



WESLEY
INTERNATIONAL ACADEMY

Wesley International Academy

Finance Committee Meeting

Date and Time

Wednesday September 22, 2021 at 8:00 AM EDT

Location

Finance: [https://us02web.zoom.us/j/89738022759?](https://us02web.zoom.us/j/89738022759?pwd=Wk5CdZwTTBDdUM4TXhJZ0JaTzlxdz09)

[pwd=Wk5CdZwTTBDdUM4TXhJZ0JaTzlxdz09](https://us02web.zoom.us/j/89738022759?pwd=Wk5CdZwTTBDdUM4TXhJZ0JaTzlxdz09)

Zoom Meeting ID: 897 3802 2759

Passcode: finance

Agenda

	Purpose	Presenter	Time
I. Opening Items			8:00 AM
A. Record Attendance			5 m
B. Call the Meeting to Order			2 m
C. Adopt Agenda	Vote	Chip Hill	5 m
D. Approve Minutes of August 18, 2021 Meeting	Approve Minutes	Chip Hill	5 m
E. Review of July 31, 2021 and August 31, 2021 Unaudited Financials	Discuss	Lisa Price	5 m
F. Review of FY 2021 Financial Statements and Audit	Discuss	Lisa Price	35 m
II. Other Business			
III. Closing Items			
A. Adjourn Meeting	Vote		

Cover Sheet

Approve Minutes of August 18, 2021 Meeting

Section:	I. Opening Items
Item:	D. Approve Minutes of August 18, 2021 Meeting
Purpose:	Approve Minutes
Submitted by:	
Related Material:	Minutes for Finance Committee Meeting on August 18, 2021



WESLEY
INTERNATIONAL ACADEMY

Wesley International Academy

Minutes

Finance Committee Meeting

Date and Time

Wednesday August 18, 2021 at 8:00 AM

Location

[https://us02web.zoom.us/j/89738022759?
pwd=Wk5CdZwTTBDdUM4TXhJZ0JaTzlxdz09](https://us02web.zoom.us/j/89738022759?pwd=Wk5CdZwTTBDdUM4TXhJZ0JaTzlxdz09)

Committee Members Present

B. Mitchell (remote), C. Hill (remote), D. Mason (remote), E. Cater (remote), E. Moraga-Davis (remote), J. Marshall (remote), L. Price (remote), M. Causey (remote)

Committee Members Absent

None

Guests Present

D. Johnson (remote), R. Goodman (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

C. Hill called a meeting of the Finance Committee of Wesley International Academy to order on Wednesday Aug 18, 2021 at 8:01 AM.

C. Adopt Agenda

B. Mitchell made a motion to Approve the agenda with the amendment to finalize committee membership and committee goals.

M. Causey seconded the motion.

The committee **VOTED** unanimously to approve the motion.

D. Approve Minutes of June 16, 2021 Meeting

B. Mitchell made a motion to approve the minutes from Finance Committee Meeting on 06-16-21.

M. Causey seconded the motion.

The committee **VOTED** unanimously to approve the motion.

E. Review of May 31, 2021 Financials

Lisa reviewed the highlights from the 5/31/21 financial statements. WIA collected the final funding draw from APS for the fiscal year. WIA has invoiced APS for CARES I funding. The CARES I funding was largely used for Chromebooks and accessories for the distance learning by students.

Retention bonuses were also paid in May as per the State of Georgia. As previously discussed at the Board, WIA matched the bonus from the State of Georgia. Cash position remains strong. Prepaid expenses typically increase towards the end of the fiscal year as the school begins paying items for the next fiscal year.

F. Discussion of FY 2021 Financial Statements and Audit

Lisa shared an outline of FY close out process and timing. The committee reviewed the FY21 Unaudited Year-End Financial Statements.

Additional federal funding will likely trigger additional audits for the FY 22 financials next year. Federal funding in FY 21 included Title I, Title II, Title IV and CARES I as well as the Payroll Protection Plan Grant funds.

Total revenues for FY 21 were \$13.9 million. Compensation expenses were on budget at \$9.4 million with net income of \$2.1 million. The increased net income is largely due to the timing of the PPP loan becoming a grant as well as federal funding which will be spent during the upcoming fiscal year(s). Final audited numbers will show a different number once the auditor inserts the pension liabilities.

Receivables from APS, prepaid expenses and liabilities are in line with previous fiscal years.

WIA continues to move through audit plan dates. We anticipate sampling requests from the auditor early next week. School leadership anticipates being done with the audit August 30 and the school reporting deadlines to APS are September 30, 2021. We will schedule a presentation by the auditor at the September committee meeting.

II. Other Business

A. The committee unanimously voted to approve committee membership of Jason Marshall, Lisa Price, Donald Mason, Erlene Moraga-Davis, Brian Mitchell, Mazie Lynn Causey, Ewa Cater and Chip Hill.

The committee unanimously voted to approve the following goals for the 2021-2022 year: (1) timely completion of a clean audit of FY 21 financials and subsequent reporting to all governing bodies, (2) presentation of a mid-year budget revision for review by the Board at the February 2022 meeting, (3) presentation to the Board of a budget for FY 2023 no later than the close of FY 2022, and (4) review of policies and procedures in light of operational shifts due to pandemic influences as well as in advance of the upcoming charter renewal.

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:47 AM.

Respectfully Submitted,
C. Hill

Cover Sheet

Review of July 31, 2021 and August 31, 2021 Unaudited Financials

Section:	I. Opening Items
Item: Financials	E. Review of July 31, 2021 and August 31, 2021 Unaudited
Purpose:	Discuss
Submitted by:	
Related Material:	July 2021 Unaudited Financial Report.pdf August 2021 Unaudited Financial Report.pdf

Finance Committee Report

Monthly Financials

For the period ended August 31, 2021



Prepared by

Lisa C. Price

Prepared on

September 15, 2021

FY 2022 Monthly Income Statement

August 2021

	Total
REVENUE	
01-4315 BASP Revenue	26,557.19
01-4500 Interest income	179.29
Grant Funds	
02-4000 Restricted Grants	7,370.33
Total Grant Funds	7,370.33
State/Local Funds	
01-4105 State/Local Revenue FTE	1,236,143.51
Total State/Local Funds	1,236,143.51
Total Revenue	1,270,250.32
GROSS PROFIT	1,270,250.32
EXPENDITURES	
00-0000 Compensation	
00-1000 Instruction - Compensation	425,464.08
00-2100 Pupil Services - Compensation	48,185.48
00-2210 Improvement of Instruction - Compensation	13,691.04
00-2300 General Admin - Compensation	17,361.42
00-2400 School Admin - Compensation	73,629.80
00-2500 Support Services (Business) - Compensation	26,470.08
00-2600 Mtc & Ops of Plant Services - Compensation	9,910.63
00-5100 Payroll Taxes	46,418.79
00-5200 Employee Benefits	80,181.52
00-5300 Pension Contributions	103,658.31
Total 00-0000 Compensation	844,971.15
1000-01 Instruction	
2213-01 Instructional Staff Training	
5530 Instructional Travel	1,208.41
5535 Staff Development	12,000.00
Total 2213-01 Instructional Staff Training	13,208.41
5505 Textbooks/Consumables	9,452.37
5510 Classroom Supplies	32,221.11
5515 Technology - Licenses	13,315.30
5520 Reference Material/Library	10,139.73
5525 FFE	41,687.71
5545 Student Assessment	48,101.70
5550 Awards	1,873.10
5671 Substitute - Contractor/Agency	4,171.50
5700 Other Contractors	8,735.44
Total 1000-01 Instruction	182,906.37
2100-01 Pupil Services	
5685 Consulting	3,576.92
6305 Athletics	4,188.36

