

**Audited Financial Statements**

# **Voyageur Academy**

**Detroit, Michigan**

**June 30, 2025**

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### Independent Auditors' Report

Board of Directors and Management  
**Voyageur Academy**

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Voyageur Academy (the "Academy"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Academy, as of June 30, 2025, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("Government Auditing Standards"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 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 Academy'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.

### ***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 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 GAAS 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 GAAS 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 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 the 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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. The accompanying supplementary information, as identified in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2025 on our consideration of the Academy'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 Academy'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 Academy's internal control over financial reporting and compliance.

*CBIZ CPAs P.C.*

Rochester, MI  
December 6, 2025



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**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**

To the Board of Directors and Management of  
**Voyageur Academy**

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") 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, each major fund, and the aggregate remaining fund information of Voyageur Academy (the "Academy"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated December 6, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 Academy's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

As part of obtaining reasonable assurance about whether the 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*.

### ***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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CBIZ CPAs P.C.*

CBIZ CPAs P.C.  
Rochester, MI

December 6, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Voyageur Academy's (Academy), annual financial report presents our discussion and analysis of the 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**

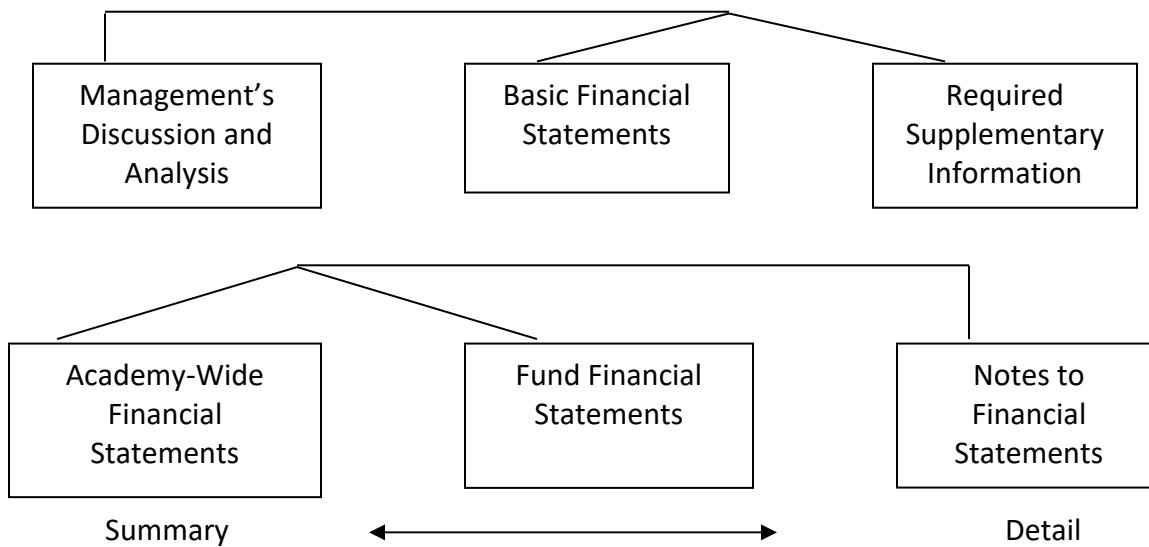
- ❖ The total cost of basic programs in FY25 was \$5,961,938, compared to \$5,490,538 in FY24.
- ❖ Fiscal year 2025 General Fund revenues were \$18,200,674 while expenditures and operating transfers were \$19,020,520.
  - Blended enrollment used for state aid purposes was 1,297.75 compared to 2023/2024 enrollment of 1,267.09 students.
- ❖ The Academy ended the year with a positive General Fund balance of \$2,339,255.

### **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.
- The governmental fund statements tell how basic services like regular and special education were financed.
- Fiduciary funds statements provide information about the financial relationships in which the Academy acts solely as a trustee or agent for the benefit of others. These consist of student activity funds held by the Academy on behalf of the student group.

**Figure A-1**  
**Organization of Voyageur's Annual Financial Report**



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 this annual report are arranged and related to one another.

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

	Academy-Wide Statements	Government Funds	Fiduciary Funds
Scope	Entire Academy (except fiduciary funds)	The activities of the Academy that are not proprietary or fiduciary, such as special education and building maintenance.	Instances in which the Academy administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	*Statement of net position *Statement of activities	*Balance sheet *Statement of revenues, expenditures and changes in fund balances	*Statement of fiduciary net position *Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources	Accrual accounting and economic 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 liabilities included	All assets and liabilities, both short-term and long-term
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	All additions and deductions during the year, regardless of when cash is received or paid

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.

### **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 – are one way to measure the Academy's financial health or position.

- ❖ Over time, increases or decreases in the Academy's assets are 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 and the condition of Academy buildings and other facilities.

