



**Board of Directors Regular Meeting Minutes
Delta College Downtown Saginaw Center
319 E. Genesee Ave., Saginaw, MI 48607
December 17, 2025 at 12:00 PM**

- A. Meeting called to order by Dr. Olvera at 12:07 PM.
- B. Board Members present were: Dr. Elsa Olvera, Mike Jury, Carrie Schultz, Dr. Carmen Stricker, Ty Mier, Monica Hernandez-Alaniz & Becky Gerzseny. Others Present were: Matthew Hyatt, Tim Ostrom, Chris Gray, Steven Killey, Jeff Maxwell, Dr. Matthew Cawood, Brian McFarren, Les Sheldon & Tamelka Doster. Present online was Ed Snyder & John Humphreys.
- C. No public comments on the agenda.
- D. Dr. Olvera read the SCA mission statement.
- E. Motion to approve agenda made by Mr. Jury, seconded by Ms. Gerzseny. All in favor was 6, opposed zero. (Mr. Mier was not present for this vote.)
- F. School report presented by Mr. Hyatt & Mr. Gray. Student enrollment is presently 238, new students 89, students recovered 6, students with children 19, special education students 50 & Mckinney Vento 14. SCA hosted a very successful Thanksgiving celebration that included students and families, they are planning a Christmas holiday luncheon on December 18th for students & families, students visited SVSU, Delta College came to SCA to talk with students about applications, scholarships, students took "ownership" of decorating the school for Christmas and did

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very well. Mr. Gray presented data regarding October Count day, Section 23a update, 23e update, student daily attendance, and the SCA/GVSU Goals update.

G. The finance report was presented by Mr. McFarren, of Brickley DeLong Certified Public Accountants. He presented the Saginaw Covenant Academy Report on Financial Statements (with required supplementary information) for the financial year ended June 30, 2025. Mr. McFarren's Reports on ***Internal Control Over Financial Reporting & Significant Audit Matters*** are submitted as exhibits A & B to these minutes. The SCA Board approved the acceptance of the Saginaw Covenant Academy Report on Financial Statements (with required supplementary information) for the financial year ended June 30, 2025, with a motion by Mr. Jury, seconded by Ms. Schultz. All in favor was 7, opposed zero. (Mr. Mier was present for this vote.)

Mr. Sheldon, of Partner Solutions presented for SCA Board approval, a revised budget for the 2025-26 financial year. After some discussion the revised budget was approved by a motion by Mr. Jury, seconded by Ms. Hernandez-Alaniz. All in favor was 7, opposed zero.

H. There was no CAF update.

I. Mr. Ostrom presented the SCA building project update. They broke ground on Oct 10, 2025 and expect completion by March 27, 2026. Construction is happening very quickly with no problems.

J. There was no legal update.

K. Dr. Cawood, of GVSU informed the Board of future board training available online: January 8th & 21st for different topics. He reminded Dr. Olvera and Mr. Jury that their terms expire in June and need to begin the process of being reappointed by GVSU. A stakeholder survey will be conducted in January and SCA's performance report will be available early in 2026.

L. There was no old business to discuss.

M. There was no new business to discuss.

N. There was no discussion.

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- O. No public comments on non-agenda items
- P. Dr. Olvera reminded everyone of the next board meeting: February 25, 2026.
- Q. The meeting was adjourned at 1:00 PM with a motion by Ms. Gerzseny, seconded by Mr. Jury. All in favor was 7, opposed zero.

Proposed minutes submitted: Steven Killey, December 18, 2025

Approved by the Saginaw Covenant Academy Board of Directors Meeting
on February 25, 2026.

Board Secretary

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**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
Saginaw Covenant Academy
Saginaw, Michigan

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 (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund of Saginaw Covenant Academy, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Saginaw Covenant Academy's basic financial statements, and have issued our report thereon dated October 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saginaw Covenant Academy's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Saginaw Covenant Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Saginaw Covenant Academy's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as **Findings 2025-001 and 2025-002** to be material weaknesses.

