VOYAGEUR ACADEMY

REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)

YEAR ENDED JUNE 30, 2026

Maner Costerisan

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Voyageur Academy

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Voyageur Academy, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Voyageur Academy'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, each major fund, and the aggregate remaining fund information of Voyageur Academy, as of June 30, 2026, 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 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 Voyageur 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.

Emphasis of a Matter

As discussed in Note 13 to the financial statements, in 2026 the Academy identified amounts requiring adjustments to the beginning net position balance. Our opinions are not modified with respect to this matter.

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 Voyageur 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.

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 Voyageur 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 Voyageur 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 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 30, 2026 on our consideration of Voyageur 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 Voyageur 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 Voyageur Academy's internal control over financial reporting and compliance.

Maner Costerisan PC

Lansing, Michigan
October 30, 2026

VOYAGEUR ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of management's discussion and analysis (MD&A) is to help Voyageur Academy's (Academy) readers understand what the financial statements and notes in this financial report say about the Academy's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the Academy's finances.

If you have any questions about this report or need any additional information, please contact the Academy's management company, The Romine Group, at 7877 Stead Street, Suite #100, Utica, Michigan 48317.

OVERVIEW OF THE FINANCIAL STATEMENTS

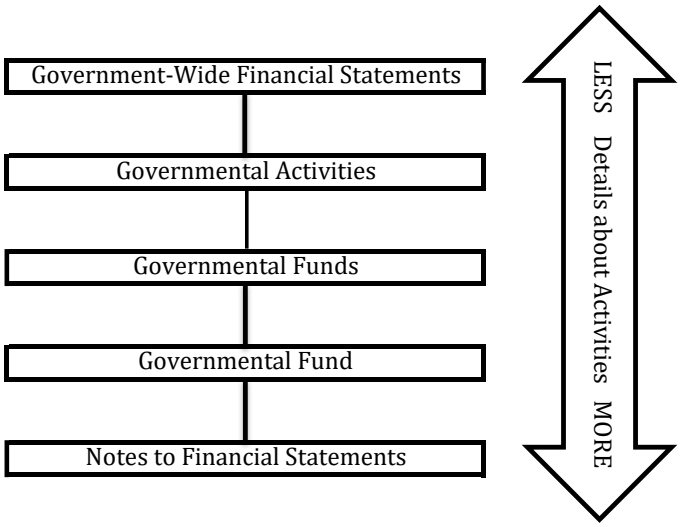
The Academy's financial report contains basic financial statements. Those financial statements present the Academy's finances at both an overall and a detailed level. The first two - the *government-wide financial statements* - cover the Academy's governmental activities. (See the diagram in Figure A-1.)

- *Governmental Activities* comprise of the Academy's most basic functions, such as instruction, support services, and food services. Governmental activities primarily are financed by property taxes from non-personal residence exemption properties, state aid foundation, and federal grants. These statements provide both short-term and long-term information.

The remaining basic financial statements present the Academy's finances in greater detail. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The Academy reports one group of funds:

- *Governmental Fund Financial Statements* report all of the governmental activities. In addition to the Academy's main operating fund – the general fund – those financial statements report special revenue funds that track the use of restricted or committed funding sources, debt service funds to record the repayment of outstanding bonds, and capital projects funds to account for resources used to acquire or construct long-lived assets.

Figure A-1. Contents of the Academy's Basic Financial Statements



The next section of this financial report contains *notes to financial statements*, which delve deeper into the Academy's finances as reported in the financial statements. The information in the notes is as important to understanding the Academy's finances as the information in the financial statements. The Academy uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

TYPES OF INFORMATION IN THE FINANCIAL STATEMENTS

All of the Academy's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. (See Figure A-2.) In other words, they comprehensively report all types of financial statement elements (as applicable):

- *Assets* - resources the Academy controls, from short-term assets like cash and cash equivalents to long-term assets like buildings and transportation equipment.

- *Liabilities* - amounts the Academy owes, from short-term liabilities such as salaries and related items to long-term liabilities such as outstanding debt and pension obligations.

- *Deferred Outflows of Resources and Deferred Inflows of Resources* - flows that occurred during the year or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.

- *Revenues and Expenses* - inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on the construction.

Figure A-2. Types of Information Reported in the Academy's Financial Statements

	Financial Statements	
	Government-wide	Governmental Funds
Types of assets and liabilities	* All assets and liabilities, both financial and nonfinancial, short term and long term	* Only current financial resources, such as cash, receivables, and accounts payable
Types of revenues/additions	* All types of revenues/additions that flow into the Academy during the year that relate to that year, regardless of when cash is received	* Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/deductions/ expenditures	* All types of expenses/deductions that flow out of the Academy during the year that relate to that year, regardless of when cash is paid	* Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	* All types of resources that flow into and out of the Academy during the year that relate to a future year	* Current financial resources that flow into and out of the governmental funds during the year that related to a future year

More detail about the measurement focuses and basis of accounting can be found in the first note to financial statements, the summary of significant accounting policies.

