

FINANCIAL STATEMENTS

ASPIRE TRADE HIGH SCHOOL

HUNTERSVILLE, NORTH CAROLINA

JUNE 30, 2024

ASPIRE TRADE HIGH SCHOOL
TABLE OF CONTENTS
JUNE 30, 2024

	<u>EXHIBIT</u>	<u>PAGE</u>
FINANCIAL SECTION		
Independent Auditor's Report		5
Management's Discussion and Analysis		7
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	15
Statement of Activities	2	16
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	17
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	3	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statements of Activities	5	19
Notes to the Financial Statements		20

	<u>STATEMENT</u>	<u>PAGE</u>
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Fund Types	1	30

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		32
Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control over Compliance in Accordance with Uniform Guidance and the State Single Audit Implementation Act		34
Schedule of Findings and Responses		36
Corrective Action Plan		38
Summary Schedule of Prior Year's Audit Findings		39
Schedule of Expenditures of Federal and State Awards		40

FINANCIAL SECTION

ASPIRE TRADE HIGH SCHOOL

HUNTERSVILLE, NORTH CAROLINA

JUNE 30, 2024



Independent Auditor's Report

Board of Directors
Aspire Trade High School
Huntersville, North Carolina

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Aspire Trade High School, North Carolina, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information of Aspire Trade High School, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-14 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Aspire Trade High School's basic financial statements. The accompanying budgetary schedules and the schedule of expenditures of federal and state awards as required by the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applies in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2024, on our consideration of Aspire Trade High 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 Aspire Trade High School's internal control over financial reporting and compliance.

Rebekah Barr, CPA PC

Rebekah Barr, CPA PC
Certified Public Accountant
Wilson, North Carolina

December 31, 2024

Aspire Trade High School
Management's Discussion and Analysis
For the Year Ended June 30, 2024

As management of Aspire Trade High School (the "School"), we provide these financial statements and this narrative overview and analysis of the School's financial position at June 30, 2024, and its operations for the year then ended. We encourage readers to review the discussion presented herein in conjunction with additional information included in the financial statements and notes, which follow this section.

Financial Highlights

- At the end of the fiscal year, the School's liabilities exceeded its assets by \$403,201, mainly due to the building lease liability.
- The School's net position decreased by \$403,201, primarily as a result of the building lease liability.
- As of the close of the current fiscal year, the School's governmental funds reported ending fund balances of \$89,593.
- The State-funded Average Daily Membership (ADM) for the first year of operations was 190.
- The School's long-term debt consists of its building lease liability, which totaled \$16,755,000, at June 30, 2024.

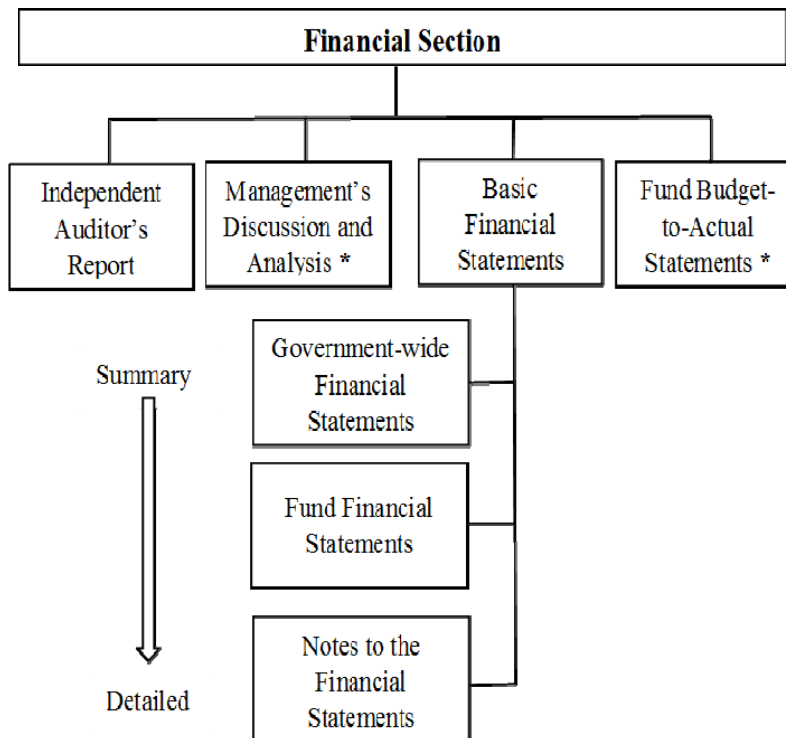
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Aspire Trade High School's basic financial statements. The School's basic financial statements consist of three components: the government-wide financial statements, the fund financial statements, and the notes to the financial statements. The basic financial statements present two different views of the School through the use of the government-wide statements and the fund financial statements. In addition to the basic financial statements, the annual financial report contains the independent auditor's report, certain required supplementary information and other required schedules that provide additional information to enhance the reader's understanding of the financial position and activities of the School.