### **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the Academy's funds, focusing on its most 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:

- ❖ *Governmental activities* – Most of the Academy's basic services are included in the general fund, such as regular and special education and administration. State foundation aid finances most of these activities.
- ❖ The Academy establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues.

The Academy has the following funds:

- ❖ *Governmental funds* – Most 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 funds 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 governmental funds statements that explains the relationship (or differences) between them.

## **FINANCIAL ANALYSIS OF THE ACADEMY AS A WHOLE**

The Academy's financial position is the product of many factors.

### **Academy Governmental**

The stability of the Academy's finances is a result of the following measures:

- ❖ Spending is controlled to ensure that it aligns with revenues received.

### **General Fund Budgetary Analysis**

Over the course of the year, the Academy revised the general fund annual operating budget when necessary. Changes in budgeted amounts were made to both revenue and expenditures, which reflected anticipated changes in expected versus actual results.

### **Financial Outlook**

Voyageur Academy's financial forecast continues to be optimistic heading into the 2025/2026 Academy year.

- ❖ The Academy has budgeted to use a portion of available 2025/2026 revenues to improve and expand facilities, HVAC systems, curriculum materials, bolster/rebalance teaching and support staff, and improve social programs for our students.
- ❖ Enrollment has steadily increased over the last three years. The Academy has budgeted an increase approximately 52 students to 1,350 for the 2025-2026 Academy year.
- ❖ The Academy has adopted a general fund budget for 2025/2026 in which revenues exceed expenditures by \$170,930.

**Figure A-3**  
**Voyageur Academy's Net Position**

	<b>2025</b>	<b>2024</b>
Current and other assets	\$ 11,334,074	\$ 12,577,773
Capital assets	<u>18,068,482</u>	<u>15,581,768</u>
 Total assets	 <u>29,402,556</u>	 <u>28,159,541</u>
Long-term debt outstanding	16,225,785	16,666,164
Other liabilities	<u>6,557,595</u>	<u>5,889,436</u>
 Total liabilities	 <u>22,783,380</u>	 <u>22,555,600</u>
 Net position	 <u>\$ 6,619,176</u>	 <u>\$ 5,603,941</u>

**Figure A-4**  
**Changes in Voyageur Academy's Net Position**

	<b>2025</b>	<b>2024</b>
 Revenues:		
Program revenues:		
Charges for services	\$ 22,418	\$ -
Federal and state operating grants	4,869,268	6,964,630
General revenues:		
State aid - unrestricted	13,668,676	12,488,306
Miscellaneous	<u>553,525</u>	<u>471,849</u>
 Total revenues	 <u>19,113,887</u>	 <u>19,924,785</u>
 Expenses:		
Instruction	8,121,404	7,257,555
Support services	8,047,330	7,292,299
Interest on long-term debt	988,206	1,000,409
Unallocated depreciation / amortization	<u>941,712</u>	<u>889,510</u>
 Total expenses	 <u>18,098,652</u>	 <u>16,439,773</u>
 Change in net position	 <u>\$ 1,015,235</u>	 <u>\$ 3,485,012</u>

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

By June 30, 2025, the Academy had invested \$18,068,482 in capital assets net of accumulated depreciation/amortization as summarized in Figure A-5. Total depreciation/amortization expense for the year was \$941,712. More detailed information about capital assets can be found in Note 5 of the financial statements.

**Figure A-5**  
**Voyageur Academy's Capital Assets**

	<b>Balance</b>	<b>Balance</b>
	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Land and construction in progress	\$ 8,907,694	\$ 6,084,879
Building and improvements	13,325,930	13,065,288
Equipment and furniture	2,888,302	2,543,333
Right to use assets	<u>1,732,513</u>	<u>1,732,513</u>
Subtotal	26,854,439	23,426,013
Less: accumulated depreciation / amortization	<u>8,785,957</u>	<u>7,844,245</u>
Total net capital assets	<u>\$ 18,068,482</u>	<u>\$ 15,581,768</u>

## **FACTORS BEARING ON THE ACADEMY'S FUTURE**

- Successful navigation of the current virtual learning environment.
- Maintenance of current enrollment and staffing levels.
- Aligning expenditures with available revenue sources.