ANALYSIS OF THE ACADEMY'S FINANCES

Table A-1
Voyageur Academy's Net Position

	2026	2025*	Dollar Change	Total Percentage Change
Current and other assets	$ 11,484,247	$ 11,334,074	$ 150,173	1.3%
Capital assets	18,522,846	18,195,333	327,513	1.8%
Total assets	30,007,093	29,529,407	477,686	1.6%
Other liabilities	6,292,948	5,988,386	304,562	5.1%
Noncurrent liabilities	16,725,785	16,794,994	(69,209)	-0.4%
Total liabilities	23,018,733	22,783,380	235,353	1.0%
Net position				
Net investment in capital assets	2,297,061	1,273,488	1,023,573	80.4%
Restricted for debt service	1,496,231	1,956,676	(460,445)	-23.5%
Restricted for food service	201,000	234,241	(33,241)	-14.2%
Unrestricted	2,994,068	3,281,622	(287,554)	-8.8%
Total net position	$ 6,988,360	$ 6,746,027	$ 242,333	3.6%

*2025 balances presented as restated.

* Certain prior year numbers have been reclassified to be in conformity with the current year presentation.

Table A-1 shows that as of June 30, 2026, the Academy's total net position - assets minus liabilities - was $6,988,360, an increase of $242,333 or 3.6% compared with 2025. This increase is primarily due to an $1,023,573 or 80.4% increase in the net investment in capital assets. All of the increase in net position was the result of the financial performance of the governmental activities. The following sections of MD&A analyze the finances of the governmental activities.

GOVERNMENTAL ACTIVITIES

Table A-2 shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. Various events contributed to this increase in net position; however, the primary factors affecting the change in net position are as follows:

1. Increases in grant revenues, particularly related to At Risk funds from the state.
2. Increase in unrestricted state sources.
3. Increase in expenses for certain programs and functions.

Table A-2
Changes in Voyageur Academy's Net Position

	2026	2025	Dollar Change	Total Percentage Change
Revenues				
Program revenues				
Charges for services	$ -	$ 22,418	$ (22,418)	-100.0%
Operating grants and contributions	5,445,495	4,869,268	576,227	11.8%
General revenues				
State sources - unrestricted	13,462,290	12,955,064	507,226	3.9%
Investment earnings	143,537	197,364	(53,827)	-27.3%
Intermediate sources	683,067	605,096	77,971	12.9%
Other	423,787	464,677	(40,890)	-8.8%
Total revenues	20,158,176	19,113,887	1,044,289	5.5%
Expenses				
Instruction	9,398,888	8,121,404	1,277,484	15.7%
Support services	7,524,369	7,208,481	315,888	4.4%
Community services	14,842	11,134	3,708	33.3%
Food service	895,432	827,715	67,717	8.2%
Interest and fees	969,269	988,206	(18,937)	-1.9%
Unallocated depreciation/amortization	1,113,043	941,712	171,331	18.2%
Total expenses	19,915,843	18,098,652	1,817,191	10.0%
Change in net position	242,333	1,015,235	$ (772,902)	-76.1%
Net position - beginning of year, as previously reported	6,746,027	5,603,941		20.4%
Adjustment to beginning net position	-	126,851		
Net position - end of year, as restated	$ 6,988,360	$ 6,746,027		3.6%

Increases in Operating Grants and Contributions

There were notable increases in operating grants and contributions compared to the prior year, which accounts for 27.0% of overall revenues. Most of the increase is attributed to an increased allocation of roughly $2.7 million, an increase of about $700,000, from the state for the 31a program.

Increase in State Sources

State sources increased in the current year compared to the prior year, which accounts for 66.8% of overall revenues. State sources is a product of student counts multiplied by the foundation allowance. The foundation allowance increased by $250 per pupil in 2026 and student enrollment increased by roughly 65 students. The combination of the increase in the foundation allowance and pupil count lead to the increase in state sources.

Increase in Expenses

Total expenses for the Academy increased by 10.0% overall. The significant increase was primarily due to increases in employee counts to staff the new building, staff raises of roughly 3.5% for all returning staff, and one-time purchases of curriculum in the current fiscal year.

GOVERNMENTAL FUNDS

The Academy reports three major funds individually in the governmental fund financial statements. The funds are the general fund, debt service fund, and capital projects fund. Most of the discussion regarding governmental activities is equally applicable to the finances of this governmental fund. However, certain factors that are relevant to the Academy's current financial health are more apparent in the fund financial statements than in the government-wide statements. The changes are shown in Table A-3 and are discussed in more detail below.