	Total
6320 Supplies - Student Services	905.58
Total 2100-01 Pupil Services	8,670.86
2300-01 General Administration	
5820 Insurance	12,539.00
5825 Food and Beverage - G&M	1,282.22
5840 Administrative Fees (District)	24,238.11
5845 Fundraising/Resource Develop	3,800.00
Total 2300-01 General Administration	41,859.33
2400-01 School Administration	
5630 Marketing	795.67
5645 Legal	4,150.00
5675 Communications/Media	3,800.00
6015 FFE-G&A	2,543.90
6020 Technology (Non-Instruction)	1,515.10
6035 Supplies - G&A	1,905.28
6037 Merchandising	1,540.00
6045 Professional Dues	100.00
Total 2400-01 School Administration	16,349.95
2500-01 Support Services - Business	
5615 Printing and Copy	2,363.51
5635 Finance and Accounting	12,500.00
5636 Human Resources	6,450.00
5637 Office Support	4,600.00
5640 Payroll	1,971.68
5805 Bank Fees	1,645.86
Total 2500-01 Support Services - Business	29,531.05
2600-01 Mtc & Ops of Plant Services	
5665 Technology Services	25,458.79
5680 Security	3,453.73
5905 Water	121.11
5910 Electric	8,735.63
5915 Gas	468.79
5925 Landscaping	7,180.00
5930 Inspections/Compliance	5,117.00
5935 Maintenance Repairs	26,600.12
5940 Rent/Lease/Mortgage	4,912.76
5945 Janitorial Service	9,400.00
5950 Janitorial Supplies	2,108.74
5955 Telephone/Internet	9,424.05
5960 Materials/Supplies	2,305.91
5965 Pest Control	1,184.00
5970 Contractors/Porters	1,650.00
5975 FFE	5,551.08
Total 2600-01 Mtc & Ops of Plant Services	113,671.71

	Total
3100-01 School Nutrition	
5625 Food and Beverage	312.19
Total 3100-01 School Nutrition	312.19
9999 Uncategorized Expenditure	16,946.94
Total Expenditures	1,255,219.55
NET OPERATING REVENUE	15,030.77
NET REVENUE	\$15,030.77

FY 2022 Monthly Statement of Financial Position

As of August 31, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash-Operating Account	2,517,445.43
1005 Donations-Red Thread Campaign	81,854.58
1010 Travel Abroad Account	7,949.16
1015 Unrestricted Cash Reserve	1,206,441.81
1072 CPO BillPay Money Out Clearing	900.22
Total Bank Accounts	3,814,591.20
Accounts Receivable	
1100 Accounts Receivable	24,985.36
Total Accounts Receivable	24,985.36
Other Current Assets	
1205 Prepaid Expenses	21,772.11
1210 Prepaid Insurance	8,964.00
1215 Deposits	34,421.22
Total Other Current Assets	65,157.33
Total Current Assets	3,904,733.89
Fixed Assets	
1300 Furniture, Fixtures & Equipment	607,815.71
1305 FFE Accumulated Depreciation	(340,421.95)
1310 Leasehold Improvement	774,997.57
1315 LHI Accumulated Depreciation	(615,719.89)
1350 Construction in Progress	75,230.00
Total Fixed Assets	501,901.44
Other Assets	
1500 Other Assets	
1515 Suspense	0.22
Total 1500 Other Assets	0.22
1505 Deferred Outflows of Resources - Pension	3,661,132.00
Total Other Assets	3,661,132.22
TOTAL ASSETS	\$8,067,767.55
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	182,538.90
Total Accounts Payable	182,538.90
Other Current Liabilities	
2008 Deferred Income	43,588.98
Total Other Current Liabilities	43,588.98

	Total
Total Current Liabilities	226,127.88
Long-Term Liabilities	
2500 Net Pension Liability	11,159,230.00
2505 Deferred Inflows of Resources - Pension	37,801.00
Total Long-Term Liabilities	11,197,031.00
Total Liabilities	11,423,158.88
Equity	
3000 Investment in Capital Assets	256,969.31
32000 *Unrestricted Net Assets	(2,643,144.10)
3401 Net Assets - Red Thread Campaign	1,867.09
Net Revenue	(971,083.63)
Total Equity	(3,355,391.33)
TOTAL LIABILITIES AND EQUITY	\$8,067,767.55

NOTE

2008: Red Thread placeholder

FY2022 Summary BVA (Approved 2022 Budget)

August 2021

	Actual	Budget	over Budget	Total % of Budget
REVENUE				
01-4315 BASP Revenue	26,557.19	26,557.19	0.00	100.00 %
01-4500 Interest income	179.29	179.29	0.00	100.00 %
Grant Funds	7,370.33		7,370.33	
Other School Funds		5,880.00	-5,880.00	
State/Local Funds	1,236,143.51	1,236,143.51	0.00	100.00 %
Total Revenue	1,270,250.32	1,268,759.99	1,490.33	100.12 %
GROSS PROFIT	1,270,250.32	1,268,759.99	1,490.33	100.12 %
EXPENDITURES				
00-0000 Compensation	844,971.15	839,866.99	5,104.16	100.61 %
1000-01 Instruction	182,906.37	137,804.67	45,101.70	132.73 %
2100-01 Pupil Services	8,670.86	9,356.19	-685.33	92.68 %
2300-01 General Administration	41,859.33	56,898.77	-15,039.44	73.57 %
2400-01 School Administration	16,349.95	16,141.06	208.89	101.29 %
2500-01 Support Services - Business	29,531.05	18,374.98	11,156.07	160.71 %
2600-01 Mtc & Ops of Plant Services	113,671.71	93,341.85	20,329.86	121.78 %
2700-01 Student Transportation		1,000.00	-1,000.00	
3100-01 School Nutrition	312.19	1,595.50	-1,283.31	19.57 %
9999 Uncategorized Expenditure	16,946.94		16,946.94	
Total Expenditures	1,255,219.55	1,174,380.01	80,839.54	106.88 %
NET OPERATING REVENUE	15,030.77	94,379.98	-79,349.21	15.93 %
NET REVENUE	\$15,030.77	\$94,379.98	\$ -79,349.21	15.93 %

Finance Committee Report

Monthly Financials

For the period ended July 31, 2021



Prepared by

Lisa C. Price

Prepared on

September 15, 2021

FY 2022 Monthly Income Statement

July 2021

	Total
REVENUE	
01-4315 BASP Revenue	2,908.00
01-4500 Interest income	179.26
Other School Funds	
01-9999 Uncategorized Revenue	4,566.00
Total Other School Funds	4,566.00
Total Revenue	7,653.26
GROSS PROFIT	7,653.26
EXPENDITURES	
00-0000 Compensation	
00-1000 Instruction - Compensation	251,152.82
00-2100 Pupil Services - Compensation	35,855.24
00-2210 Improvement of Instruction - Compensation	4,724.86
00-2300 General Admin - Compensation	16,666.66
00-2400 School Admin - Compensation	75,325.46
00-2500 Support Services (Business) - Compensation	26,470.08
00-2600 Mtc & Ops of Plant Services - Compensation	9,132.13
00-5100 Payroll Taxes	31,467.78
00-5200 Employee Benefits	51,707.54
00-5300 Pension Contributions	77,259.18
Total 00-0000 Compensation	579,761.75
1000-01 Instruction	
2213-01 Instructional Staff Training	
5530 Instructional Travel	5,203.21
5535 Staff Development	3,576.92
Total 2213-01 Instructional Staff Training	8,780.13
5510 Classroom Supplies	12,995.07
5515 Technology - Licenses	23,594.33
5525 FFE	149,339.64
5550 Awards	380.00
Total 1000-01 Instruction	195,089.17
2300-01 General Administration	
5820 Insurance	13,331.73
Total 2300-01 General Administration	13,331.73
2400-01 School Administration	
5645 Legal	1,897.00
5675 Communications/Media	3,000.00
6000 General & Administrative - Misc	51.30
6015 FFE-G&A	3,169.60
6020 Technology (Non-Instruction)	19,904.85
6035 Supplies - G&A	2,181.05
6045 Professional Dues	18,918.00