## **CONTACTING THE ACADEMY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our students, parents 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 management office at:

The Romine Group 7877 Stead, Utica, MI 48317 (586)731-5300

## VOYAGEUR ACADEMY

### STATEMENT OF NET POSITION JUNE 30, 2025

#### ASSETS

##### Current Assets

Cash and cash equivalents	\$ 4,384,402
Investments - restricted for debt service and capital projects	2,729,319
Accounts receivable	15,205
Due from other governmental units	4,149,176
Prepaid expenses	<u>55,972</u>
 Total current assets	11,334,074
 <b>Capital Assets - Net of Accumulated Depreciation / Amortization</b>	<u>18,068,482</u>
 Total assets	<u>\$ 29,402,556</u>

#### LIABILITIES AND NET POSITION

##### Current Liabilities

Accounts payable	\$ 2,078,839
Notes payable	186,483
Due to other governmental units	500,000
Unearned revenue	1,379,121
Other accrued liabilities	1,843,943
Long-term debt - current portion	<u>569,209</u>

Total current liabilities 6,557,595

##### Long-Term Debt - Long-Term Portion

16,225,785

##### Net Position

Net investment in capital assets	1,273,488
Restricted for debt services, capital projects and food service	3,487,316
Unrestricted	<u>1,858,372</u>
 Total net position	<u>6,619,176</u>
 Total liabilities and net position	<u>\$ 29,402,556</u>

See accompanying notes to financial statements

## VOYAGEUR ACADEMY

### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

	Program Revenues			Net (Expense) Revenues and Changes in Position				
	Expenses	Charges for Services	Operating Grants	Government				
				Type Activities				
<b>Functions</b>								
Instruction								
Basic programs	\$ 5,961,938	\$ -	\$ 799,104	\$ (5,162,834)				
Added needs	2,159,466	-	1,717,449		(442,017)			
Support services								
Pupil support services	417,587	-	76,726		(340,861)			
Instructional staff support services	642,339	-	539,172		(103,167)			
General administration	1,774,775	-	-		(1,774,775)			
School administration	1,321,700	-	-		(1,321,700)			
Business support services	102,044	-	-		(102,044)			
Operations and maintenance	1,694,498	-	351,110		(1,343,388)			
Pupil transportation services	425,487	-	-		(425,487)			
Other support services	22,641	22,418	-		(223)			
Central support services	266,661	-	-		(266,661)			
Athletic activities	540,749	-	-		(540,749)			
Food services	827,715	-	815,987		(11,728)			
Community services	11,134	-	3,911		(7,223)			
Site acquisition and improvements	-	-	565,809		565,809			
Unallocated depreciation / amortization	941,712	-	-		(941,712)			
Unallocated interest	988,206	-	-		(988,206)			
Total primary government	<u>\$ 18,098,652</u>	<u>\$ 22,418</u>	<u>\$ 4,869,268</u>		<u>(13,206,966)</u>			
<b>General Purpose Revenues</b>								
State school aid - unrestricted					13,668,676			
Miscellaneous revenues					<u>553,525</u>			
Total general purpose revenues					<u>14,222,201</u>			
Change in net position					1,015,235			
Net position - July 1, 2024					<u>5,603,941</u>			
Net position - June 30, 2025					<u>\$ 6,619,176</u>			

See accompanying notes to financial statements

## VOYAGEUR ACADEMY

### COMBINED BALANCE SHEET – ALL GOVERNMENTAL FUNDS JUNE 30, 2025

#### ASSETS

	General	Debt Service	Capital Projects	Non-Major Special Revenue -		
	General	Debt Service	Capital Projects	Food Services	Total	
Cash and cash equivalents	\$ 3,985,940	\$ -	\$ 398,462	\$ -	\$ 4,384,402	
Investments	-	2,450,076	279,243	-	2,729,319	
Accounts receivable	15,205	-	-	-	15,205	
Due from other governmental units	4,149,176	-	-	-	4,149,176	
Due from other funds	-	6,600	618,694	234,241	859,535	
Prepaid expenses	55,972	-	-	-	55,972	
<b>Total assets</b>	<b><u>\$ 8,206,293</u></b>	<b><u>\$ 2,456,676</u></b>	<b><u>\$ 1,296,399</u></b>	<b><u>\$ 234,241</u></b>	<b><u>\$ 12,193,609</u></b>	

#### LIABILITIES AND FUND BALANCE

##### **Liabilities**

Accounts payable	\$ 2,078,839	\$ -	\$ -	\$ -	\$ 2,078,839
Notes payable	186,483	-	-	-	186,483
Due to other governmental units	-	500,000	-	-	500,000
Due to other funds	859,535	-	-	-	859,535
Unearned revenue	1,379,121	-	-	-	1,379,121
Other accrued liabilities	1,363,060	-	-	-	1,363,060
<b>Total liabilities</b>	<b>5,867,038</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>6,367,038</b>

##### **Fund Balance**

Nonspendable	55,972	-	-	-	55,972
Restricted	-	1,956,676	1,296,399	234,241	3,487,316
Unassigned	2,283,283	-	-	-	2,283,283
<b>Total fund balance</b>	<b>2,339,255</b>	<b>1,956,676</b>	<b>1,296,399</b>	<b>234,241</b>	<b>5,826,571</b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 8,206,293</u></b>	<b><u>\$ 2,456,676</u></b>	<b><u>\$ 1,296,399</u></b>	<b><u>\$ 234,241</u></b>	<b><u>\$ 12,193,609</u></b>