Table A-3
Revenues, Expenditures, and Changes in Fund Balances

	General Fund		Debt Service Fund		Capital Projects Fund	
	2026	2025	2026	2025	2026	2025
REVENUES	$ 19,217,426	$ 18,200,674	$ 69,408	$ 86,296	$ 9,151	$ 12,193
EXPENDITURES	17,500,303	16,820,939	1,224,657	1,212,700	1,199,438	2,257,005
Excess (deficiency) of revenues over (under) expenditures	1,717,123	1,379,735	(1,155,249)	(1,126,404)	(1,190,287)	(2,244,812)
OTHER FINANCING SOURCES (USES)						
Proceeds from leases	-	141,348	-	-	-	-
Transfers in	9,930	-	1,168,422	1,130,086	400,000	1,237,611
Transfers out	(1,568,422)	(2,367,697)	-	-	(9,930)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,558,492)	(2,226,349)	1,168,422	1,130,086	390,070	1,237,611
Net change in fund balance	158,631	(846,614)	13,173	3,682	(800,217)	(1,007,201)
Fund balance - beginning of year	2,339,255	3,185,869	1,956,676	1,952,994	1,296,399	2,303,600
Fund balance - end of year	$ 2,497,886	$ 2,339,255	$ 1,969,849	$ 1,956,676	$ 496,182	$ 1,296,399

Fund balance represents the financial standing of a governmental fund as the end of the fiscal year from a short-term perspective.

General Fund

The fund balance of the Academy's general fund increased by 6.8%. The increase in fund balance is attributable to revenues exceeding expenditures during 2026. Revenues and expenditures remained fairly consistent from 2025 to 2026.

The overall fund balance at the end of June 30, 2026 represented approximately 14.3% of operating expenditures. Within fund balance, approximately 99.1% of the balance is considered unassigned. The remaining 0.9% is considered nonspendable in the general fund.

Debt Service Fund

The fund balance for the debt service fund is considered to be 100% restricted. This means that the fund balance can only be used for the restricted purpose of that fund and is not readily available for use.

Capital Projects Fund

The fund balance for the capital projects fund is considered to be assigned. This means that the fund balance is dedicated for the assigned purpose of that fund, but funds could be transferred to other funds if considered necessary by the Academy.

SIGNIFICANT CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term obligations. Overall, the carrying value of capital assets - original cost minus accumulated depreciation/amortization - increased 1.8% compared to 2025. See Table A-4 for the carrying value of capital assets.

Table A-4
Voyageur Academy's Capital Assets

	2026			2025*	
	Cost	Accumulated Depreciation/ Amortization	Net Book Value	Net Book Value	Total Percentage Change
Land	$ 2,134,388	$ -	$ 2,134,388	$ 2,134,388	0.0%
Construction in progress	-	-	-	6,773,306	-100.0%
Buildings	19,856,755	4,834,718	15,022,037	7,670,550	95.8%
Improvements	1,336,863	938,781	398,082	460,947	-13.6%
Furniture and equipment	3,041,008	2,586,378	454,630	450,125	1.0%
Right of use - building	1,388,977	1,087,606	301,371	579,166	-48.0%
Right of use - equipment	141,348	57,989	83,359	126,851	-34.3%
Right of use - subscription based IT	193,468	64,489	128,979	-	100.0%
Total	$ 28,092,807	$ 9,569,961	$ 18,522,846	$ 18,195,333	1.8%

*2025 balances presented as restated

A significant reason for the increase in the net capital assets relates to the buildings category. During 2026 the Academy completed and placed in service approximately $6.7 million for a new building and renovations to existing buildings. The building project was started in 2022 and was completed in 2026. The additions of capital assets outpaced the depreciation during the year, resulting in a net increase in capital assets.

Long-term Obligations

Overall the carrying value of the Academy's long-term obligations decreased by 3.4% from the prior year. See Table A-5 for the carrying value of the Academy's long-term obligations.

Table A-5
Voyageur Academy's
Outstanding Long-Term Obligations

	2026	2025	Total Percentage Change
General obligation bonds	$ 15,835,000	$ 16,075,000	-1.5%
Notes from direct borrowings and direct placements	390,785	719,994	-45.7%
	$ 16,225,785	$ 16,794,994	-3.4%

The Academy continued to pay down its debt, retiring roughly $569,000 of outstanding debt and direct borrowings.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

There are several factors that could significantly affect the financial health of the Academy in the future.

- The Academy will receive a $250 increase in per-pupil state aid for the 2026-27 school year. This additional funding will help strengthen the Academy's financial stability and support the educational experience for students and staff retention.
- The Academy adopted a general fund budget for the 2026-27 school year in which revenues and other financing sources are expected to exceed expenditures and other financing uses by $518,317.
- The Academy focuses on maintaining staffing levels and expenditures in accordance with changes in student count.
- The Academy prioritizes effective use of available federal sources and state sources funding.

BASIC FINANCIAL STATEMENTS

VOYAGEUR ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 3,947,420
Intergovernmental receivable	4,374,301
Prepaids	22,352
Restricted cash	3,140,174
Capital assets not being depreciated	2,134,388
Capital assets, net of accumulated depreciation/amortization	16,388,458
TOTAL ASSETS	30,007,093
LIABILITIES	
Accounts payable	1,883,970
Due to other governments	500,000
Unearned revenue	2,635,702
Accrued interest	473,618
Accrued purchased services - payroll and related	1,299,658
Noncurrent liabilities	
Due within one year	606,932
Due in more than one year	15,618,853
TOTAL LIABILITIES	23,018,733
NET POSITION	
Net investment in capital assets	2,297,061
Restricted for debt service	1,496,231
Restricted for food service	201,000
Unrestricted	2,994,068
TOTAL NET POSITION	$ 6,988,360

See notes to financial statements.