	Total
Total 2400-01 School Administration	49,121.80
2500-01 Support Services - Business	
5615 Printing and Copy	1,139.50
5635 Finance and Accounting	500.00
5636 Human Resources	2,000.00
5637 Office Support	2,450.00
5640 Payroll	1,694.73
5805 Bank Fees	1,375.04
Total 2500-01 Support Services - Business	9,159.27
2600-01 Mtc & Ops of Plant Services	
5665 Technology Services	25,603.52
5680 Security	5,642.00
5905 Water	63.36
5910 Electric	7,489.63
5915 Gas	535.34
5920 Waste	7,528.00
5925 Landscaping	5,750.00
5930 Inspections/Compliance	2,767.00
5935 Maintenance Repairs	55,402.25
5940 Rent/Lease/Mortgage	4,875.00
5945 Janitorial Service	16,609.66
5950 Janitorial Supplies	925.92
5955 Telephone/Internet	6,757.39
5960 Materials/Supplies	1,141.56
5965 Pest Control	479.00
5970 Contractors/Porters	1,425.00
Total 2600-01 Mtc & Ops of Plant Services	142,994.63
3100-01 School Nutrition	
5625 Food and Beverage	138.01
Total 3100-01 School Nutrition	138.01
9999 Uncategorized Expenditure	4,171.30
Total Expenditures	993,767.66
NET OPERATING REVENUE	(986,114.40)
NET REVENUE	\$ (986,114.40)

FY 2022 Monthly Statement of Financial Position

As of July 31, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash-Operating Account	2,321,620.52
1005 Donations-Red Thread Campaign	76,227.07
1010 Travel Abroad Account	7,949.16
1015 Unrestricted Cash Reserve	1,206,262.52
1072 CPO BillPay Money Out Clearing	900.22
Total Bank Accounts	3,612,959.49
Accounts Receivable	
1100 Accounts Receivable	170,912.19
Total Accounts Receivable	170,912.19
Other Current Assets	
1205 Prepaid Expenses	25,499.05
1210 Prepaid Insurance	8,964.00
1215 Deposits	34,421.22
Total Other Current Assets	68,884.27
Total Current Assets	3,852,755.95
Fixed Assets	
1300 Furniture, Fixtures & Equipment	607,815.71
1305 FFE Accumulated Depreciation	(340,421.95)
1310 Leasehold Improvement	774,997.57
1315 LHI Accumulated Depreciation	(615,719.89)
1350 Construction in Progress	75,230.00
Total Fixed Assets	501,901.44
Other Assets	
1500 Other Assets	
1515 Suspense	0.22
Total 1500 Other Assets	0.22
1505 Deferred Outflows of Resources - Pension	3,661,132.00
Total Other Assets	3,661,132.22
TOTAL ASSETS	\$8,015,789.61
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	152,543.83
Total Accounts Payable	152,543.83
Other Current Liabilities	
2008 Deferred Income	36,636.88
Total Other Current Liabilities	36,636.88

	Total
Total Current Liabilities	189,180.71
Long-Term Liabilities	
2500 Net Pension Liability	11,159,230.00
2505 Deferred Inflows of Resources - Pension	37,801.00
Total Long-Term Liabilities	11,197,031.00
Total Liabilities	11,386,211.71
Equity	
3000 Investment in Capital Assets	256,969.31
32000 *Unrestricted Net Assets	(2,643,144.10)
3401 Net Assets - Red Thread Campaign	1,867.09
Net Revenue	(986,114.40)
Total Equity	(3,370,422.10)
TOTAL LIABILITIES AND EQUITY	\$8,015,789.61

NOTE

2008: Red Thread placeholder

FY2022 Summary BVA (Approved 2022 Budget)

July 2021

	Actual	Budget	over Budget	Total % of Budget
REVENUE				
01-4315 BASP Revenue	2,908.00	2,908.00	0.00	100.00 %
01-4500 Interest income	179.26	179.26	0.00	100.00 %
Other School Funds	4,566.00	0.00	4,566.00	
Total Revenue	7,653.26	3,087.26	4,566.00	247.90 %
GROSS PROFIT	7,653.26	3,087.26	4,566.00	247.90 %
EXPENDITURES				
00-0000 Compensation	579,761.75	472,692.92	107,068.83	122.65 %
1000-01 Instruction	195,089.17	195,089.17	0.00	100.00 %
2300-01 General Administration	13,331.73	14,373.39	-1,041.66	92.75 %
2400-01 School Administration	49,121.80	32,253.15	16,868.65	152.30 %
2500-01 Support Services - Business	9,159.27	10,774.98	-1,615.71	85.00 %
2600-01 Mtc & Ops of Plant Services	142,994.63	124,333.12	18,661.51	115.01 %
3100-01 School Nutrition	138.01	1,595.50	-1,457.49	8.65 %
9999 Uncategorized Expenditure	4,171.30		4,171.30	
Total Expenditures	993,767.66	851,112.23	142,655.43	116.76 %
NET OPERATING REVENUE	-986,114.40	-848,024.97	-138,089.43	116.28 %
NET REVENUE	\$ -986,114.40	\$ -848,024.97	\$ -138,089.43	116.28 %

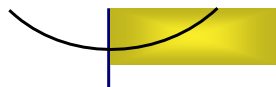
Cover Sheet

Review of FY 2021 Financial Statements and Audit

Section: I. Opening Items
Item: F. Review of FY 2021 Financial Statements and Audit
Purpose: Discuss
Submitted by:
Related Material:
2021 YE Audited Basic Financial Statements_9-15-21.pdf
2021 Management Letter - WIA.pdf
2021 Commun with Governance at Conclusion of Audit - WIA.pdf
2021 Final Audit Report-WIA.pdf



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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT OR NEAR THE CONCLUSION OF THE AUDIT

To the Board of Directors
Wesley International Academy, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wesley International Academy, Inc. ("the School"), as of and for the year ended June 30, 2021 and have issued our report thereon dated August 20, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 20, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

This information is intended solely for the use of the Board of Directors and management of the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Bambo Sonaike CPA, LLC

August 20, 2021

**Wesley International Academy, Inc.
Audited Financial Statements
June 30, 2021**

Bambo Sonaik CPA, LLC
707 Whitlock Avenue Building B Suite 21 Marietta GA 30064
P: 770.956.6455 F: 678.559.0659 www.cpa-service.com

Wesley International Academy, Inc.

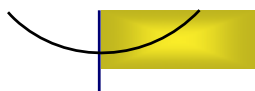
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wesley International Academy, Inc.
Atlanta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wesley International Academy, Inc. ("the School"), 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's 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 entity'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 entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate

remaining fund information of the School as of June 30, 2021 and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 20, 2021 on our consideration of the 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 in considering School's internal control over financial reporting and compliance.

Bambo Sonaike CPA, LLC

August 20, 2021

Wesley International Academy, Inc.

Management Discussion and Analysis

As of June 30, 2021

Introduction

As management of Wesley International Academy, Inc. (the "School"), we offer readers of the School's financial statement this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2021 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transaction, events, and conditions, it should be considered in conjunction with the Basic Financial Statements.

Financial highlights

- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$4,389,257.
- The School's liabilities exceeded its assets at the close of the most recent fiscal year by \$2,384,308 (net deficit).

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the School's asset and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected funding and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (governmental activities). Basic instructions, school administration, and food services are examples of the School's governmental activities.

Wesley International Academy, Inc.

Management Discussion and Analysis

As of June 30, 2021

The government-wide financial statements include only the School itself. Comparison of the condensed statement of net position and the statement of activities are provided below.

	Governmental Activities		
	2021	2020	Variance
ASSETS			
Current and other assets	\$ 5,205,138	\$ 4,178,102	\$ 1,027,036
Capital assets ^(net)	459,412	442,191	17,221
Total assets	<u>5,664,550</u>	<u>4,620,293</u>	<u>1,044,257</u>
DEFERRED OUTFLOW OF RESOURCES			
	3,661,132	3,165,912	495,220
Total assets and deferred outflow of resources	<u>9,325,682</u>	<u>7,786,205</u>	<u>1,539,477</u>
LIABILITIES			
Current and other liabilities	512,959	511,198	1,761
Long term liabilities	11,159,230	10,495,218	664,012
Total liabilities	<u>11,672,189</u>	<u>11,006,416</u>	<u>665,773</u>
DEFERRED INFLOW OF RESOURCES			
	37,801	277,268	(239,467)
Total liabilities and deferred inflow of resources	<u>11,709,990</u>	<u>11,283,684</u>	<u>426,306</u>
NET POSITION			
Investment in capital assets ^(net)	459,412	442,191	17,221
Restricted	1,867	1,867	-
Unrestricted (deficit)	<u>(2,845,587)</u>	<u>(3,941,537)</u>	<u>1,095,950</u>
Total net position (deficit)	<u>\$ (2,384,308)</u>	<u>\$ (3,497,479)</u>	<u>\$ 1,113,171</u>

Wesley International Academy, Inc.