See accompanying notes to financial statements

## VOYAGEUR ACADEMY

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2025

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

<b>Total Governmental Fund Balances</b>	\$ 5,826,571
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$26,854,439 and the accumulated depreciation / amortization is \$8,785,957.	18,068,482
Interest is not payable until due in governmental activities and, therefore, is not recorded in the funds.	(480,883)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(16,794,994)</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 6,619,176</u>

## VOYAGEUR ACADEMY

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ALL GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	General	Debt Service	Capital Projects	Non-Major	
				Special Revenue - Food Services	Total
<b>Revenues</b>					
Local sources	\$ 477,454	\$ 86,296	\$ 12,193	\$ -	\$ 575,943
State sources	15,474,949	-	-	4,876	15,479,825
Federal sources	1,643,175	-	-	809,848	2,453,023
Interdistrict sources	605,096	-	-	-	605,096
Total governmental fund revenues	18,200,674	86,296	12,193	814,724	19,113,887
<b>Expenditures</b>					
Instruction					
Basic programs	5,961,938	-	-	-	5,961,938
Added needs	2,159,466	-	-	-	2,159,466
Support services					
Pupil support services	417,587	-	-	-	417,587
Instructional staff support services	642,339	-	-	-	642,339
General administration	1,774,775	-	-	-	1,774,775
School administration	1,321,700	-	-	-	1,321,700
Business support services	67,489	34,555	-	-	102,044
Operations and maintenance	1,694,498	-	-	-	1,694,498
Pupil transportation services	425,487	-	-	-	425,487
Other Support Services	22,641	-	-	-	22,641
Central support services	266,661	-	-	-	266,661
Athletic activities	540,749	-	-	-	540,749
Food services	-	-	-	827,715	827,715
Community services	11,134	-	-	-	11,134
Capital outlay	1,171,421	-	2,257,005	-	3,428,426
Debt principal and interest	343,054	1,178,145	-	-	1,521,199
Total governmental fund expenditures	16,820,939	1,212,700	2,257,005	827,715	21,118,359
Excess (deficiency) of revenues over expenditures	1,379,735	(1,126,404)	(2,244,812)	(12,991)	(2,004,472)
<b>Other Financing Sources (Uses)</b>					
Leases issued	141,348	-	-	-	141,348
Operating transfers in	-	1,130,086	1,237,611	-	2,367,697
Operating transfers out	(2,367,697)	-	-	-	(2,367,697)
Total other financing sources (uses)	(2,226,349)	1,130,086	1,237,611	-	141,348
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(846,614)	3,682	(1,007,201)	(12,991)	(1,863,124)
Fund balance - July 1, 2024	3,185,869	1,952,994	2,303,600	247,232	7,689,695
Fund balance - June 30, 2025	\$ 2,339,255	\$ 1,956,676	\$ 1,296,399	\$ 234,241	\$ 5,826,571

See accompanying notes to financial statements

## VOYAGEUR ACADEMY

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ (1,863,124)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period:

Capital outlay	\$ 3,428,426
Depreciation and amortization expense	<u>(941,712)</u>
	2,486,714

The governmental funds report loan proceeds and leases issued as an other financing source, while repayment of principal is reported as and expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general loan obligations is as follows:

Leases issued	\$ (141,348)
Repayment of principal	526,614
Interest expense	<u>6,379</u>
	<u>391,645</u>

<b>Change in Net Position of Governmental Activities</b>	<u>\$ 1,015,235</u>
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## VOYAGEUR ACADEMY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Voyageur Academy (the “Academy”) conform to generally accepted accounting principles applicable to public school academies. The following is a summary of the significant accounting policies:

##### **Reporting Entity**

Voyageur Academy was formed as a public-school academy pursuant to the Michigan School Code of 1976, as amended by Act No. 362 of the Public Acts of 1993 and Act No. 416 of the Public Acts of 1994. The Academy filed articles of incorporation as a nonprofit corporation pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, as amended, and began operation in July 1998.

In 2022, the Academy extended a contract with Ferris State University's Board of Trustees to charter a public-school academy through June 30, 2027. The contract requires the Academy to act exclusively as a governmental agency and not undertake any action inconsistent with its status as an entity authorized to receive state school aid funds pursuant to the State constitution. The University's Board of Trustees is the fiscal agent for the Academy and is responsible for overseeing the Academy's compliance with the contract and all applicable laws. The Academy pays Ferris State University's Board of Trustees three percent of state aid as administrative fees. Total administrative fees paid for the year ended June 30, 2025 were approximately \$374,060.