VOYAGEUR ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Governmental Activities: Net (expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	$ 9,398,888	$ -	$ 3,023,946	$ (6,374,942)
Support services	7,524,369	-	1,555,669	(5,968,700)
Community services	14,842	-	3,689	(11,153)
Food services	895,432	-	862,191	(33,241)
Interest and fees	969,269	-	-	(969,269)
Unallocated depreciation/amortization	1,113,043	-	-	(1,113,043)
Total governmental activities	$ 19,915,843	$ -	$ 5,445,495	(14,470,348)
General revenues				
Interest earnings				143,537
State sources - unrestricted				13,462,290
ISD sources				683,067
Other				423,787
Total general revenues				14,712,681
CHANGE IN NET POSITION				242,333
Net position, beginning of year, as previously reported				6,619,176
Adjustment to beginning net position				126,851
NET POSITION, beginning of year, as restated				6,746,027
NET POSITION, end of year				$ 6,988,360

See notes to financial statements.

VOYAGEUR ACADEMY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor (special revenue) Governmental Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 3,947,420	$ -	$ -	$ -	$ 3,947,420
Accounts receivable	-	-	-	-	-
Intergovernmental receivable	4,374,301	-	-	-	4,374,301
Prepaids	22,352	-	-	-	22,352
Due from other funds	180,744	6,601	-	201,000	388,345
Restricted cash	-	2,463,248	676,926	-	3,140,174
TOTAL ASSETS	$ 8,524,817	$ 2,469,849	$ 676,926	$ 201,000	$ 11,872,592
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,883,970	$ -	$ -	$ -	$ 1,883,970
Unearned revenue	2,635,702	-	-	-	2,635,702
Accrued salaries and related items	1,299,658	-	-	-	1,299,658
Due to other funds	207,601	-	180,744	-	388,345
Due to other governments	-	500,000	-	-	500,000
TOTAL LIABILITIES	6,026,931	500,000	180,744	-	6,707,675

See notes to financial statements.

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor (special revenue) Governmental Fund	Total Governmental Funds
FUND BALANCES					
Nonspendable					
Prepaids	$ 22,352	$ -	$ -	$ -	$ 22,352
Restricted					
Special revenue fund - food service	-	-	-	201,000	201,000
Debt service	-	1,969,849	-	-	1,969,849
Assigned for capital projects	-	-	496,182	-	496,182
Unassigned	2,475,534	-	-	-	2,475,534
TOTAL FUND BALANCES	2,497,886	1,969,849	496,182	201,000	5,164,917
TOTAL LIABILITIES AND FUND BALANCES	$ 8,524,817	$ 2,469,849	$ 676,926	$ 201,000	$ 11,872,592

Total governmental fund balances		$ 5,164,917
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	$ 28,092,807	
Accumulated depreciation/amortization is	(9,569,961)	
		18,522,846
Long-term obligations are not due and payable in the current period and are not reported in the funds:		
Direct borrowings and direct placements		(16,225,785)
Accrued interest is not included as a liability in governmental funds, it is recorded when paid		(473,618)
Net position of governmental activities		$ 6,988,360

See notes to financial statements.

VOYAGEUR ACADEMY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor (special revenue) Governmental Fund	Total Governmental Funds
REVENUES					
Local sources					
Investment earnings	$ -	$ 69,408	$ 9,151	$ -	$ 78,559
Other	488,765	-	-	-	488,765
Total local sources	488,765	69,408	9,151	-	567,324
State sources	16,837,191	-	-	414	16,837,605
Federal sources	1,208,403	-	-	861,777	2,070,180
Intermediate sources and other	683,067	-	-	-	683,067
TOTAL REVENUES	19,217,426	69,408	9,151	862,191	20,158,176
EXPENDITURES					
Instruction					
Basic programs	7,064,424	-	-	-	7,064,424
Added needs	2,334,464	-	-	-	2,334,464
Total instruction	9,398,888	-	-	-	9,398,888
Support services					
Pupil	489,008	-	-	-	489,008
Instructional staff	705,209	-	-	-	705,209
General administration	1,837,293	-	-	-	1,837,293
School administration	1,347,269	-	-	-	1,347,269
Business services	11,338	-	-	-	11,338
Operation and maintenance	1,805,422	-	-	-	1,805,422
Pupil transportation	537,831	-	-	-	537,831
Central support services	314,760	-	-	-	314,760
Athletics	673,268	-	-	-	673,268
Total support services	7,721,398	-	-	-	7,721,398

See notes to financial statements.

