WINFREE ACADEMY CHARTER SCHOOL

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

AUGUST 31, 2024

Haynie & Company

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CERTIFICATE OF BOARD

Winfree Academy Charter Schools
County-District Number: 057-828

We, the undersigned, certify that the attached annual financial reports of the above-named charter holder were reviewed and:

✓ approved _____ disapproved

for the year ended August 31, 2024, at a meeting of the board of directors of such charter holder on the 14th day of January 2025.

Signature of Board President *Signature of Board Secretary*

If the board of trustees/directors disapproved of the auditors' report, the reason(s) for disapproving it (is/are):

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Winfree Academy Charter School

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Winfree Academy Charter Schools ("the School"), which comprise the statement of financial position as of August 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of August 31, 2024 and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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. Misstatement 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 the 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 the 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.

<u>Supplementary Information</u>
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. In accordance with the requirements established by the Financial Accountability System Resource Guide–Special Supplement–Charter Schools issued by the Texas Education Agency, the required supplemental information as listed in the table of contents has been presented in addition to the general purpose financial statements. In addition, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 January 14, 2025, 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 the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School's internal control over financial reporting and compliance.

Haynie & Company

Dallas, Texas
January 27, 2025

WINFREE ACADEMY CHARTER SCHOOLS
Statement of Financial Position
As of August 31, 2024

Assets

Current assets		
Cash and cash equivalents	*$*	*4,092,774*
Grants receivable		*1,564,369*
Prepaid expenditures		*365,803*
Deposits		*52,431*
Total current assets		*6,075,377*
Noncurrent assets		
Property and equipment, net		*4,580,523*
Right-of-use lease asset - operating leases		*4,418,059*
Total noncurrent assets		*8,998,582*
Total assets	*$*	*15,073,959*

Liabilities and Net Assets

Current liabilities		
Accounts payable	*$*	*2,326*
Accrued expenses		*529,188*
Deferred revenues		*21,626*
Current portion of long-term debt		*260,000*
Lease liability - current (operating leases)		*911,346*
Total current liabilities		*1,724,486*
Noncurrent liabilities		
Long-term debt, less current portion		*7,848,841*
Lease liability - long-term (operating leases)		*3,778,107*
Total noncurrent liabilities		*11,626,948*
Total liabilities		*13,351,434*
Net assets		
Without donor restrictions		*1,241,624*
With donor restrictions		*480,901*
Total net assets		*1,722,525*
Total liabilities and net assets	*$*	*15,073,959*

The accompanying notes are an integral part of these financial statements

WINFREE ACADEMY CHARTER SCHOOLS
Statement of Activities
For the Year Ended August 31, 2024

		Without Donor Restrictions	With Donor Restrictions	Total
Revenues				
Local support				
	Other revenues from local sources	$ 38,376	$ -	$ 38,376
	Total local support	38,376	-	38,376
State program revenues				
	Foundation school program	-	9,670,343	9,670,343
	Available school fund program	-	325,319	325,319
	Other state program revenues	-	371,556	371,556
	Total state program revenues	-	10,367,218	10,367,218
Federal program revenues				
	Federal revenues distributed by the TEA	-	1,389,881	1,389,881
	Total federal program revenues	-	1,389,881	1,389,881
	Net assets released from restrictions	12,770,618	(12,770,618)	-
	Total revenues	12,808,994	(1,013,519)	11,795,475
Expenses				
11	*Instruction*	5,243,293	-	5,243,293
13	*Curriculum and instructional staff development*	596,967	-	596,967
21	*Instructional leadership*	185,250	-	185,250
23	*School leadership*	1,893,003	-	1,893,003
31	*Guidance, counseling and evaluation services*	1,330,076	-	1,330,076
32	*Social work services*	324,188	-	324,188
34	*Student transportation*	23,760	-	23,760
41	*General administration*	634,277	-	634,277
51	*Facility maintenance and operations*	1,346,433	-	1,346,433
52	*Security and monitoring services*	437,714	-	437,714
53	*Data processing services*	299,627	-	299,627
71	*Debt service*	372,252	-	372,252
81	*Fundraising*	83,778	-	83,778
	Total expenses	12,770,618	-	12,770,618
Change in net assets		38,376	(1,013,519)	(975,143)
Net assets, beginning of year		1,203,248	1,494,420	2,697,668
Net assets, end of year		$ 1,241,624	$ 480,901	$ 1,722,525