Management Discussion and Analysis

As of June 30, 2021

	Governmental Activities		
	2021	2020	Variance
REVENUES			
State passed through local school district	\$ 12,029,474	\$ 10,967,784	\$ 1,061,690
Charges for services	-	24,180	(24,180)
Operating grants and contributions	728,394	173,981	554,413
Loan Forgiveness	1,085,420	-	1,085,420
Other revenues	69,567	171,739	(102,172)
Total revenues	13,912,855	11,337,684	2,575,171
EXPENSES			
Basic instruction	8,030,532	7,691,447	339,085
Pupil Services	659,612	340,905	318,707
Media services	3,096	1,240	1,856
Staff development	519,259	615,228	(95,969)
Support Services	988,034	978,867	9,167
School administration	1,419,029	1,357,349	61,680
Food services	6,305	8,216	(1,911)
Operation of school	1,172,752	1,143,101	29,651
Transportation	1,065	29,071	(28,006)
Total expenses	12,799,684	12,165,424	634,260
Change in net position	\$ 1,113,171	\$ (827,740)	\$ 1,940,911

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities of objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the operations of the School are presented in governmental funds only.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the governmental-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term

Wesley International Academy, Inc.

Management Discussion and Analysis

As of June 30, 2021

financing decisions. Both of the governmental fund financial statements provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains individual government funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be the School's only major fund. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, liabilities exceeded assets by \$2,384,308 for the year ended June 30, 2021.

A portion of the School's net position reflects its investment in capital assets (e.g., furniture, fixtures and equipment, and leasehold improvements), less any related debt used to acquire those assets that are still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Financial analysis of the Government's Funds

The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a School's net resources available for spending at the end of the fiscal year. The general fund is the main operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,389,257.

General Fund Budgetary Highlights

The School's actual revenues exceeded budgeted revenues by \$2,121,067 mainly due the School's FTE funding and supplemental revenue being higher than budgeted. Actual expenditures were above budgeted expenditures by \$1,438,559 due mainly to the School's overall operating costs being higher than budgeted.

Capital Asset

The School's investment in capital assets for its governmental type activities as of June 30, 2021, amounts to \$459,412. This investment in capital assets includes furniture, fixtures and equipment. Additional information on the School's capital assets can be found in note below.

Long term debt

The School's long term debt for its governmental type activities as of June 30, 2021, amounts to \$0. Additional information on the School's long term debt can be found in note below.

Wesley International Academy, Inc.

Management Discussion and Analysis

As of June 30, 2021

Contacting the School's financial management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School.

Wesley International Academy, Inc.

Statement of Net Position

As of June 30, 2021

ASSETS

Cash and cash equivalents ^(note 2)	\$ 4,642,990
Prepaid expenses ^(note 9)	266,634
Deposits ^(note 8)	34,421
Accounts receivable	261,093
Capital assets ^{(net) (note 3)}	459,412
Total assets	<u>5,664,550</u>

DEFERRED OUTFLOW OF RESOURCES

Related to defined benefit pension plans ^(note 10)	3,661,132
Total deferred outflow of resources	<u>3,661,132</u>

LIABILITIES

Accounts payable & accrued expenses ^(note 4)	479,654
Deferred income	33,305
Net pension liability ^(note 10)	11,159,230
Total liabilities	<u>11,672,189</u>

DEFERRED INFLOW OF RESOURCES

Related to defined benefit pension plans ^(note 10)	37,801
Total deferred inflow of resources	<u>37,801</u>

NET POSITION

Investment in capital assets, net of related debt	459,412
Restricted	1,867
Unrestricted (deficit)	<u>(2,845,587)</u>
Total net position (deficit)	<u><u>\$ (2,384,308)</u></u>

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

Wesley International Academy, Inc.
Statement of Activities
For the period ended June 30, 2021

Governmental Activities	Expenses	Program revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Basic instruction	\$ 8,030,532	\$ -	\$ 4,227,957	\$ -	\$ (3,802,575)
Pupil Services	659,612	-	-	-	(659,612)
Media services	3,096	-	134,309	-	131,213
Staff development	519,259	-	18,943	-	(500,316)
Support Services	988,034	-	-	-	(988,034)
Central Services	-	-	62,965	-	62,965
School administration	1,419,029	-	204,162	-	(1,214,867)
Food services	6,305	-	-	-	(6,305)
Operation of school	1,172,752	-	240,783	-	(931,969)
Transportation	1,065	-	-	-	(1,065)
Total governmental activities	\$ 12,799,684	\$ -	\$ 4,889,119	\$ -	\$ (7,910,565)

General revenues:

State passed through local school district	7,140,355
Operating grants and contributions	728,394
Paycheck Protection Program loan forgiveness	1,085,420
Other revenue	69,567
Total general revenues	9,023,736
Change in net position	1,113,171
Net position (deficit) - beginning of year	(3,497,479)
Net position (deficit) - end of the year	\$ (2,384,308)

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

Wesley International Academy, Inc.
 Balance Sheet - Governmental Funds
 As of June 30, 2021

ASSETS

Cash and cash equivalents ^(note 2)	\$ 4,642,990
Prepaid expenses ^(note 9)	266,634
Deposits ^(note 8)	34,421
Accounts receivable	261,093
Total assets	<u>5,205,138</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable & accrued expenses ^(note 4)	479,654
Deferred income	33,305
Total liabilities	<u>512,959</u>

FUND BALANCES

Non-spendable	301,055
Restricted	-
Committed	1,867
Unassigned	4,389,257
Total fund balances	<u>4,692,179</u>

Total liabilities and fund balances	<u>\$ 5,205,138</u>
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The accompanying notes are an integral part to these financial statements.

Wesley International Academy, Inc.

Reconciliation of Balance Sheet – Governmental Funds with the Statement of Net Position

As of June 30, 2021

Total Fund balances - Governmental funds	\$ 4,692,179
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The amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Construction in progress	32,739
Leasehold improvements	774,997
Furniture, fixtures and equipment	607,816
Accumulated depreciation	(956,140)
Total capital assets	<u>459,412</u>

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability	(11,159,230)
Total long term liability	<u>(11,159,230)</u>

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds

Deferred outflows of resources	3,661,132
Deferred inflows of resources	(37,801)
Net flow of resources	<u>3,623,331</u>

Total Net position (deficit) - Governmental activities	<u><u>\$ (2,384,308)</u></u>
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The accompanying notes are an integral part to these financial statements.

Wesley International Academy, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds
For the period ended June 30, 2021

REVENUES	<u>General Fund</u>
State passed through local school district	\$ 12,029,474
Operating grants and contributions	728,394
Loan forgiveness	1,085,420
Other revenues	69,567
Total revenues	<u>13,912,855</u>
EXPENDITURES	
Basic instruction	7,015,787
Pupil Services	659,612
Media services	3,096
Staff development	519,259
Support Services	988,034
School administration	1,419,029
Food services	6,305
Operation of school	1,059,874
Transportation	1,065
Capital outlay	130,098
Debt service: principal payment	1,085,420
Total expenditures	<u>12,887,579</u>
Excess (deficiency) of revenue over (under) expenditures	1,025,276
Net change in fund balance	<u>1,025,276</u>
Fund balances at beginning of the year	<u>3,666,903</u>
Fund balances at end of the year	<u><u>\$ 4,692,179</u></u>

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

Wesley International Academy, Inc.
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances with the Statement of Activities
For the period ended June 30, 2021

Total net change in fund balances- Government funds	\$ 1,025,276
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The amounts reported for governmental activities in the statement of activities are different because:

Capital assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	130,098
Depreciation expense	(112,878)
Total	<u>17,220</u>

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Paycheck Protection Program loan forgiveness	<u>1,085,420</u>
Total	1,085,420

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in pension related accounts	(1,014,745)
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Total change in net position- Governmental activities	<u><u>\$ 1,113,171</u></u>
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The accompanying notes are an integral part to these financial statements.

