



Audited Financial Statements

University Preparatory Science & Math

Detroit, Michigan

June 30, 2025

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Independent Auditors' Report

Board of Directors and Management
University Preparatory Science & Math

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 University Preparatory Science & Math (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 November 25, 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
November 25, 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
University Preparatory Science & Math

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 University Preparatory Science & Math (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 November 25, 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

November 25, 2025

University Preparatory Science & Math

Management's Discussion and Analysis

This section of the University Preparatory Science & Math annual financial report presents our discussion and analysis of the Academy's financial performance during the year ended June 30, 2025. Please read it in conjunction with the Academy's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand University Preparatory Science & Math financially as a whole. The Academy-wide financial statements provide information about the activities of the whole Academy, presenting both an aggregate view of the Academy's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the Academy's operations in more detail than the Academy-wide financial statements by providing information about the Academy's most significant funds - the General Fund, with all other funds presented in one column as non-major funds.

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

Basic Financial Statements

Academy-wide Financial Statements

Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplementary Information)
Budgetary Information for Major Funds

Other Supplementary Information

Reporting the Academy as a Whole - Academy-wide Financial Statements

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

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

University Preparatory Science & Math

Management's Discussion and Analysis

The statement of net position and the statement of activities report the governmental activities for the Academy, which encompass all of the Academy's services, including instruction, support services, community services, athletics, and food services. Unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the Academy's Most Significant Funds - Fund Financial Statements

The Academy's fund financial statements provide detailed information about the most significant funds - not the Academy as a whole. Some funds are required to be established by State law and by bond covenants. However, the Academy establishes many other funds to help it control and manage money for particular purposes (the Food Service Fund is an example) or to show that it is meeting legal responsibilities for using grants and other money. The governmental funds of the Academy use the following accounting approach:

Governmental funds - All of the Academy's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Academy and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

The Academy as a Whole

Recall that the statement of net position provides the perspective of the Academy as a whole. Following is a summary of the Academy's net position as of June 30, 2025 and 2024.

University Preparatory Science & Math

Management's Discussion and Analysis

Table 1
University Preparatory Science & Math's Net Position

	2025	2024
Current and other assets	\$ 13,828,600	\$ 13,480,973
Capital assets	1,093,796	1,235,161
Total assets	14,922,396	14,716,134
Current liabilities	2,510,091	2,703,596
Long-term debt	128,784	-
Total liabilities and deferred inflows	2,638,875	2,703,596
Net position:		
Net invested in capital assets	927,839	1,228,812
Restricted	60,648	144,499
Unrestricted	11,295,034	10,639,227
Total net position	\$ 12,283,521	\$ 12,012,538

The above analysis focuses on the net position (see Table 1). The change in net position (see Table 2) of the Academy's governmental activities is discussed below. The Academy's unrestricted net position was \$11,295,034 and \$10,639,227, at June 30, 2025 and 2024, respectively.

The results of this year's operations for the Academy as a whole are reported in the statement of activities, which shows the changes in net position for fiscal year 2025 and 2024.

University Preparatory Science & Math

Management's Discussion and Analysis

Table 2
Changes in University Preparatory Science & Math's Net Position

	2025	2024
Revenues:		
Program revenues:		
Charges for services	\$ 158,129	\$ -
Federal and state operating grants	4,153,452	5,489,914
General revenues:		
State aid - unrestricted	14,746,104	13,898,653
Miscellaneous	1,040,286	1,205,743
Total revenues	20,097,971	20,594,310
Expenses:		
Instruction	8,858,799	8,124,966
Support services	10,481,087	9,162,342
Community services	26,147	26,882
Unallocated depreciation / amortization	460,955	443,842
Total expenses	19,826,988	17,758,032
Increase (decrease) in net position	\$ 270,983	\$ 2,836,278

As reported in the statement of activities, the cost of all governmental activities for the year ended June 30, 2025 and 2024 was \$19,826,988 and \$17,758,032 respectively. Certain activities were partially funded by other governments and organizations that subsidized certain programs with grants and contributions totaling \$4,153,452 and \$5,489,914, respectively. We paid for the remaining "public benefit" portion of our governmental activities with \$14,746,104 in fiscal 2025 and \$13,898,653 in fiscal 2024, in State foundation allowance, and with our other revenues.

