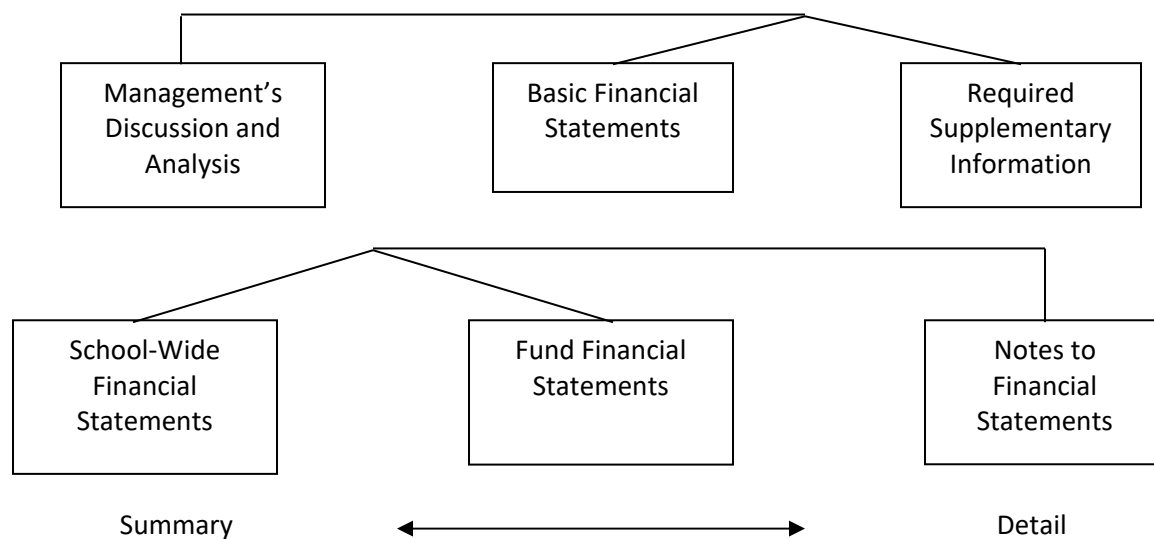
- ❖ The total cost of basic programs was \$1,183,207.
- ❖ Revenues and other financing sources were \$3,233,818 while expenditures were \$3,233,155 in the General Fund. This includes GASB 87 accounting for a copier lease valued at \$20,262 over the life of the lease caused offsetting proceeds from leases income and a capital outlay expenditure in the General Fund.
- ❖ Fiscal year 2024/2025 blended enrollment used for state aid purposes was 217.11 compared to 210.99 for the 2023/2024 fiscal year. This represents an increase of approximately 6 students.
- ❖ The school has a positive General Fund balance of \$345,856 as of June 30, 2025. This is equal to 10.76% of the General Fund revenues for the year, excluding lease proceeds discussed above.

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 basic 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 Academy, and reporting Academy operations in more detail.
- ❖ The governmental fund statements tell how basic services like regular and special education were financed.

Figure A-1
Organization of MOM's Annual Financial Report



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

	School-Wide Statements	Government Funds
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 year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

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 Academy assets and liabilities. All current year 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 Academy's net position and how it has changed. Net position – the difference between the school's assets and liabilities – are one way to measure the school's financial health or position.

- ❖ Over time, increases or decreases in the school's assets are 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 school's financial position is the product of many factors.

General Fund Budgetary Analysis

Over the course of the year, the school reviewed and amended the annual operating budget several times.

Financial Outlook

Momentum Academy's financial forecast continues to be optimistic heading into the 2025/2026 school year.

- ❖ The Academy has adopted an initial budget for the fiscal year ending June 30, 2026 which approves a \$1,285 increase to the general fund balance.
- ❖ Enrollment is conservatively budgeted to increase approximately 4 students for the 2025-2026 school year.

