

**THE GREENSPIRE SCHOOL**  
**REPORT ON FINANCIAL STATEMENTS**  
**(with required supplementary information)**  
**YEAR ENDED JUNE 30, 2025**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
The Greenspire School

### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of The Greenspire School, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise The Greenspire 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, the major fund, and the aggregate remaining fund information of The Greenspire School, as of June 30, 2025, and the respective changes in financial position 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 The Greenspire 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 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 Greenspire 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 The Greenspire 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 Greenspire 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 and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025 on our consideration of The Greenspire 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 solely 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 Greenspire 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 Greenspire School's internal control over financial reporting and compliance.

October 31, 2025

**THE GREENSPIRE SCHOOL  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

This section of The Greenspire School’s (the “Academy”) annual financial report presents our discussion and analysis of the public school Academy’s financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the Academy’s financial statements, which immediately follow this section.

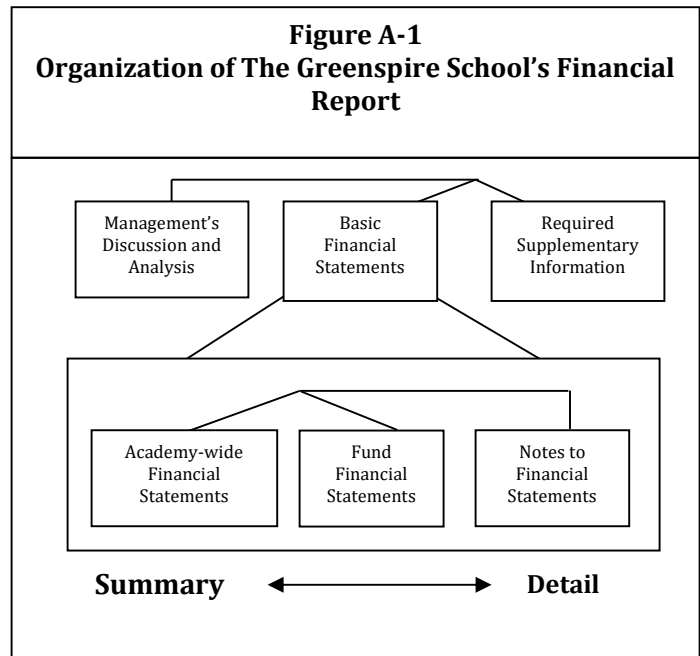
**Financial Highlights**

- The Academy had a decrease in the fund balance in the general fund of \$94,726 for the year ended June 30, 2025.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts - management’s discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Academy:

- The first two statements are Academy-wide *financial statements* that provide both short-term and long-term information about the Academy’s overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Academy, reporting the Academy’s operations in more detail than the Academy-wide statements.
- The *governmental funds* statements tell how basic services like regular and special education were financed in the short-term as well as what remains for future spending.



The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Academy’s budget for the year. Figure A-1 shows how the various parts of the annual report are arranged and related to one another.

**THE GREENSPIRE SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Figure A-2 summarizes the major features of the Academy's financial statements, including the portion of the Academy's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Figure A-2 Major Features of the Academy-wide and Fund Financial Statements**

	Academy-wide Statements	Governmental funds
Scope	Entire Academy (except fiduciary funds)	All activities of the Academy that are not fiduciary
Required financial statements	* Statement of net position  * Statement of activities	* Balance sheet  * Statement of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term obligations included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

**Academy-wide Statements**

The Academy-wide statements report information about the Academy as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Academy's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Academy-wide statements report the Academy's net position and how they have changed. Net position - the difference between the Academy's assets and liabilities, is one way to measure the Academy's financial health or position.

- Over time, increases or decreases in the Academy's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the Academy, you need to consider additional non-financial factors such as changes in the Academy's enrollment, the condition of school buildings and other facilities, and the Academy's ability to be competitive with other public school academies and area school districts.