The Academy experienced an increase in net position of \$270,983. The key reason for the change in net position was the Academy's ability to keep expenses in line with revenue received.

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

General Fund Budgetary Highlights

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

University Preparatory Science & Math

Management's Discussion and Analysis

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the Academy had invested \$4,409,389 in furniture, leasehold improvements, and computer hardware net of accumulated depreciation/amortization. This represents a net decrease of \$141,365 from last year. The Academy has implemented GASB 87 and 96, which resulted in the recognition of right-of-use assets and lease liabilities. We present more detailed information regarding our capital assets and related lease liabilities in the notes to the financial statements.

Long Term Debt

During the year ended June 30, 2025 the Academy retired approximately \$34,000 of long term obligations. The amount left owed as of the end of the year was approximately \$166,000.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the Academy's 2025-2026 budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2025-2026 fiscal year is 10 percent and 90 percent of the February 2025 and October 2025 student counts, respectively. The Academy has budgeted its enrollment at 1,432 students for the 2025-2026 school year-end which is a decrease of 69 students from the 2024-2025 school year budget.

Since the Academy's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, actual revenue received depends on the State's ability to collect revenues to fund its appropriation to its various school districts.

The Academy has prepared its 2025-26 budget assuming a foundation allowance of \$10,008 per pupil. The Academy will continue to be diligent in its spending and monitors its budget closely.

Contacting the Academy's Management

This financial report is intended to provide our taxpayers, parents, and donors with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Business Office, University Preparatory Science & Math, 485 W. Milwaukee St., Detroit, MI, 48202.

UNIVERSITY PREPARATORY SCIENCE & MATH

STATEMENT OF NET POSITION JUNE 30, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 9,511,841
Accounts receivable	669,363
Due from other governmental units	3,635,782
Prepaid expenses	<u>11,614</u>
Total current assets	13,828,600

Capital Assets - Net of Accumulated Depreciation / Amortization

1,093,796

Total assets	<u><u>\$ 14,922,396</u></u>
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LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	\$ 381,515
Unearned revenue	1,388,856
Other accrued liabilities	702,547
Long-term debt - current portion	<u>37,173</u>
Total current liabilities	2,510,091

Long-Term Debt - Long-Term Portion

128,784

Net Position

Net investment in capital assets	927,839
Restricted for child nutrition services	60,648
Unrestricted	<u>11,295,034</u>
Total net position	<u>12,283,521</u>
Total liabilities and net position	<u><u>\$ 14,922,396</u></u>

See accompanying notes to financial statements

UNIVERSITY PREPARATORY SCIENCE & MATH

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues		Net (Expense) Revenues and Changes in Net Position Government Type Activities
Functions	Expenses	Charges for Services	Operating Grants	
Instruction				
Basic programs	\$ 7,546,607	\$ -	\$ 808,301	\$ (6,738,306)
Added needs	1,293,592	-	1,421,076	127,484
Adult and continuing education	18,600	-	-	(18,600)
Support services				
Pupil support services	1,443,332	-	903,945	(539,387)
Instructional staff support services	1,113,942	-	101,036	(1,012,906)
General administration	1,294,536	-	-	(1,294,536)
School administration	1,166,893	-	-	(1,166,893)
Business support services	427,817	-	-	(427,817)
Operations and maintenance	2,848,287	-	-	(2,848,287)
Pupil transportation services	47,427	-	-	(47,427)
Central support services	898,404	-	-	(898,404)
Athletic activities	246,527	158,129	-	(88,398)
Food services	993,922	-	910,071	(83,851)
Community services	26,147	-	9,023	(17,124)
Unallocated depreciation / amortization	460,955	-	-	(460,955)
Total primary government	<u>\$ 19,826,988</u>	<u>\$ 158,129</u>	<u>\$ 4,153,452</u>	<u>(15,515,407)</u>
General Purpose Revenues				
State school aid - unrestricted				14,746,104
Miscellaneous revenues				<u>1,040,286</u>
Total general purpose revenues				<u>15,786,390</u>
Change in net position				270,983
Net position - July 1, 2024				<u>12,012,538</u>
Net position - June 30, 2025				\$ 12,283,521