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. We consider the deficiency described in the accompanying Schedule of Findings and Responses as **Finding 2025-003** to be a significant deficiency.

BRICKLEY DELONG

Board of Directors
Saginaw Covenant Academy
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Report on Compliance and Other Matters

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

Saginaw Covenant Academy's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Saginaw Covenant Academy's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. Saginaw Covenant Academy's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Muskegon, Michigan
October 30, 2025

Saginaw Covenant Academy
SCHEDULE OF FINDINGS AND RESPONSES
For the year ended June 30, 2025

Finding 2025-001: MATERIAL WEAKNESS—Account Balance Reconciliations

Criteria: Balance sheet, income and expenditure account balances should be reconciled to detailed supporting documentation on a timely basis.

Condition: There were a number of account balances that were not reconciled to supporting documentation on a timely basis during the fiscal year, resulting in significant year-end adjustments.

Context: During our year-end substantive testing, we noted that a number of financial statement account balances were not reconciled to supporting schedules during the year, thus causing material adjustments at year end.

Effect: Failure to reconcile account balances timely can adversely affect the accuracy of internally-prepared monthly financial statements, and correspondingly, adversely affect the analysis of conclusions as to the School's financial position and results of operations by management and other users of such monthly financial statements. Additionally, this condition significantly increases the amount of year-end general ledger account analysis and adjusting journal entries by School personnel.

Cause: The School had significant turnover in key financial positions in the past year.

Repeat Finding: This is **not** a repeat finding.

Recommendation: The utilization of a monthly closing checklist with signoffs and dating, along with written procedures, would encourage personnel to review the accuracy of month-end balances through analysis of account activity, comparison to supporting documentation, and/or reconciliation with detailed schedules.

Views of Responsible Officials: The School agrees with this finding.

Finding 2025-002: MATERIAL WEAKNESS—Budget Monitoring and Amendments

Criteria: The Uniform Budgeting and Accounting Act requires that when it is determined that the actual and probable revenues from taxes and other sources in a fund are less than the estimated revenues, including available fund balances, upon which the original appropriations from the fund were based, or when the local school board expenditure priorities change during the course of the fiscal year, the budget must be amended.

Condition: The School did amend its budget during the school year in accordance with the Uniform Budgeting and Accounting Act, but had multiple expenditure functions in excess of budget at year end.

Context: Two of the expenditure function budget line items were reduced from the original budget amounts, but the actual amounts were much closer to the original budget amounts.

Cause: For several functions, actual costs exceeded anticipated costs for staffing due to a change in staffing companies.

Effect: The School was not in compliance with the Uniform Budgeting and Accounting Act.

Repeat Finding: This is **not** a repeat finding.

Saginaw Covenant Academy
SCHEDULE OF FINDINGS AND RESPONSES—Continued
For the year ended June 30, 2025

Finding 2025-002: MATERIAL WEAKNESS—Budget Monitoring and Amendments—Continued

Recommendation: The School should regularly monitor its budget and amend it as needed.

Views of Responsible Officials: The School agrees with the finding.

Finding 2025-003: Documentation of the Review and Approval of ACH Transactions

Criteria: The Board of Directors adopted an ACH resolution during the fiscal year requiring all ACH transactions to be approved by the Electronic Transactions Officer, or designee, prior to payment.

Condition: The policy for approval of ACH payments was not followed for all ACH transactions.

Context: We tested two ACH transactions from January 2025 to June 2025 and two ACH transactions lacked documented approval in accordance with the board resolution.

Cause: The School had significant turnover in key financial positions in the past year.

Effect: Not all ACH transactions were approved by the Electronic Transaction Officer prior to payment.

Repeat Finding: This is **not** a repeat finding.

Recommendation: The School should develop processes to properly implement the board adopted resolution for all ACH transactions.

Views of Responsible Officials: The School agrees with the finding.

