

Akii-gikinoo'amaading Charter School
Audited Financial Statements
For the year ended June 30, 2021

Akii-gikinoo'amaading Charter School

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Akii-gikinoo'amaading Charter School
13301W Trepania Road
Hayward, WI 54843

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Akii-gikinoo'amaading Charter School (the "School"), a component unit of the Waadookodaading Ojibwe Language Institute, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the *State of Wisconsin Single Audit Guidelines* as well as the *Wisconsin School District Audit Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements 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 School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Akii-gikinoo'amaading Charter School, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying *Schedule of Expenditures of State and Federal Awards* is presented for purposes of additional analysis per *Audit Requirements for Federal Awards*, and the *State of Wisconsin Single Audit Guidelines*, and is not a required part of the basic financial statements.

The *Schedule of Expenditures of State and Federal Awards* is the responsibility of management and is 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 State and Federal Awards* 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*, and State of Wisconsin guidelines, we have also issued our report dated December 29, 2021 on our consideration of the Akii-gikinoo'amaading Charter School'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and State of Wisconsin guidelines in considering the School's internal control over financial reporting and compliance.

Midwest Professionals, P.L.L.C.

Gaylord, Michigan
December 29, 2021

BASIC FINANCIAL STATEMENTS

SCHOOL-WIDE FINANCIAL STATEMENTS

Akii-gikinoo'amaading Charter School

STATEMENT OF NET POSITION

JUNE 30, 2021

	Primary Government Governmental Activities
Current Assets	
Cash and Cash Equivalents (Note 2)	\$ 67,644
Accounts Receivable, Net	-
Total Current Assets	67,644
Capital Assets - Buildings & Land Improvements	
Capital Assets, Net (Note 4)	-
Total Assets	67,644
Liabilities	
Accounts Payable and Accrued Liabilites	-
Unearned Revenue (Note 6)	66,644
Total Current Liabilities	66,644
Total Liabilities	66,644
Net Position	
Restricted	-
Unrestricted	1,000
Total Net Position	\$ 1,000

The notes to the financial statements are an integral part of this statement.

Akii-gikinoo'amaading Charter School

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

	Program Revenues			Net (Expense) Revenues and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants And Contributions	
Functional Expenses	Expenses			Government Type Activities
Governmental Activities:				
Coaching and Consulting	25,000	\$ -	\$ 25,000	\$ -
Auditing Services	1,900	-	1,900	-
General Administration	245	-	245	-
Depreciation of Capital Assets (Unallocated)	-	-	-	-
Total School	\$ 27,145	\$ -	\$ 27,145	\$ -
General purpose revenues:				
Local Support				1,000
Total general purpose revenues				1,000
Excess of revenues over expenses				1,000
Net position, July 1, 2020				-
Net position, June 30, 2021				\$ 1,000

The notes to the financial statements are an integral part of this statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Akii-gikinoo'amaading Charter School

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2021

Assets	General Fund
Cash and Cash Equivalents	\$ 67,644
Accounts Receivable, Net	-
Total Assets	<u>67,644</u>
Liabilities and Fund Balances	
Liabilities	
Accounts Payable and Accrued liabilities	-
Unearned Revenue	66,644
Total Liabilities	<u>66,644</u>
Fund Balances	
Restricted	-
Unassigned	1,000
Total Fund Balance	<u>1,000</u>
Total Liabilities and Fund Balances	<u>\$ 67,644</u>

The notes to the financial statements are an integral part of this statement.

Akii-gikinoo'amaading Charter School

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021**

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

Total Governmental Fund Balances	\$ 1,000
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	-
Net Position of Governmental Activities	<u>\$ 1,000</u>

The notes to the financial statements are an integral part of this statement.