The accompanying notes are an integral part of these financial statements

WINFREE ACADEMY CHARTER SCHOOLS
Statement of Functional Expenses
For the Year Ended August 31, 2024

	Program Activities	General and Administrative	Fundraising	Total
Expenses				
Payroll expenses				
Salary and wages	$ 5,819,882	$ 298,316	$ 37,660	$ 6,155,858
Benefits	968,821	48,840	8,775	1,026,436
Payroll taxes	79,012	6,690	513	86,215
Total payroll expenses	6,867,715	353,846	46,948	7,268,509
Non-payroll expenses				
Professional fees	94,763	61,106	-	155,869
Utilities	413,462	-	-	413,462
Rental fees	3,141,050	128,668	36,300	3,306,018
Supplies	665,687	17,031	-	682,718
Insurance	224,545	-	-	224,545
Depreciation	165,373	1,623	-	166,996
Miscellaneous	107,716	72,003	530	180,249
Interest	372,252	-	-	372,252
	5,184,848	280,431	36,830	5,502,109
Total expenses	$ 12,052,563	$ 634,277	$ 83,778	$ 12,770,618

The accompanying notes are an integral part of these financial statements

WINFREE ACADEMY CHARTER SCHOOLS
Statement of Cash Flows
For the Year Ended August 31, 2024

Cash flows from operating activities		
Change in net assets	*$*	*(975,143)*
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation		*166,996*
Amortization		*7,166*
Noncash lease expense		*868,399*
Cash paid for lease payments		*(850,583)*
Change in:		
Grants receivable		*1,568,899*
Prepaids		*(268,219)*
Accounts payable		*(3,556)*
Accrued expenses		*125,129*
Net cash from operating activities		*639,088*
Cash flows from financing activities		
Repayment of capital lease		*(245,000)*
Net cash from financing activities		*(245,000)*
Net change in cash and cash equivalents		*394,088*
Cash and cash equivalents at beginning of year		*3,698,686*
Cash and cash equivalents at end of year	*$*	*4,092,774*
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	*$*	*372,252*
Income taxes	*$*	*-*

The accompanying notes are an integral part of these financial statements

1. Summary of Significant Accounting Policies

Nature of activities
Winfree Academy Charter Schools ("the School") is an open enrollment charter school serving at risk students at six campuses in North Texas. The School is supported primarily through state foundation school program act entitlements, donor contributions, and federal grants. Approximately 88 percent of the School's support for 2024 came from state entitlements. The School does not conduct any other charter or non-charter activities.

Basis of presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the School and changes therein are classified and reported as follows:

> *Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors (if any) are reported as net assets without donor restrictions, board-designated.*
>
> *Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. As of December 31, 2024, there was $560,611 in net assets with donor restrictions related to unspent funds from State grants.*

Contributions
Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give, due in the next year, are recorded at their net realizable value. Unconditional promises to give, due in subsequent years, are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Cash equivalents
Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Compensated absences
Compensated absences cannot be reasonably estimated and are therefore recorded at cost when paid.

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Effective September 1, 2019, the School adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and related amendments, which creates a single source of revenue guidance for all companies in all industries and is more principles-based than previous revenue guidance. Under ASU 2014-09, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the School expects to be entitled in exchange for those goods and services. The School's revenues consist of contributions and grants. Contributions consist of funds donated to the School without donor stipulations. Grant revenue includes funds from private and public entities for a particular purpose.

Depreciable assets

The School capitalizes all expenditures over $5,000 and a useful life of more than one year to depreciable assets. Depreciation is provided using the straight-line method over the estimated useful life of the assets.

Income taxes

The School is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3) and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for 2024. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years beginning prior to July 1, 2020.

Lease Right-of-Use Assets and Liabilities

The School has leases for facilities. The School determines if an arrangement is a lease at inception. Leases as a lessee are included in lease right-of-use assets and operating lease liabilities in the statement of financial position. Right-of-use assets represent the School's right to use the underlying asset for the lease term. Lease right-of-use assets and related liabilities are recognized at the commencement date based on the net present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The School uses its incremental borrowing rate, which is based on the information available at the commencement date, in determining the present value of lease payments. The School uses publicly available data for instruments with similar characteristics when calculating its incremental borrowing rates. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Date of Management's Review

Subsequent events were evaluated through January 27, 2025, which is the date the financial statements were available to be issued.