Board of Directors
Saginaw Covenant Academy
Saginaw, Michigan

We have audited the financial statements of the governmental activities and the major fund of Saginaw Covenant Academy for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you during our conference on October 23, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Saginaw Covenant Academy are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting Saginaw Covenant Academy's financial statements were:

Management's estimate of depreciation is based on the estimated useful lives of capital assets.

Management's estimate of its right-of-use assets and related long-term obligations is based on (1) the discount rate, (2) the lease term, and (3) the lease payments.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Board of Directors
Saginaw Covenant Academy
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Significant Audit Matters—Continued

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes proposed entries that were detected as a result of audit procedures and corrected by management.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 30, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), which is required and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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Board of Directors
Saginaw Covenant Academy
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Significant Audit Matters—Continued

Restriction on Use

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

Sincerely,

Brickley DeLong, P.C.

Muskegon, Michigan
October 30, 2025

Client: **Saginaw Covenant Academy**
Engagement: **25 Audit SCA**
Period Ending: **6/30/2025**
Trial Balance: **TB**
Workpaper: **1500 - Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 101			
To reclassify 31aa as deferred revenue as no related expenses			
11-312-0000-000-2490-03044-0000	31aa Per-Pupil Mental Health Grant	9,231.00	
11-2-471-0000-000-0000-00000-0000	Deferred Revenue		9,231.00
Total		<u>9,231.00</u>	<u>9,231.00</u>
Adjusting Journal Entries JE # 103			
To restore 23/24 deferred revenue for 31a At Risk			
11-141-0000-000-0000-03044-0000	Due From State	5,429.00	
11-2-471-0000-000-0000-00000-0000	Deferred Revenue		5,429.00
Total		<u>5,429.00</u>	<u>5,429.00</u>
Adjusting Journal Entries JE # 104			
To reclassify loan payment on building to security deposit			
11-511-7190-000-0000-03044-0000	Security Deposit on Building	900,000.00	
	Debt Service		900,000.00
Total		<u>900,000.00</u>	<u>900,000.00</u>
Adjusting Journal Entries JE # 105			
To adjust university oversight fee			
11-141-0000-000-0000-03044-0000	Due From State	2,848.00	
11-232-3150-000-0000-03044-0000	University Oversight Fee		2,848.00
Total		<u>2,848.00</u>	<u>2,848.00</u>
Adjusting Journal Entries JE # 108			
To remove duplicate deposit posted for Title I, Title II, and Title IV monies received			
11-199-0000-000-0000-03044-0000	Miscellaneous	43,800.00	
11-101-0000-000-0000-00000-0000	HUNTINGTON CHECKING		43,800.00
Total		<u>43,800.00</u>	<u>43,800.00</u>
Adjusting Journal Entries JE # 109			
Record additional payable identified during subsequent disbursement testing			
11-241-3150-000-0000-03044-1620	Purchased Serv - Assistants	13,687.00	
11-402-0000-000-0000-00000-0000	Accounts Payable		13,687.00
Total		<u>13,687.00</u>	<u>13,687.00</u>
Adjusting Journal Entries JE # 110			
Remove payable for goods not received by June 30			
11-402-0000-000-0000-00000-0000	Accounts Payable	11,640.00	
11-284-5990-000-0000-03044-0000	Supplies		11,640.00
Total		<u>11,640.00</u>	<u>11,640.00</u>
Adjusting Journal Entries JE # 111			
To adjust accrued oversight fee and due from state			
11-461-0000-000-0000-03044-0000	Accrued Expenditures	4,042.00	
11-141-0000-000-0000-03044-0000	Due From State		4,042.00
Total		<u>4,042.00</u>	<u>4,042.00</u>
Adjusting Journal Entries JE # 112			
To reclassify duplicate transfer of funds to CAF from capital outlay expense to accounts receivable			
11-2-121-0000-000-0000-00000-0000	Accounts Receivable	30,000.00	
11-456-6220-000-0000-03044-0000	Building Improvement Services		30,000.00
Total		<u>30,000.00</u>	<u>30,000.00</u>