In 2022, the Academy extended an agreement with The Romine Group, Inc. expiring in June 2027. Under the terms of this agreement, The Romine Group, Inc. provides a variety of services including financial management, educational programs and consulting, as well as teacher training. The Academy is obligated to pay The Romine Group, Inc. nine and one-half percent of its state school aid revenue. The total paid for these services amounted to approximately \$1,230,730 for the year ended June 30, 2025 and there was a payable to The Romine group at June 30, 2025 of approximately \$685,300.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the public-school academy. Based on application of criteria, the Academy does not contain component units.

##### **Fund Financial Statements**

Fund financial statements report detailed information about the Academy. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

##### **Basis of Presentation – Fund Accounting**

The accounts of the Academy are organized on the basis of funds. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the combined financial statements in a report, into generic fund types in two broad fund categories.

## VOYAGEUR ACADEMY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### Governmental Funds

A governmental fund is a fund through which most Academy functions typically are operated. The acquisition, use and balances of the Academy's expendable financial resources and the related current liabilities, are accounted for through a governmental fund.

**General Fund** - The general fund is used to record the general operations of the Academy pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget.

**Special Revenue Fund (Food Services)** - The special revenue fund is used to account for the food service program operations. The special revenue fund is a subsidiary operation and is an obligation of the general fund. Therefore, any shortfall in the special revenue fund will be covered by an operating transfer from the general fund.

**Debt Service Fund** - The debt service fund is used to record certain revenue and the payment of interest, principal and other expenditures on long-term debt.

**Capital Projects Fund** - The capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities.

Governmental funds utilize the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- a. Revenue that is both measurable and available for use to finance operations is recorded as revenue when earned. 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 collected within sixty days of the end of the current fiscal period.
- b. Payments for inventoriable types of supplies, which are not significant at year end, are recorded as expenditures at the time of purchase.
- c. Principal and interest of general long-term debt are not recorded as expenditures until their due dates.
- d. The State of Michigan utilizes a foundation allowance funding approach, which provides for specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenue from state sources is primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the State's School Aid Fund and is recognized as revenue in accordance with state law. A major portion of the Academy's revenue is derived from this state aid. As such, the Academy is considered to be economically dependent on this aid. The Academy's existence is dependent upon qualification for such aid.

# VOYAGEUR ACADEMY

## NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### 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 of the non-fiduciary activities of the primary government. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with explanations to better identify the relationships between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the Academy and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. The Academy does not allocate indirect expenses to programs. In creating the government-wide financial statements the Academy has eliminated inter-fund transactions. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or function is self financing or draws from the general revenues of the Academy. When both restricted and unrestricted resources are available for use, it is the Academy's policy to use restricted resources first.

Net position should be reported as restricted when constraints placed on net position's use is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Academy first utilizes restricted resources to finance qualifying activities.

#### 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 maturities of three months or less from the date of acquisition. The Academy reports its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and GASB No. 40, Deposit and Investment Risk Disclosures. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the Academy intends to hold the investment until maturity. The Academy held investments in mutual funds that invest solely in U.S. Treasury obligations. The funds are held in trust for debt service and capital projects. State statutes authorize the Academy to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, saving accounts, deposit accounts, and or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Academy is also authorized to invest in U.S. Government or Federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

## VOYAGEUR ACADEMY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### Receivables

Accounts receivable and due from other governmental units at June 30, 2025 consist primarily of state school aid due from the State of Michigan and the federal government. All receivables were fully collected in July and August of 2025 and are considered measurable and available for the purposes of these financial statements.

##### Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

##### Capital Assets and Depreciation

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions or retirements during the year. The Academy follows the policy of not capitalizing assets with a useful life of less than one year. The Academy does not possess any infrastructure assets.

All reported capital assets, with the exception of land or construction in process, when applicable, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Right to use assets of the Academy are amortized using the straight-line method over the shorter of the lease/subscription period or the estimated useful lives. Depreciation and amortization are computed using the straight-line method over the following useful lives:

Building and improvements	10 – 50 years
Furniture and equipment	5 – 15 years
Computers and software	3 – 10 years

##### Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of leases that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

# VOYAGEUR ACADEMY

## NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Net Position

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position is displayed in the following three components:

*Net Investment in Capital Assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted* - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* - This component of net position consists of net position that does not meet the definition of Net investment in capital assets or Restricted.

#### Fund Balance

The Academy adopted GASB 54 as part of its fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Academy's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. This category typically includes prepaid items and inventories.

In addition to nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- a. *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- b. *Committed fund balance* – amounts that can only be used for specific purposes pursuant to specific purposes imposed by formal action of the Academy's highest level of decision-making authority, the Board. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.