2. Liquidity

The following reflects the School's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Financial assets, at year-end	*$*	*5,657,143*
Less, assets unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions		*560,611*
Financial assets available to meet cash needs for general expenditures within one year	*$*	*5,096,532*

3. Due from Grantor Agencies

As of August 31, 2024, the School had earned the following revenues which were not received until after the end of the fiscal year:

Foundation entitlements	*$*	*956,218*
Other State grants		*13,048*
Federal grants		*595,103*
Total	*$*	*1,564,369*

4. Property and Equipment

The following is a summary of property and equipment as of August 31, 2024:

	Beginning Balance	*Additions*	*Disposals*	*Reclass*	*Ending Balance*
Land	*$ 1,524,588*	*$ -*	*$ -*	*$ -*	*$ 1,524,588*
Building and improvements	*5,768,709*	*-*	*-*	*-*	*5,768,709*
Furniture and equipment	*6,412*	*-*	*-*	*-*	*6,412*
Vehicles	*100,148*	*-*	*-*	*-*	*100,148*
Total	*7,399,857*	*-*	*-*	*-*	*7,399,857*
Less: accumulated depreciation	*2,652,338*	*166,996*	*-*	*-*	*2,819,334*
Capital assets, net	*$ 4,747,519*	*$ (166,996)*	*$ -*	*$ -*	*$ 4,580,523*

Depreciation expense for the year ended August 31, 2024 was $166,996.

5. Long-Term Debt

Long-term debt consists of Series 2019A Education Revenue and Refunding Bonds and Series 2019B Taxable Educational Revenue and Refunding Bonds. The bonds are secured by real and personal property. Series 2019A Education Revenue and Refunding Bonds bear interest rates of 5.50% from 2019 to 2029 and 5.75% from 2030 to 2043. Series 2019B Taxable Educational Revenue and Refunding Bonds bear 5.50% interest rate. Principal payments are due August 15th of each year and interest payments are due February 15th and August 15th of each year.

Changes in long-term debt for the year ended August 31, 2024 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Series 2019A Bonds	$ 8,490,000	$ -	$ 245,000	$ 8,245,000
Issuance premiums	(143,325)	-	(7,166)	(136,159)
	$ 8,346,675	$ -	$ 237,834	$ 8,108,841

Future debt service requirements are as follows:

	Principal	Interest	Total
2025	$ 260,000	$ 465,507	$ 725,507
2026	270,000	452,118	722,118
2027	285,000	438,212	723,212
2028	300,000	423,536	723,536
2029	315,000	408,085	723,085
2030-2034	1,850,000	1,758,637	3,608,637
2035-2039	2,455,000	1,160,925	3,615,925
2040-2043	2,510,000	370,875	2,880,875
Total	$ 8,245,000	$ 5,477,895	$ 13,722,895

6. Budget Variance

Prior to the beginning of the school year, the School prepared and submitted its annual budget for the next fiscal year. However, as a result of changes in programs, average attendance and estimated state funding, the budget was amended as necessary.

7. Contingent Liabilities

The School participates in numerous programs that are subject to audit by the Texas Education Agency (the "TEA") and various federal audit agencies. These programs have complex compliance requirements, and should state or federal auditors find areas of substantial noncompliance, those funds may be subject to refund, if so determined by administrative audit review.

Charter schools in the State of Texas participate in the State foundation program. Under this program, each charter school is entitled to receive these revenues based upon student enrollment and average daily attendance. Each charter school is required to file enrollment and attendance reports at the close of each six weeks reporting period, and at the close of the year, actual attendance is calculated by the TEA and the attendance reports are subject to audit by the TEA and final State foundation program earnings may be adjusted as a result of any such audit.

8. Commitments and Contingencies

The School leases facilities to house classrooms and office space which expire at various dates through 2034. The School considered the terms of the lease agreements to establish their right-of-use asset and lease liability. The leases do not have any material residual value guarantees or material restrictive covenants. The leases do not provide an implicit rate, therefore the School used the line of credit rate, using a period comparable with that of the lease term.