Governmental Activities - The Academy's basic services are included here, such as regular and special education and administration. State foundation aid finances most of these activities.

**THE GREENSPIRE SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Academy's funds, focusing on its more significant or "major" funds - not the Academy as a whole. Funds are accounting devices the Academy uses to keep track of specific sources of funding and spending on particular programs. The Academy has a general fund and a special revenue fund.

- Some funds are required by State law and by debt agreements.
- The Academy establishes other funds to control and manage money for particular purposes (like student/school activities).

All of the Academy's basic services are included in governmental funds which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy's programs. Because this information does not encompass the additional long-term focus of the Academy-wide statements, we provide additional information with the governmental funds statement that explains the relationship (or differences) between them.

**Financial Analysis of the Academy as a Whole**

Net Position - the Academy's combined net position of \$757,834 decreased by \$173,492 during the year. See Figures A-3 and A-4.

The total revenues amounted to \$3,232,402 for the year ended June 30, 2025. The state aid foundation allowance included in revenue from state sources accounts for approximately 82% of the Academy's revenue.

The total cost of instruction amounted to \$1,673,836. Total support services amounted to \$1,234,981.

**Academy Governmental Activities**

<b>Figure A-3 The Greenspire School's Net Position</b>		
	2025	2024
<b>ASSETS</b>		
Current assets	\$ 912,323	\$ 1,057,549
Capital assets	2,621,468	2,919,336
<b>TOTAL ASSETS</b>	<b>3,533,791</b>	<b>3,976,885</b>
<b>LIABILITIES</b>		
Other liabilities	632,880	695,427
Noncurrent liabilities	2,143,077	2,350,132
<b>TOTAL LIABILITIES</b>	<b>2,775,957</b>	<b>3,045,559</b>
<b>NET POSITION</b>		
Net investment in capital assets	478,391	569,204
Unrestricted	279,443	362,122
<b>TOTAL NET POSITION</b>	<b>\$ 757,834</b>	<b>\$ 931,326</b>

**THE GREENSPIRE SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Figure A-4  
Changes in The Greenspire School's Net Position**

	2025	2024
<b>REVENUES</b>		
Program revenues		
Charges for services	\$ 95,120	\$ 48,231
Operating grants and contributions	408,847	807,989
Total program revenues	503,967	856,220
General revenues		
State sources - unrestricted	2,636,384	2,443,102
Other	92,051	91,144
Total general revenues	2,728,435	2,534,246
<b>TOTAL REVENUES</b>	<b>3,232,402</b>	<b>3,390,466</b>
<b>EXPENSES</b>		
Instruction	1,673,836	1,970,332
Support services	1,234,981	1,084,562
Community services	-	911
Student/school activities	83,073	-
Interest expense	110,962	102,924
Unallocated depreciation/amortization	303,042	209,565
<b>TOTAL EXPENSES</b>	<b>3,405,894</b>	<b>3,368,294</b>
Change in net position	<b>\$ (173,492)</b>	<b>\$ 22,172</b>

**Financial Analysis of the Academy's Funds**

The Academy's fund balance in the general fund decreased by \$94,726 to \$267,396.

**General Fund Budgetary Highlights**

Over the course of the year, the Academy revised the general fund annual operating budget when necessary. Changes were made in both revenue and expenditures which reflected anticipated changes in state aid, grant funding, and actual salary figures for staff.

The Academy's final budget for the general fund anticipated revenues would exceed expenditures by \$40,373. The actual results for the year showed expenditures exceeded revenues by \$94,726.

Actual revenues were \$2,460 more than budgeted, due primarily to higher than anticipated local revenues.

Actual expenditures were \$137,559 more than budgeted, due primarily to higher than anticipated expenditures for basic programs, added needs, general administration, school administration, and pupil transportation.