See accompanying notes to financial statements

UNIVERSITY PREPARATORY SCIENCE & MATH

COMBINED BALANCE SHEET – ALL GOVERNMENTAL FUNDS JUNE 30, 2025

ASSETS

	<u>General</u>	<u>Non-Major Special Revenue - Food Service</u>	<u>Total</u>
Cash and cash equivalents	\$ 9,511,841	\$ -	\$ 9,511,841
Accounts receivable	669,363	-	669,363
Due from other governmental units	3,596,921	38,861	3,635,782
Due from other funds	-	54,816	54,816
Prepaid expenses	<u>11,614</u>	<u>-</u>	<u>11,614</u>
Total assets	<u><u>\$ 13,789,739</u></u>	<u><u>\$ 93,677</u></u>	<u><u>\$ 13,883,416</u></u>

LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE

Liabilities

Accounts payable	\$ 348,486	\$ 33,029	\$ 381,515
Due to other funds	54,816	-	54,816
Unearned revenue	1,388,856	-	1,388,856
Other accrued liabilities	<u>702,547</u>	<u>-</u>	<u>702,547</u>
Total liabilities	2,494,705	33,029	2,527,734

Deferred Inflows of Resources - Unavailable revenue	12,067	-	12,067
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Fund Balance

Nonspendable	11,614	-	11,614
Restricted	-	60,648	60,648
Assigned	963,076	-	963,076
Unassigned	<u>10,308,277</u>	<u>-</u>	<u>10,308,277</u>
Total fund balance	<u>11,282,967</u>	<u>60,648</u>	<u>11,343,615</u>
Total liabilities, deferred inflows and fund balance	<u><u>\$ 13,789,739</u></u>	<u><u>\$ 93,677</u></u>	<u><u>\$ 13,883,416</u></u>

See accompanying notes to financial statements

UNIVERSITY PREPARATORY SCIENCE & MATH

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	\$ 11,343,615
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$4,409,389 and the accumulated depreciation / amortization is \$3,315,593.	1,093,796
Deferred Inflows of Resources:	
Unavailable revenue	12,067
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(165,957)</u>
Net Position of Governmental Activities	<u><u>\$ 12,283,521</u></u>

See accompanying notes to financial statements

UNIVERSITY PREPARATORY SCIENCE & MATH

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

	General	Non-Major Special Revenue - Food Service	Total
Revenues			
Local sources	\$ 1,208,484	\$ -	\$ 1,208,484
State sources	16,382,592	17,099	16,399,691
Federal sources	994,136	892,972	1,887,108
Interdistrict sources	612,757	-	612,757
Total governmental fund revenues	19,197,969	910,071	20,108,040
Expenditures			
Instruction			
Basic programs	7,635,936	-	7,635,936
Added needs	1,293,592	-	1,293,592
Adult and continuing education	18,600		18,600
Support services			
Pupil support services	1,443,332	-	1,443,332
Instructional staff support services	1,113,942	-	1,113,942
General administration	1,294,536	-	1,294,536
School administration	1,360,496	-	1,360,496
Business support services	461,812	-	461,812
Operations and maintenance	2,863,576	-	2,863,576
Pupil transportation services	47,427	-	47,427
Central support services	898,404	-	898,404
Athletic activities	246,527	-	246,527
Food services	-	993,922	993,922
Community services	26,147	-	26,147
Building improvement services	21,369	-	21,369
Total governmental fund expenditures	18,725,696	993,922	19,719,618
Excess (deficiency) of revenues over expenditures	472,273	(83,851)	388,422
Other Financing Sources (Uses)			
Lease issued	193,603	-	193,603
Excess (deficiency) of revenues and other financing sources over sources over expenditures and other uses	665,876	(83,851)	582,025
Fund balance - July 1, 2024	10,617,091	144,499	10,761,590
Fund balance - June 30, 2025	\$ 11,282,967	\$ 60,648	\$ 11,343,615

See accompanying notes to financial statements

UNIVERSITY PREPARATORY SCIENCE & MATH

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	\$	582,025
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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	\$	319,590	
Depreciation and amortization expense		<u>(460,955)</u>	(141,365)

Revenue is reported in the statement of activities when earned, but not reported in the funds until collected or collectible within 60 days of year end.		(10,069)
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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	\$	(193,603)	
Repayment of principal		<u>33,995</u>	<u>(159,608)</u>

Change in Net Position of Governmental Activities	\$	<u>270,983</u>
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See accompanying notes to financial statements

UNIVERSITY PREPARATORY SCIENCE & MATH

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of University Preparatory Science & Math (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

University Preparatory Science & Math 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 April 28, 1999, and began operation in July 1999.