Components of lease costs are as follows:		
Operating lease cost	*$*	*868,399*

Supplemental cash flow information and non-cash activity related to operating leases are as follows:		
Operating cash flow information:		
Cash paid for lease payments	*$*	*850,583*

Weighted-average remaining lease term and discount rate for the operating leases are as follows:

Weighted-average remaining lease term	*6.72 years*
Weighted average discount rate	*3.36%*

Minimum annual rental commitments at August 31, 2024, are as follows:

2025	*$*	1,068,912
2026		869,740
2027		879,241
2028		802,721
2029		382,212
Thereafter	*$*	*1,322,785*
Total future minimum lease payments		*5,325,611*
Less; present value discount		*(636,158)*
Lease liability	*$*	*4,689,453*

9. Retirement Benefits

Plan Description - The School contributes to the Teacher Retirement System of Texas ("TRS"), a cost-sharing, multiple- employer defined benefit pension plan with one exception; all risks and costs are not shared by the School but are the liability of the State of Texas. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701 or by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications Heading.

Total TRS plan assets as of the most recent fiscal year ended for TRS as of August 31, 2023 totaled $213 billion. Accumulated benefit obligation as of August 31,2023 totaled $256 billion. The plan was 73.15% funded as of August 31, 2023.

Funding Policy - Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 1 year, the period would be increased by such action. State law provides for a member contribution rate of 8.25% for fiscal year 2024, and a state contribution rate of 8.25% for fiscal year 2024. The School's employees' contributions to the System for the year ending August 31, 2024 was $450,983, equal to the required contributions for the year. Other contributions made from federal and private grants and from the School for salaries above the statutory minimum for the year ending August 31, 2024 was $59,155, equal to the required contributions for the year. The School's contributions do not represent more than 5% of the TRS's total contribution.

SUPPLEMENTAL INFORMATION

WINFREE ACADEMY CHARTER SCHOOL
Schedule of Expenses
For the Year Ended August 31, 2024

Expenses			
6100	*Payroll costs*	*$*	*7,268,509*
6200	*Professional and contracted services*		*3,875,349*
6300	*Supplies and materials*		*643,311*
6400	*Other operating costs*		*611,197*
6500	*Interest expense*		*372,252*
Total expenses		*$*	*12,770,618*

WINFREE ACADEMY CHARTER SCHOOL
Schedule of Assets
For the Year Ended August 31, 2024

		Local	State	Federal	Total
11XX	*Cash and cash equivalents*	$ -	$ 4,092,774	$ -	$ 4,092,774
1511	*Land*	-	1,524,588	-	1,524,588
1522	*Building and improvements*	-	5,574,738	-	5,574,738
1531	*Vehicles*	-	100,148	-	100,148
1539	*Furniture and equipment*	-	6,412	-	6,412
1551	*Buildings (capital lease)*	-	193,972	-	193,972
Total capital assets		$ -	$ 11,492,632	$ -	$ 11,492,632

WINFREE ACADEMY CHARTER SCHOOLS
Budgetary Comparison Schedule
For the Year Ended August 31, 2024

		Budgeted Amounts		Actual	Variance from Final
		Original	Final	Amounts	Budget
Local support					
57XX	*Other revenues from local sources*	$ 50,000	$ 38,376	$ 38,376	$ -
	Total local support	50,000	38,376	38,376	-
State program revenues					
5812	*Foundation school program*	9,074,830	9,670,343	9,670,343	-
5811	*Available school fund program*	331,904	325,319	325,319	-
5829	*State program revenues distributed by TEA*	-	371,556	371,556	-
	Total state program revenues	9,406,734	10,367,218	10,367,218	-
Federal program revenues					
59XX	*Other Federal revenues*	1,400,000	1,389,881	1,389,881	-
	Total federal program revenues	1,400,000	1,389,881	1,389,881	-
	Total revenues	10,856,734	11,795,475	11,795,475	-
Expenses					
Program services:					
11	*Instruction*	4,145,229	5,243,293	5,243,293	-
13	*Curriculum and instructional staff development*	340,427	596,967	596,967	-
21	*Instructional leadership*	116,800	185,250	185,250	-
23	*School leadership*	1,038,318	1,893,003	1,893,003	-
31	*Guidance, counseling and evaluation services*	730,613	1,330,076	1,330,076	-
32	*Social work services*	137,055	324,188	324,188	-
33	*Health services*	500	-	-	-
34	*Student transportation*	19,054	23,760	23,760	-
36	*Extracurricular activities*	2,540	-	-	-
Support services:					-
41	*General administration*	785,234	634,277	634,277	-
51	*Facility maintenance and operations*	983,529	1,346,433	1,346,433	-
52	*Security and monitoring services*	149,980	437,714	437,714	-
53	*Data processing services*	275,828	299,627	299,627	-
61	*Community services*	500	-	-	-
71	*Debt service*	637,025	372,252	372,252	-
81	*Fundraising*	89,440	83,778	83,778	-
	Total expenses	9,452,072	12,770,618	12,770,618	-
Change in net assets		1,404,662	(975,143)	(975,143)	-
Net assets, beginning of year		2,697,668	2,697,668	2,697,668	-
Net assets, end of year		$ 4,102,330	$ 1,722,525	$ 1,722,525	$ -