The chart in Figure 1 outlines the relationships of the components of the annual financial report.

Components of Annual Financial Report

Figure 1



* Required Supplementary Information

Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the School's financial status.

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the School. These statements provide more detail than the government-wide statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the School's individual funds. Budgetary information for the School also can be found in this section of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the School's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the School's financial status as a whole.

The two government-wide statements report the School's net position and how it has changed. Net position is the difference between the School's total assets and total liabilities. Measuring net position is one way to gauge the School's financial condition.

The government-wide statements encompass the governmental activities that include the School's basic functions such as instructional services and business services. State, County, and Federal funds provide virtually all of the funding for these functions. The government-wide financial statements are Exhibits 1 and 2 of this report.

The condensed government-wide financial statements are provided in Figures 2 and 3 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Aspire Trade High School, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the North Carolina General Statutes or the School's budget ordinance. All of the funds of the School are governmental funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the School's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The School adopts an annual budget for each of its funds, although it is not required to do so by the General Statutes. Because the budget is not legally required by the statutes, the budgetary comparison statements are not included in the basic financial statements but are part of the supplemental statements and schedules that follow the notes. The budget is

Management's Discussion and Analysis
Aspire Trade High School
June 30, 2024

a legally adopted document that incorporates input from the faculty, management, and the Board of Directors of the School in determining what activities will be pursued and what services will be provided by the School during the year. It also authorizes the School to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for each of the funds demonstrates how well the School has complied with the budget ordinance and whether the School has succeeded in providing the services as planned when the budget was adopted.

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. The notes to the financial statements begin on page 21 of this report.

Government-Wide Financial Analysis

The financial analysis shows that, as of June 30, 2024, cash and cash equivalents, along with other current assets—primarily amounts due from other governments—represented 0.3% and 0.4% of total government-wide assets, respectively. The School's capital assets consisting of its building, net of accumulated depreciation, represented 99.3% of total assets, while long-term liabilities, primarily consisting of the School's lease liability for its building, accounted for 99.8% of total liabilities.

As previously noted, net position may, over time, serve as one useful indicator of a school's financial condition. The liabilities of Aspire Trade High School exceeded assets by \$403,201, as of June 30, 2024, primarily due to the School's building lease liability. The School's net position decreased by \$403,201 for the fiscal year ended June 30, 2024, primarily due to accounting for the School's building lease liability. The amount of \$(492,794) represents the School's investment in capital assets (e.g. buildings). The School uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. The remaining net asset amount of \$89,593 is unrestricted.

Management's Discussion and Analysis
Aspire Trade High School
June 30, 2024

A condensed statement of net position which summarizes the assets, liabilities, and net position at June 30, 2024 is as follows:

Aspire Trade High School's
Condensed Statement of Net Position
Figure 2

	Governmental Activities
	2024
Assets:	
Cash and cash equivalents	\$ 43,821
Other current assets	72,930
Capital assets, net	16,262,206
Total assets	16,378,957
Liabilities:	
Current and other liabilities	27,158
Long-term liabilities	16,755,000
Total liabilities	16,782,158
Net position:	
Net investment in capital assets	(492,794)
Unrestricted	89,593
Total net position	\$ (403,201)

Several aspects of the School's financial operations positively influenced the total unrestricted governmental net position:

- The School established an annual budget, which was monitored monthly to assess performance and make necessary adjustments in spending to stay within budgetary limits.
- The School successfully applied for and received a federal grant to support the educational needs of its student population.
- Overall, state and local per pupil funding increased this fiscal year.