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

1. Organization

Wesley International Academy, Inc. (a Georgia 501 (c) (3) Corporation) (the School), provides educational services to students in grades K-8. The governing body of the School is the Board of Directors, which is currently comprised of thirteen members. Information presented in these financial statements only reflects the financial position and activities of the School.

The general operating authority of the School is contained in O.C.G.A. (Official Code of Georgia Annotated) 20-2-2060, Georgia Statutes. The School operates under a charter of the sponsoring school district, which is the Atlanta Public Schools, Georgia (the "District"). The current charter is effective until June 30, 2023. At the end of the charter's term, the District may choose not to renew the charter under the grounds specified in the underwriting of the charter. In this case, the District must notify the School at least 90 days prior to the charter's expiration. During the term of charter, the District may terminate the charter if good cause is evident.

2. Significant accounting policies

The accompanying financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the School's accounting policies are described below.

Basis of presentation

The School's basic financial statements are collectively comprised of the government-wide financial statements, fund financial statements, and notes to the basic financial statements of the Wesley International Academy, Inc.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall School, except for fiduciary activities. As part of the consolidation process, all interfold activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business type activities.

The Statement of Net Position presents the School's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories as follows:

- Net investment in capital assets consists of the School District's total investment in capital assets, net of accumulated depreciation, and reduced by outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- Restricted net position consists of resources for which the School District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or imposed by law through constitutional provisions or enabling legislation.

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

- Unrestricted net position consists of resources not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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. Indirect expenses (expenses of the School related to the administration and support of the School's programs, such as office and maintenance personnel and accounting) are not allocated to programs.
- Program revenues include (a) 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. Eliminations have been made to minimize the double counting of internal activities. Separate financial statements are presented for governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The School reports the following major governmental funds:

- General Fund is the School's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

Basis of accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, with the exception of the School's proportionate share of the Net Pension Liability. These collective amounts have been allocated by the pension plan based on actual contributions made to the plan during the measurement period to actuarially determine the proportionate share to each participating employer. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The School uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

measurable and available. The School considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

The School funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program costs are incurred, both restricted and unrestricted resources are available to finance the program. It is the School's policy to first apply grant resources to such programs, followed by cost-reimbursement grants, then general revenues.

Net position

The School's net position in the Government-wide Financial Statements is classified as follows:

Net investment in capital assets

This represents the School's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position

This represents resources for which the School is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position

Unrestricted net position represents resources derived from grants and contributions not restricted to specific programs, charges for services, and miscellaneous revenues. These resources are used for transactions relating to the educational and general operations of the School, and may be used at the discretion of the Board to meet current expenses for those purposes.

Fund balances

The School's fund balances are classified as follows:

Non-spendable

These are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted

These are amounts with limitations imposed on their use by external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed

These are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School's highest level of decision-making authority.

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

Assigned

These are amounts that are constrained by the School's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned

These are amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. This is the residual classification for the general fund.

Cash and cash equivalent

Cash and cash equivalents consist of cash on hand, demand deposits, investments in the State of Georgia local government investment pool and short-term investments with original maturities of three months or less from the date of acquisition in authorized financial institutions. Official Code of Georgia Annotated (O.C.G.A.) §45-8-14 authorizes the School to deposit its funds in one or more solvent banks, insured federal savings and loan associations or insured chartered building and loan associations.

Concentrations of credit risks

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than Federal or State government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

Collateralization of Deposits

Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be a deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to not less than 110 percent of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (OCGA 45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110 percent of the daily pool balance. Acceptable security for deposits consists of any one of or any combination of the following:

1. Surety bond signed by a surety company duly qualified and authorized to transact business within the State of Georgia
2. Insurance on accounts provided by the Federal Deposit Insurance Corporation
3. Bonds, bills, notes, certificates of indebtedness or other direct obligations of the United States or of the State of Georgia
4. Bonds, bills, notes, certificates of indebtedness or other obligations of the counties or municipalities of the State of Georgia
5. Bonds of any public authority created by the laws of the State of Georgia, providing that the statute that created the authority authorized the use of the bonds for this purpose
6. Industrial revenue bonds and bonds of development authorities created by the laws of the State of Georgia

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

7. Bonds, bills, notes, certificates of indebtedness, or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest or debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Association, and the Federal National Mortgage Association.

Stewardship, Compliance, and Accountability

The School adopts an annual budget for its General Fund. The budget is prepared in accordance with provisions of the Quality Basic Education Act, OCGA Section 20-2-167. After the School has tentatively adopted the budget, such budget is advertised at least one time in a local newspaper of general circulation. At the next regular meeting of the Board after advertisement, the budget is revised as necessary and adopted as the final budget. The detail of the fiscal year budget is outlined in the supplemental section of the financial statement.

Capital assets

Capital assets purchased, including capital outlay costs, are recorded as expenditures in the fund financial statements at the time of purchase. Capital assets are defined by the School as assets with an initial individual cost of more than \$2,500 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value on the date donated. Disposals are deleted at depreciated recorded cost.

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend the useful lives of the assets are not capitalized. Depreciation is computed using the straight-line method. During the fiscal year under review, no events or changes in circumstances affecting a capital asset that may indicate impairment were known to the School.

The estimated useful lives of capital assets reported in the government-wide statements are as follows:

Asset Class	Estimated Useful Life (years)
Furniture, fixtures and equipment	3 - 10
Leasehold improvements	Lease term

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental funds report the face amount of debt issued as other financing sources and payments of debt principal as other financing uses.

Revenue sources and recognition

Revenues for current operations are received primarily from the State of Georgia through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 20-2-2060, Georgia Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 20-2-2060, Georgia Statutes, the District reports the number of FTE

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

students and related data to the Georgia Department of Education (GDOE) for funding. Funding for the School is adjusted during the year to reflect revised calculations by the GDOE under the Georgia Education Finance Program and actual weighted FTE students reported by the School during designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have eligibility requirements whereby the issuance of grant funds is withheld until qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position and/or the balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. Under the full accrual method of accounting, the School has reported the contributions to the cost sharing benefit pension plans subsequent to the measurement date and prior to the fiscal year end as deferred outflows of resources. The School has also reported the actuarial changes in the School's proportionate share of the governmental non-employer cost sharing benefit pension plan, as discussed in the note below.

In addition to liabilities, the statement of net position and/or the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. Under the full accrual method of accounting, the School has reported the actuarial changes in the School's proportionate share of the governmental non-employer cost sharing benefit pension plan, as discussed in the note below. This item is reported only in the Statement of Net Position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System of Georgia (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States 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 revenues and expenses during the reporting period. The School considers critical accounting policies to be

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

those that require more significant judgements and estimates in the preparation of its financial statements. Management bases its estimates on historical experience and various other assumptions that it believes are reasonable under the particular facts and circumstances. Actual results could differ from those estimates.

Income Tax

The School is exempt from federal income taxes under Section 501(C) (3) of the Internal Revenue Code. The School is also exempt from Georgia income taxes and, therefore, has made no provision for federal or Georgia income taxes. In addition, the Internal Revenue Services has determined that the Organization is not a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

Budgetary Data

The budget is a complete financial plan for the School's fiscal year, and is based upon careful estimates of expenditures together with probable funding sources. The budget is legally adopted each year for the general, special revenue, debt service, and capital projects funds. There is no statutory prohibition regarding over expenditure of the budget at any level. The budget for all governmental funds, except the various school activity (principal) accounts, is prepared and adopted by fund, function and object. The legal level of budgetary control was established by the Board at the aggregate fund level. The budget for the general fund was prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary process begins with the School's administration presenting an initial budget for the Board's review. The administration makes revisions as necessary based on the Board's guidelines, and a tentative budget is approved. After approval of this tentative budget by the Board, such budget is advertised at least once in a newspaper of general circulation in the locality, as well as the School's website. At the next regularly scheduled meeting of the Board after advertisement, the Board receives comments on the tentative budget, makes revisions as necessary and adopts a final budget. The approved budget is then submitted, in accordance with provisions of O.C.G.A. §20-2-167(c), to the Georgia Department of Education. The Board may increase or decrease the budget at any time during the year. All unexpended budget authority lapses at fiscal year-end.