Figure A-3
Momentum Academy's Net Position

	2025	2024
Current and other assets	\$ 1,749,434	\$ 1,643,519
Capital assets	<u>314,113</u>	<u>390,122</u>
Total assets	2,063,547	2,033,641
Long-term debt outstanding	203,291	273,924
Other liabilities	<u>1,443,709</u>	<u>1,303,762</u>
Total liabilities	1,647,000	1,577,686
Net position:		
Net investment in capital assets	21,341	35,287
Restricted for food services	49,350	75,475
Unrestricted	<u>345,856</u>	<u>345,193</u>
Total net position	<u><u>\$ 416,547</u></u>	<u><u>\$ 455,955</u></u>

Figure A-4
Changes in Momentum Academy's Net Position

	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ -	\$ -
Federal and state operating grants	1,118,215	1,406,876
General revenues:		
State aid – unrestricted	2,304,200	2,223,302
Miscellaneous	16,104	22,019
Total revenues	3,438,519	3,652,197
Expenses:		
Instruction	1,621,318	1,710,340
Support services and community services	1,710,361	1,789,864
Interest on long-term debt	19,705	21,634
Unallocated depreciation / amortization	126,543	145,342
Total expenses	3,477,927	3,667,180
Change in net position	\$ (39,408)	\$ (14,983)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By June 30, 2025, the school had invested \$880,810 in capital assets, including improvements, equipment, furniture, computers and software, and GASB 87 Right to use assets (as discussed in Note 1 – Leases, in these financial statements). These assets are generally subject to amortization/depreciation. See Table A-5 below for a listing of capital assets, and the accumulated depreciation.

Figure A-5
Momentum Academy's Capital Assets

	Balance June 30, 2025	Balance June 30, 2024
Equipment	\$ 167,395	\$ 137,123
Computers	133,846	133,846
Other	26,260	26,260
Right to use assets	553,309	533,047
Sub-total	880,810	830,276
Less: accumulated depreciation / amortization	566,697	440,154
Net book value of assets	\$ 314,113	\$ 390,122

FACTORS BEARING ON THE SCHOOL'S FUTURE

- ❖ Successful navigation of the current learning environment.
- ❖ Increasing enrollment in future years.
- ❖ Continued stability of State aid foundation grant.

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 management office at:

The Romine Group 7877 Stead, Utica, MI 48317 (586) 731-5300

MOMENTUM ACADEMY

STATEMENT OF NET POSITION JUNE 30, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 827,986
Due from other governmental units	904,439
Prepaid expenses	<u>17,009</u>
Total current assets	1,749,434

Capital Assets - Net of Accumulated Depreciation / Amortization

314,113

Total assets	<u><u>\$ 2,063,547</u></u>
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LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	\$ 651,999
Unearned revenue	431,340
Other accrued liabilities	270,889
Long-term debt - current portion	<u>89,481</u>
Total current liabilities	1,443,709

Long-Term Debt - Long-Term Portion

203,291

Net Position

Net investment in capital assets	21,341
Restricted for food services	49,350
Unrestricted	<u>345,856</u>
Total net position	<u>416,547</u>
Total liabilities and net position	<u><u>\$ 2,063,547</u></u>

See accompanying notes to financial statements

MOMENTUM ACADEMY

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues		Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Government Type Activities
Functions				
Instruction				
Basic programs	\$ 1,183,207	\$ -	\$ 312,696	\$ (870,511)
Added needs	438,111	-	378,596	(59,515)
Support services				
Pupil support services	146,255	-	44,391	(101,864)
Instructional staff support services	28,328	-	17,879	(10,449)
General administration	352,023	-	-	(352,023)
School administration	202,702	-	3,000	(199,702)
Business support services	23,880	-	-	(23,880)
Operations and maintenance	540,116	-	87,550	(452,566)
Pupil transportation services	149,529	-	41,725	(107,804)
Central support services	15,940	-	6,719	(9,221)
Food services	251,088	-	225,159	(25,929)
Community services	500	-	500	-
Unallocated depreciation / amortization	126,543	-	-	(126,543)
Unallocated interest	19,705	-	-	(19,705)
Total primary government	<u>\$ 3,477,927</u>	<u>\$ -</u>	<u>\$ 1,118,215</u>	<u>(2,359,712)</u>
General Purpose Revenues				
State school aid - unrestricted				2,304,200
Miscellaneous revenues				<u>16,104</u>
Total general purpose revenues				<u>2,320,304</u>
Change in net position				(39,408)
Net position - July 1, 2024				<u>455,955</u>
Net position - June 30, 2025				<u>\$ 416,547</u>