Management's Discussion and Analysis
Aspire Trade High School
June 30, 2024

Revenues, expenses, and the change in net position is summarized in the following condensed statement of activities for the year ended June 30, 2024:

Aspire Trade High School's
Condensed Statement of Activities
Figure 3

	Governmental Activities
	2024
Revenues:	
Operating grants and contributions	\$ 47,909
County and State funds	2,050,815
Donations	596,509
Miscellaneous, unrestricted	4,798
Total revenues	2,700,031
Expenses:	
Instructional programs	1,809,126
Athletics, arts and clubs	34
Support services	540,351
Interest on long-term debt	753,721
Total expenses	3,103,232
Change in net position	(403,201)
Net position, July 1	-
Net position, June 30	\$ (403,201)

Governmental activities: Governmental activities decreased the School's net position by \$403,201, primarily due to accounting for the School's building lease liability. County and State funds of \$2,050,815 make up 76.0% of total revenues. Instructional services and related expenses of \$1,809,126 account for 58.3% of total expenses.

Financial Analysis of the School's Funds

As previously noted, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The School's governmental funds primarily focus on providing information about near-term inflows, outflows, and the balances of available financial resources. This information is essential for assessing the School's financing needs. In particular, the unassigned fund balance serves as a valuable indicator of the net resources a government has available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, the assets in the General Fund consisted primarily of cash and cash equivalents and amounts due from other governments, which equaled 37.5% and 54.5% of total fund assets, respectively. Accounts payable accounted for 100% of General Fund liabilities. The unassigned fund balance of the General Fund was \$84,414, while total fund balance reached \$89,593. The unassigned fund balance of the General Fund was 94.2% of total fund balance.

Management's Discussion and Analysis
Aspire Trade High School
June 30, 2024

The primary source, 51.1%, of General Fund revenue was \$629,453 in reimbursements by various counties for their students attending the School. An additional \$1,469,271 was provided by the State of North Carolina and the Federal government, which accounted for 54.4% of total Governmental Fund revenue.

Expenditures for capital outlay related to the School's building lease totaled \$16,755,000, or 93.6% of General Fund expenditures. Additional instructions-related expenditures of \$151,000, athletics, arts and clubs and support services of \$236,446, and debt service of \$753,721 accounted for 0.9%, 1.3%, and 4.2%, respectively, of General Fund expenditures.

Capital Asset and Debt Administration

Capital assets. The School's investment in capital assets for its governmental activities totals \$16,262,206 (net of accumulated depreciation), as of June 30, 2024. Capital assets consist of the School's building.

The following schedule summarizes the School's capital assets at June 30, 2024:

Aspire Trade High School's Capital Assets
(net of depreciation)
Figure 4

	<u>Governmental Activities</u> <u>2024</u>
Building	\$ 16,262,206
Capital assets, net	<u>\$ 16,262,206</u>

Additional information about the School's capital assets can be found in note III.A.2. of the Basic Financial Statements.

Long-term Debt. As of June 30, 2024, the School's long-term debt consisted of its building lease liability, which totaled \$16,755,000.

The School's outstanding debt at June 30, 2024 is summarized in the following schedule:

Aspire Trade High School's
Long-Term Obligations
Figure 5

	<u>Governmental Activities</u> <u>2024</u>
Lease liability	\$ 16,755,000
Total long-term obligations	<u>\$ 16,755,000</u>

Management's Discussion and Analysis
Aspire Trade High School
June 30, 2024

Additional information about the School's long-term obligations can be found in note III.B.2. of the Basic Financial Statements.

Economic Factors

The following key economic indicators reflect the growth and prosperity of the School:

- Aspire Trade High School is the first charter trade high school in the Charlotte metro area. The School opened in the 2023-2024 school year, serving students in grades 9-12, offering students the opportunity to earn a high school diploma and trade certificate in industry-specific trades.
- Mecklenburg County, the School's main source for local revenue, increased its per pupil allocation by 5.4% this fiscal year.
- The State of North Carolina raised its per pupil funding by \$186.95 per Average Daily Membership (ADM), representing an increase of 3.06% compared to the previous year.
- The School received supplementary Federal monies to support its educational programs.

Requests for Information

This report is designed to provide an overview of the School's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Board Chair, Aspire Trade High School, 7125 Hambright Road, Huntersville, NC 28078 Telephone (980) 399-7554. Additional information is available at the School's website, aspiretradehs.org.