Akii-gikinoo'amaading Charter School

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	General Fund
Revenues	
Local Sources	\$ 1,000
State Sources	27,145
Federal Sources	-
Total Revenues	<u>28,145</u>
Expenditures	
Coaching and Consulting	25,000
Auditing Services	1,900
General Administration	<u>245</u>
Total Expenditures	<u>27,145</u>
Excess (Deficiency) of revenues over expenditures	<u>1,000</u>
Other financing sources (uses)	
Operating transfers in (out)	<u>-</u>
Total other financing sources	<u>-</u>
Net Change in Fund Balances	1,000
Fund balance, July 1, 2020	<u>-</u>
Fund balance, June 30, 2021	<u><u>\$ 1,000</u></u>

The notes to the financial statements are an integral part of this statement.

Akii-gikinoo'amaading Charter School

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in Fund Balances- Total Governmental Funds	\$ 1,000
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ -	
Depreciation expense	-	
		-

Change in Net Position of Governmental Activities	<u><u>\$ 1,000</u></u>
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The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Akii-gikinoo'amaading Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Akii-gikinoo'amaading Charter School (the “School” or “Charter School”) is a State of Wisconsin Independent Charter School authorized by the Lac Courte Oreilles Ojibwe College (the “College”), as of July 1, 2020. The School serves students from grades 6-12 in an Ojibwe culturally rich, project-based learning style format. The Charter School contract is between the Waadookodaading Ojibwe Language Institute (“WOLI”) and the College, and is initially in effect for a period of three years. The School is located on reservation land of the Lac Courte Oreilles Tribe, just off Trepania Road, in Hayward, Wisconsin. It opened for students beginning in the fall of 2020, and averaged approximately eight (8) Pupils enrolled in its first year of operations.

The WOLI Board oversees the planning and operations of the School. The Board is comprised of duly-elected parents, staff, and members of the Lac Courte Oreilles Community as described in corporation bylaws; specifically, the Board will consist of seven voting members (two WOLI non-staff parents, two non-staff at large members, two educators (Educators consist of staff of WOLI and/or non-staff educators from the community), and one Educator-Research and Development representative), plus the WOLI Director (non-voting members), one member of the LCO Tribal Governing Board (non-voting member), and one attorney or policy advocate (non-voting member). This structure will continue and may be altered by majority vote of the members. All voting members will have 3-year staggered terms. Members may voluntarily step down at any time during their term and will be replaced by volunteers (appointed by the WOLI Board), representing the same position to finish out the original board member’s term.

The WOLI Board will develop and adopt policies, rules and regulations for the Charter School’s operations and function as an autonomous governing body subject to: rules and regulations promulgated by the LCO Tribal Governing Board which exercises governing authority over all schools and educational programs within its jurisdiction; operating procedures established by the Bureau of Indian matters pertaining to financial management and accounting, student assessment and record-keeping, health and safety, transportation and food services, and other matters mutually agreed to in writing; oversight responsibilities of Lac Courte Oreilles Ojibwe Community College as the charter school authorizer stipulated by Wisconsin Statute 118.40.

The Charter School will have its own Instructional Leader who shares administrative responsibility with the WOLI. Operational control, including the financial, human, educational programming, scheduling, evaluation and property resources will be managed by the WOLI Board. The School Director in charge of the day-to-day leadership will of the Charter School will be contracted annually.

Akii-gikinoo'amaading Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

Reporting Entity - continued

The Akii-gikinoo'amaading Charter School is a component unit of the The Waadookodaading Ojibwe Language Institute (“WOLI”) based on an evaluation of various criteria, the main one being the degree of accountability and oversight the primary government has over the potential component unit. The most significant factor in the accountability assessment is the potential component unit’s financial accountability to the primary government, measured through the degree to which the primary government can develop and adopt rules and regulations for the Charter School’s operations and function as an autonomous governing body. The various components of operational control and property resources are managed by the WOLI Board.

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB statements and interpretations constitute GAAP for governments, including public schools.