**THE GREENSPIRE SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Capital Assets**

By the end of the year ended June 30, 2025, the Academy had invested \$2,621,468 in capital assets net of accumulated depreciation/amortization as summarized in Figure A-5. This amount represents a decrease of \$297,868 from the beginning of the year. Total depreciation/amortization expense for the year was \$303,042. More detailed information about capital assets can be found in Note 3 of the financial statements.

The Academy's capital assets are as follows:

<b>Figure A-5 The Greenspire School's Capital Assets</b>				
	2025			2024
	Cost	Accumulated Depreciation/ Amortization	Net Book Value	Net Book Value
Land	\$ 206,316	\$ -	\$ 206,316	\$ 206,316
Buildings and improvements	1,569,523	373,468	1,196,055	1,229,425
Land improvements	7,512	1,879	5,633	6,009
Technology and equipment	619,990	340,514	279,476	359,863
Right to use - building	1,286,147	352,159	933,988	1,117,723
Total	\$ 3,689,488	\$ 1,068,020	\$ 2,621,468	\$ 2,919,336

**Long-term Obligations**

At year end the Academy had \$2,143,077 of long-term obligations outstanding as shown in Table A-6. More detailed information is available in Note 6 of the financial statements. During 2024 - 2025, the Academy retired \$207,055 of long-term obligations.

<b>Figure A-6 The Greenspire School's Long-term Obligations</b>		
	2025	2024
Land contract	\$ 287,136	\$ 303,793
Mortgage loan	796,975	831,025
Building lease	1,058,966	1,214,691
Energy Efficiency loan	-	623
	\$ 2,143,077	\$ 2,350,132

**THE GREENSPIRE SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Factors Bearing on the Academy's Future**

At the time these financial statements were prepared and audited, the Academy was aware of existing circumstances that could significantly affect its financial health in the future.

- The Academy has adopted a general fund budget for FY25 in which expenditures exceed revenues, for a \$113,678 decrease to fund balance.

**Contacting the Academy's Financial Management**

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report or need additional information, contact: The Greenspire School, 1026 Red Drive, Traverse City, MI 49684. We can be reached by phone at (231) 421-5905.

## **BASIC FINANCIAL STATEMENTS**

**THE GREENSPIRE SCHOOL  
STATEMENT OF NET POSITION  
JUNE 30, 2025**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 333,630
Intergovernmental receivable	522,686
Prepays	56,007
Capital assets not being depreciated	206,316
Capital assets, net of accumulated depreciation/amortization	2,415,152
<b>TOTAL ASSETS</b>	<b>3,533,791</b>
<b>LIABILITIES</b>	
Accounts payable	31,607
Accrued expenses	211,985
State aid notes payable	389,288
Noncurrent liabilities	
Due within one year	229,769
Due in more than one year	1,913,308
<b>TOTAL LIABILITIES</b>	<b>2,775,957</b>
<b>NET POSITION</b>	
Net investment in capital assets	478,391
Unrestricted	279,443
<b>TOTAL NET POSITION</b>	<b>\$ 757,834</b>

See notes to financial statements.

**THE GREENSPIRE SCHOOL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 1,673,836	\$ -	\$ 375,490	\$ (1,298,346)
Support services	1,234,981	-	33,357	(1,201,624)
Student/school activities	83,073	95,120	-	12,047
Interest and fees	110,962	-	-	(110,962)
Depreciation/amortization (unallocated)	303,042	-	-	(303,042)
Total governmental activities	<u>\$ 3,405,894</u>	<u>\$ 95,120</u>	<u>\$ 408,847</u>	<u>(2,901,927)</u>
General revenues				
State sources - unrestricted				2,636,384
Northwest Education Services				41,960
Investment earnings				382
Other				<u>49,709</u>
Total general revenues				<u>2,728,435</u>
CHANGE IN NET POSITION				(173,492)
NET POSITION, beginning of year				<u>931,326</u>
NET POSITION, end of year				<u>\$ 757,834</u>

See notes to financial statements.