## VOYAGEUR ACADEMY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- c. *Assigned fund balance* – amounts the Board intends to use for a specific purpose; intent can be expressed by the Board or by an official or committee to which the Board delegates the authority.
- d. *Unassigned fund balance* – amounts that include the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Academy follows the policy that restricted, committed, or assigned amounts will be considered to have been spent when an expenditure is incurred for purposes for which both unassigned and restricted, committed, or assigned fund balances are available. There are no governmental funds with a deficit.

#### Leases

##### *Leases and Subscription Based IT Arrangements (SBITA)*

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

Key estimates and judgments related to leases included how the Academy determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA 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/SBITA.
- The lease/SBITA term includes the noncancelable period of the lease/subscription. Lease/SBITA payments included in the measurement of the lease/SBITA 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/SBITA and will remeasure the lease/SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability.

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

# VOYAGEUR ACADEMY

## NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### Implemented and Upcoming Accounting Pronouncements

The Academy implemented the following GASB pronouncements during the school year: GASB Statement No. 101, Compensated Absences and GASB Statement No. 102, Certain Risk Disclosures. These pronouncements did not impact the financial statements during the current school year.

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 should be presented after the fund financial statements;

## **VOYAGEUR ACADEMY**

### **NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

- 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.

#### **NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Annual budgets are adopted on a consistent basis with accounting principles generally accepted in the United States of America and state law for the general fund. All annual appropriations lapse at fiscal year end and encumbrances are not formally recorded.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the Academy to have its budget in place by July 1. Expenditures in excess of amounts budgeted is a violation of Michigan Law. The Academy is required by law to adopt a general fund budget. During the year ended June 30, 2025 the budget was amended in a legally permissible manner. A comparison of actual expenditures against amounts appropriated can be found on page 21 of these financial statements.

## VOYAGEUR ACADEMY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### NOTE 3 - DEPOSITS AND INVESTMENTS

As of June 30, 2025, the Academy had the following investments:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand deposits	\$ 4,384,402
Investments:	
Mutual funds	<u>2,729,319</u>
Total deposits and investments	<u>\$ 7,113,721</u>

The above amounts are reported in the financial statements as follows:

Deposits:	
Cash - General fund	\$ 3,985,940
Cash - Capital projects fund	<u>398,462</u>
Total cash	4,384,402
Investments:	
Investments - Debt service fund	2,450,076
Investments - Capital projects fund	<u>279,243</u>
Total investments	<u>2,729,319</u>
Total deposits and investments	<u>\$ 7,113,721</u>

#### Interest Rate Risk

In accordance with its investment policy, the Academy will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Academy's cash requirements.

## VOYAGEUR ACADEMY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

##### **Credit Risk**

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs).

##### **Concentration of Credit Risk**

The Academy will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Academy's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. More than 5% of the Academy's investments are in mutual funds that invest in U.S. Government obligations representing 100% of the Academy's total investments.

##### **Custodial Credit Risk - Deposits**

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, \$3,913,785 of the Academy's cash was exposed to custodial credit risk because it was uninsured. All cash balances were uncollateralized as of June 30, 2025.

##### **Custodial Credit Risk - Investments**

For an investment, this is the risk that, in the event of the failure of the counterparty, the Academy will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Academy will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Academy will do business and recorded in name of the Academy.

##### **Foreign Currency Risk**

The Academy is not authorized to invest in investments which have this type of risk.

##### **Fair Value**

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

## VOYAGEUR ACADEMY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Academy has the ability to access.
- b. Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.
- c. Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The observable inputs should be developed based on the best information available in the circumstances and may include the Academy's own data.)

The Academy's investments in mutual funds that invest in U.S. Government obligations that are subject to fair value measurement and are considered Level 1 investments.

#### NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of the following:

State sources	\$ 3,098,830
Federal sources	<u>1,050,346</u>
Total	<u>\$ 4,149,176</u>

## VOYAGEUR ACADEMY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### NOTE 5 - CAPITAL ASSETS

Capital asset activity of the Academy's governmental activities was as follows:

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Capital assets not subject to depreciation				
Land	\$ 2,134,388	\$ -	\$ -	\$ 2,134,388
Construction in process	3,950,491	2,822,815	-	6,773,306
Capital assets subject to depreciation / amortization				
Right to use assets	1,461,037	-	-	1,461,037
Right to use - subscription-based IT	271,476	-	-	271,476
Building	12,025,360	-	-	12,025,360
Furniture and equipment	2,543,333	344,969	-	2,888,302
Improvements	1,039,928	260,642	-	1,300,570
Total cost basis of assets	23,426,013	3,428,426	-	26,854,439
Accumulated depreciation / amortization				
Right to use assets	575,252	306,619	-	881,871
Right to use - subscription-based IT	180,984	90,492	-	271,476
Building	4,013,995	340,815	-	4,354,810
Furniture and equipment	2,321,816	116,361	-	2,438,177
Improvements	752,198	87,425	-	839,623
Sub-total	7,844,245	941,712	-	8,785,957
Total net capital assets	\$ 15,581,768	\$ 2,486,714	\$ -	\$ 18,068,482

Depreciation and amortization expense is reported as unallocated in the Statement of Activities as the Academy considers its assets to impact multiple activities and allocation is not practical.