See the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual in the Supplementary Information Section for a detail of any over/under expenditures during the fiscal year under review.

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

3. Capital assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance at July 1, 2020	Additions	Dispositions	Balance at June 30, 2021
Non-depreciable assets:				
Construction in progress	\$ 25,914	\$ 6,825	\$ -	\$ 32,739
Total non-depreciable assets	25,914	6,825	-	32,739
Capital assets depreciated:				
Furniture, fixtures and equipment	552,566	55,250	-	607,816
Leasehold improvements	706,974	68,023	-	774,997
Total assets depreciated	1,259,540	123,273	-	1,382,813
Less accumulated depreciation:				
Furniture, fixtures and equipment	(276,405)	(64,017)	-	(340,422)
Leasehold improvements	(566,858)	(48,860)	-	(615,718)
Total accumulated depreciation	(843,263)	(112,877)	-	(956,140)
Total governmental activities				
Capital assets, net	<u>\$ 442,191</u>			<u>\$ 459,412</u>

Depreciation expense in the amount of \$112,877 was recorded under operation of school in the statements of activities.

4. Accounts payable and accrued expenses

As of June 30, 2021, accounts payable and accrued expenses consisted of the following:

Accrued salaries & benefits	\$ 296,046
Accounts payable	183,608
Total accounts payable and accrued expenses	<u>\$ 479,654</u>

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

5. Notes payable

As of June 30, 2021, the notes payable consisted of the following:

Lender / Collateral	Interest Rate	Maturity Date	Payment Frequency	Principal Amortization	Beginning Balance	Additions	Reductions	Ending Balance
U.S. SBA PPP Loan	1.00%	5/12/2022	Monthly	Yes	\$1,085,420	\$ -	\$ 1,085,420	\$ -
				Total	\$1,085,420	\$ -	\$ 1,085,420	\$ -

6. Concentrations - Revenue sources

As stated in Note 2, the School receives revenues for current operations primarily from the State of Georgia through the District. The following is a schedule of revenue sources and amounts:

Sources	
State sources passed through the Atlanta Public Schools District , Georgia:	
Quality basic education (QBE)	\$12,029,474
	12,029,474
Other revenue:	
Fundraising, donations and other revenue	69,567
Field trip fees	-
Loan forgiveness	1,085,420
Other grants and revenue	728,394
Total revenues	\$13,912,855

7. Commitments and contingencies

Federal and state grants

The School participates in federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore no provision has been recorded in the accompanying financial statements for such contingencies.

Facilities

The school entered into a lease agreement for the School's facility with Atlanta Independent Public School System. The terms of the lease agreement do not require any base rent payment from the School, however the School is responsible for all maintenance and repair capital

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

improvements, operating expenses, utilities, insurance and all other costs associated with its use and occupancy during the lease year.

8. Deposits

As of June 30, 2021, deposits consisted of the following:

Utility deposit	\$ 23,903
Security deposit	10,518
	<hr/>
Total deposits	\$ 34,421
	<hr/> <hr/>

9. Prepaid expenses

As of June 30, 2021, prepaid expenses consisted of the following:

Instruction supplies	\$ 257,670
Prepaid insurance	8,964
	<hr/>
Total prepaid expenses	\$ 266,634
	<hr/> <hr/>

10. Retirement plan

The School participates in the Teachers Retirement System of Georgia (TRS) retirement plan administered by the State of Georgia. TRS issue separate publicly available financial reports that include the applicable financial statements and required supplementary information. The reports may be obtained from the respective administrative offices.

Plan description

All teachers of the School as defined in §47-3-60 of the Official Code of Georgia Annotated (O.C.G.A.) and certain other support personnel as defined by §47-3-63 are provided a pension through the Teachers Retirement System of Georgia (TRS). TRS, a cost-sharing multiple-employer defined benefit pension plan, is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. TRS issues a publicly available financial report that can be obtained at www.trsga.com/publications.

Benefits provided: TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2 % of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

Contributions: Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employer by the State of Georgia. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00 % of their annual pay during fiscal year 2021. The schools contractually required contribution rate for the year ended June 30, 2021 was 19.06 % of annual school payroll (excluding payroll attributable to those personnel funded on behalf of the School by the State). School contributions to TRS (excluding contributions funded by the State on behalf of the School) were \$1,207,530 for the year ended June 30,2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the School reported a liability of \$11,159,230 for its proportionate share of the net pension liability that reflected a reduction for support attributable to those personnel funded on behalf of the School by the State. The amount recognized by the School as its proportionate share of the net pension liability, the related State of Georgia funding, and the total portion of the net pension liability that was associated with the School were as follows:

School's proportionate share of the net pension liability	\$ 11,159,230
State of Georgia's proportionate share of the net pension liability associated with the School	-
Total	<u>\$ 11,159,230</u>

The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020 was determined using standard roll-forward techniques. The School's proportion of the net pension liability was based on contributions to TRS during the fiscal year ended June 30, 2020. At June 30, 2020, the School's proportion was 0.046067 %, which was an increase of 0.002306 % from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School recognized pension expense of \$2,221,018 and revenue of \$0 for support provided by the State of Georgia for certain support personnel . At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 485,988	\$ -
Changes of assumptions	1,149,414	-
Net difference between projected and actual earnings on pension plan investments	268,772	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	549,428	37,801
School contributions subsequent to the measurement date	1,207,530	-
Total	<u>\$ 3,661,132</u>	<u>\$ 37,801</u>

School contributions subsequent to the measurement date of \$1,207,530 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	(Outflow) / Inflow of resources
2022	\$ 651,850
2023	\$ 730,275
2024	\$ 712,771
2025	\$ 320,905
2026	\$ -
Thereafter	\$ -

Actuarial assumptions

The total pension liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

Inflation rate	2.50%
Salary increases	3.00 - 8.75%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increase	1.50% semi-annually

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% as used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	-0.10%
Domestic large equities	51.00%	8.90%
Domestic small equities	1.50%	13.20%
International developed market equities	12.40%	8.90%
International emerging market equities	5.10%	10.90%
Total	100.00%	

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

Discount rate

The discount rate used to measure the total pension liability was 7.25 %. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School's proportionate share of the net pension / liability to changes in the discount rate

The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.25 %, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 %) or 1-percentage-point higher (8.25 %) than the current rate:

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
School's proportion of the net pension liability	\$ 17,695,876	\$ 11,159,230	\$ 5,801,056

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued TRS financial report which is publically available at www.trsga.com/publications.

Payables to the pension plan: As of June 30, 2021 \$130,000 in accounts payable to the pension plan was recorded in the statement of net assets.

11. Concentration of risk and uncertainty

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; job related illness or injuries to employees; and acts of God. The School has obtained commercial insurance for risk of loss associated with torts, assets, errors or omissions, job related illness or injuries to employees and acts of God.

The School elects to pay unemployment insurance taxes using the contributory method. Taxes are paid quarterly to the Georgia Department of Labor using a set rate based on historical experience.

On April 3, 2020 the Governor of Georgia issued a statewide stay home order to all residents of Georgia due to a strain of the Covid-19 virus that began to spread worldwide resulting in a severe impact to the school's operations. The school's operation has been affected since the

Wesley International Academy, Inc.

Notes to the Financial Statements

June 30, 2021

date of the order. The extent of this impact is uncertain and there can be no assurances that a significant impact on the School's finances will not take place.