See accompanying notes to financial statements

MOMENTUM ACADEMY

COMBINED BALANCE SHEET – ALL GOVERNMENTAL FUNDS JUNE 30, 2025

ASSETS

		Non-Major Special Revenue -	
	General	Food Services	Total
Cash and cash equivalents	\$ 827,986	\$ -	\$ 827,986
Due from other governmental units	904,439	-	904,439
Due from other funds	-	49,350	49,350
Prepaid expenses	17,009	-	17,009
Total assets	<u>\$ 1,749,434</u>	<u>\$ 49,350</u>	<u>\$ 1,798,784</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$ 651,999	\$ -	\$ 651,999
Due to other funds	49,350	-	49,350
Unearned revenue	431,340	-	431,340
Other accrued liabilities	270,889	-	270,889
Total liabilities	1,403,578	-	1,403,578

Fund Balance

Nonspendable	17,009	-	17,009
Restricted	-	49,350	49,350
Unassigned	328,847	-	328,847
Total fund balance	<u>345,856</u>	<u>49,350</u>	<u>395,206</u>
Total liabilities and fund balance	<u>\$ 1,749,434</u>	<u>\$ 49,350</u>	<u>\$ 1,798,784</u>

See accompanying notes to financial statements

MOMENTUM ACADEMY

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

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

Total Governmental Fund Balances	\$ 395,206
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$880,810 and the accumulated depreciation / amortization is \$566,697.	314,113
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(292,772)</u>
Net Position of Governmental Activities	<u>\$ 416,547</u>

See accompanying notes to financial statements

MOMENTUM ACADEMY

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

	<u>General</u>	<u>Non-Major Special Revenue - Food Services</u>	<u>Total</u>
Revenues			
Local sources	\$ 16,104	\$ -	\$ 16,104
State sources	2,948,895	5,615	2,954,510
Federal sources	183,442	219,348	402,790
Interdistrict sources	<u>65,115</u>	<u>-</u>	<u>65,115</u>
Total governmental fund revenues	3,213,556	224,963	3,438,519
Expenditures			
Instruction			
Basic program	1,183,207	-	1,183,207
Added needs	438,111	-	438,111
Support services			
Pupil support services	146,255	-	146,255
Instructional staff support services	28,328	-	28,328
General administration	352,023	-	352,023
School administration	202,702	-	202,702
Business support services	23,880	-	23,880
Operations and maintenance	540,116	-	540,116
Pupil transportation services	149,529	-	149,529
Central support services	15,940	-	15,940
Food services	-	251,088	251,088
Community services	500	-	500
Capital outlay	50,534	-	50,534
Debt principal and interest	<u>102,030</u>	<u>-</u>	<u>102,030</u>
Total governmental fund expenditures	<u>3,233,155</u>	<u>251,088</u>	<u>3,484,243</u>
Excess (deficiency) of revenues over expenditures	(19,599)	(26,125)	(45,724)
Other Financing Sources (Uses)			
Lease issued	<u>20,262</u>	<u>-</u>	<u>20,262</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	663	(26,125)	(25,462)
Fund balance - July 1, 2024	<u>345,193</u>	<u>75,475</u>	<u>420,668</u>
Fund balance - June 30, 2025	<u><u>\$ 345,856</u></u>	<u><u>\$ 49,350</u></u>	<u><u>\$ 395,206</u></u>

See accompanying notes to financial statements

MOMENTUM 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

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

Net Change in Fund Balances - Total Governmental Funds	\$	(25,462)
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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	\$	50,534	
Depreciation and amortization expense		<u>(126,543)</u>	(76,009)