Aspire Trade High School
Statement of Net Position
June 30, 2024

	Primary Government	
	Governmental	
	Activities	Total
ASSETS		
Cash and cash equivalents	\$ 43,821	\$ 43,821
Due from other governments	63,639	63,639
Accounts receivable	4,112	4,112
Prepaid expenses	5,179	5,179
Security deposits	-	-
Capital assets (Note III):		
Land, improvements, and construction in progress	-	-
Other capital assets, net of depreciation	16,262,206	16,262,206
Total capital assets	<u>16,262,206</u>	<u>16,262,206</u>
Total assets	<u>16,378,957</u>	<u>16,378,957</u>
LIABILITIES		
Accounts payable - trade	27,158	27,158
Accrued rent	-	-
Short-term payable - related party	-	-
Payroll withholdings payable	-	-
Temporary cash overdraft	-	-
Long-term liabilities:		
Due within one year	-	-
Due in more than one year	16,755,000	16,755,000
Total liabilities	<u>16,782,158</u>	<u>16,782,158</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	(492,794)	(492,794)
Unrestricted	89,593	89,593
Total net position	<u>\$ (403,201)</u>	<u>\$ (403,201)</u>

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

Aspire Trade High School
Statement of Activities
June 30, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
Instructional programs	\$ 1,809,126	\$ -	\$ 47,909	\$ -	\$ (1,761,217)	\$ -	\$ (1,761,217)
Athletics, arts and clubs	34	-	-	-	(34)	-	(34)
Support services	540,351	-	-	-	(540,351)	-	(540,351)
Community services	-	-	-	-	-	-	-
Interest on debt	753,721	-	-	-	(753,721)	-	(753,721)
Total governmental activities	3,103,232	-	47,909	-	(3,055,323)	-	(3,055,323)
Total primary government	\$ 3,103,232	\$ -	\$ 47,909	\$ -	(3,055,323)	-	(3,055,323)
General revenues:							
Unrestricted county appropriations					629,453	-	629,453
Unrestricted State appropriations					1,421,362	-	1,421,362
Unrestricted Federal appropriations					-	-	-
Donations - general					596,509	-	596,509
Miscellaneous, unrestricted					4,798	-	4,798
Transfers					-	-	-
Total general revenues, special items, and transfers					2,652,122	-	2,652,122
Change in net position					(403,201)	-	(403,201)
Net position-beginning, as previously stated					-	-	-
Net position-ending					\$ (403,201)	\$ -	\$ (403,201)

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

**Aspire Trade High School
Balance Sheet
Governmental Funds
June 30, 2024**

	Major Funds		Non-Major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	
ASSETS				
Cash and cash equivalents	\$ 43,821	\$ -	\$ -	\$ 43,821
Due from other governments	63,639	-	-	63,639
Accounts receivable	4,112	-	-	4,112
Prepaid expenses	5,179	-	-	5,179
Security deposits	-	-	-	-
Total assets	116,751	-	-	116,751
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable - trade	27,158	-	-	27,158
Short term note payable - related party	-	-	-	-
Payroll withholdings payable	-	-	-	-
Temporary cash overdraft	-	-	-	-
Total liabilities	27,158	-	-	27,158
DEFERRED INFLOWS OF RESOURCES	-	-	-	-
Fund balances:				
Nonspendable:				
Prepaid items	5,179	-	-	5,179
Unassigned	84,414	-	-	84,414
Total fund balances	89,593	-	-	89,593
Total liabilities and funds balances	\$ 116,751	\$ -	\$ -	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	16,262,206
Liabilities for earned but unavailable revenues in fund statements.	-
Some liabilities, including bonds payable and accrued interest, are not due and payable in the the current period and therefore are not reported in the funds.	(16,755,000)
Net position of governmental activities	(403,201)

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

Aspire Trade High School
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds		Non-Major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	
Revenues				
State of North Carolina	\$ -	\$ 1,421,362	\$ -	\$ 1,421,362
Local education agencies	629,453	-	-	629,453
Fines and forfeitures	-	-	-	-
U.S. Government	-	-	47,909	47,909
Contributions and donations	596,509	-	-	596,509
Other	4,798	-	-	4,798
Total revenues	1,230,760	1,421,362	47,909	2,700,031
EXPENDITURES				
Current:				
Instructional programs	151,000	1,166,702	47,909	1,365,611
Athletics, arts and clubs	34	-	-	34
Support services	236,412	254,660	-	491,072
Community services	-	-	-	-
Capital outlay	16,755,000	-	-	16,755,000
Debt service:				
Principal	-	-	-	-
Interest and other charges	753,721	-	-	753,721
Total expenditures	17,896,167	1,421,362	47,909	19,365,438
Excess (deficiency) of revenues over expenditures	(16,665,407)	-	-	(16,665,407)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	-	-	-	-
Proceeds from building lease	16,755,000	-	-	16,755,000
Total other financing sources (uses)	16,755,000	-	-	16,755,000
Net change in fund balance	89,593	-	-	89,593
Fund balances - beginning	-	-	-	-
Fund balances-ending	\$ 89,593	\$ -	\$ -	\$ 89,593