**THE GREENSPIRE SCHOOL  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	General Fund	Nonmajor (Special Revenue) Governmental Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 333,630	\$ -	\$ 333,630
Intergovernmental receivable	522,686	-	522,686
Due from other funds	-	12,047	12,047
Prepays	56,007	-	56,007
TOTAL ASSETS	\$ 912,323	\$ 12,047	\$ 924,370
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 31,607	\$ -	\$ 31,607
Due to other funds	12,047	-	12,047
Accrued expenditures	211,985	-	211,985
State aid notes payable	389,288	-	389,288
TOTAL LIABILITIES	644,927	-	644,927
<b>FUND BALANCE</b>			
<b>Nonspendable</b>			
Prepays	56,007	-	56,007
Assigned for subsequent year expenditures	113,678	-	113,678
Committed for student/school activities	-	12,047	12,047
Unassigned	97,711	-	97,711
TOTAL FUND BALANCE	267,396	12,047	279,443
TOTAL LIABILITIES AND FUND BALANCE	\$ 912,323	\$ 12,047	\$ 924,370
Total governmental fund balances			\$ 279,443
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and are not reported in the funds:			
The cost of the capital assets is		\$ 3,689,488	
Accumulated depreciation/amortization is		(1,068,020)	
			2,621,468
Long-term obligations that are not due and payable in the current period and are not reported in the funds:			
Notes from direct borrowings and direct placements			(2,143,077)
Net position of governmental activities			\$ 757,834

See notes to financial statements.

**THE GREENSPIRE SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2025**

	General Fund	Nonmajor (Special Revenue) Governmental Fund	Total Governmental Funds
<b>REVENUES</b>			
Local sources	\$ 50,091	\$ -	\$ 50,091
State sources	2,970,825	-	2,970,825
Federal sources	74,406	-	74,406
Student/school activities	-	95,120	95,120
Incoming transfers and other	41,960	-	41,960
<b>TOTAL REVENUES</b>	<b>3,137,282</b>	<b>95,120</b>	<b>3,232,402</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
<b>Instruction</b>			
Basic programs	1,267,593	-	1,267,593
Added needs	406,243	-	406,243
<b>Total instruction</b>	<b>1,673,836</b>	<b>-</b>	<b>1,673,836</b>
<b>Support services</b>			
Pupil	120,960	-	120,960
Instructional staff	6,563	-	6,563
General administration	271,131	-	271,131
School administration	612,271	-	612,271
Business services	35,131	-	35,131
Operation and maintenance	107,968	-	107,968
Pupil transportation	18,772	-	18,772
Central services	67,359	-	67,359
<b>Total support services</b>	<b>1,240,155</b>	<b>-</b>	<b>1,240,155</b>
Student/school activities	-	83,073	83,073
<b>Debt service</b>			
Principal	207,055	-	207,055
Interest	110,962	-	110,962
<b>Total debt service</b>	<b>318,017</b>	<b>-</b>	<b>318,017</b>
<b>TOTAL EXPENDITURES</b>	<b>3,232,008</b>	<b>83,073</b>	<b>3,315,081</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(94,726)</b>	<b>12,047</b>	<b>(82,679)</b>
<b>FUND BALANCE</b>			
Beginning of year	362,122	-	362,122
End of year	\$ 267,396	\$ 12,047	\$ 279,443

See notes to financial statements.

**THE GREENSPIRE SCHOOL  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2025**

**Net change in fund balance total governmental funds** \$ (82,679)

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

Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation/amortization:

Depreciation/amortization expense	(303,042)
Capital outlay	5,174

Proceeds and repayments of principal on long-term obligations are other financing sources and expenditures in the governmental funds, but not in the statement of activities (where they are additions and reductions of liabilities):

Payments on notes from direct borrowings and direct placements	207,055
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**Change in net position of governmental activities** \$ (173,492)

**THE GREENSPIRE SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the Academy. *Governmental activities* normally are supported by intergovernmental revenues.