The governmental funds report loan proceeds and lease issued as an other financing source, while repayment of 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:

Lease issued	\$	(20,262)	
Repayment of principal		<u>82,325</u>	<u>62,063</u>

Change in Net Position of Governmental Activities	\$	<u>(39,408)</u>
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MOMENTUM ACADEMY

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

Momentum Academy was formed as a public school academy pursuant to the Michigan School Code of 1976, as amended by Act No. 362 of the Public Acts of 1993 and Act No. 416 of the Public Acts of 1994. The Academy filed articles of incorporation as a nonprofit corporation pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, as amended, on January 25, 2013, and began operation in July 2013.

In June 2023, the Academy entered into a five-year contract, commencing July 1, 2023 and ending June 30, 2028 with Lake Superior State University's Board of Trustees to charter a public school academy. The contract requires the Academy to act exclusively as a governmental agency and not undertake any action inconsistent with its status as an entity authorized to receive state school aid funds pursuant to the State constitution. The University's Board of Trustees is the fiscal agent for the Academy and is responsible for overseeing the Academy's compliance with the contract and all applicable laws. The Academy pays Lake Superior State University's Board of Trustees three percent of State aid as administrative fees. Total administrative fees paid for the year ended June 30, 2025 were approximately \$79,600.

In March 2018, the Academy entered into an agreement with The Romine Group, Inc., "TRG", to run coterminous with the Contract issued to the Academy by the University Board. The agreement has been renewed to align with the authorizer agreement through June 30, 2028. Under the terms of this agreement, TRG will provide a variety of services including accounting services, educational planning, payroll, and human resource services. The Academy is obligated to pay TRG eleven percent of all funds received pursuant to the State School Aid Act of 1979 and shall not be less than \$150,000 nor exceed \$300,000 in any one academic year. The total paid for these services amounted to \$250,000 for the year end June 30, 2025.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant 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.

MOMENTUM ACADEMY

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation – Fund Accounting

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

Governmental Funds

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

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

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

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

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

MOMENTUM ACADEMY

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

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 explanations to better identify the relationships between the government-wide statements and the statements for governmental funds.

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

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

Cash and Cash Equivalents

The Academy's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition. The Academy reports its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and GASB No. 40, Deposit and Investment Risk Disclosures. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the Academy intends to hold the investment until maturity. The Academy held no investments during the year ended June 30, 2025. State statutes authorize the Academy to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, saving accounts, deposit accounts, and or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Academy is also authorized to invest in U.S. Government or Federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

MOMENTUM ACADEMY

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables

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

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

Capital Assets and Depreciation

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

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

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

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

MOMENTUM ACADEMY

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net position is displayed in the following three components:

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

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

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

Fund Balance

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

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

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

- a. *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- b. *Committed fund balance* – amounts that can only be used for specific purposes pursuant to specific purposes imposed by formal action of the Academy's highest level of decision-making authority, the Board. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.
- c. *Assigned fund balance* – amounts the Board intends to use for a specific purpose; intent can be expressed by the Board or by an official or committee to which the Board delegates the authority.
- d. *Unassigned fund balance* – amounts that include the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

MOMENTUM ACADEMY

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

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 building, equipment and an IT arrangement. 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 judgments related to leases included how the Academy determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

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

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

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

Estimates

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

Implemented and Upcoming Accounting Pronouncements

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

MOMENTUM ACADEMY

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

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

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

MOMENTUM ACADEMY

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the Academy to have its budget in place by July 1. Expenditures in excess of amounts budgeted is a violation of Michigan Law. The Academy is required by law to adopt general and special revenue fund budgets. During the year ended June 30, 2025 the budget was amended in a legally permissible manner. A comparison of appropriated amounts against actual results can be found on page 19 of these financial statements.

NOTE 3 - DEPOSITS AND INVESTMENTS

Interest Rate Risk

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

Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2025, the Academy had no investments.