The accompanying financial statements have been prepared in accordance with the reporting model defined by GASB Statement 34, *Basic Financial Statements – - and Management’s Discussion and Analysis - for State and Local Governments*. GASB 34 significantly changes financial reporting for governmental entities, including public schools. The more significant of the School’s accounting policies are described below.

The Tribe was awarded a Federal Department of Education grant (“GES”) to start a new charter school for the estimated 47% of Tribal member high school students not graduating high school with the local school districts. This grant covers a majority of the day-to-day operating costs of the School, and in the 2022 fiscal year will be completed.

Upon opening the School to students, the School became eligible for State of Wisconsin “Per Pupil” revenue funding and also for federal Charter School grant funds, as a subrecipient. During the fiscal year 2021, all operating expenditures continued to be covered by the GES grant. These grant amounts were obtained to provide for consulting and planning services to determine priorities and the framework for the School’s objectives and continued operations.

Akii-gikinoo'amaading Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

Basis of Presentation

Basic Financial Statements

The basic financial statements of School include the school-wide and the governmental fund financial statements. These statements display the major sources of revenue and the major categories of expenditures, in accordance with the applicable State and Federal grant awards.

School-wide Statements

The statement of net position and the statement of activities present information about the School as a whole. These statements include the financial activities of the overall School, except fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through intergovernmental (Federal and State) grant and contract revenues and other nonexchange transactions. The statement of activities presents a comparison between direct expenses and program revenues for each function of the School's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. *Program revenues* include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the School's funds. The School made use of governmental funds with separate general ledger accounts for specific grant revenues for the fiscal year ending June 30, 2021.

The School reports the following major governmental fund:

General Fund- The General Fund is used to record the general operations of the School pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget and per State of Wisconsin and Federal grant specifications.

Akii-gikinoo'amaading Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

Basis of Accounting

The School follows generally accepted accounting principles (“GAAP”) as well as a chart of accounts outlined for Charter Schools.

School-wide Financial Statements - The school-wide financial statements are reported using the economic resources measurement focus and full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the School gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements (appropriate expenditures) have been satisfied.

Governmental Fund Financial Statements - Governmental funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets

Budgets are adopted using the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund.

Budgetary accounting is used to control expenditures and monitor revenues. Budgetary accounts are established in fund general ledgers as a useful procedural adaptation of the accounting system. Estimated revenues and expenditures adopted in the budget are recorded in those accounts. Information is thus available that allows management to continuously monitor compliance with the approved budget.

Cash and Cash Equivalents

For purposes of reporting cash flows, the School considers all investments with maturity of three months or less to be cash equivalents. The School maintains one checking account and has no short-term or long-term investments.

Akii-gikinoo'amaading Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets

The School has adopted a policy of capitalizing fixed assets, having a useful life of more than one year, with a historical cost of equal to, or greater than \$5,000. As of June 30, 2021, the School had no capital assets. Capital assets are depreciated over their remaining useful lives computed using the straight-line method over the following useful lives in the event these items are acquired:

Buildings and improvements	10 – 40 years
Infrastructure	15 – 20 years
Furniture and equipment	5 – 15 years
Computers and software	3 – 10 years

Impairment of Long-Lived Assets

The School reviews its long-lived assets, if any, for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There were no impairment losses recognized for the year ended June 30, 2021.

Unearned Revenue- Grants

Federal and state award monies received, in advance of qualifying expenditures being incurred, are recorded on the School's balance sheet as unearned revenue.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

Under WOLI, Akii-gikinoo'amaading Charter School is a non-profit entity 501(c) (3) recognized as tax exempt by the Internal Revenue Service and the State of Wisconsin. Due to this recognition, no provision for income taxes has been made in the School's financial statements.

Akii-gikinoo'amaading Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Prepaid Expenses

On the governmental fund financial statements, prepaid expenses are recorded using the consumption method. Under the consumption method prepaid expenses will appear as an asset and as non-spendable fund balance on the balance sheet, and will be expensed proportionately over the periods that service is provided.