Reporting Entity

The Greenspire School (the "Academy") is a public school academy as part of the Michigan Public School system under Public Act No. 362 of 1993. Effective July 1, 2019, Grand Valley State University became the authorizing governing body to charter the public school through June 30, 2026. The Academy's Board of Directors is approved by the authorizing body for the Academy and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for the fiscal matters. The Academy receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the Academy is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. In addition, the Academy's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity (if any) has been eliminated from the government-wide financial statements.

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the Academy's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Academy reports the following *Major Governmental Fund*:

The *General Fund* is the Academy's primary operating fund. It accounts for all financial resources of the Academy, except those required to be accounted for in another fund.

The Academy reports the following *Nonmajor Governmental Fund*:

The *Special Revenue Fund* accounts for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The Academy accounts for its student/school activities in the special revenue fund.

**THE GREENSPIRE SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation - Fund Financial Statements

During the course of operations, the Academy has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if they are generally collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

State and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

**THE GREENSPIRE SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus and Basis of Accounting (continued)

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the Academy Aid Act and the Academy Code of Michigan. The Michigan Department of Education administers the allocation of state funds to academies based on information supplied by the Academies. For the current year ended, the foundation allowance was based on pupil membership counts.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principle Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as intergovernmental receivables.

The Academy also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are generally considered to be measurable and available only when cash is received by the Academy.

Budgetary Information

*Budgetary Basis of Accounting*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The Academy does not utilize encumbrance accounting.

The Academy follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Superintendent submits to the Academy Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.

**THE GREENSPIRE SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Budgetary Information (continued)

*Budgetary Basis of Accounting (continued)*

- c. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the Academy Board of Directors.
- d. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2025. The Academy does not consider these amendments to be significant.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

*Cash and Cash Equivalents*

The Academy's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

*Prepays*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

*Capital Assets*

Capital assets, which include property, building and technology and equipment as summarized below, are reported in the government-wide financial statements. Capital assets are defined by the Academy as assets with an initial, individual cost of more than \$5,000 and a useful life in excess of one year. Group purchases are evaluated on a case-by-case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Land and construction in progress, if any, are not depreciated. Right to use assets of the Academy are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. The other capital assets of the Academy are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Buildings and improvements	25 - 50
Land improvements	20
Technology and equipment	5 - 10
Right to use - building	7

**THE GREENSPIRE SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

*Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net 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(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Academy has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net 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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Academy has no items that qualify for reporting in this category.

*Net Position Flow Assumption*

Sometimes the Academy will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Academy's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

*Fund Balance Flow Assumptions*

Sometimes the Academy will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Academy's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

*Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Academy itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Academy's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the Academy that can, by adoption of a board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board action) to remove or revise the limitation.

**THE GREENSPIRE SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

*Fund Balance Policies (continued)*

Amounts in the assigned fund balance classification are intended to be used by the Academy for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*Leases*

The Academy is a lessee for a noncancelable lease of a building. The Academy recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the Academy initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases included how the Academy determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Academy uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Academy generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Academy is reasonably certain to exercise.

The Academy monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Revenues and Expenditures/Expenses

*Program Revenues*

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**THE GREENSPIRE SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenues and Expenditures/Expenses (continued)

*Long-term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenditures in the year in which they are incurred.

**NOTE 2 - CASH DEPOSITS - CREDIT RISK**

In the case of deposits, this is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. As of June 30, 2025, \$44,622 of the Academy's bank balance of \$322,859 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At June 30, 2025, the carrying amount is as follows:

Cash and cash equivalents	<u><u>\$ 333,630</u></u>
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**NOTE 3 - CAPITAL ASSETS**

A summary of changes in the Academy's capital assets are as follows:

	Balance <u>July 1, 2024</u>	Additions	Deletions	Balance <u>June 30, 2025</u>
Capital assets not being depreciated/amortized				
Land	\$ 206,316	\$ -	\$ -	\$ 206,316
Capital assets being depreciated/amortized				
Buildings and improvements	1,569,523	-	-	1,569,523
Land improvements	7,512	-	-	7,512
Technology and equipment	614,816	5,174	-	619,990
Right to use - building	1,286,147	-	-	1,286,147
Total capital assets being depreciated/amortized	<u>3,477,998</u>	<u>5,174</u>	<u>-</u>	<u>3,483,172</u>
Accumulated depreciation/amortization				
Buildings and improvements	340,098	33,370	-	373,468
Land improvements	1,503	376	-	1,879
Technology and equipment	254,953	85,561	-	340,514
Right to use - building	168,424	183,735	-	352,159
Total accumulated depreciation/amortization	<u>764,978</u>	<u>303,042</u>	<u>-</u>	<u>1,068,020</u>
Net capital assets being depreciated/amortized	<u>2,713,020</u>	<u>(297,868)</u>	<u>-</u>	<u>2,415,152</u>
Net governmental capital assets	<u><u>\$ 2,919,336</u></u>	<u><u>\$ (297,868)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,621,468</u></u>

Depreciation/amortization for the fiscal year ended June 30, 2025 amounted to \$303,042. The Academy determined that it was impractical to allocate depreciation/amortization to the various governmental activities as the assets serve multiple functions.

**THE GREENSPIRE SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - INTERGOVERNMENTAL RECEIVABLES**

Receivables at June 30, 2025 consist of the following:

	Government- wide
State sources	\$ 515,872
Federal sources	6,814
	\$ 522,686

Amounts due from other governmental units include amounts due from federal and state sources for various projects and programs. No allowance for doubtful accounts is considered necessary.

**NOTE 5 - NOTES PAYABLE - STATE AID ANTICIPATION NOTES**

At June 30, 2025, the Academy has two outstanding state aid anticipation notes in the amount of \$90,444 and \$298,844, which bear interest at 7.60% and both mature June 30, 2026. Proceeds of the notes were used to fund school operations. The notes are secured by the full faith and credit of the Academy as well as pledged state aid. In an event of a default on the note, the bank may impose a penalty interest rate and at the bank's discretion or accelerate the repayment terms. Activity for the year ended June 30, 2025 is as follows:

Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
\$ 425,216	\$ 389,288	\$ (425,216)	\$ 389,288

**NOTE 6 - LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligations for the Academy for the year ended June 30, 2025.

	Notes from Direct Borrowings and Direct Placements				Total
	Mortgage Loan	Land Contract	Energy Efficiency Loan	Building Lease	
Balance July 1, 2024	\$ 831,025	\$ 303,793	\$ 623	\$ 1,214,691	\$ 2,350,132
Deletions	(34,050)	(16,657)	(623)	(155,725)	(207,055)
Balance June 30, 2025	796,975	287,136	-	1,058,966	2,143,077
Due within one year	36,258	17,279	-	176,232	229,769
Due in more than one year	\$ 760,717	\$ 269,857	\$ -	\$ 882,734	\$ 1,913,308

**THE GREENSPIRE SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM OBLIGATIONS (continued)**

Long-term obligations at June 30, 2025 are comprised of the following:

Notes from Direct Borrowings and Direct Placements

Mortgage Loan - June 2024 refinanced mortgage with the original amount of \$831,025 to be paid in monthly installments of \$7,119 including interest through June 28, 2029 with an interest rate of 6.30%. The remaining portion will be due upon the maturity. \$ 796,975

Land Contract - July 2013 purchase of land and improvements. Loan due in monthly installments of \$2,375 including interest through July 1, 2038 with an interest rate of 4.00%. 287,136

Building Lease - During the 2024 fiscal year, the Academy entered into a seven-year lease agreement as lessee for the use of a building. Due in monthly payments between \$10,833 and \$20,625, with an interest rate of 4.15% 1,058,966