Concentration of Credit Risk

The Academy will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Academy's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. As of June 30, 2025, the Academy had no investments.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. As of June 30, 2025, \$739,992 of the Academy's cash was exposed to custodial credit risk because it was uninsured. All cash balances were uncollateralized as of June 30, 2025.

MOMENTUM ACADEMY

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

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Custodial Credit Risk - Investments

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

The Academy will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Academy will do business. As of June 30, 2025, the Academy had no investments.

Foreign Currency Risk

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

Fair Value

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

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

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

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

MOMENTUM ACADEMY

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

NOTE 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of the following:

Local sources	\$	209,773
State sources		482,476
Federal sources		<u>212,190</u>
Total	\$	<u>904,439</u>

NOTE 5 - CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2025</u>
Capital assets subject to depreciation / amortization				
Right to use assets	\$ 433,201	\$ 20,262	\$ -	\$ 453,463
Right to use - subscription-based IT	99,846	-	-	99,846
Equipment	137,123	30,272	-	167,395
Computers	133,846	-	-	133,846
Other	<u>26,260</u>	<u>-</u>	<u>-</u>	<u>26,260</u>
Sub-total	830,276	50,534	-	880,810
Accumulated depreciation / amortization				
Right to use assets	86,641	87,991	-	174,632
Right to use - subscription-based IT	66,564	33,282	-	99,846
Equipment	131,150	2,045	-	133,195
Computers	129,539	3,225	-	132,764
Other	<u>26,260</u>	<u>-</u>	<u>-</u>	<u>26,260</u>
Sub-total	<u>440,154</u>	<u>126,543</u>	<u>-</u>	<u>566,697</u>
Total net capital assets	<u>\$ 390,122</u>	<u>\$ (76,009)</u>	<u>\$ -</u>	<u>\$ 314,113</u>

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

MOMENTUM ACADEMY

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

NOTE 6 – OTHER ACCRUED LIABILITIES

Other accrued liabilities may be summarized as follows:

Purchased services - payroll and benefits	\$	162,636
Management fee		68,731
University oversight fee		14,474
Other		25,048
		<hr/>
Total other accrued liabilities	\$	270,889
		<hr/>

NOTE 7 – LONG TERM OBLIGATIONS

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

Loan Information

	Interest Rate	Maturity Date	Other
Direct borrowing - building	6.00%	June, 2028	Monthly payment of \$8,333
Direct borrowing - copiers Revenue bond 2	7.50%	January, 2030	Monthly payment of \$406

Loan Activity

	Balance July 1, 2024	Additions	Retirements and Payments	Balance June 30, 2025	Due Within One Year
Direct borrowing - building	\$ 354,835	\$ -	\$ 80,911	\$ 273,924	\$ 85,901
Direct borrowing - copiers	-	20,262	1,414	18,848	3,580
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Totals	\$ 354,835	\$ 20,262	\$ 82,325	\$ 292,772	\$ 89,481
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

MOMENTUM ACADEMY

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

NOTE 7 – LONG TERM OBLIGATIONS - Continued

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>
2026	\$ 89,481	\$ 15,391
2027	95,057	9,815
2028	100,982	3,891
2029	4,480	392
2030	2,772	70

NOTE 8 - RETIREMENT PLAN

All employees leased by the Academy are eligible to participate in a retirement plan established by The Romine Group which qualifies under the provisions of Section 401(k) of the Internal Revenue Code. The employer under this plan will contribute 4% of salaries regardless of the amount of the employee contribution. The employer will additionally match up to 4% of employee contributed funds. Eligible employees may contribute up to 15% of their salaries under the terms of this plan.