The Academy entered into a ten year contract with the Grand Valley State University Board of Trustees to charter a public school academy through June 30, 2028. 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 Grand Valley State 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 the Grand Valley 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 \$412,200.

The Academy entered into an agreement with Detroit 90/90, a not-for-profit corporation. Under the terms of this agreement, Detroit 90/90 provides a variety of services including financial management, educational programs and consulting, as well as teacher training. The Academy is obligated to pay Detroit 90/90 a fee equal to Detroit 90/90’s break-even operating costs attributed to the Academy that are not cost allocated to the Academy’s budget plus one percent (1%) of such Detroit 90/90 Academy operating costs. The total paid for these services amounted to approximately \$554,800 for the year ended June 30, 2025.

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

UNIVERSITY PREPARATORY SCIENCE & MATH

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental Funds

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

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

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

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

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

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

- a. Revenue that is both measurable and available for use to finance operations is recorded as revenue when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.
- b. Payments for inventorable types of supplies, which are not significant at year end, are recorded as expenditures at the time of purchase.
- 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.

UNIVERSITY PREPARATORY SCIENCE & MATH

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.

UNIVERSITY PREPARATORY SCIENCE & MATH

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables

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

Prepaid Expenses

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

Capital Assets and Depreciation

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

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

Building and improvements	10 – 39 years
Furniture and equipment	5 – 6 years
Computers and software	3 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.

UNIVERSITY PREPARATORY SCIENCE & MATH

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 non-spendable and spendable. Non-spendable 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 non-spendable 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.

UNIVERSITY PREPARATORY SCIENCE & MATH

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Leases

Leases and Subscription Based IT Arrangements (SBITA)

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

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.

UNIVERSITY PREPARATORY SCIENCE & MATH

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Implemented and Upcoming Accounting Pronouncements

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

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

- 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.

UNIVERSITY PREPARATORY SCIENCE & MATH

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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, 2025 the budget was amended in a legally permissible manner. Refer to the table of contents of these financial statements for the location of the budgetary comparison schedule.

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 held no investments.

UNIVERSITY PREPARATORY SCIENCE & MATH

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

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. As of June 30, 2025, \$9,286,709 of the Academy's cash was exposed to custodial credit risk. All cash balances were uncollateralized as of June 30, 2025.

Custodial Credit Risk - Investments

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

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

Foreign Currency Risk

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

Fair Value

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

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

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Academy has the ability to access.
- b. Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.

UNIVERSITY PREPARATORY SCIENCE & MATH

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

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

- a. 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.

NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS

Local sources	\$ 27,032
State sources	2,974,482
Federal sources	<u>634,268</u>
Total	<u>\$ 3,635,782</u>

NOTE 5 - CAPITAL ASSETS

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

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Capital assets subject to depreciation / amortization				
Right to use - assets	\$ 309,141	\$ 193,603	\$ 309,141	\$ 193,603
Right to use - subscription-based IT	61,139	-		61,139
Furniture, equipment & improvements	<u>4,028,660</u>	<u>125,987</u>	<u>-</u>	<u>4,154,647</u>
Total asset cost basis	4,398,940	319,590	309,141	4,409,389
Accumulated depreciation / amortization				
Right to use - assets	306,424	34,983	309,141	32,266
Right to use - subscription-based IT	20,380	20,380	-	40,760
Furniture, equipment & improvements	<u>2,836,975</u>	<u>405,592</u>	<u>-</u>	<u>3,242,567</u>
Subtotal	<u>3,163,779</u>	<u>460,955</u>	<u>309,141</u>	<u>3,315,593</u>
Total net capital assets	<u>\$ 1,235,161</u>	<u>\$ (141,365)</u>	<u>\$ -</u>	<u>\$ 1,093,796</u>

UNIVERSITY PREPARATORY SCIENCE & MATH

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

NOTE 5 - CAPITAL ASSETS - Continued

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.