Fund Balance Presentation

Under GASB 54 the following fund balance classifications must be used on the governmental fund financial statements when applicable:

Nonspendable Fund Balance

Amounts that cannot be spent due to form; for example, inventories and prepaid amounts. Also, long-term loan and notes receivables, and property held for resale would be reported here unless the proceeds are restricted, committed or assigned. Amounts that must be maintained intact legally or contractually (corpus or principle of a permanent fund).

Restricted Fund Balance

Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation. This is the same definition used by GASB Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis-for State and Local Governments, for restricted net positions.

Committed Fund Balance

Amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period.

Assigned Fund Balance

For all governmental funds other than the general fund, any remaining positive amounts not classified as non-spendable, restricted or committed. For the general fund, amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Amount reported as assigned should not result in a deficit in unassigned fund balance.

Akii-gikinoo'amaading Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Balance Presentation - continued

Unassigned Fund Balance

For the general fund, amounts not classified as non-spendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance. For all governmental funds other than the general fund, amounts expended in excess of resources that are non-spendable, restricted, committed or assigned (a residual deficit). In determining a residual deficit, no amount should be reported as assigned.

Net Position Presentation

Equity on school-wide financial statements is presented in the following categories:

Net Investment in Capital Assets– Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Consists of net position with constraints placed on their use by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (b) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net positions that do not meet the definition of “restricted net position” or “net investment in capital assets.”

Subsequent Events

Subsequent events have been evaluated through the date of the audit report, the date the financial statements were available to be issued.

Akii-gikinoo'amaading Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The School maintains both noninterest-bearing and interest-bearing cash balances at Chippewa Valley Bank. The School's cash balances at June 30, 2021, were as follows:

	Carrying Amount	Bank Balance	FDIC Insured Bank Balance
General Fund	\$ 67,644	\$ 67,644	\$ 67,644
	<u>\$ 67,644</u>	<u>\$ 67,644</u>	<u>\$ 67,644</u>

Custodial Credit Risk - Custodial credit risk on deposits is the risk that in the event of a bank failure, the School's deposits might not be returned to it. The School does not have a written bank deposit policy to address custodial credit risk. The School has not formally adopted deposit and investment policies that limit their allowable deposits or investments and address the specific types of risk to which the School is exposed. The School did not have any investments at June 30, 2021.

NOTE 3- PREPAID EXPENSES

As of June 30, 2021 there were no prepaid expenses.

NOTE 4 – CAPITAL ASSETS

The School leases modular instructional buildings on a month-to-month basis, through the GES grant and Tribal support. There are no capitalized assets as of June 30, 2021, nor any applicable depreciation expense.

NOTE 5 – RISK MANAGEMENT

The School, in the normal course of operations, is exposed to various risks of loss to torts, theft, damage, and destruction of assets, errors and omissions, injuries to employees or volunteers, and natural disasters, for which the School carries commercial insurance coverage under the Tribe's insurance policy. There have been no settlements in excess of coverage in the current fiscal year.

Akii-gikinoo'amaading Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 6- UNEARNED REVENUE- GRANTS

State and Federal award monies received, in advance of qualifying expenditures being incurred, are recorded on the School's balance sheet as unearned revenue. Unearned revenues totaled \$66,644 at June 30, 2021 and are detailed below:

Wisconsin Charter Schools Program

Pass Through:

U.S. Dept. of Education	84.282A	\$	25,245
Total Wisconsin Charter Schools Program			<u>25,245</u>
Total Federal Unearned Revenues		\$	<u>25,245</u>

State of Wisconsin

Charter Schools State Aid	255.109		<u>41,399</u>
Total Charter Schools State Aid			<u>41,399</u>
Total State of Wisconsin Unearned Revenues			<u>41,399</u>
Total Federal & State Unearned Revenues		\$	<u>66,644</u>

NOTE 7 – CONTINGENT LIABILITIES

The School receives grant and contract dollars from the U.S. Government and the State of Wisconsin. Expenditures charged to these programs are subject to review and approval or disallowance by the funding agencies. Any costs disallowed by the funding agencies are subject to negotiation and are not recorded as liabilities until mutually agreed-upon. The School is not aware of any such amounts outstanding as of June 30, 2021.

