BETWEEN THE LAKES VIRTUAL ACADEMY

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT

JUNE 30, 2023

BETWEEN THE LAKES VIRTUAL ACADEMY

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CPAs

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Between the Lakes Virtual Academy
Kiel, Wisconsin

Opinion

We have audited the financial statements of Between the Lakes Virtual Academy (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of Between the Lakes Virtual Academy as of June 30, 2023, and the changes in its net assets and 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 (GAAS). 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 Between the Lakes Virtual Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Between the Lakes Virtual Academy's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Between the Lakes Virtual Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Between the Lakes Virtual Academy's ability to continue as a going concern for a reasonable period of time.

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

HAWKINS ASH CPAS, LLP

Hawkins Ash CPAs, LLP

Manitowoc, Wisconsin
February 2, 2024

BETWEEN THE LAKES VIRTUAL ACADEMY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS	
Grants receivable	$ 137,261
TOTAL ASSETS	**137,261**
LIABILITIES AND NET ASSETS	
LIABILITIES	
Cash overdraft	137,261
TOTAL LIABILITIES	137,261
NET ASSETS	
Without donor restrictions	-
With donor restrictions	-
TOTAL NET ASSETS	-
TOTAL LIABILITIES AND NET ASSETS	**$ 137,261**

The accompanying notes are an integral part of these statements.

BETWEEN THE LAKES VIRTUAL ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE, GAINS AND OTHER SUPPORT			
Grant revenue	$ 161,196	$ -	$ 161,196
TOTAL REVENUE, GAINS AND OTHER SUPPORT	161,196	-	161,196
EXPENSES			
Program	161,196	-	161,196
Management and general	-	-	-
Fundraising	-	-	-
TOTAL EXPENSES	161,196	-	161,196
CHANGE IN NET ASSETS	-	-	-
NET ASSETS AT BEGINNING OF YEAR	-	-	-
NET ASSETS AT END OF YEAR	**$ -**	**$ -**	**$ -**

The accompanying notes are an integral part of these statements.

BETWEEN THE LAKES VIRTUAL ACADEMY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Salaries and wages	$ 69,225	$ -	$ -	$ 69,225
Payroll taxes and employee benefits	9,268	-	-	9,268
Technical and professional fees	19,527	-	-	19,527
Non-capital purchases	63,176	-	-	63,176
TOTAL EXPENSES	**$ 161,196**	**$ -**	**$ -**	**$ 161,196**

The accompanying notes are an integral part of these statements.

BETWEEN THE LAKES VIRTUAL ACADEMY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ -
Changes in assets and liabilities:	
(Increase) decrease in current assets	
Grants receivable	(89,297)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(89,297)
CASH FLOWS FROM FINANCING ACTIVITIES	
Net proceeds (payments) for cash overdraft	89,297
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	89,297
NET INCREASE (DECREASE) IN CASH	-
CASH AT BEGINNING OF YEAR	-
CASH AT END OF YEAR	**$ -**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid during the year for interest	$ -

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES
None

The accompanying notes are an integral part of these statements.

NOTE 1 - Nature of Organization and Significant Accounting Policies

Nature of Organization - Between the Lakes Virtual Academy (the "Organization") was organized in 2021 under the Wisconsin nonprofit laws and has been granted tax-exempt status by the Internal Revenue Service. The purpose of the Organization is to operate a Virtual Academy Charter School to provide alternative education options to students in the Kiel Area School District.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all receivables, payables and other liabilities.

Basis of Presentation - The accompanying financial statements are prepared in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board.

The Organization is required to report information regarding its net assets and its activities based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets 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 or certain grantor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor or certain grantor 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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. The Organization does not have any net assets with donor restrictions.

Cash and Cash Equivalents - The Organization's cash consists of cash on deposit with banks. For purposes of the statement of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization does not have any cash equivalents as of June 30, 2023.

Grants Receivable - Grants receivable are stated at the amount management expects to collect from outstanding balances. Management believes all receivables are collectible; accordingly, no allowance for uncollectible amounts has been recorded.

Property and Equipment - The Organization capitalizes fixed assets with an acquired value of $5,000 or more. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Asset	Life
Furniture, fixtures and equipment	3 to 15 years

Valuation of Long-lived Assets - U.S. GAAP requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management reviews all material assets annually for possible impairment. If such assets are considered to be impaired, the impairment

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

recognized is measured as the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No assets are considered to be impaired at June 30, 2023.

Contribution Recognition - Contributions are recognized when received or unconditionally pledged. Conditional contributions and promises to give, are recognized as revenue when the barriers to entitlement are overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets is removed. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Grant Recognition - Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

Grant Awards that are Contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when the conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant Awards that are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, these costs have been directly allocated among the program services and supporting activities benefited.

Advertising Costs - Advertising costs are expensed as incurred.

Use of Estimates - 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 expenses. Actual results could differ from those estimates.

Tax Status - The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). However, income from certain activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization is also exempt from State taxation.

NOTE 1 - Nature of Organization and Significant Accounting Policies - Continued

Accounting for Uncertainty in Income Taxes - U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by a taxing authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions, however, there are currently no audits in progress for any tax period. The Organization will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Subsequent Events - The Organization evaluated subsequent events through February 2, 2024 the date which the financial statements were available to be issued.

NOTE 2 - Concentration of Cash and Credit Risk

The Organization may have deposits with a financial institution at times during the year that exceed the Federal Deposit Insurance Corporation (FDIC) insurance threshold of $250,000. The amount of the accounting loss that the Organization would have incurred had the financial institution not been able to return monies in excess of $250,000 amounted to $-0- as of June 30, 2023. The Organization does not require collateral or other security to support deposits subject to this credit risk.

NOTE 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	$ -
Grants receivable	137,261
Total financial assets available within one year	137,261
Less amounts not available for general expenditure within one year:	
Cash overdraft - to be repaid to district	137,261
Total financial assets available to management for general expenditure within one year	$ -

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 - Related Party Transactions

The Organization is a blended component unit of the Kiel Area School District (“District”). The District employs the teachers and provides most of the funding for the day to day operations of the Organization.