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

Aspire Trade High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds to the Statements of Activities
For the Year Ended June 30, 2024

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

Net changes in fund balances - total governmental funds	\$ 89,593
Change in fund balance due to change in reserve for inventory	-
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	16,262,206
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts and prepaid insurance when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(16,755,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	-
Rounding adjustment	-
	<hr/>
Total changes in net position of governmental activities	<u><u>\$ (403,201)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

ASPIRE TRADE HIGH SCHOOL

HUNTERSVILLE, NORTH CAROLINA

JUNE 30, 2024

Aspire Carolinas Foundation, Inc., North Carolina

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2024

I. Summary of Significant Accounting Policies

The accounting policies of the Aspire Carolinas Foundation, Inc., North Carolina (the School) conform to generally accepted accounting principles (GAAP) as applicable to governments. Charter schools are established by non-profit entities. Because of the authority of the State Board of Education (SBE) to terminate, not renew or seek applicants to assume a charter on grounds sent out in the North Carolina General Statutes at G.S. 115C218.95 with all net assets purchased with the public funds reverting to a local education agency (G.S. 115C218.100), the charter schools in North Carolina follow the governmental reporting model as used by local education agencies. The following is a summary of the more significant accounting policies:

A. Reporting Entity

Aspire Carolinas Foundation, Inc. is a North Carolina non-profit corporation incorporated in November 2017. Pursuant to the provisions of the Charter School Act of 1996 as amended (the "Act"), Aspire Carolinas Foundation, Inc. has been approved to operate the Aspire Trade High School, a public school serving approximately 178 students. The School operates under an approved charter received from the SBE and applied for under the provisions of General Statute (G.S.) 115C-218.1. G.S. 115C-218.6(b)(1) states that a charter school shall be subject to the audit requirements adopted by the SBE, which includes the audit requirements established by G.S. 115C-447 of the School Budget and Fiscal Control Act (SBFCA) and requires the financial statements to be prepared in accordance with GAAP. The current charter is effective until June 30, 2028 and may be renewed for subsequent periods of ten (10) years unless one of the conditions in G.S. 115C-218.6(b) applies in which case the SBE may renew the charter for a shorter period or not renew the charter.

The School has been recognized by the Internal Revenue Service as exempt from Federal income taxation under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

B. Basis of Presentation

In accordance with GASB Statements No. 34, Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments (GASB 34), Aspire Carolinas Foundation, Inc. is a special-purpose government that is engaged in governmental activities and is not a component unit of another government. Therefore, the financial statements are prepared in the same manner as general purpose governments.

Government-wide Statements: The statement of net position and the statement of activities display information about the School. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements generally are financed through intra-governmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the School and 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 expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the School funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party investment earnings, result from non-exchange transactions or ancillary activities.

The School reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the School. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

State Public School Fund. The State Public School Fund includes appropriations from the Department of Public Instruction for specific operating needs of the public school system and is reported as a special revenue fund.

Federal Fund. The Federal Fund is used to account for the Federal moneys that are passed through the State Department of Public Instruction to the School.

The School does not report an enterprise fund for the year ended June 30, 2024.

C. Measurement Focus and Basis of Accounting

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

Governmental Fund Financial Statements. 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 measurable and available. The School considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the School funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the School's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

D. Budgetary Data

Annual budgets are adopted for all funds on a government-wide basis. All budgets are prepared using the modified accrual basis of accounting.

The governing board has voluntarily established the policy, as a sound business practice, that expenditures may not exceed appropriations, for all of the School's funds, based on the adopted budget and subsequent amendments. During the year, several amendments to the original budget were necessary, the effects of which

were not material. The budget presented in the supplemental data represents the budget of the School at June 30, 2024. All appropriations lapse at year end.

E. Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the School are made in a local bank; whose accounts are FDIC insured. Also, the School has established time deposit accounts such as money market accounts.