NOTE 6 – LONG-TERM OBLIGATIONS PAYABLE

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

Loan Information

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Other</u>
Direct borrowing - equipment	3.00%	Various through June 2030	Copier leases with monthly payments of \$3,474

Loan Activity

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements and Payments</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>
Direct borrowing - equipment	<u>\$ 6,349</u>	<u>\$ 193,603</u>	<u>\$ 33,995</u>	<u>\$ 165,957</u>	<u>\$ 37,173</u>

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	\$ 37,173	\$ 4,517
2027	38,302	3,388
2028	39,466	2,224
2029	40,664	1,025
2030	10,352	69

UNIVERSITY PREPARATORY SCIENCE & MATH

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

NOTE 7 - RETIREMENT PLAN

All leased employees of the Academy are eligible to participate in a retirement plan established by its management company which qualifies under the provisions of Section 401(k) of the Internal Revenue Code. The Academy will match up to 6% of leased employee contributed funds up to \$6,000.

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 in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

UNIVERSITY PREPARATORY SCIENCE & MATH

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

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local sources	\$ 1,333,666	\$ 1,097,897	\$ 1,208,484	\$ 110,587
State sources	16,906,951	16,723,779	16,382,592	(341,187)
Federal sources	1,068,612	1,102,630	994,136	(108,494)
Interdistrict sources	-	587,639	612,757	25,118
Total general fund revenues	19,309,229	19,511,945	19,197,969	(313,976)
Expenditures				
Instruction				
Basic programs	7,799,542	7,669,485	7,635,936	(33,549)
Added needs	1,773,226	1,464,562	1,293,592	(170,970)
Adult and continuing education	-	18,600	18,600	-
Support services				
Pupil support services	1,583,465	1,643,286	1,443,332	(199,954)
Instructional staff support services	1,226,055	1,172,311	1,113,942	(58,369)
General administration	1,198,094	1,309,457	1,294,536	(14,921)
School administration	1,271,841	1,368,990	1,360,496	(8,494)
Business support services	281,226	271,226	461,812	190,586
Operations and maintenance	2,213,505	3,009,526	2,863,576	(145,950)
Pupil transportation services	53,500	53,500	47,427	(6,073)
Central support services	900,062	945,947	898,404	(47,543)
Athletic activities	213,520	252,662	246,527	(6,135)
Community services	39,500	36,500	26,147	(10,353)
Building improvement services	1,060,000	21,370	21,369	(1)
Total general fund expenditures	19,613,536	19,237,422	18,725,696	(511,726)
Excess (deficiency) of revenues over expenditures	(304,307)	274,523	472,273	197,750
Other Financing Sources (Uses)				
Lease issued	-	-	193,603	193,603
Operating transfers out	(3,749)	-	-	-
Total other financing sources (uses)	(3,749)	-	193,603	193,603
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(308,056)	274,523	665,876	391,353
Fund balance - July 1, 2024	10,617,091	10,617,091	10,617,091	-
Fund balance - June 30, 2025	\$ 10,309,035	\$ 10,891,614	\$ 11,282,967	\$ 391,353

SUPPLEMENTARY INFORMATION

UNIVERSITY PREPARATORY SCIENCE & MATH

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

Local Sources

Earnings on investments	\$ 367,043
Student activities	158,129
Other local revenues	<u>683,312</u>
Total local sources	1,208,484

State Sources

At risk	1,294,093
Special education	342,395
State aid	<u>14,746,104</u>
Total state sources	16,382,592

Federal Sources

IDEA	329,448
Title I	519,076
Title II A	81,327
Title IV	40,574
Other program revenue	<u>23,711</u>
Total federal sources	994,136

Interdistrict Sources

	<u>612,757</u>
Total general fund revenues	<u><u>\$ 19,197,969</u></u>

UNIVERSITY PREPARATORY SCIENCE & MATH

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

Basic Programs

Purchased services	\$ 6,921,155
Other purchased services	31,438
Supplies and materials	<u>683,343</u>
Total basic programs	7,635,936

Added Needs

Purchased services	1,276,928
Other purchased services	9,789
Supplies and materials	<u>6,875</u>
Total added needs	1,293,592

Adult and Continuing Education

Purchased services	18,600
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Pupil Support Services