NOTE 9 - RISK MANAGEMENT

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

REQUIRED SUPPLEMENTARY INFORMATION

MOMENTUM ACADEMY

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Local sources	\$ 16,500	\$ 11,842	\$ 16,104	\$ 4,262
State sources	3,490,009	3,355,147	2,948,895	(406,252)
Federal sources	180,920	241,347	183,442	(57,905)
Interdistrict sources	<u>38,000</u>	<u>38,000</u>	<u>65,115</u>	<u>27,115</u>
Total general fund revenues	3,725,429	3,646,336	3,213,556	(432,780)
Expenditures				
Instruction				
Basic programs	1,418,802	1,283,939	1,183,207	(100,732)
Added needs	832,610	753,583	438,111	(315,472)
Support services				
Pupil support services	87,500	142,372	146,255	3,883
Instructional staff support services	16,253	46,391	28,328	(18,063)
General administration	340,103	360,100	352,023	(8,077)
School administration	219,469	227,654	202,702	(24,952)
Business support services	19,500	20,250	23,880	3,630
Operations and maintenance	517,374	557,592	540,116	(17,476)
Pupil transportation services	171,000	170,565	149,529	(21,036)
Central support services	-	-	15,940	15,940
Community services	-	-	500	500
Capital outlay	-	20,502	50,534	30,032
Debt principal and interest	<u>100,000</u>	<u>102,030</u>	<u>102,030</u>	<u>-</u>
Total general fund expenditures	<u>3,722,611</u>	<u>3,684,978</u>	<u>3,233,155</u>	<u>(451,823)</u>
Excess (deficiency) of revenues over expenditures	2,818	(38,642)	(19,599)	19,043
Other Financing Sources (Uses)				
Lease issued	<u>-</u>	<u>20,262</u>	<u>20,262</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	2,818	(18,380)	663	19,043
Fund balance - July 1, 2024	<u>345,193</u>	<u>345,193</u>	<u>345,193</u>	<u>-</u>
Fund balance - June 30, 2025	<u>\$ 348,011</u>	<u>\$ 326,813</u>	<u>\$ 345,856</u>	<u>\$ 19,043</u>

SUPPLEMENTARY INFORMATION

MOMENTUM ACADEMY

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

Local Sources

Authorizer grant	\$ 3,315
Other local revenues	<u>12,789</u>
Total local sources	16,104

State Sources

At risk	210,731
Great start readiness program	402,072
Special education	31,892
State aid	<u>2,304,200</u>
Total state sources	2,948,895

Federal Sources

IDEA	37,102
Title I	119,960
Title II A	789
Title III	4,193
Title IV	16,299
Other program revenue	<u>5,099</u>
Total federal sources	183,442

Interdistrict Sources

	<u>65,115</u>
Total general fund revenues	<u>\$ 3,213,556</u>

MOMENTUM ACADEMY

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

Basic Programs

Purchased services	\$ 1,143,392
Supplies and materials	<u>39,815</u>
Total basic programs	1,183,207

Added Needs

Purchased services	433,918
Supplies and materials	<u>4,193</u>
Total added needs	438,111

Pupil Support Services

Health services	21,835
Psychological services	2,770
Speech pathology and audiology	81,480
Social work services	<u>40,170</u>
Total pupil support services	146,255

Instructional Staff Support Services

Purchased services	16,695
Supplies and materials	<u>11,633</u>
Total instructional staff support services	28,328

General Administration

Purchased services	22,042
Management fees	250,000
University oversight	79,611
Other expenditures	<u>370</u>
Total general administration	352,023

MOMENTUM ACADEMY

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

School Administration

Purchased services	187,580
Supplies and materials	6,196
Other expenditures	<u>8,926</u>
Total school administration	202,702

Business Support Services

Purchased services	23,794
Other expenditures	<u>86</u>
Total business support services	23,880

Operations and Maintenance

Purchased services	31,993
Repairs and maintenance	289,582
Rentals	182,000
Supplies and materials	<u>36,541</u>
Total operations and maintenance	540,116

Pupil Transportation Services

Purchased services	149,529
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Central Support Services

Supplies and materials	1,450
Other expenditures	<u>14,490</u>
Total central support services	15,940

Community Services

Supplies and materials	500
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Capital Outlay

50,534

Debt Principal and Interest

102,030

Total general fund expenditures	<u><u>\$ 3,233,155</u></u>
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