WINFREE ACADEMY CHARTER SCHOOLS
Schedule of Real Property Ownership Interest
For the Year Ended August 31, 2024

Description	*Property Address*	*Total Assessed Value*	*Ownership Interest*		
			Local	*State*	*Federal*
Walnut Hill Business Pk Sec P 3rd Inst; Blk D Pt Lot 2; 1.932 Acres	*3108 S. Skyway Cir. Irving, TX 75038*	$ *n/a*	$ -	$ *257,427*	$ -
Walnut Hill Business Pk Sec P 3rd Inst; Blk D Pt Lot 2; 1.909 Acres	*3110 S. Skyway Cir. Irving, TX 75038*	*n/a*	-	*1,160,600*	-
University Office Park Blk C Tr 2; 1.597 Acres	*1661 Gateway Blvd. Richardson, TX 75080*	*n/a*	-	*3,449,500*	-
Bennett Oaks Blk A Lot 1	*341 Bennett Ln.. Lewisville, TX 75057*	*3,225,622*	-	*2,557,559*	-

WINFREE ACADEMY CHARTER SCHOOLS
Schedule of Related Party Transactions
For the Year Ended August 31, 2024

Related Party Name	*Name of Relation to the Related Party*	*Relationship*	*Type of Transaction*	*Description of Terms and Conditions*	*Source of Funds Used*	*Payment Frequency*	*Total Paid During Fiscal Year*	*Principal Balance Due*
None								

WINFREE ACADEMY CHARTER SCHOOLS
Schedule of Related Party Compensation and Benefits
For the Year Ended August 31, 2024

Related Party Name	*Name of Relation to the Related Party*	*Relationship*	*Compensation or Benefit*	*Payment Frequency*	*Desciption*	*Source of Funds Used*	*Total Paid During Fiscal Year*
None							

WINFREE ACADEMY CHARTER SCHOOLS
Other Supplementary Information
For the Year Ended August 31, 2024

Data Codes	Compensatory Education Programs	Responses
AP1	*Did the LEA expend any state compensatory education program state allotment funds during the fiscal year?*	*Yes*
AP2	*Does the LEA have written policies and procedures for its state compensatory education program?*	*Yes*
AP3	*List the total state allotment funds received for state compensatory education programs.*	*$ 1,119,503*
AP4	*List the actual direct program expenditures for state compensatory education programs during the fiscal year (PICs: 24, 26, 28, 29, 30, 34).*	*$ 628,383*

Data Codes	Bilingual Education Programs	Responses
AP5	*Did the LEA expend any bilingual education program state allotment funds during the fiscal year?*	*Yes*
AP6	*Does the LEA have written policies and procedures for its bilingual education program?*	*Yes*
AP7	*List the total state allotment funds received for bilingual education programs.*	*$ 131,392*
AP8	*List the actual direct program expenditures for bilingual education programs during the fiscal year (PICs: 25, 35).*	*$ 62,116*

COMPLIANCE AND INTERNAL CONTROL SECTION

Haynie & Company
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Winfree Academy Charter Schools

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 Winfree Academy Charter Schools (a nonprofit organization), which comprise the statement of financial position as of August 31, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Winfree Academy Charter Schools' 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Winfree Academy Charter Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Winfree Academy Charter Schools' 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Winfree Academy Charter Schools' 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Haynie & Company

Haynie & Company

Dallas, Texas
January 27, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Winfree Academy Charter Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Winfree Academy Charter Schools' ("the School") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the School's major federal programs for the year ended August 31, 2024. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 August 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 federal program. Our audit does not provide a legal determination of the 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 the School's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Winfree Academy Charter Schools' compliance with the requirements of each major federal 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 the 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 the 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 the 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 the audit.