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor (Special Revenue) Governmental Fund	Total Governmental Funds
EXPENDITURES (continued)					
Community service	$ 14,842	$ -	$ -	$ -	$ 14,842
Capital outlay	13,932	-	1,199,438	1,304	1,214,674
Food service	-	-	-	894,128	894,128
Debt service					
Principal repayment	329,209	240,000	-	-	569,209
Interest	22,034	954,500	-	-	976,534
Other	-	30,157	-	-	30,157
Total debt service	351,243	1,224,657	-	-	1,575,900
TOTAL EXPENDITURES	17,500,303	1,224,657	1,199,438	895,432	20,819,830
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,717,123	(1,155,249)	(1,190,287)	(33,241)	(661,654)
OTHER FINANCING SOURCES (USES)					
Transfers in	9,930	1,168,422	400,000	-	1,578,352
Transfers out	(1,568,422)	-	(9,930)	-	(1,578,352)
TOTAL OTHER FINANCING SOURCES (USES)	(1,558,492)	1,168,422	390,070	-	-
NET CHANGE IN FUND BALANCES	158,631	13,173	(800,217)	(33,241)	(661,654)
FUND BALANCES					
Beginning of year	2,339,255	1,956,676	1,296,399	234,241	5,826,571
End of year	$ 2,497,886	$ 1,969,849	$ 496,182	$ 201,000	$ 5,164,917

See notes to financial statements.

VOYAGEUR ACADEMY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2026

Net Change in Fund Balances Total Governmental Funds	$ (661,654)
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	(1,113,043)
Capital outlay	1,440,556
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The effect of this difference is the treatment of long-term debt and is as follows:	
Principal repayment	569,209
Accrued interest on long-term debt is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable, beginning of year	480,883
Accrued interest payable, end of year	(473,618)
Change in Net Position of Governmental Activities	$ 242,333

See 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 of the nonfiduciary activities of the Academy. The Academy currently does not have fiduciary activities. *Governmental activities* normally are supported by intergovernmental revenues.

Reporting Entity

Voyageur Academy (the "Academy") is a public school academy as part of the Michigan Public School System under Public Act No. 362 of 1993. Ferris State University is the authorizing governing body for the Academy and has contracted with the Academy to charter the public school through June 2027. Board members are approved by the authorizing governing body and have decision making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for 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 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.

As a general rule, the effect of interfund activity 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 Funds*:

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 *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term obligations of governmental funds.

The *Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

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 food service activity in a special revenue fund.

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 obligations and acquisitions under leases are reported as other financing sources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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 amounts are received during the period or within the availability period for this revenue source (within 60 days of year-end).

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 School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to public school academies based on information supplied by the academies.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal 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 an intergovernmental receivable.

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.

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.

Investments

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. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Investments (continued)

State statutes authorize the Academy to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, 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 Insurance 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. District or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Prepaid Items

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, 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 1 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/amortized. 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/amortized using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Years
Buildings	35
Improvements	5 - 15
Furniture and equipment	3 - 10

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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The Academy has no items that qualify for reporting on 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 assets 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.

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. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates authority. 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/SBITAs

The Academy is a lessee for a noncancelable lease/subscription of equipment 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, 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 judgements related to leases/SBITAs include how the Academy determines (1) the discount rate it uses to discount the expected lease 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/SBITAs.
- The lease/SBITA term includes the noncancelable period of the lease/SBITA. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Long-Term Obligations

In the government-wide financial statements, long-term obligations 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 2 - DEPOSITS

As of June 30, 2026 the Academy had deposits subject to the following risks:

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, 2026, the Academy's cash and cash equivalents contain total deposits of $4,095,086, of which, $3,845,086 was exposed to custodial credit risk because it was uninsured and uncollateralized. Restricted cash and cash equivalents contain total deposits of $2,741,712 at June 30, 2026, of which $2,491,712 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was $7,087,594. The following summarizes the categorization of these amounts as of June 30, 2026:

	Primary Government
Cash and cash equivalents	$ 3,947,420
Restricted cash and cash equivalents	3,140,174
	$ 7,087,594

Certain money market funds are restricted under the terms of the Series 2011 and Series 2017 revenue bond agreements primarily for debt service, operating reserves, and maintenance and repair of the related facilities.

NOTE 3 - CAPITAL ASSETS

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

	Balance July 1, 2025, as Restated	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2026
Governmental activities				
Capital assets, not being depreciated/amortized				
Land	$ 2,134,388	$ -	$ -	$ 2,134,388
Construction in progress	6,773,306	-	6,773,306	-
Total capital assets, not being depreciated/amortized	8,907,694	-	6,773,306	2,134,388
Capital assets, being depreciated/amortized				
Buildings	12,025,360	7,831,395	-	19,856,755
Improvements	1,300,570	36,293	-	1,336,863
Furniture and equipment	2,888,302	152,706	-	3,041,008
Right of use - building	1,388,977	-	-	1,388,977
Right of use - equipment	213,408	-	(72,060)	141,348
Right of use - subscription based IT	271,476	193,468	(271,476)	193,468
Total capital assets, being depreciated/amortized	18,088,093	8,213,862	(343,536)	25,958,419
Accumulated depreciation/amortization				
Buildings	4,354,810	479,908	-	4,834,718
Improvements	839,623	99,158	-	938,781
Furniture and equipment	2,438,177	148,201	-	2,586,378
Right of use - building	809,811	277,795	-	1,087,606
Right of use - equipment	86,557	43,492	(72,060)	57,989
Right of use - subscription based IT	271,476	64,489	(271,476)	64,489
Total accumulated depreciation/amortization	8,800,454	1,113,043	(343,536)	9,569,961
Net capital assets being depreciated/amortized	9,287,639	7,100,819	-	16,388,458
Net governmental capital assets	$ 18,195,333	$ 7,100,819	$ 6,773,306	$ 18,522,846