Akii-gikinoo'amaading Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8- ECONOMIC DEPENDENCY

The School receives the majority of its budgeted operating revenue through the State of Wisconsin from the Federal Charter School Grant (subrecipient) and State of Wisconsin Charter Schools' "Per Pupil" revenue funding. The State of Wisconsin provides this Per Pupil funding based on average membership amounts per specified worksheet calculations and will adjust the amount from year to year based on the School's actual Pupil counts. Although the Aki Charter School program is just beginning, management anticipates a steady number of Pupil counts in the future years, which is anticipated to provide for steady revenue streams and operations. Any unanticipated loss of these revenues might prevent the School from performing regular administrative and operating and educational activities.

The School also has received support from the Tribe through the GES grant expenditures and other operating support on an ongoing basis, as well as oversight from the College as well as WOLI. Loss of this operating support and oversight might cause the School to become unable to perform regular administrative and operating activities. In the current fiscal year, the School and the Tribe are formulating plans for a permanent Charter School facility, although no construction plans have yet been finalized.

NOTE 9 – BUDGETS AND ACCOUNTABILITY

Annual budgets are adopted on a consistent basis with accounting principles generally accepted in the United States of America and applicable State guidelines. Budgets are monitored at the Board level.

NOTE 10 – CONTINGENCY

COVID -19 Contingency

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19), a pandemic. The COVID-19 outbreak in the United States has resulted in government mandated business and government/non-profit operation closures with employees being sent home. The Charter School is closely monitoring its operations, liquidity, capital and human resources and is actively working to minimize the current and future impact of this unprecedented situation. During the year ending June 30, 2021 the School did not experience any significant reductions in grant or revenue funding, and does not expect any reductions in the current 2022 fiscal year. The full impact of the pandemic to future revenue and operations remains uncertain.

SCHEDULE OF EXPENDITURES OF STATE AND FEDERAL AWARDS

Aki-gikino'amaading Charter School
Schedule of Expenditures of State and Federal Awards
For the Year Ended June 30, 2021

Grantor/Pass-through	CFDA Number	Grant Number	Unspent Carryover 7/1/2020	Current Year Grant Award Amount	Carryover (Grants Rec.) Deferred Rev. 7/1/2020	Grant Receipts FYE 6/30/21	Current Year Expenditures	(Grants Rec.) Deferred Rev. 6/30/2021	Unspent Carryover 6/30/2021
U.S. Department of Education Passed-through the State of Wisconsin DPI: Wisconsin Charter Schools Program (WCSP):	84.282A	2021-578146-DPL-WCSP1-360	-	25,245	-	25,245	-	25,245	25,245
State of Wisconsin - Charter Schools State Aid -2r	255.109		-	68,544	-	68,544	27,145	41,399	41,399
Total			-	93,789	-	93,789	27,145	66,644	66,644

Akii-gikinoo'amaading Charter School

Notes to Schedule of Expenditures of State and Federal Awards For the Year Ended June 30, 2021

Note 1

The accompanying *Schedule of Expenditures of State and Federal Awards* includes the State and Federal Grant activity of the Akii-gikinoo'amaading Charter School and is presented on the modified accrual basis of accounting. The information in this schedule is presented for purposes of additional analysis per the *State of Wisconsin Single Audit Guidelines*, and is not a required part of the basic financial statements.