Report on Internal Control over Compliance

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

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

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

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

Haynie & Company

Dallas, Texas
January 27, 2025

WINFREE ACADEMY CHARTER SCHOOLS
Schedule of Findings and Questioned Costs
Year Ended August 31, 2024

PART I – SUMMARY OF AUDITORS' RESULTS

Financial Statement Section

1. *The type of report issued on the general-purpose financial statements:* ***Unmodified***

2. *Significant deficiencies in internal controls were disclosed by the audit of the financial statements:* ***None identified****. Material Weaknesses:* ***None***

3. *Noncompliance that is material to the financial statements:* ***None***

Federal Awards Section

1. *The type of report issued on compliance for major programs:* ***Unmodified***

2. *Significant deficiencies in internal controls were disclosed by the audit of the major programs:* ***None identified****. Material Weaknesses:* ***None***

3. *Any audit findings that are required to be reported under 2 CFR section 200.516(a):* ***None***

4. *Major Program:*

   Elementary and Secondary School Emergency Relief Fund 84.425

5. *Dollar threshold used to distinguish between Type A and Type B programs:* ***$750,000***

6. *Auditee qualified as a low-risk auditee:* ***Yes***

PART II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None

PART III – FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

None

WINFREE ACADEMY CHARTER SCHOOLS
Summary Schedule of Prior Audit Findings and Current Status
Year ended August 31, 2024

There were no prior year audit findings.

WINFREE ACADEMY CHARTER SCHOOLS
Schedule of Expenditures of Federal Awards
August 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	*Federal ALN*	*Agency or Pass-through Number*		*Federal Expenditures*
U.S. DEPARTMENT OF EDUCATION				
Passed through Education Service Center - Region 10				
Title I - Part A, Improving Basic Programs	*84.010*	*24610101057950*	*$*	*193,395*
Title II - Part A, Teacher and Principal Training	*84.367*	*24694501057950*		*23,724*
Title IV - Student Support and Academic Enrichment Program	*84.424*	*24680101057950*		*14,475*
Total passed through Education Service Center - Region 10				*231,594*
Passed through Texas Education Agency				
Title I - Part A, Improving Basic Programs	*84.010*	*24610101057950*	*$*	*305,009*
** IDEA - Part B, Formula*	*84.027*	*246600010578446000*		*264,477*
Special Education Cluster				*264,477*
TCLAS - Elementary and Secondary School Emergency Relief Fund - III	*84.425U*	*21528042057828*		*14,995*
CRRSA - Elementary and Secondary School Emergency Relief Fund - II	*84.425D*	*21521001057828*		*77,217*
ARP - Elementary and Secondary School Emergency Relief Fund - III	*84.425U*	*21528001057828*		*429,981*
Total passed Through Texas Education Agency				*1,091,679*
Total U.S. Department of Education				***1,323,273***
Total Federal Awards			***$***	***1,323,273***

** Clusters of programs*

The accompanying notes are an integral part of this schedule

WINFREE ACADEMY CHARTER SCHOOLS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the Federal grant activity of Winfree Academy Charter Schools ("the School") and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operation of the School, it is not intended to and does not present the financial position, changes in net assets, and cash flows of the School.

2. Summary of Significant Accounting Policies

Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Commitments and Contingencies

Federal grants received by the School are subject to review and audit by grantor agencies. The School's management believes that the results of such audits will not have a material effect on the Schedule.

4. Indirect Cost Rate

The School has elected not to use the 10% de minimis indirect cost rate allowed under uniform guidance.

5. Subrecipients

The School does not participate with any subrecipient organizations for the administration or performance of its federal programs.

6. Reconciliation of Federal Program Revenues and Schedule of Expenditures of Federal Awards:

Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	*$ 1,323,273*
SHARS revenue	*33,914*
eRate revenue	*32,694*
Total federal program revenues per the Statement of Activities	*$ 1,389,881*