Depreciation/amortization expense for the fiscal year ended June 30, 2026 amounted to $1,113,043. The Academy determined that it was impractical to allocate depreciation/amortization to the various governmental activities as the assets serve multiple functions.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivable at June 30, 2026 consist of the following:

	Government-wide
State aid	$ 3,355,637
Federal	1,006,286
Payments from ISD and other	12,378
	$ 4,374,301

Amounts due from governmental units include amounts due from federal, state, and local sources for various projects and programs.

Because of the Academy's favorable collection experience, no allowance for doubtful accounts has been recorded.

NOTE 5 - LONG-TERM OBLIGATIONS

Long-term obligations at June 30, 2026 are comprised of the following:

General Obligation Bonds	
$780,000 2011 Building and Site bonds due in annual installments of $20,000 to $60,000 through July 2041, with an interest rate of 7.75% to 8.00%.	$ 620,000
$16,285,000 2017 Building and Site bonds due in annual installments of $240,000 to $1,480,000 through July 2046, with an interest rate of 5.9%.	15,215,000
Total general obligation bonds	15,835,000
Notes from Direct Borrowings and Direct Placements	
Building lease/loan due in monthly installments of $25,175 to $25,650 through June 2027 with an interest rate of 3%.	302,856
Copier lease due in monthly installments of $4,095 through June 2028 with an interest rate of 7.5%.	87,929
Total notes from direct borrowings and direct placements	390,785
Total long-term obligations	$ 16,225,785

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

The Academy's outstanding notes from direct borrowings and direct placements related to governmental activities of $390,785 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 following is a summary of long-term obligation transactions of the Academy for the year ended June 30, 2026:

	General Obligation Bonds	Notes from Direct Borrowings and Direct Placements	Total
Balance, July 1, 2025	$ 16,075,000	$ 719,994	$ 16,794,994
Deletions	(240,000)	(329,209)	(569,209)
Balance, June 30, 2026	15,835,000	390,785	16,225,785
Due within one year	261,044	345,888	606,932
Due in more than one year	$ 15,573,956	$ 44,897	$ 15,618,853

The above notes are collateralized by substantially all assets of the Academy including mortgage on the real property and subordination of management fees. The notes are subject to financial covenants measured annually beginning with the fiscal year ending June 30, 2018. As of June 30, 2026, the Academy is in accordance with all debt covenants. Early repayment of principal is subject to prepayment premiums based on the terms of the notes.

The annual requirements to amortize the permanent loan notes payable outstanding as of June 30, 2026, including interest of $12,652,537, are as follows:

Year Ending June 30,	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Principal	Interest	Total
2027	$ 260,000	$ 939,380	$ 346,932	$ 10,780	$ 1,557,092
2028	295,000	922,613	43,853	1,710	1,263,176
2029	330,000	903,702	-	-	1,233,702
2030	365,000	882,675	-	-	1,247,675
2031	405,000	859,383	-	-	1,264,383
2032-2036	2,665,000	3,861,980	-	-	6,526,980
2037-2041	4,065,000	2,856,012	-	-	6,921,012
2042-2046	5,970,000	1,370,073	-	-	7,340,073
2047	1,480,000	43,660	-	-	1,523,660
	$ 15,835,000	$ 12,639,478	$ 390,785	$ 12,490	$ 28,877,753

Interest expense for the fiscal year ended June 30, 2026 totaled $976,534.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2026 are as follows:

Receivable Fund		Payable Fund	
General fund	$ 180,744	General fund	$ 207,601
Debt service fund	6,601	Capital projects fund	180,744
Nonmajor fund (special revenue)	201,000		
	$ 388,345		$ 388,345

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

NOTE 7 - TRANSFERS

Transfers between the governmental funds were as follows:

Transfers Out		Transfers In	
General fund	$ 1,568,422	General fund	$ 9,930
Capital projects fund	9,930	Debt service fund	1,168,422
		Capital projects fund	400,000
	$ 1,578,352		$ 1,578,352

The transfer from the general fund to the debt service fund was to pay the annual principal and interest on the long-term obligations. The transfer from the general fund to the capital projects fund was to fund future capital expenditures.

NOTE 8 - OVERSIGHT FEES

The Academy pays an administrative oversight fee of 3% of its state school aid discretionary and Proposal A obligation payments to the Ferris State University Board of Trustees, as set forth by contract, to reimburse the University Board 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, 2026, the Academy incurred expense of approximately $411,000 for oversight fees.