12. Inherent limitation in evaluating the entity's ability to continue as a going concern

The potential effects of inherent limitations on the ability to detect material misstatements are greater for future events or conditions, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time. Predictions cannot be made about such future conditions or events. Accordingly, the absence of any reference to substantial doubts about the entity's ability to continue as a going concern for a reasonable period of time in the accompanying financial statements cannot be viewed as a guarantee of the entity's ability to continue as a going concern for a reasonable period of time.

13. Subsequent events

The School evaluated subsequent events through the date the financial statements were available to be issued. The School is not aware of any subsequent events which would require recognition or disclosure in the accompanying financial statements.

Wesley International Academy, Inc.
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability- Teachers'
 Retirement System of Georgia
 For the period ended June 30, 2021

Year Ended	School District's proportion of the net pension liability	School District's proportionate share of the net pension liability	School District's covered payroll	School District's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.046067%	\$ 11,159,230	\$ 6,335,416	176.14%	77.01%
2020	0.171615%	\$ 36,901,865	\$21,076,167	175.09%	78.56%
2019	0.166224%	\$ 30,854,735	\$19,978,659	154.44%	80.27%
2018	0.165730%	\$ 30,801,431	\$19,253,342	159.98%	79.33%
2017	0.166626%	\$ 34,376,802	\$18,595,862	184.86%	76.06%
2016	0.168496%	\$ 25,651,843	\$18,071,345	141.95%	81.44%
2015	0.164905%	\$ 20,833,572	\$17,091,045	121.90%	84.03%

Wesley International Academy, Inc.
 Required Supplementary Information
 Schedule of Contributions - Teachers' Retirement System of Georgia
 For the period ended June 30, 2021

Year Ended	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	School District's covered payroll	Contribution as a percentage of covered payroll
2021	\$ 1,207,530	\$ 1,207,530	\$ -	\$ 6,335,416	19.06%
2020	\$ 1,256,821	\$ 1,256,821	\$ -	\$ 5,945,227	21.14%
2019	\$ 1,097,525	\$ 1,097,525	\$ -	\$ 5,251,317	20.90%
2018	\$ 876,127	\$ 876,127	\$ -	\$ 5,211,939	16.81%
2017	\$ 714,110	\$ 714,110	\$ -	\$ 5,004,275	14.27%
2016	\$ 617,216	\$ 617,216	\$ -	\$ 4,325,270	14.27%
2015	\$ 510,608	\$ 510,608	\$ -	\$ 3,882,951	13.15%
2014	\$ 417,484	\$ 417,484	\$ -	\$ 3,399,707	12.28%

Wesley International Academy, Inc.

Required Supplementary Information

For the period ended June 30, 2021

Teachers Retirement System

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to RP-2000 White Collar Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males).

On May 15, 2019, the Board adopted recommended changes from the smoothed valuation interest rate methodology that has been in effect since June 30, 2009, to a constant interest rate method. In conjunction with the methodology, the long-term assumed rate of return in assets (discount rate) has been changed from 7.50% to 7.25%, and the assumed annual rate of inflation has been reduced from 2.75% to 2.50%.

In 2019 and later, the expectation of retired life mortality was changed to the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table from the RP-2000 Mortality Tables. In 2019, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience.

Wesley International Academy, Inc.
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – General Fund
For the period ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
State passed through local school district	\$ 11,174,588	\$ 12,029,474	\$ 854,886
Supplemental revenue	617,200	1,883,381	1,266,181
Total revenue	<u>11,791,788</u>	<u>13,912,855</u>	<u>2,121,067</u>
EXPENDITURES			
Basic instruction	6,815,969	7,015,787	199,818
Pupil Services	642,582	659,612	17,030
Media services	-	3,096	3,096
Staff development	743,699	519,259	(224,440)
Support Services	611,525	988,034	376,509
School administration	1,578,971	1,419,029	(159,942)
Food services	3,000	6,305	3,305
Operation of school	1,051,274	1,059,874	8,600
Transportation	2,000	1,065	(935)
Capital outlay	-	130,098	130,098
Debt service: principal payment	-	1,085,420	1,085,420
Total expenditures	<u>11,449,020</u>	<u>12,887,579</u>	<u>1,438,559</u>
Excess (deficiency) of revenue over (under) expenditures	<u>342,768</u>	<u>1,025,276</u>	<u>682,508</u>
Net change in fund balance	<u>342,768</u>	<u>1,025,276</u>	<u>682,508</u>
Fund balances at beginning of the year	<u>3,666,903</u>	<u>3,666,903</u>	<u>-</u>
Fund balances at end of the year	<u><u>\$ 4,009,671</u></u>	<u><u>\$ 4,692,179</u></u>	<u><u>\$ 682,508</u></u>

Wesley International Academy, Inc.

Note to the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund

For the period ended June 30, 2021

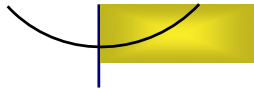
1. Budgetary Information

Budgetary basis of accounting

Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the board of directors (the “Board”). The budgets presented for the fiscal year ended June 30, 2021 have been amended according to Board procedures. Budgets are adopted in full accrual basis accounting. The legal level of budgetary control is the fund level.



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**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH THE GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Wesley International Academy, Inc.
Atlanta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wesley International Academy, Inc. ("the School"), as of and for the year ended June 30, 2021, and related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 20, 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) 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

Bambo Sonaike CPA, LLC

August 20, 2021

Wesley International Academy, Inc.

Schedule of Findings and Responses

For the period ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Un-modified opinion
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Internal control over financial reporting:

Material weaknesses identified?	No
Significant deficiencies identified?	None reported

Compliance and other matters

Non-compliance material to financial statements noted?	No
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Section II - Financial Statements Findings

No matters were reported.

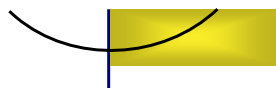
Section III - Federal Awards Findings and Questioned Costs

Audit of major federal awards programs was not performed because the total amount of federal awards expended for the reporting period was less than \$750,000.

–End of Report–



BAMBO SONAIKE CPA, LLC
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MANAGEMENT LETTER

To the Board of Directors
Wesley International Academy, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wesley International Academy, Inc. ("the School") as of and for the year ended June 30, 2021, which collectively comprise the School's basic financial statements.

We issued our report on internal control over financial reporting and on compliance and other matters dated August 20, 2021. Disclosures in that report, if any, should be considered in conjunction with this management letter.

This management letter is intended for the information of the School's management, and is not intended to be and should not be used by anyone other than these specified parties.

Bambo Sonaike CPA, LLC

August 20, 2021

FY 2021 Audited YE Financial Report

Wesley International Academy
For the period ended June 30, 2021



Prepared by
Lisa C. Price

Prepared on
September 15, 2021

FY 2021 Monthly Income Statement

July 2020 - June 2021

	Total
REVENUE	
01-4500 Interest income	2,122.01
Federal Funds	
01-4110 Title I Funding	141,751.00
01-4111 Title II Funding	38,235.00
01-4112 Title IV Funding	8,329.00
01-4113 CARES ACT 1 Funding	313,641.00
Total Federal Funds	501,956.00
Grant Funds	
01-4000 Grants	4,842.56
01-4002 Payroll Protection Program (PPP) Grant	1,085,420.00
02-4000 Restricted Grants	173,681.79
02-4001 CSP COVID Grant	47,914.00
Total Grant Funds	1,311,858.35
Other School Funds	
01-4101 Red Thread Contributions	58,522.73
01-4325 Other Revenue	3,256.03
01-4330 Refunds/Rebates	4,592.92
Total Other School Funds	66,371.68
Refunds/Rebates	1,073.00
State/Local Funds	
01-4105 State/Local Revenue FTE	12,029,474.49
Total State/Local Funds	12,029,474.49
Total Revenue	13,912,855.53
GROSS PROFIT	13,912,855.53
EXPENDITURES	
00-0000 Compensation	
00-1000 Instruction - Compensation	6,368,649.06
00-2100 Pupil Services - Compensation	655,037.58
00-2210 Improvement of Instruction - Compensation	475,300.98
00-2300 General Admin - Compensation	278,166.26
00-2400 School Admin - Compensation	962,776.89
00-2500 Support Services (Business) - Compensation	486,318.47
00-2600 Mtc & Ops of Plant Services - Compensation	141,039.98
00-5300 Pension Contributions	1,014,745.00
Total 00-0000 Compensation	10,382,034.22
1000-01 Instruction	
2213-01 Instructional Staff Training	
5530 Instructional Travel	2,600.56
5535 Staff Development	36,187.20
Total 2213-01 Instructional Staff Training	38,787.76
5505 Textbooks/Consumables	4,190.47