#### NOTE 6 – OTHER ACCRUED LIABILITIES

Other accrued liabilities can be summarized as follows:

	Net Position	Funds
Purchased services - payroll and benefits	\$ 1,018,251	\$ 1,018,251
Management fee	276,767	276,767
University oversight fee	68,042	68,042
Interest	480,883	-
Total other accrued liabilities	\$ 1,843,943	\$ 1,363,060

## VOYAGEUR ACADEMY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### NOTE 7 - LONG-TERM OBLIGATIONS PAYABLE

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

##### Loan Information

	Interest Rate	Maturity Date	Other
Direct borrowing - building	3.00%	June, 2027	Variable monthly payment
Direct borrowing - copier	5.00%	June, 2025	Monthly payment of \$2,560
Direct borrowing - copiers	7.50%	June, 2028	Monthly payment of \$4,095
2011 Revenue bond	Average rate of 7.88%	Various through July, 2041	Twice yearly payments of principal and interest. Secured by facilities, funds held in trust, and a pledge for 20% of future State School Aid payments.
2017 Revenue bond	Average rate of 5.90%	Various through July, 2046	Twice yearly payments of principal and interest. Secured by facilities, funds held in trust, and a pledge for 20% of future State School Aid payments.

##### Loan Activity

	Balance	Additions	Retirements	Balance	Due Within
	July 1, 2024		and Payments	June 30, 2025	One Year
Direct borrowing - building	\$ 865,353	\$ -	\$ 274,189	\$ 591,164	\$ 288,308
Direct borrowing - copier	29,907	-	29,907	-	-
Direct borrowing - copiers	-	141,348	12,518	128,830	40,901
2011 Revenue bond	660,000	20,000	20,000	660,000	20,000
2017 Revenue bond	15,625,000	(20,000)	190,000	15,415,000	220,000
Total long-term debt	<u>\$ 17,180,260</u>	<u>\$ 141,348</u>	<u>\$ 526,614</u>	<u>\$ 16,794,994</u>	<u>\$ 569,209</u>

## VOYAGEUR ACADEMY

### NOTES TO FINANCIAL STATEMENTS - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### NOTE 7 - LONG-TERM OBLIGATIONS PAYABLE - Continued

Following are maturities of long-term obligations for principal and interest for the next five years and in total:

	<b>Principal</b>	<b>Interest</b>
2026	\$ 569,209	\$ 976,534
2027	606,932	1,211,064
2028	338,853	924,257
2029	330,000	903,703
2030	365,000	882,675
2031-2035	2,440,000	4,016,148
2036-2040	3,750,000	3,091,805
2041-2045	5,540,000	171,543
2046-2047	2,855,000	377,748

#### NOTE 8 - INTERFUND TRANSFERS

During the normal course of the school year the Academy transferred amounts between its funds as follows:

	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>
Transfer In	\$ -	\$ 1,237,611	\$ 1,130,086
Transfer Out	2,367,697	-	-

As stipulated by the Academy's revenue bond agreement as described in Note 7, the Academy must transfer 20% of its state aid to a trustee. The trustee retains the required portion for debt service and returns the remainder to the Academy.

#### NOTE 9 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (worker's compensation), as well as medical benefits provided to employees. The Academy has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