NOTE 9 - MANAGEMENT AGREEMENT

The Academy currently has a management agreement with The Romine Group for operations of the Academy through June 2027. Under the terms of the management agreement, The Romine Group's compensation for operating the Academy was approximately $1,233,000 for the fiscal year 2026.

NOTE 10 - PURCHASED SERVICES

The Academy leases all employee services from The Romine Group. Salaries, retirement, social security, health insurance, and unemployment taxes are the responsibility of The Romine Group.

NOTE 11 - RISK MANAGEMENT

The Academy is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. To minimize the risk, the Academy carries commercial insurance.

NOTE 12 - 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.

NOTE 13 - RESTATEMENT OF BEGINNING NET POSITION

During fiscal year 2026, management identified an error in the previously reported balances related to the right-to-use assets and the related long-term obligations report in the government-wide financial statements. The errors resulted from not recognizing a copier lease in fiscal year 2025 correctly by not setting up the underlying right-of-use asset. Accordingly, net position as been restated as of July 1, 2025, to reflect adjustments to capital assets. There was no impact on governmental fund beginning balances.

The effects of the restatement on beginning balances are as follows:

Government-wide Financial Statements			
	Cost	Accumulated Depreciation/ Amortization	Net Book Value
Balances as of July 1, 2025, as previously reported	$ 26,854,439	$ 8,785,957	$ 18,068,482
Error correction	141,348	14,497	126,851
Balances as of July 1, 2025, as restated	$ 26,995,787	$ 8,800,454	$ 18,195,333

NOTE 14 - CHANGES IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2026, the Academy implemented the following GASB standards:

GASB Statement No. 103, *Financial Reporting Model Improvements.* The Standard addressed the following areas:

a. Management's discussion and analysis (MD&A);
b. Unusual or infrequent items;
c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
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;
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.

GASB 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. This Statement also requires additional disclosures for capital assets held for sale.

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026-2027 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

VOYAGEUR ACADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2026

	Budgeted Amounts		Variance with		Variance with
	Original Budget	Final Budget	Original and Final Budget	Actual	Final Budget and Actual
REVENUES					
Local sources	$ 453,189	$ 598,728	$ 145,539	488,765	$ (109,963)
State sources	16,179,899	18,839,197	2,659,298	16,837,191	(2,002,006)
Federal sources	1,201,074	1,428,621	227,547	1,208,403	(220,218)
Intermediate sources	522,900	673,420	150,520	683,067	9,647
TOTAL REVENUES	18,357,062	21,539,966	3,182,904	19,217,426	(2,322,540)
EXPENDITURES					
Instruction					
Basic programs	6,685,078	8,604,400	(1,919,322)	7,064,424	1,539,976
Added needs	2,386,213	2,592,588	(206,375)	2,334,464	258,124
Total instruction	9,071,291	11,196,988	(2,125,697)	9,398,888	1,798,100
Support services					
Pupil	444,843	521,234	(76,391)	489,008	32,226
Instructional staff	817,267	875,359	(58,092)	705,209	170,150
General administration	1,816,500	1,902,025	(85,525)	1,837,293	64,732
School administration	1,346,270	1,358,100	(11,830)	1,347,269	10,831
Business services	6,500	41,400	(34,900)	11,338	30,062
Operation and maintenance	1,754,576	2,364,871	(610,295)	1,805,422	559,449
Pupil transportation	310,000	522,200	(212,200)	537,831	(15,631)
Central support services	258,105	302,380	(44,275)	314,760	(12,380)
Other	479,539	676,875	(197,336)	673,268	3,607
Total support services	7,233,600	8,564,444	(1,330,844)	7,721,398	843,046
Community service	19,438	21,994	(2,556)	14,842	7,152
Capital outlay	-	-	-	13,932	(13,932)
Debt service					
Principal	330,000	330,000	-	329,209	791
Interest	22,000	22,000	-	22,034	(34)
Total debt service	352,000	352,000	-	351,243	757
TOTAL EXPENDITURES	16,676,329	20,135,426	(3,459,097)	17,500,303	2,635,123
EXCESS OF REVENUES OVER EXPENDITURES	1,680,733	1,404,540	(276,193)	1,717,123	312,583
OTHER FINANCING SOURCES (USES)					
Transfers in	-	10,000	10,000	9,930	(70)
Transfers out	(1,509,803)	(1,609,803)	(100,000)	(1,568,422)	41,381
TOTAL OTHER FINANCING SOURCES (USES)	(1,509,803)	(1,599,803)	(90,000)	(1,558,492)	41,311
NET CHANGE IN FUND BALANCE	170,930	(195,263)	(366,193)	158,631	353,894
FUND BALANCE					
Beginning of year	2,339,255	2,339,255	-	2,339,255	-
End of year	$ 2,510,185	$ 2,143,992	$ (366,193)	$ 2,497,886	$ 353,894

VOYAGEUR ACADEMY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2026

NOTE 1 - BUDGETARY BASIS OF ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue 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 (executory) 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 Chief Administrative Officer submits to the Board of Directors 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 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 budgetary comparison schedule.