Total long-term obligations \$ 2,143,077

The Academy's outstanding notes from direct borrowings and direct placements related to governmental activities of \$2,143,077 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The annual requirements to amortize long-term obligations outstanding, including interest of \$384,834, as of June 30, 2025 are as follows:

Year Ending June 30,	Notes from Direct Borrowings and Direct Placements						Total
	Building Mortgage		Land Contract		Building Lease		
	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 36,258	\$ 49,174	\$ 17,279	\$ 11,225	\$ 176,232	\$ 40,632	\$ 330,800
2027	38,610	46,823	17,983	10,520	191,277	33,087	338,300
2028	41,114	44,319	18,716	9,025	207,007	24,857	345,038
2029	680,993	41,653	19,479	9,787	223,403	15,961	991,276
2030	-	-	20,272	8,231	240,492	6,372	275,367
2031 - 2035	-	-	114,448	28,068	20,555	70	163,141
2036 - 2039	-	-	78,959	5,030	-	-	83,989
	<u>\$ 796,975</u>	<u>\$ 181,969</u>	<u>\$ 287,136</u>	<u>\$ 81,886</u>	<u>\$ 1,058,966</u>	<u>\$ 120,979</u>	<u>\$ 2,527,911</u>

Interest expense for the year ended June 30, 2025 was \$110,962.

**THE GREENSPIRE SCHOOL  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2025 are as follows:

Receivable Fund	Payable Fund
Nonmajor governmental fund <u style="text-decoration: underline double;">\$ 12,047</u>	General fund <u style="text-decoration: underline double;">\$ 12,047</u>

The outstanding balance between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions that are recorded in the accounting system, (3) payments between funds are made.

**NOTE 8 - OVERSIGHT FEES**

The Academy paid an administrative oversight fee of 3% of its state school aid to Grand Valley State University, as set forth by contract, to reimburse the School District for the cost of execution of its oversight responsibilities. These oversight responsibilities include the monitoring of the Academy’s compliance with the terms and conditions of the contract, and the review of its audited financial statements and periodic reports. During the year ended June 30, 2025, the Academy incurred expense of approximately \$78,000 for oversight fees.

**NOTE 9 - MANAGEMENT AGREEMENT**

The Academy had a management agreement with CS Partners, LLC, d/b/a Partners Solutions for Schools for operations of the Academy through June 2028. Under the terms of the management agreement, CS Partners, LLC, d/b/a Partners Solutions for Schools’ compensation for operating the Academy was \$143,577 for the fiscal year 2025.

**NOTE 10 - LEASED EMPLOYEES**

The Academy leases all its employees from, CS Partners. Salaries, retirement, Social Security, health insurance, and unemployment taxes are the responsibility of CS Partners. Salaried employees are generally eligible to make retirement contributions with a 60-day waiting period. The plan does not cover hourly employees covered by another retirement plan. The Academy has a 2% contribution resulting in contributions of approximately \$77,400 in 2025.

**NOTE 11 - CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Academy expects such amounts, if any, to be immaterial.