2. Cash and Cash Equivalents

The School pools money from several funds to facilitate disbursement and investment and to maximize investment income. All cash and investments with original maturities of three months or less are considered cash and cash equivalents.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. Capital Assets

The School's donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

It is the policy of the School to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. In addition, other items which are purchased and used in large quantities such as student desks and office furniture are capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. All depreciable assets are depreciated using the straight-line method of depreciation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated over the following estimated useful lives:

	<u>Years</u>
Building and improvements	39
Furniture and equipment	5
Vehicles	7

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The School has no items that meet this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The School has no items that meet this criterion.

6. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statements of net position.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

7. Compensated Absences

The School does not accrue compensated absences for vacation; therefore, no accrual has been made.

The sick leave policy of the School provides for five (5) accumulated days of earned sick leave. Sick leave does not vest and cannot be carried over to the following year. Since the School has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

8. Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepaid Items- portion of fund balance that is not an available resource because it represents the year-end balance of prepaid rent on the school facility which is not a spendable resource.

Restricted Fund Balance –This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Committed Fund Balance –portion of fund balance that can only be used for specific purpose imposed by majority vote of School's governing body (highest level of decision-making authority). Any changes or removal of the specific purpose requires majority action by the governing bodies that approved the original action.

Assigned fund balance – portion of fund balance that Aspire Carolinas Foundation intends to use for specific purposes.

Unassigned fund balance – the portion of fund balance that has not been assigned to another fund or restricted, committed, or assigned to specific purposes within the general fund.

Aspire Carolinas Foundation has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds,

State funds, local non-board of education funds, board of education funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the School.

9. The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of (\$492,794) consists of several elements as follows:

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column.)	\$ 16,755,000
Less accumulated depreciation	(492,794)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Notes payable	<u>(16,755,000)</u>
Total adjustment	<u>\$ (492,794)</u>

F. Revenues, Expenditures, and Expenses

1. Funding

Aspire Carolinas Foundation is funded by the State Board of Education, receiving (i) an amount equal to the average per pupil allocation for the average daily membership (ADM) from the local school administrative unit allotments in which the school is located (i.e. Charlotte-Mecklenburg County Board of Education) for each child attending the School except for the allocation for children with special needs and (ii) an additional amount for each child attending the School who is a child with special needs [G.S. 115C-238.29H(a)]. Additionally, the appropriate local school administrative unit(s) transfers to the School, for each student who resides in the local administrative unit and attends the charter school, an amount equal to the per pupil unit for the fiscal year. [G.S. 115C.238.29H(b)]. For the fiscal year ended June 30, 2024, the Aspire Carolinas Foundation received funding from the Boards of Education for Cabarrus (\$21,568), Charlotte-Mecklenburg (\$577,720), Gaston (\$5,510), Iredell-Statesville (\$6,669), Kannapolis City (\$324), Lincoln (\$3,838), Mooresville City (\$8,676) and Rowan-Salisbury (\$5,148) Counties.

Furthermore, Aspire Carolinas Foundation has received donations of cash and/or equipment from private organizations.

2. Reconciliation between Government-Wide and Fund Statements

The governmental fund statement of revenues, expenditures, and changes in fund balance is followed by a reconciliation between the change in governmental funds' fund balance and the change in governmental activities' net position as reported on the government-wide statement of activities. The net difference of (\$492,794) between the two amounts consists of the following elements:

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets on the Statement of Activities.	\$ 16,755,000
Depreciation expense that is recorded on the Statement of Activities but not in the fund statements.	(492,794)
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 has any effect on net position. Also, government funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(16,755,000)
Rounding adjustment	-
Total	<u>\$ (492,794)</u>

G. Use of Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures.

II. Stewardship, Compliance, and Accountability

A. Material Violations of Finance-Related Legal and Contractual Provisions

Noncompliance with North Carolina General Statutes

None

Contractual Violations

None.

B. Deficit Fund Balance or Net Assets of Individual Funds

None.

III. Detail Notes on All Funds

A. Assets

1. Deposits

At June 30, 2024, the School had deposits with banks and savings and loans with a carrying amount of \$43,821. The bank balance with the financial institutions was \$74,533, which is insured by the FDIC. The School does not have a deposit policy for custodial credit risk. The School does not hold petty cash.

2. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

Governmental activities:	Beginning	Increases	Decreases	Ending
Capital assets being amortized:				
Building	\$ -	\$ 16,755,000	\$ -	\$ 16,755,000
Total capital assets being amortized	-	16,755,000	-	16,755,000
Less accumulated amortization for:				
Building	-	492,794	-	492,794
Total accumulated amortization	-	\$ 492,794	\$ -	492,794
Capital assets being amortized, net	<u>\$ -</u>			<u>\$ 16,262,206</u>

Depreciation expense was charged to governmental functions as follows:

Instructional programs	\$ 443,515
Supporting services	49,279
	<u>\$ 492,794</u>

B. Liabilities

1. Risk Management

The School is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School maintains general liability and errors and omissions insurance coverage of \$1 million per occurrence with a commercial carrier.

The School has obtained a Major Medical insurance policy for its personnel through a commercial insurer. Through the plan, permanent, full-time employees of the School are eligible to receive health care benefits.

The School carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past two fiscal years.

The School carries fidelity bond coverage in the amount of \$250,000. The company that does all outsourced accounting carries fidelity bond coverage in the amount of \$500,000.

The School has elected not to carry flood insurance because the School is not in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency.

2. Long Term Obligations

a. Lease liability

The School has entered into an agreement to lease their school building. The lease agreement qualifies as other than short-term leases under GASB 87 and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The School entered into a lease with Aspire Foundation for the use of its school building. The initial term of the lease was 35 year. The lease requires monthly payments that coincide with the bond payments owed by the Foundation for the construction of the building. The School paid \$753,721 on the account for the year ended June 30, 2024. The lease carries the same interest rate of the bond which is 7.625%. During the year ended June 30, 2024, the School recorded \$492,794 and \$753,721 for amortization expense and interest expense, respectively, related to this arrangement. The liability balance as of June 30, 2024 is \$16,755,000. The School's obligations for the remainder of the lease are as follows:

Future maturities of this debt are as follows:

	Principal	Interest	Total
Year Ending June 30, 2025	-	1,277,569	1,277,569
Year Ending June 30, 2026	-	1,277,569	1,277,569
Year Ending June 30, 2027	-	1,277,569	1,277,569
Year Ending June 30, 2028	-	1,277,569	1,277,569
Year Ending June 30, 2029	150,000	1,277,569	1,427,569
Years Ending June 30, 2030-2034	960,000	6,169,673	7,129,673
Years Ending June 30, 2035-2039	1,395,000	5,730,855	7,125,855
Years Ending June 30, 2040-2044	2,040,000	5,089,212	7,129,212
Years Ending June 30, 2045-2049	2,975,000	4,152,861	7,127,861
Years Ending June 30, 2050-2054	4,340,000	2,786,270	7,126,270
Years Ending June 30, 2055-2058	4,895,000	805,200	5,700,200
	<u>\$ 16,755,000</u>	<u>\$ 31,121,916</u>	<u>\$ 47,876,916</u>

b. Changes in General Long-Term Obligations

	Balance			Balance	Current
	July 1, 2023	Increases	Decreases	June 30, 2024	Portion
Governmental Activities:					
Capitalized lease	\$ -	\$ 16,755,000	\$ -	\$ 16,755,000	\$ -
Total	\$ -	\$ 16,755,000	\$ -	\$ 16,755,000	\$ -

2. Fund Balance

Aspire Carolinas Foundation has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: federal funds, State funds, local non-School funds, Aspire Carolinas Foundation funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the School.

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation.

Total fund balance	\$361,017
Less:	
Inventories	-
Prepaid Items	403
Appropriated Fund Balance in 2024 budget	-
Remaining Fund Balance	\$360,614

IV. Related Party Transactions

The School has a relationship with Aspire Foundation of the Carolinas in that the School's board members can be appointed by the Foundation and the School's goals and objectives are dictated by the foundation. The Foundation is holding the bond that was used to construct the School's campus and invests in the School's financial aspects as well. The Foundation donated \$185,000 to the School during the year ended June 30, 2024.

V. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The School has received proceeds from several federal and State grants. Periodic audits of these grants are required, and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

VI. Subsequent Events

The School has evaluated subsequent events from the date of the balance sheet through the date the report is available to be issued which is the date of the independent auditors' report. The School has not evaluated subsequent events after that date. There were no subsequent events during this period that require disclosure.