Note 2

Reconciliation of Reported Expenditures to Financial Statement Totals

The following is a reconciliation of total state and federal expenditures reported on the *Schedule of Expenditures of State and Federal Awards* to the grant revenue total reported on the Charter School's Statement of Revenues, Expenses and Changes in Fund Balance for the year ending June 30, 2021:

Per Financials:	
State of Wisconsin Charter School Grant Revenues	\$ 27,145
Wisconsin Charter Schools Program (WCSP)	-
Total State Grant Revenues	<u>27,145</u>
Per SEFA:	
Total Expenditures per Schedule of State and Federal Awards:	<u>\$ 27,145</u>

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215 South Court Avenue, Gaylord, MI 49735

989-732-1156 Fax 989-731-2541

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

To the Board of Directors
Akii-gikinoo'amaading Charter School
13301W Trepania Road
Hayward, WI 54843

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the Akii-gikinoo'amaading Charter School, a component unit of the Waadookodaading Ojibwe Language Institute as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Akii-gikinoo'amaading Charter School's (the "School") basic financial statements and have issued our report thereon dated December 29, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Akii-gikinoo'amaading Charter School'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 School'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 may exist that have not been identified.

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Compliance and Other Matters

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

Purpose of this Report

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

Midwest Professionals, P.L.L.C.

Gaylord, Michigan
December 29, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE STATE OF
WISCONSIN SINGLE AUDIT GUIDELINES AND SCHOOL DISTRICT AUDIT MANUAL**

To the Board of Directors
Akii-gikinoo'amaading Charter School
13301W Trepania Road
Hayward, WI 54843

Report on Compliance for Each Major Federal Program and Major State Program

We have audited the Akii-gikinoo'amaading Charter School's (the "School's") compliance with the types of compliance requirements described in the *State of Wisconsin Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, that could have a direct and material effect on each of the School's major state programs for the year ended June 30, 2021. The School's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, and the *Wisconsin School District Audit Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the School's compliance.

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Opinion on the State Program

In our opinion, the Akii-gikinoo'amaading Charter School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Charter School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with the *State Single Audit Guidelines* and the *Wisconsin School District Audit Manual*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 state 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 state 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Certified Public Accountants

215 South Court Avenue, Gaylord, MI 49735

989-732-1156 Fax 989-731-2541

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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 standards. Accordingly, this report is not suitable for any other purpose.

Midwest Professionals, P.L.L.C.

Gaylord, Michigan

December 29, 2021

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Akii-gikinoo'amaading Charter School

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the basic financial statements of the Akii-gikinoo'amaading Charter School were prepared in accordance with GAAP.
2. No deficiencies relating to the audit of the basic financial statements are reported in the *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*.
3. No instances of noncompliance material to the basic financial statements of the Akii-gikinoo'amaading Charter School were disclosed during the audit.
4. No deficiencies relating to the audit of the major state awards are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the State of Wisconsin Single Audit Guide or the Wisconsin School District Audit Manual*.
5. The auditor's report on compliance for the major state programs of the Wisconsin Charter Schools Program (WCSP) and the State of Wisconsin – Charter Schools State Aid, expresses an unmodified opinion.
6. No findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in Part C of this Schedule. No questioned costs are reported.
7. The programs tested as major were:

	CFDA <u>No.</u>
Wisconsin Charter Schools Program (WCSP) – Pass Through (U.S. Department of Education)	84.282A
State of Wisconsin – Charter Schools State Aid – 2r	255.109

8. The threshold for distinguishing Type A programs was \$250,000 for state programs.
9. The Akii-gikinoo'amaading Charter School is determined to be a non low-risk auditee.

Akii-gikinoo'amaading Charter School

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021
Part B- Financial Statement Findings**

FINDINGS - FINANCIAL STATEMENT AUDIT

PRIOR YEAR FINDINGS:

Not Applicable

CURRENT YEAR FINDINGS:

Internal Control Over Financial Reporting: *None Noted*

Compliance and Other Matters: *None Noted*

Akii-gikinoo'amaading Charter School

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021
Part C- Major State Programs**

Prior Year's Audit Findings:

Not applicable

Internal Control over Compliance

None

Compliance

None

Total Questioned Costs – State Programs	\$0
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