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 Board of Directors.

d. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2026.

VOYAGEUR ACADEMY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2026

NOTE 2 - BUDGETARY COMPARISON

Significant Variances Between Original and Final Budget

	Variance	Explanation
REVENUES		
State sources	$ 2,659,298	When the original budget was adopted, the State had not yet finalized their 2025-26 budget. Therefore, the Academy did not know how much they would receive from the State and chose to budget conservatively.
Federal sources	227,547	When the original budget was adopted, the Federal government had not yet finalized their 2025-26 budget. Therefore, the Academy did not know how much they would receive from the Federal government and chose to budget conservatively.
Intermediate sources	150,520	When the original budget was adopted, the Academy used historical averages to estimate the amount to be received from intermediate sources. However, the Academy received additional funds from intermediate sources over the course of the year and therefore adjusted the budget accordingly.
EXPENDITURES		
Instruction - Basic	(1,919,322)	When the original budget was adopted, the state and federal governments had not yet finalized their 2025-26 budget. Therefore, the Academy did not know how much they would receive from the State and chose to budget conservatively. Once the Academy knew how much they were going to receive during FY26, they had to allocate the additional revenues to the different expense categories.
Instruction - Added needs	(206,375)	When the original budget was adopted, the state and federal governments had not yet finalized their 2025-26 budget. Therefore, the Academy did not know how much they would receive from the State and chose to budget conservatively. Once the Academy knew how much they were going to receive during FY26, they had to allocate the additional revenues to the different expense categories.
Support - Operation and maintenance	(610,295)	When the original budget was adopted, the state and federal governments had not yet finalized their 2025-26 budget. Therefore, the Academy did not know how much they would receive from the State and chose to budget conservatively. Once the Academy knew how much they were going to receive during FY26, they had to allocate the additional revenues to the different expense categories.
Support - Pupil transportation	(212,200)	When the original budget was adopted, the state and federal governments had not yet finalized their 2025-26 budget. Therefore, the Academy did not know how much they would receive from the State and chose to budget conservatively. Once the Academy knew how much they were going to receive during FY26, they had to allocate the additional revenues to the different expense categories.
Support - Other	(197,336)	When the original budget was adopted, the state and federal governments had not yet finalized their 2025-26 budget. Therefore, the Academy did not know how much they would receive from the State and chose to budget conservatively. Once the Academy knew how much they were going to receive during FY26, they had to allocate the additional revenues to the different expense categories.

NOTE 2 - BUDGETARY COMPARISON (continued)

Significant Variances Between Final Budget and Actual

	Variance	Explanation
REVENUES		
State sources	$ (2,002,006)	Amounts received from the State were deferred by the Academy as they were unable to spend all the funds before fiscal year end. The deferral was not anticipated when the final budget was approved.
Federal sources	(220,218)	Amounts received from the federal government were deferred by the Academy as they were unable to spend all the funds before fiscal year end. The deferral was not anticipated when the final budget was approved.
EXPENDITURES		
Instruction - Basic	1,539,976	Amounts received from the federal government were deferred by the Academy as they were unable to spend all the funds before fiscal year end. The final approved budget included sufficient expenditures to spend down all state and federal grants, which did not occur before fiscal year end.
Instruction - Added needs	258,124	Amounts received from the federal government were deferred by the Academy as they were unable to spend all the funds before fiscal year end. The final approved budget included sufficient expenditures to spend down all state and federal grants, which did not occur before fiscal year end.
Support - Instructional staff	170,150	Amounts received from the federal government were deferred by the Academy as they were unable to spend all the funds before fiscal year end. The final approved budget included sufficient expenditures to spend down all state and federal grants, which did not occur before fiscal year end.
Support - Operation and maintenance	559,449	Within the final approved budget, the Academy had budgeted enough expenses to complete the building project. However, this project was not completed before the end of the year, so not all the funds were spent.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of the
Voyageur Academy

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Voyageur Academy, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Voyageur Academy's basic financial statements, and have issued our report thereon dated October 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Voyageur 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 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.

Maner Costerisan PC

Lansing, Michigan
October 30, 2026

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October 30, 2026

To the Board of Directors of the
Voyageur Academy

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Voyageur Academy for the year ended June 30, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information orally during our discussion on October 13, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Voyageur Academy are described in Note 1 to the financial statements. As described in Note 13 to the financial statements, the Academy adopted Governmental Accounting Standards Board (GASB) Statements No. 103, *Financial Reporting Model Improvements* and No. 104, *Disclosure of Certain Capital Assets* during the year ended June 30, 2026. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by Voyageur Academy during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Management's estimate of the discount rate used for leases, the lease term, and lease payments/receipts is based on the Voyageur Academy incremental borrowing rate and consideration of the noncancelable period of the lease and reasonably certain lease options.

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

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements were detected as a result of audit procedures.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 30, 2026.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,

Maner Costerisan PC

Lansing, Michigan