Aspire Trade High School
All Fund Types
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Government-wide Budget
Year Ended June 30, 2024

		2024	
		Final Budget	Favorable (Unfavorable) Variance
		Actual	
Revenues:			
State of North Carolina	\$ 1,447,184	\$ 1,421,362	\$ (25,822)
Board(s) of Education	722,451	629,453	(92,998)
U.S. Government	47,909	47,909	-
Contributions and donations	185,000	596,509	411,509
Others	-	4,798	4,798
Total revenues	2,402,544	2,700,031	297,487
Expenditures			
Salaries and wages	1,152,004	1,095,363	56,641
Benefits	370,795	393,329	(22,534)
Books and supplies	21,500	17,865	3,635
Contracted student services	8,000	23,347	(15,347)
Staff development	3,000	179	2,821
Administrative services	24,000	36,733	(12,733)
Insurances	46,000	42,208	3,792
Rents and debt service	799,000	753,721	45,279
Facilities	37,000	27,413	9,587
Utilities	92,696	97,543	(4,847)
Transportation and travel	23,652	24,249	(597)
Technology	20,000	1,816	18,184
Non-cap furniture and equipment	9,000	7,535	1,465
Cap equipment and purchases	-	-	-
Nutrition and food	20,000	89,103	(69,103)
Clubs	-	34	(34)
Total expenditures	2,626,647	2,610,438	16,209
Other financing sources (uses):			
Federal reimbursements	-	-	-
Proceeds from bonds payable	-	-	-
Total other financing sources	-	-	-
Excess of revenues over expenditures	\$ (224,103)	\$ 89,593	\$ 313,696

COMPLIANCE SECTION

ASPIRE TRADE HIGH SCHOOL

HUNTERSVILLE, NORTH CAROLINA

JUNE 30, 2024



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

Board of Directors
Aspire Trade High School
Huntersville, North Carolina

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 accompanying financial statements of the governmental activities and each major fund of Aspire Trade High School as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises Aspire Trade High School's basic financial statements and have issued our report thereon dated December 31, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Aspire Trade High School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Aspire Trade High School's internal control. Accordingly, we do not express an opinion on the effectiveness of Aspire Trade High School's internal control.

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

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

Compliance and Other Matters

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

Purpose of this report

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

Rebekah Barr, CPA PC

Rebekah Barr, CPA PC
Certified Public Accountant
Wilson, North Carolina

December 31, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB UNIFORM GUIDANCE; AND THE STATE SINGLE AUDIT
IMPLEMENTATION ACT

Board of Trustees
Aspire Trade High School
Huntersville, North Carolina

Report on Compliance for Each Major State Program

We have audited Aspire Trade High School's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on its major State program for the year ended June 30, 2024. Aspire Trade High School's major State program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Aspire Trade High School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its major State program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Aspire Trade High School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance

when it exits. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Aspire Trade High School's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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



Rebekah Barr, CPA PC
Certified Public Accountant
Wilson, North Carolina

December 31, 2024

ASPIRE TRADE HIGH SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II. -- FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III. -- STATE AWARD FINDINGS AND QUESTIONED COSTS

None reported.

ASPIRE TRADE HIGH SCHOOL
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II. -- FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III. -- STATE AWARD FINDINGS AND QUESTIONED COSTS

None reported.

ASPIRE TRADE HIGH SCHOOL
SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

There were no prior year audit findings.

ASPIRE TRADE HIGH SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ASSISTANCE LIVING NUMBER	STATE/ PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES
FEDERAL GRANTS:			
CASH ASSISTANCE			
<u>US Department of Education</u>			
Passed Through the North Carolina			
Department of Public Instruction:			
Special Education Cluster:			
Idea VI-B Handicapped	84.027A	PRC 060	47,909
Total Special Education Cluster			47,909
TOTAL FEDERAL CASH ASSISTANCE			47,909
NC STATE GRANTS:			
CASH ASSISTANCE			
<u>NC Department of Public Instruction</u>			
State Public School Funds		PRC 036	1,421,362
TOTAL NC STATE CASH ASSISTANCE			1,421,362
TOTAL FEDERAL AND STATE AWARDS			\$ 1,469,271

Notes to the Schedule of Expenditures of Federal and State Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Aspire Trade High School under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Aspire Trade High School, it is not intended to and does not present the financial position, changes in net position, or cash flows of Aspire Trade High School.

Note 2: Indirect Costs

The School has not elected to charge a 10 percent de minimis indirect cost rate to its grants and has not elected to obtain a federal indirect cost rate.

Note 3: Summary of Significant Accounting Policies

Expenditures reported in the schedule of expenditures of federal and state awards are reported on the accrual basis of accounting.