Truancy and absenteeism	97,229
Guidance services	514,309
Health services	101,910
Psychological services	64,739
Speech pathology and audiology	215,395
Social work services	<u>449,750</u>
Total pupil support services	1,443,332

Instructional Staff Support Services

Purchased services	1,103,693
Other purchased services	3,769
Supplies and materials	<u>6,480</u>
Total instructional staff support services	1,113,942

UNIVERSITY PREPARATORY SCIENCE & MATH

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

General Administration

Purchased services	1,277,373
Other purchased services	1,180
Supplies and materials	261
Other expenditures	15,722

Total general administration 1,294,536

School Administration

Purchased services	1,281,283
Other purchased services	79,213

Total school administration 1,360,496

Business Support Services

Purchased services	164,246
Rentals	74,577
Other purchased services	489
Other expenditures	222,500

Total business support services 461,812

Operations and Maintenance

Purchased services	428,578
Repairs and maintenance	906,931
Rentals	599,971
Other purchased services	115,503
Supplies and materials	812,593

Total operations and maintenance 2,863,576

Pupil Transportation Services

Purchased services	47,427
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UNIVERSITY PREPARATORY SCIENCE & MATH

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

Central Support Services

Purchased services	825,234
Rentals	61,605
Other purchased services	1,911
Supplies and materials	<u>9,654</u>

Total central support services 898,404

Athletic Activities

Purchased services	172,509
Rentals	4,520
Other purchased services	1,078
Supplies and materials	<u>68,420</u>

Total athletic activities 246,527

Community Services

Supplies and materials	26,147
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Building Improvement Services

21,369

Total general fund expenditures \$ 18,725,696

University Preparatory Science & Math

**Additional Reports Required by
Uniform Guidance**

Year Ended June 30, 2025

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**Independent Auditors' Report on the Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance**

To the Board of Directors and Management of
University Preparatory Science & Math

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the University Preparatory Science & Math (the Academy) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 25, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 25, 2025.

The accompanying schedule of expenditures of federal awards (SEFA) is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Rochester, MI

November 25, 2025, except for the SEFA as to which the date is February 12, 2026



CBIZ CPAs P.C.

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**Independent Auditors' Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

To the Board of Directors and Management of
University Preparatory Science & Math

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited University Preparatory Science & Math's (the "Academy") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Academy's major federal programs for the year ended June 30, 2025. The Academy's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Academy's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Academy's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Rochester, MI

February 12, 2026

UNIVERSITY PREPARATORY SCIENCE & MATH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Total Federal Expenditures	Accrued (Unearned) Revenue at June 30, 2025	Provided To Subrecipients
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Noncash Assistance (Commodities)-										
National School Lunch Program Commodities 2024-2025	Not available	10.555	\$ 58,696	\$ -	\$ -	\$ -	\$ 58,696	\$ 58,696	\$ -	\$ -
Cash Assistance:										
National School Lunch Program 2024-2025	241960/ 251960	10.555	632,999	-	23,843	-	628,966	632,999	27,876	-
COVID-19 - Supply Chain Assistance 2024	240910	10.555	39,161	-	(12,460)	-	-	12,460	-	-
Total National School Lunch Program Cash and Noncash Assistance		10.555	730,856	-	11,383	-	687,662	704,155	27,876	-
National School Breakfast Program:										
National School Breakfast Program 2024-2025	241970/ 251970	10.553	226,346	-	4,443	-	122,275	123,432	5,600	-
Summer Food Service Program:										
Summer Food Service Program Operating 2024-2025	240900	10.559	19,655	-	-	-	19,655	21,200	1,545	-
Total Child Nutrition Cluster			976,857	-	15,826	-	829,592	848,787	35,021	-
Child and Adult Care Food Program (CACFP):										
CACFP Meals 2023-2024	241920	10.558	35,144	35,144	1,607	-	6,484	4,877	-	-
CACFP - Cash in Lieu 2023-2024	242010	10.558	2,440	2,440	112	-	442	330	-	-
CACFP Meals 2024-2025	251920	10.558	36,507	-	-	-	35,165	36,507	1,342	-
CACFP - Cash in Lieu 2024-2025	252010	10.558	2,471	-	-	-	2,381	2,471	90	-
Total Child and Adult Care Food Program		10.558	76,562	37,584	1,719	-	44,472	44,185	1,432	-
Total U.S. Department of Agriculture			1,053,419	37,584	17,545	-	874,064	892,972	36,453	-
U.S. Department of Education - Special Education Cluster Passed through the Wayne County RESA:										
IDEA Special Education – Formula Grants to ISDs:										
IDEA Flowthrough 2425	250450	84.027A	329,448	-	-	-	329,448	329,448	-	-
Total IDEA Special Education Cluster		84.027A	\$ 329,448	\$ -	\$ -	\$ -	\$ 329,448	\$ 329,448	\$ -	\$ -