	Total
5510 Classroom Supplies	43,914.06
5515 Technology - Licenses	55,450.42
5520 Reference Material/Library	3,095.86
5525 FFE	439,218.93
5545 Student Assessment	4,535.70
5550 Awards	22,179.79
5671 Substitute - Contractor/Agency	63,715.00
5700 Other Contractors	9,319.92
Total 1000-01 Instruction	684,407.91
2100-01 Pupil Services	
5685 Consulting	27,712.50
6300 Extra Curricular Activities	116.07
6320 Supplies - Student Services	38.32
Total 2100-01 Pupil Services	27,866.89
2300-01 General Administration	
5810 Audit	12,000.00
5820 Insurance	133,633.08
5825 Food and Beverage - G&M	132.85
5830 Supplies	2,618.92
5835 Consulting/Training	7,425.00
5840 Administrative Fees (District)	236,943.14
5845 Fundraising/Resource Develop	24,200.00
Total 2300-01 General Administration	416,952.99
2400-01 School Administration	
5620 Recruiting	496.52
5630 Marketing	47,588.49
5645 Legal	16,005.00
5675 Communications/Media	33,520.00
6000 General & Administrative - Misc	455.68
6015 FFE-G&A	4,195.76
6020 Technology (Non-Instruction)	10,631.32
6025 Staff Development - G&A	7,771.00
6030 Food and Beverage	1,551.83
6035 Supplies - G&A	14,347.23
6038 Special Events/Activities	607.04
6040 Travel-G&A	5.00
6045 Professional Dues	24,077.00
Total 2400-01 School Administration	161,251.87
2500-01 Support Services - Business	
5610 Postage and Shipping	1,497.18
5615 Printing and Copy	11,994.27
5636 Human Resources	26,530.00
5637 Office Support	25,900.00
5640 Payroll	24,097.16

	Total
5805 Bank Fees	16,327.61
Total 2500-01 Support Services - Business	106,346.22
2600-01 Mtc & Ops of Plant Services	
5665 Technology Services	145,260.88
5680 Security	106,171.70
5690 Rentals	9,459.82
5905 Water	10,169.69
5910 Electric	72,057.92
5915 Gas	10,046.64
5920 Waste	20,936.00
5925 Landscaping	15,125.00
5930 Inspections/Compliance	32,127.50
5935 Maintenance Repairs	117,317.33
5940 Rent/Lease/Mortgage	60,988.12
5945 Janitorial Service	105,031.50
5950 Janitorial Supplies	23,351.28
5955 Telephone/Internet	93,588.66
5960 Materials/Supplies	8,821.55
5965 Pest Control	5,335.00
5970 Contractors/Porters	22,495.00
5975 FFE	27,030.44
Total 2600-01 Mtc & Ops of Plant Services	885,314.03
2700-01 Student Transportation	
5605 Transportation	1,063.80
Total 2700-01 Student Transportation	1,063.80
3100-01 School Nutrition	
5625 Food and Beverage	6,305.34
Total 3100-01 School Nutrition	6,305.34
6200 Depreciation	112,878.16
9999 Uncategorized Expenditure	15,261.73
Total Expenditures	12,799,683.16
NET OPERATING REVENUE	1,113,172.37
NET REVENUE	\$1,113,172.37

FY 2021 Monthly Statement of Financial Position

As of June 30, 2021

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash-Operating Account	3,352,526.24
1005 Donations-Red Thread Campaign	74,031.52
1010 Travel Abroad Account	7,949.16
1015 Unrestricted Cash Reserve	1,206,083.26
1072 CPO BillPay Money Out Clearing	2,400.22
Total Bank Accounts	4,642,990.40
Accounts Receivable	
1100 Accounts Receivable	261,092.60
Total Accounts Receivable	261,092.60
Other Current Assets	
1205 Prepaid Expenses	257,670.43
1210 Prepaid Insurance	8,964.00
1215 Deposits	34,421.22
Total Other Current Assets	301,055.65
Total Current Assets	5,205,138.65
Fixed Assets	
1300 Furniture, Fixtures & Equipment	607,815.71
1305 FFE Accumulated Depreciation	(340,421.95)
1310 Leasehold Improvement	774,997.57
1315 LHI Accumulated Depreciation	(615,719.89)
1350 Construction in Progress	32,740.00
Total Fixed Assets	459,411.44
Other Assets	
1500 Other Assets	
1515 Suspense	0.22
Total 1500 Other Assets	0.22
1505 Deferred Outflows of Resources - Pension	3,661,132.00
Total Other Assets	3,661,132.22
TOTAL ASSETS	\$9,325,682.31
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	183,608.50
Total Accounts Payable	183,608.50
Other Current Liabilities	
2005 Accrued Salaries & Benefits	296,045.73
2008 Deferred Income	33,304.78

	Total
Total Other Current Liabilities	329,350.51
Total Current Liabilities	512,959.01
Long-Term Liabilities	
2500 Net Pension Liability	11,159,230.00
2505 Deferred Inflows of Resources - Pension	37,801.00
Total Long-Term Liabilities	11,197,031.00
Total Liabilities	11,709,990.01
Equity	
3000 Investment in Capital Assets	256,969.31
32000 *Unrestricted Net Assets	(3,756,316.47)
3401 Net Assets - Red Thread Campaign	1,867.09
Net Revenue	1,113,172.37
Total Equity	(2,384,307.70)
TOTAL LIABILITIES AND EQUITY	\$9,325,682.31

NOTE

2008: Red Thread placeholder

FY 2021 YE Summary BVA (Approved Rev Budget)

July 2020 - June 2021

	Actual	Budget	over Budget	Total % of Budget
REVENUE				
01-4500 Interest income	2,122.01	2,400.00	-277.99	88.42 %
Federal Funds	501,956.00	493,000.00	8,956.00	101.82 %
Grant Funds	1,311,858.35	63,000.00	1,248,858.35	2,082.31 %
Other School Funds	66,371.68	58,800.00	7,571.68	112.88 %
Refunds/Rebates	1,073.00		1,073.00	
State/Local Funds	12,029,474.49	11,174,588.00	854,886.49	107.65 %
Total Revenue	13,912,855.53	11,791,788.00	2,121,067.53	117.99 %
GROSS PROFIT	13,912,855.53	11,791,788.00	2,121,067.53	117.99 %
EXPENDITURES				
00-0000 Compensation	10,382,034.22	9,181,208.00	1,200,826.22	113.08 %
1000-01 Instruction	684,407.91	636,750.00	47,657.91	107.48 %
2100-01 Pupil Services	27,866.89	37,600.00	-9,733.11	74.11 %
2300-01 General Administration	416,952.99	398,492.00	18,460.99	104.63 %
2400-01 School Administration	161,251.87	162,000.00	-748.13	99.54 %
2500-01 Support Services - Business	106,346.22	115,700.00	-9,353.78	91.92 %
2600-01 Mtc & Ops of Plant Services	885,314.03	912,270.00	-26,955.97	97.05 %
2700-01 Student Transportation	1,063.80	2,000.00	-936.20	53.19 %
3100-01 School Nutrition	6,305.34	3,000.00	3,305.34	210.18 %
6200 Depreciation	112,878.16		112,878.16	
9999 Uncategorized Expenditure	15,261.73		15,261.73	
Total Expenditures	12,799,683.16	11,449,020.00	1,350,663.16	111.80 %
NET OPERATING REVENUE	1,113,172.37	342,768.00	770,404.37	324.76 %
NET REVENUE	\$1,113,172.37	\$342,768.00	\$770,404.37	324.76 %