# REQUIRED SUPPLEMENTARY INFORMATION

## VOYAGEUR ACADEMY

### REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local sources	\$ 229,960	\$ 583,302	\$ 477,454	\$ (105,848)
State sources	15,639,235	15,910,571	15,474,949	(435,622)
Federal sources	1,092,888	1,816,664	1,643,175	(173,489)
Interdistrict sources	<u>417,300</u>	<u>594,120</u>	<u>605,096</u>	<u>10,976</u>
Total general fund revenues	17,379,383	18,904,657	18,200,674	(703,983)
<b>Expenditures</b>				
Instruction				
Basic programs	5,818,627	6,315,716	5,961,938	(353,778)
Added needs	2,096,565	2,374,895	2,159,466	(215,429)
Support services				
Pupil support services	501,657	438,025	417,587	(20,438)
Instructional staff support services	805,454	907,015	642,339	(264,676)
General administration	1,817,485	1,720,450	1,774,775	54,325
School administration	1,199,148	1,310,848	1,321,700	10,852
Business support services	49,500	42,500	67,489	24,989
Operations and maintenance	1,860,366	2,285,966	1,694,498	(591,468)
Pupil transportation services	315,000	345,000	425,487	80,487
Other Support Services	-	-	22,641	22,641
Central support services	245,341	266,000	266,661	661
Athletic activities	471,150	550,600	540,749	(9,851)
Community services	27,193	19,888	11,134	(8,754)
Capital outlay	-	565,809	1,171,421	605,612
Debt principal and interest	<u>336,133</u>	<u>343,054</u>	<u>343,054</u>	<u>-</u>
Total general fund expenditures	<u>15,543,619</u>	<u>17,485,766</u>	<u>16,820,939</u>	<u>(664,827)</u>
Excess (deficiency) of revenues over expenditures	1,835,764	1,418,891	1,379,735	(39,156)
<b>Other Financing Sources (Uses)</b>				
Leases issued	-	141,348	141,348	-
Operating transfers out	<u>(2,237,303)</u>	<u>(2,370,611)</u>	<u>(2,367,697)</u>	<u>2,914</u>
Total other financing sources (uses)	<u>(2,237,303)</u>	<u>(2,229,263)</u>	<u>(2,226,349)</u>	<u>2,914</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(401,539)	(810,372)	(846,614)	(36,242)
Fund balance - July 1, 2024	<u>3,185,869</u>	<u>3,185,869</u>	<u>3,185,869</u>	<u>-</u>
Fund balance - June 30, 2025	<u>\$ 2,784,330</u>	<u>\$ 2,375,497</u>	<u>\$ 2,339,255</u>	<u>\$ (36,242)</u>

# SUPPLEMENTARY INFORMATION

## VOYAGEUR ACADEMY

### SCHEDULE OF REVENUES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2025

#### Local Sources

Student activities	\$ 22,418
Other local revenues	<u>455,036</u>
Total local sources	477,454

#### State Sources

At risk	1,645,580
Special education	160,693
State aid	<u>13,668,676</u>
Total state sources	15,474,949

#### Federal Sources

IDEA	174,359
Title I	738,196
Title II A	65,447
Other program revenue	<u>665,173</u>
Total federal sources	1,643,175

#### Interdistrict Sources

Total general fund revenues	<u>\$ 18,200,674</u>
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## VOYAGEUR ACADEMY

### SCHEDULE OF EXPENDITURES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2025

#### **Basic Programs**

Purchased services	\$ 5,407,651
Rentals	19,550
Other purchased services	9,530
Supplies and materials	205,636
Other expenditures	<u>319,571</u>
 Total basic programs	 5,961,938

#### **Added Needs**

Purchased services	2,159,375
Supplies and materials	<u>91</u>
 Total added needs	 2,159,466

#### **Pupil Support Services**

Guidance services	106,317
Health services	19,012
Psychological services	11,540
Speech pathology and audiology	49,125
Social work services	<u>231,593</u>
 Total pupil support services	 417,587

#### **Instructional Staff Support Services**

Purchased services	626,464
Supplies and materials	<u>15,875</u>
 Total instructional staff support services	 642,339

#### **General Administration**

Purchased services	140,537
Management fees	1,230,731
University oversight	374,063
Repairs and maintenance	18,358
Other expenditures	<u>11,086</u>
 Total general administration	 1,774,775

## VOYAGEUR ACADEMY

### SCHEDULE OF EXPENDITURES – GENERAL FUND - CONTINUED FOR THE YEAR ENDED JUNE 30, 2025

#### **School Administration**

Purchased services	1,118,860
Supplies and materials	32,281
Non-depreciable capital assets	141,348
Other expenditures	<u>29,211</u>
Total school administration	1,321,700

#### **Business Support Services**

Purchased services	32,268
Other expenditures	<u>35,221</u>
Total business support services	67,489

#### **Operations and Maintenance**

Purchased services	1,065,809
Repairs and maintenance	365,720
Rentals	12,213
Other purchased services	1,143
Supplies and materials	<u>249,613</u>
Total operations and maintenance	1,694,498

#### **Pupil Transportation Services**

Purchased services	425,487
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#### **Other Support Services**

Other expenditures	22,641
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#### **Central Support Services**

Repairs and maintenance	266,661
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#### **Athletic Activities**

Purchased services	297,169
Supplies and materials	127,808
Other expenditures	<u>115,772</u>
Total athletic activities	540,749

## VOYAGEUR ACADEMY

### SCHEDULE OF EXPENDITURES – GENERAL FUND - CONTINUED FOR THE YEAR ENDED JUNE 30, 2025

#### **Community Services**

Supplies and materials	11,134
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#### **Capital Outlay**

#### **Debt Principal and Interest**

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Total general fund expenditures	\$ 16,820,939
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