**THE GREENSPIRE SCHOOL**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management's discussion and analysis (MD&A);
  - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
    - 1) Overview of the Financial Statements,
    - 2) Financial Summary,
    - 3) Detailed Analyses,
    - 4) Significant Capital Asset and Long-Term Financing Activity,
    - 5) Currently Known Facts, Decisions, or Conditions;
  - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
  - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
  - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
  - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE GREENSPIRE SCHOOL  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local sources	\$ 76,000	\$ 35,000	\$ 50,091	\$ 15,091
State sources	3,090,263	2,981,101	2,970,825	(10,276)
Federal sources	71,059	83,721	74,406	(9,315)
Incoming transfers and other	36,000	35,000	41,960	6,960
<b>TOTAL REVENUES</b>	<b>3,273,322</b>	<b>3,134,822</b>	<b>3,137,282</b>	<b>2,460</b>
<b>EXPENDITURES</b>				
Instruction				
Basic programs	1,250,762	1,202,329	1,267,593	(65,264)
Added needs	467,749	361,641	406,243	(44,602)
<b>Total instruction</b>	<b>1,718,511</b>	<b>1,563,970</b>	<b>1,673,836</b>	<b>(109,866)</b>
Support services				
Pupil services	103,711	119,574	120,960	(1,386)
Instructional staff	119,207	6,500	6,563	(63)
General administration	385,449	256,342	271,131	(14,789)
School administration	328,917	594,610	612,271	(17,661)
Business services	77,928	43,000	35,131	7,869
Operation and maintenance	122,750	108,650	107,968	682
Pupil transportation	16,500	12,000	18,772	(6,772)
Central services	69,500	71,500	67,359	4,141
<b>Total support services</b>	<b>1,223,962</b>	<b>1,212,176</b>	<b>1,240,155</b>	<b>(27,979)</b>
Debt service				
Principal	207,055	207,055	207,055	-
Interest	109,563	111,248	110,962	286
<b>Total debt services</b>	<b>316,618</b>	<b>318,303</b>	<b>318,017</b>	<b>286</b>
<b>TOTAL EXPENDITURES</b>	<b>3,259,091</b>	<b>3,094,449</b>	<b>3,232,008</b>	<b>(137,559)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 14,231</b>	<b>\$ 40,373</b>	<b>(94,726)</b>	<b>\$ (135,099)</b>
<b>FUND BALANCE</b>				
Beginning of year			362,122	
End of year			<u>\$ 267,396</u>	

**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***

To the Board of Directors of the  
The Greenspire School

We have audited, 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, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of The Greenspire School as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise The Greenspire School's basic financial statements and have issued our report thereon dated October 31, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered The Greenspire 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 The Greenspire School's internal control. Accordingly, we do not express an opinion on the effectiveness of The Greenspire School's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be 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. We did identify a certain deficiency in internal controls, as described in the accompanying schedule of findings and responses that we consider to be a significant deficiency (2025-001).

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Greenspire School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as item 2025-001.

## **Academy's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on The Greenspire School's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Greenspire School'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.

October 31, 2025

**THE GREENSPIRE SCHOOL  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2025**

**Finding 2025-001 Significant deficiency**

**Criteria:** Compliance with the Uniform Budgeting and Accounting Act. MCL (Michigan Compile Laws) 141.437 states, except as otherwise permitted in MCL 388.1702 the local school board shall not adopt a general appropriations act (Budget) or an amendment to that act which causes fund balance to be lower than budgeted.

**Condition:** The Academy's budget reflects a net increase in fund balance while the actual results show a large net decrease in fund balance.

**Effect:** At June 30, 2025, the Academy's final budget anticipated an increase in the general fund of \$40,373. The actual result has the Academy using up \$94,726 of fund balance. This created a negative budget to actual variance of \$135,099.

**Cause:** The primary reason was not properly adjusting budgeted expenditures based on actual results.

**Recommendation:** The Academy should develop procedures to review the budget and general ledger monthly and revise the budget accordingly.

**Academy's Response:** The Academy concurs with the facts of this finding and is implementing procedures to prevent this in the future.



**THE GREENSPIRE SCHOOL  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2025**

The Greenspire School respectfully submits the following corrective action plan for the year ended June 30, 2025.

**Auditor:** Maner Costerisan  
2425 E. Grand River Ave., Suite 1  
Lansing, Michigan 48912

**Audit Period:** Year ended June 30, 2025

**Academy Contact Person:** Laura Carpenter, Budget and Accounting

The findings from the June 30, 2025 schedule of findings and responses are discussed below. The findings are numbered consistently with the number assigned in the schedule.

**Finding 2025-001 – Significant deficiency**

**Recommendation:** The Academy is developing procedures to review the budget and general ledger monthly and revise the budget accordingly.

**Actions to be Taken:** The Academy concurs with the facts of this finding and is implementing procedures to prevent this in the future.