See accompanying notes to schedule of expenditures of federal awards

UNIVERSITY PREPARATORY SCIENCE & MATH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Total Federal Expenditures	Accrued (Unearned) Revenue at June 30, 2025	Provided To Subrecipients
Passed through the Michigan Department of Education:										
Title I, Part A: Improving Basic Programs Operated by LEAS:										
Title I, Part A 2324	241530	84.010A	\$ 650,418	\$ 532,846	\$ 532,846	\$ -	\$ 565,008	\$ 32,162	\$ -	\$ -
Title I, Part A 2425	251530	84.010A	565,008	-	-	-	-	486,914	486,914	-
Total Title I Part A		84.010A	1,215,426	532,846	532,846	-	565,008	519,076	486,914	-
Title II, Part A: Supporting Effective Instruction:										
Title II, Part A 2324	240520	84.367	78,125	24,168	24,168	-	35,169	11,001	-	-
Title II, Part A 2425	250520	84.367	114,094	-	-	-	-	70,326	70,326	-
Total Title II Part A		84.367	192,219	24,168	24,168	-	35,169	81,327	70,326	-
Title IV, Part A: Student Support and Academic Enrichment:										
Title IV, Part A 2324	240750	84.424A	60,005	28,737	28,737	-	28,737	-	-	-
Title IV, Part A 2425	250750	84.424A	75,520	-	-	-	-	40,574	40,574	-
Total Title IV Part A		84.424A	135,525	28,737	28,737	-	28,737	40,574	40,574	-
Education Stabilization Fund:										
COVID-19 - Governor's Emergency Education Relief (GEER) - (Section 11bb ARP - GEE	221037	84.425V	23,711	-	-	-	23,711	23,711	-	-
COVID-19 - ESSER III Formula – American Rescue Plan (ARP-ESSER) 2122	213713	84.425U	4,662,901	2,422,331	912,072	-	912,072	-	-	-
Total Education Stabilization Plan			4,686,612	2,422,331	912,072	-	935,783	23,711	-	-
Total U.S. Department of Education			6,559,230	3,008,082	1,497,823	-	1,894,145	994,136	597,814	-
Total Federal Awards			<u>\$7,612,649</u>	<u>\$ 3,045,666</u>	<u>\$ 1,515,368</u>	<u>\$ -</u>	<u>\$2,768,209</u>	<u>\$1,887,108</u>	<u>\$ 634,267</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards

UNIVERSITY PREPARATORY SCIENCE & MATH

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of University Preparatory Science & Math under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of University Preparatory Science & Math, it is not intended to and does not present the financial position, changes in net assets, or cash flows of University Preparatory Science & Math.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

University Preparatory Science & Math has elected to not use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - NONCASH ASSISTANCE

The value of the noncash assistance received was determined in accordance with the provisions of Uniform Guidance.

NOTE 5 - GRANT AUDITOR REPORT

Management has utilized the Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.



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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
University Preparatory Science & Math

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 University Preparatory Science & Math (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 November 25, 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

November 25, 2025

UNIVERSITY PREPARATORY SCIENCE & MATH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

SECTION I - SUMMARY OF THE AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes X no
 - Significant deficiency(ies) identified? ___yes X none reported
- Noncompliance material to financial statements noted? ___yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___yes X no
- Significant deficiency(ies) identified? ___yes X none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

___yes X no

Identification of major federal programs:

Assistance Listing Number(s)
10.553, 10.555 & 10.559

Name of Federal Program or Cluster
Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs as described in 2 CFR section 200.518(b):

\$750,000

Auditee qualified as low-risk auditee?

___yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported