

Greater Heights Academy

Financial Statements

June 30, 2025



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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Members of the Board of Directors

Matthew Barcey

President

Marvin Miller

Vice President

Jolie McKnight

Treasurer

Thomas Tucker

Director

Vanessa Pringle

Director

Administration

Richard Thompson

Superintendent



Independent Auditors' Report

Management and the Board of Directors
Greater Heights Academy
Flint, Michigan

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit, 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 Greater Heights Academy, as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Heights 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 Greater Heights 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 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 Greater Heights 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 Greater Heights 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, budgetary comparison information, schedule of the Academy's proportionate share of the net pension liability, and schedule of the Academy's pension contributions, schedule of the Academy's proportionate share of the net OPEB liability, and schedule of the Academy's OPEB contributions 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 September 18, 2025 on our consideration of Greater Heights 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 Greater Heights 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 Greater Heights Academy's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Flint, Michigan

September 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

GREATER HEIGHTS ACADEMY

The Management's Discussion and Analysis, a requirement of GASB 34, is intended to be Greater Heights Academy's discussion and analysis of the financial results for the fiscal year ended June 30, 2024. Generally Accepted Accounting Principles (GAAP) according to GASB 34 requires the reporting of two types of financial statements: District-wide Financial Statements and Fund Financial Statements.

Using this Annual Report

The accompanying financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis for State & Local Governments. The data will also have requirements from GASB Statements No. 63 and 65, including a Statement of Net Position. The following components are required:

- Management's Discussion and Analysis
- Basic Financial Statements, including *Statement of Net Position*, *Statement of Activities* and *Fund Financial Statements*
- Notes to the Financial Statements
- Required Supplementary Information

Management's Discussion and Analysis is a narrative insight to the past and present financial condition of Greater Heights Academy. This summary does not take the place of the comprehensive financial statements and other supplemental information following this narrative.

Reporting the School District as a Whole

The financial statements provide information about the activities of Greater Heights Academy, presenting both an aggregate view of the finances and a longer-term view of those finances. These statements use the full accrual basis of accounting similar to that used by companies in the private sector. The two statements are the Statement of Net Position and the Statement of Activities, which appear first in the financial statements. The Statement of Net Position includes all of Greater Heights Academy's assets and liabilities, regardless of if they are short-term or long-term. The Statement of Activities includes all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report Greater Heights Academy's net position - the difference between assets and liabilities - as one way to measure financial health or financial position. Over time, increases or decreases in the net position - as reported in the Statement of Activities - are indicators of whether financial health is improving or deteriorating. The relationship between revenues and expenses denotes the operating results. However, Greater Heights Academy's goal is to provide exceptional student services, not to generate profits. One must also consider non-financial factors, such as the quality of the education provided and the condition of the Academy's facilities, to assess the overall health of Greater Heights Academy.

Reporting Greater Heights Academy's Most Significant Funds - Fund Financial Statements

The fund statements for Greater Heights Academy focus on major funds rather than on fund types. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available, thus represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as an asset. Debt payments are recorded as expenditures in the current year, and future debt obligations are not recorded.

Greater Heights Academy's fund financial statements provide detailed information about the most significant funds - not the Academy as a whole. Funds are accounting devices that Greater Heights Academy uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements tell how services were financed in the short-term as well as what remains for future spending. The statements provide information about Greater Heights Academy's most significant fund - the General Fund. The other funds include the Special Revenue Fund and Capital Projects Fund. The Special Revenue Fund accounts for revenues and expenditures related to the student breakfast, lunch, and snack programs at Greater Heights Academy. The General Fund will continue to be used primarily to account for the general education requirements of Greater Heights Academy. The revenues for Greater Heights Academy are derived primarily from State Aid, as well as from federal, state, and local grants.

Reporting Greater Heights Academy's Fiduciary Responsibilities – Greater Heights Academy as Trustee

Greater Heights Academy is the trustee, or fiduciary, for its student activity funds. All of the fiduciary activities are reported in separate statements of fiduciary assets and liabilities. Greater Heights Academy is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature – assets equal liabilities – and do not involve measurement of results of operations. These activities are excluded from Greater Heights Academy's other financial statements since Greater Heights Academy cannot use these assets to finance its operations.

Financial Analysis of Greater Heights Academy as a Whole

The Statement of Net Position shows the perspective of Greater Heights Academy as a whole, including the net pension and postemployment benefits liabilities. As required by the Governmental Accounting Standards Board (GASB), Greater Heights Academy adopted GASB Statements No. 68 and 71, which includes Greater Heights Academy's proportionate share of the Michigan Public School Employees Retirement System within the financial statements, for the fiscal year beginning July 1, 2014. In addition, Greater Heights Academy implemented GASB Statement Number 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for the fiscal year beginning July 1, 2017. All governments participating in MPERS were required to adopt GASB 68, 71, and 75. This data is shown in the financial statements with the related deferred inflows and outflows and resulted in a net increase of \$198,159 in the June 30, 2025 net position. The data for the proportionate share of the retirement plan continues to be reflected in the current statements, as shown in Table 1, which provides a comparative summary of Greater Heights Academy's net position as of fiscal years ending June 30, 2025 and 2024, respectively.

Table 1 - Summary of Net Position:

	<u>Fiscal 2024</u>	<u>Fiscal 2025</u>
Assets		
Current and other assets	\$ 2,237,887	\$ 2,242,303
Capital assets - net of accumulated depreciation	<u>2,316,239</u>	<u>2,170,983</u>
<i>Total Assets</i>	<u>\$ 4,554,126</u>	<u>\$ 4,413,286</u>
Deferred Outflows of Resources	<u>\$ 75</u>	<u>\$ 38</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 4,554,201</u>	<u>\$ 4,413,324</u>
Liabilities		
Current liabilities	\$ 604,705	\$ 632,967
Long-term - Due within one year	1,502,415	108,167
Long-term - Due in more than one year	<u>-</u>	<u>1,283,646</u>
<i>Total Liabilities</i>	<u>\$ 2,107,120</u>	<u>\$ 2,024,780</u>
Deferred Inflows of Resources	<u>\$ 461,257</u>	<u>\$ 204,561</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 2,568,377</u>	<u>\$ 2,229,341</u>
Net Position		
Net investment in capital assets	\$ 813,824	\$ 779,170
Restricted for food service	80,542	82,572
Unrestricted	<u>1,091,458</u>	<u>1,322,241</u>
<i>Total Net Position</i>	<u>\$ 1,985,824</u>	<u>\$ 2,183,983</u>

Net Position is a combination of unrestricted funds, funds available for capital assets, plus capital assets at original cost, less accumulated depreciation and related debt. The accumulated depreciation is the accumulation of depreciation expense since acquisition. As of June 30, 2025, Greater Heights Academy's net investment in capital assets was \$779,170, Restricted amount for the Food Service Fund was \$82,572 and the remaining surplus of \$1,322,241 was unrestricted. The unrestricted net position represents the accumulated results of all past year's operations including the net pension liability assigned to Greater Heights Academy. The operating results of the General Fund will have a significant impact on change in unrestricted net position from year to year.

Statement of Activities

The results of this year's operations for Greater Heights Academy are reported in the Statement of Activities, and in a more condensed format in Table 2. A revenue and expense comparison of fiscal years ending June 30, 2025 and 2024, respectively, is also reported.

Table 2 - Results of Activities:

Fiscal Year:	<u>Fiscal 2024</u>	<u>Fiscal 2025</u>
<u>Net Revenues:</u>		
Operating Grants and Contributions	\$1,712,173	\$1,399,294
General Revenues:		
State Aid - Unrestricted	2,020,467	1,911,390
Interest & Investment Earnings	141	159
Other	<u>11,811</u>	<u>39,886</u>
Total	<u>\$3,744,592</u>	<u>\$3,350,729</u>
<u>Net Expenses:</u>		
Instruction	\$1,322,456	\$1,110,594
Support Services	1,779,434	1,669,149
Food Services	333,967	277,967
Community Services	17,683	19,019
Interest on Long-Term Debt	<u>77,770</u>	<u>75,841</u>
Total	<u>\$ 3,531,310</u>	<u>\$3,152,570</u>
Change in net position	\$ 213,282	\$ 198,159
Net Position – beginning	<u>1,772,542</u>	<u>1,985,824</u>
Net Position - ending	<u>\$ 1,985,824</u>	<u>\$2,183,983</u>

Analysis of Financial Position

A few significant factors affecting the net position of the year are as follows:

General Fund Operations

The General Fund generated a net increase of \$5,364.

Special Revenue Fund Operations

The Special Revenue Fund generated a net increase of \$2,030.

Note Payable Proceeds

During the current year, Greater Heights Academy refinanced outstanding loans and received \$1,451,445 in note proceeds.

Depreciation Expense

Depreciation expense is recorded on a straight-line basis over the estimated useful life of the asset. In accordance with generally accepted accounting principles, depreciation expense is recorded based on the original cost of the asset less an estimated salvage value. For the fiscal year ended June 30, 2025, the net depreciation expense was \$145,256.

Greater Heights Academy's Funds

As Greater Heights Academy completed this year, the governmental funds reported a combined fund balance of \$1,609,336, with the General Fund accounting for \$1,526,764 and the Special Revenue Fund accounting for \$82,572.

Greater Heights Academy maintains a strong General Fund balance, in excess of 25%, to cover any unforeseen, temporary fluctuations in operations or student counts. Expenditures are also proactively monitored and reduced as appropriate to compensate for reduced funding or increased costs.

A couple of significant factors affecting the total governmental fund balance are the following:

General Operating Fund

Greater Heights Academy's revenues exceeded expenditures from General Fund operations by \$5,364 for the fiscal year ended June 30, 2025.

Special Revenue Fund

The student meal program accounted for by the Special Revenue Fund is subsidized by General Fund operations; any shortfalls, if required, are transferred in from this fund. This year, the expenditures from the Special Revenue Fund exceeded revenues by \$186,443 for the fiscal year ended June 30, 2025. Therefore, a transfer of \$186,443 was required to subsidize the shortfall.

Revenues by Sources

State of Michigan Unrestricted Aid (State Foundation Grant)

The foundation allowance is determined annually by the State of Michigan using the following variables:

- State of Michigan State Aid Act per student foundation allowance
- Student enrollment blended at 90% of the current year fall count and 10% of the prior year spring count, plus Section 25e transfer adjustments

Per Student Foundation Allowance

Greater Heights Academy's blended student enrollment (State Aid Membership) for the 2024 - 2025 school year was 191. Preliminary total student enrollment for the 2025 – 2026 school year is conservatively projected to be approximately 201 students.

Changes from Original to Final Budget

The Uniform Budget Act of the State of Michigan requires that the Greater Heights Academy Board of Directors approve the original budget prior to July 1st, the start of the fiscal year. A schedule showing Greater Heights Academy's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements. During the fiscal year, Greater Heights Academy revises its budget several times to reflect changes in revenues and related expenditures. This ensures continuous monitoring of changing financial conditions and is essential to sound fiscal management.

General Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
Revenues	\$3,411,701	\$3,107,696	\$(304,005)
Expenditures/Transfers Out	\$3,396,345	\$3,204,728	\$(191,617)

The variation from original to final budgeted revenues is primarily due a decrease in state aid revenue as a result of reduced student enrollment; and reflective of actual operations near fiscal year end.

The final actual numbers compare favorably with the final approved budget in total, showing mostly immaterial differences. However, when comparing budgeted function activity line items, there are five variances in which the Greater Heights Academy incurred expenditures in excess of amounts appropriated. Our continuous review of budget to actual expenses and adjustment to forecast demonstrates strong fiscal oversight and control over the

budget in total, however, corrective action is necessary at the function activity level. We continue to refine processes to forecast both overall expenses and function level expenses to ensure that actual expenses stay within budgeted function level expenses.

Economic Factors and Next Year's Budgets and Rates

The administration considered many factors when determining Greater Heights Academy's 2025 - 2026 fiscal year budget. One of the most important factors is the student count, since the state foundation revenue is determined by the blended student count that was discussed earlier. Approximately 88% of total General Fund revenues are from State Sources. Revenues are thus heavily dependent on the State's ability to fund local operations. When the fall student count is completed and the related per pupil funding is validated, the budget for Greater Heights Academy is amended to reflect the revised funding anticipated.

Since Greater Heights Academy's revenue depends on State funding and the health of the State School Aid fund, the actual revenue received therefore depends on the State's ability to collect revenues to fund its appropriations to Districts. The State periodically holds revenue-estimating conferences to evaluate its ability to fund obligations. Should state revenues fall below previous estimates, a statewide proration of the Foundation Allowance to Districts could occur, and a negative proration did actually occur this fiscal year. If a reduction in State Aid funding results, an appropriate budget adjustment is made to reflect the revised financial situation.

Contacting Greater Heights Academy's Financial Management

This financial report is designed to provide a general overview of Greater Heights Academy's finances, and to demonstrate Greater Heights Academy's accountability for the money it receives. If there are any questions about this report, or if additional financial information is needed, please contact Greater Heights Academy's Finance Department at 3196 W. Pasadena Avenue, Flint, MI 48504.

BASIC FINANCIAL STATEMENTS

Greater Heights Academy
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash	\$ 1,715,875
Due from other governmental units	526,428
Capital assets not being depreciated	101,396
Capital assets - net of accumulated depreciation	<u>2,069,587</u>
 Total assets	 <u>4,413,286</u>
 Deferred Outflows of Resources	
Deferred amount relating to the net OPEB liability	<u>38</u>
 Liabilities	
Accounts payable	41,331
Accrued expenditures	10,228
Accrued salaries payable	209,302
Unearned revenue	372,106
Long-term liabilities	
Due within one year	108,167
Due in more than one year	<u>1,283,646</u>
 Total liabilities	 <u>2,024,780</u>
 Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	131,319
Deferred amount relating to the net OPEB liability	<u>73,242</u>
 Total deferred inflows of resources	 <u>204,561</u>
 Net Position	
Net investment in capital assets	779,170
Restricted for:	
Food service	82,572
Unrestricted	<u>1,322,241</u>
 Total net position	 <u><u>\$ 2,183,983</u></u>

See Accompanying Notes to the Financial Statements

Greater Heights Academy
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues		Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
Instruction	\$ 1,110,594	\$ -	\$ 469,922	\$ (640,672)
Supporting services	1,669,149	-	681,590	(987,559)
Food services	277,967	-	228,763	(49,204)
Community services	19,019	-	19,019	-
Interest and fiscal charges on long-term debt	75,841	-	-	(75,841)
	<u>\$ 3,152,570</u>	<u>\$ -</u>	<u>\$ 1,399,294</u>	<u>(1,753,276)</u>
Total governmental activities				
General revenues				
State aid - unrestricted				1,911,390
Interest and investment earnings				159
Other				<u>39,886</u>
Total general revenues				<u>1,951,435</u>
Change in net position				198,159
Net position - beginning				<u>1,985,824</u>
Net position - ending				<u>\$ 2,183,983</u>

See Accompanying Notes to the Financial Statements

Greater Heights Academy
Governmental Funds
Balance Sheet
June 30, 2025

			<u>Nonmajor Fund</u>	
	General Fund	Capital Projects Fund	Food Service Fund	Total Governmental Funds
Assets				
Cash	\$ 1,715,875	\$ -	\$ -	\$ 1,715,875
Due from other funds	-	-	73,573	73,573
Due from other governmental units	<u>517,429</u>	<u>-</u>	<u>8,999</u>	<u>526,428</u>
 Total assets	 <u>\$ 2,233,304</u>	 <u>\$ -</u>	 <u>\$ 82,572</u>	 <u>\$ 2,315,876</u>
Liabilities				
Accounts payable	\$ 41,331	\$ -	\$ -	\$ 41,331
Due to other funds	73,573	-	-	73,573
Accrued expenditures	10,228	-	-	10,228
Accrued salaries payable	209,302	-	-	209,302
Unearned revenue	<u>372,106</u>	<u>-</u>	<u>-</u>	<u>372,106</u>
 Total liabilities	 <u>706,540</u>	 <u>-</u>	 <u>-</u>	 <u>706,540</u>
Fund Balances				
Restricted for				
Food service	-	-	82,572	82,572
Unassigned	<u>1,526,764</u>	<u>-</u>	<u>-</u>	<u>1,526,764</u>
 Total fund balances	 <u>1,526,764</u>	 <u>-</u>	 <u>82,572</u>	 <u>1,609,336</u>
 Total liabilities and fund balances	 <u>\$ 2,233,304</u>	 <u>\$ -</u>	 <u>\$ 82,572</u>	 <u>\$ 2,315,876</u>

See Accompanying Notes to the Financial Statements

Greater Heights Academy
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances for governmental funds	\$ 1,609,336
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	101,396
Capital assets - net of accumulated depreciation	2,069,587
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from the net OPEB liability	38
Deferred inflows of resources resulting from the net pension liability	(131,319)
Deferred inflows of resources resulting from the net OPEB liability	(73,242)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Other loans payable and liabilities	<u>(1,391,813)</u>
Net position of governmental activities	<u><u>\$ 2,183,983</u></u>

Greater Heights Academy
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

		Formerly Nonmajor Fund	Nonmajor Fund	
	General Fund	Capital Projects Fund	Food Service Fund	Total Governmental Funds
Revenues				
Local sources	\$ 49,398	\$ -	\$ -	\$ 49,398
State sources	2,769,369	-	4,374	2,773,743
Federal sources	331,817	-	224,389	556,206
Interdistrict sources	<u>2,622</u>	<u>-</u>	<u>-</u>	<u>2,622</u>
Total revenues	<u>3,153,206</u>	<u>-</u>	<u>228,763</u>	<u>3,381,969</u>
Expenditures				
Current				
Education				
Instruction	1,150,699	-	-	1,150,699
Supporting services	1,730,421	-	-	1,730,421
Food services	-	-	287,993	287,993
Community services	19,019	-	-	19,019
Debt service				
Principal	-	1,562,047	-	1,562,047
Interest and other expenditures	<u>-</u>	<u>75,841</u>	<u>-</u>	<u>75,841</u>
Total expenditures	<u>2,900,139</u>	<u>1,637,888</u>	<u>287,993</u>	<u>4,826,020</u>
Excess (deficiency) of revenues over expenditures	<u>253,067</u>	<u>(1,637,888)</u>	<u>(59,230)</u>	<u>(1,444,051)</u>

See Accompanying Notes to the Financial Statements

Greater Heights Academy
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

		Formerly Nonmajor Fund	Nonmajor Fund	
	General Fund	Capital Projects Fund	Food Service Fund	Total Governmental Funds
Other Financing Sources (Uses)				
Proceeds from notes	-	1,451,445	-	1,451,445
Transfers in	-	186,443	61,260	247,703
Transfers out	(247,703)	-	-	(247,703)
Total other financing sources (uses)	(247,703)	1,637,888	61,260	1,451,445
Net change in fund balances	5,364	-	2,030	7,394
Fund balances - beginning, as previously presented	1,521,400	-	80,542	1,601,942
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-
Fund balances - beginning, as adjusted	1,521,400	-	80,542	1,601,942
Fund balances - ending	<u>\$ 1,526,764</u>	<u>\$ -</u>	<u>\$ 82,572</u>	<u>\$ 1,609,336</u>

See Accompanying Notes to the Financial Statements

Greater Heights Academy
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - Total governmental funds	\$ 7,394
Total change in net position reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Operating grants	(31,240)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(145,256)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in deferrals of resources related to the net pension liability	208,025
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in deferrals of resources related to the net OPEB liability	48,634
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities.	
Debt issued	(1,451,445)
Repayments of long-term debt	<u>1,562,047</u>
Change in net position of governmental activities	<u>\$ 198,159</u>

See Accompanying Notes to the Financial Statements

Greater Heights Academy

Notes to the Financial Statements

June 30, 2025

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Greater Heights Academy (Academy) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the Academy's significant accounting policies:

Reporting Entity

The Academy was formed as a charter academy pursuant to the Michigan 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.

On June 5, 2018, the Academy entered into a five-year contract with a three-year extension with the Central Michigan University (CMU) to charter a public school academy. 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 aid funds pursuant to the State Constitution. CMU 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 CMU three percent of the state aid foundation as administrative fees. The total administrative fees for the year paid to CMU was approximately \$56,691.

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 financial relationships that determine which of the governmental organizations are a part of the Academy's reporting entity, and which organizations are legally separate component units of the Academy. The Academy has no component units.

Academy-wide Financial Statements

The Academy's basic financial statements include both Academy-wide (reporting for the Academy as a whole) and fund financial statements

(reporting the Academy's major funds). The Academy-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the Academy's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The Academy's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the Academy's functions. The functions are also supported by general government revenues (certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (state sources and federal sources, interest income, etc.). In creating the Academy-wide financial statements the Academy has eliminated interfund transactions.

The Academy-wide focus is on the sustainability of the Academy as an entity and the change in the Academy's net position resulting from current year activities.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis

Greater Heights Academy

Notes to the Financial Statements

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of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected 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 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.

Unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The Academy reports the following major governmental funds:

General Fund - The General Fund is used to record the general operations of the Academy pertaining to education and those operations not required to be provided for in other funds.

Capital Projects Fund – Capital Projects Fund was used for the purchase of a building and land. The fund is mainly funded by transfers from the General Fund.

Additionally, the Academy reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Academy's Special Revenue Funds include the Food Service Fund.

Assets, Liabilities and Net Position or Fund Balance

Receivables and Payables - Generally, outstanding amounts owed between funds are classified as “due from/to other funds.” These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

The Academy considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The Academy defines capital assets as assets with an initial individual cost in excess of \$2,500. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The Academy does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 50 years
Site improvements	5 - 15 years
Equipment and furniture	5 years

Greater Heights Academy
Notes to the Financial Statements
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Deferred Outflows of Resources - A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. For Academy-wide financial statements, the Academy reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The Academy also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year.

Long-term Obligations - In the Academy-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

Pension - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit

payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - A deferred inflow of resources is an acquisition of net position by the Academy that is applicable to a future reporting period. For Academy-wide financial statements, the Academy reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance - In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable - amounts that are not available in a spendable form.

Restricted - amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed - amounts that have been formally set aside by the Board of Directors for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Directors.

Assigned - amounts intended to be used for specific purposes, as determined by the Board of Directors. The Board of Directors has granted the Superintendent the authority to assign funds.

Greater Heights Academy
Notes to the Financial Statements
June 30, 2025

Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned - all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Academy's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Academy's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

The Academy has adopted a minimum fund balance policy, as follows:

The board shall ensure that adequate funds are reserved for the General Fund to maintain a secure financial position whereby the fund balance shall not fall below five percent (5%) of the preceding year's expenditures.

Use of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

Upcoming Accounting and Reporting Changes

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 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 as-sets 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

Greater Heights Academy

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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. This statement is effective for the year ending June 30, 2026.

The Academy is evaluating the impact that the above pronouncements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

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. The Academy is not considered in violation of the law if reasonable procedures are in use by the Academy to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

Budgeted amounts are as originally adopted or as amended by the Board of Directors throughout the year.

Excess of Expenditures over Appropriations

During the year, the Academy incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Added needs	\$ 371,859	\$ 398,345	\$ 26,486
Operations and maintenance	368,004	375,931	7,927
Central	80,076	82,174	2,098
Community services	14,856	19,019	4,163
Food Service Fund	287,048	287,993	945

Note 3 - Deposits and Investments

The Academy's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash	<u>\$ 1,715,875</u>

The breakdown between deposits and investments for the Academy is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	<u>\$ 1,715,875</u>
--	---------------------

Interest rate risk - The Academy does not have a formal investment policy to manage its exposure to fair value losses arising from changes in interest rates.

Credit risk - State statutes authorize the Academy to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the Academy is

Greater Heights Academy
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allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The Academy has no investment policy that would further limit its investment choices.

Concentration of credit risk - The Academy has no policy that would limit the amount that may be invested with any one issuer.

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. The Academy does not have a deposit policy for custodial credit risk. As of year end, \$1,461,852 of the Academy's bank balance of \$1,736,500 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 101,396	\$ -	\$ -	\$ 101,396
Capital assets being depreciated				
Buildings and site improvements	2,462,985	-	-	2,462,985
Equipment and furniture	382,935	-	-	382,935
Total capital assets being depreciated	2,845,920	-	-	2,845,920
Less accumulated depreciation for				
Buildings and site improvements	369,628	109,335	-	478,963
Equipment and furniture	261,449	35,921	-	297,370
Total accumulated depreciation	631,077	145,256	-	776,333
Net capital assets being depreciated	2,214,843	(145,256)	-	2,069,587
Net capital assets	\$2,316,239	\$ (145,256)	\$ -	\$2,170,983

Depreciation expense of capital assets were charged to activities of the Academy as follows:

Governmental activities	
Instruction	\$ 52,292
Supporting services	78,438
Food services	13,073
Community services	1,453
Total governmental activities	<u>\$ 145,256</u>

Greater Heights Academy
Notes to the Financial Statements
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Note 6 - Interfund Receivables, Payables, and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
General Fund	Nonmajor Governmental Funds	<u>\$ 73,573</u>

The outstanding balances between funds result from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund transfers were made during the year, between the General Fund to the Capital Projects Fund totaling \$186,443 and between the General Fund to the Food Service Fund totaling \$61,260. These transfers were made to the Capital Projects Fund to fund payments of notes including both principal and interest, and were made to the Food Service Fund to cover program costs.

Note 7 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have not been received but not yet earned. At the end of the current fiscal year, all unearned revenue is related to grant and categorical aid payments received prior to meeting all eligibility requirements.

Note 8 - Long-Term Debt

The Academy issues notes to provide for the acquisition of the school building and land.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Notes payable	<u>\$ 1,502,415</u>	<u>\$ 1,451,445</u>	<u>\$ 1,562,047</u>	<u>\$ 1,391,813</u>	<u>\$ 108,167</u>

Future principal and interest requirements for direct borrowings and direct placements are as follows:

Year Ending June 30,	Notes from direct borrowings	
	Principal	Interest
2026	\$ 108,167	\$ 81,676
2027	114,909	74,935
2028	121,978	67,865
2029	129,680	60,163
2030	<u>917,079</u>	<u>24,983</u>
Total	<u>\$ 1,391,813</u>	<u>\$ 309,622</u>

Notes Payable

The Academy's outstanding notes from direct borrowings and direct placements related to governmental activities of \$1,391,813 are secured with collateral from the property purchased.

Total principal and interest payments for the year ended June 30, 2025 were \$1,562,047 and \$75,841, respectively. The payments were made through the Capital Projects fund.

Debt Covenant

The notes payable agreement contains certain covenants, including maintenance of certain financial ratios as defined in the agreement. At June 30, 2025, the Academy was in compliance with the covenants.

Greater Heights Academy

Notes to the Financial Statements

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Note 9 - Risk Management

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The Academy has purchased commercial insurance for general liability, property and casualty and health and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

The Academy is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the Academy must reimburse the Employment Commission for all benefits charged against the Academy. The Academy paid \$11,892 in unemployment compensation expense for the year. No provision has been made for possible future claims.

Note 10 - Pension Plan

Plan Description

The Michigan Public Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor, and disability benefits to public employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsshools.

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this

Greater Heights Academy
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method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2024.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	23.03%
Member Investment Plan	3.0 - 7.0%	23.03%
Pension Plus	3.0 - 6.4%	19.17%
Pension Plus 2	6.2%	20.10%
Defined Contribution	0.0%	13.90%

There were no required contributions to the pension plan from the Academy for the year ending September 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the Academy reported no liability for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2023. The Academy's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2024, the Academy's

proportion was 0 percent, which was unchanged from its proportion measured as of September 30, 2023.

For the plan year ending September 30, 2024, the Academy recognized pension expense of (\$208,025) for the measurement period. For the reporting period ending June 30, 2025, the Academy recognized no pension contribution expense.

At June 30, 2025, the Academy reported deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources
Changes in proportion and differences between the Academy contributions and proportionate share of contributions	<u>\$ (131,319)</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2025	\$ (109,091)
2026	<u>(22,228)</u>
	<u>\$ (131,319)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each

Greater Heights Academy
Notes to the Financial Statements
June 30, 2025

valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2023
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans: 6.00% net of investment expenses
 - Pension Plus Plan: 6.00% net of investment expenses
 - Pension Plus 2 Plan: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
 - Retirees: PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2024, is based on the results of an actuarial valuation date of September 30, 2023, and

rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 4.4612 years.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2024 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Greater Heights Academy
Notes to the Financial Statements
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Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.3%
Private Equity Pools	16.0	9.0%
International Equity	15.0	6.5%
Fixed Income Pools	13.0	2.2%
Real Estate and Infrastructure Pools	10.0	7.1%
Absolute Return Pools	9.0	5.2%
Real Return/Opportunistic Pools	10.0	6.9%
Short Term Investment Pools	2.0	1.4%
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.3% inflation.

Rate of Return

For the plan year ended September 30, 2024, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 15.47%. The money-weighted rate of return

expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.0% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Academy's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension plus plan, 6.00% for the Pension Plus 2 plan), as well as what the Academy's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease *	Current Single Discount Rate Assumption *	1% Increase *
5.00%	6.00%	7.00%
\$ -	\$ -	\$ -

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Notes to the Financial Statements

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Michigan Public Employees' Retirement System (MPSERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public Employees' Retirement System (MPSERS)

There were no significant payables to the pension plan that are not ordinary accruals to the Academy.

Note 11 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning with fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Greater Heights Academy
Notes to the Financial Statements
June 30, 2025

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2024.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.31%
Personal Healthcare Fund (PHF)	0.0%	7.06%

There were no required contributions to the OPEB plan from the Academy for the year ended September 30, 2024.

OPEB Liabilities or Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the Academy reported no liability for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2023. The Academy's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024 the Academy's proportion was 0 percent, which was unchanged from its proportion measured as of September 30, 2023.

For the plan year ending September 30, 2024, the Academy recognized OPEB expense of (\$48,634) for the measurement period. For the reporting period ending June 30, 2025, the Academy recognized no OPEB contribution expense.

Greater Heights Academy

Notes to the Financial Statements

June 30, 2025

At June 30, 2025, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Changes in proportion and differences between the Academy contributions and proportionate share of contributions	\$ 38	\$ (73,242)	\$ (73,204)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)		
	2025	\$ (45,774)
	2026	(24,247)
	2027	(3,183)
		<u>\$ (73,204)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods

and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2023
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: Pre-65: 7.25% Year 1 graded to 3.5% Year 15; Post-65: 6.50% Year 1 graded to 3.5% Year 15
- Mortality:
 - Retirees: PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

- Opt Out Assumption: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Greater Heights Academy
Notes to the Financial Statements
June 30, 2025

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total OPEB liability as of September 30, 2024, is based on the results of an actuarial valuation date of September 30, 2023, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 6.2834 years.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2024 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.3%
Private Equity Pools	16.0	9.0%
International Equity	15.0	6.5%
Fixed Income Pools	13.0	2.0%
Real Estate and Infrastructure Pools	10.0	7.1%
Absolute Return Pools	9.0	5.2%
Real Return/Opportunistic Pools	10.0	6.9%
Short Term Investment Pools	2.0	1.4%
	100.0%	

**Long-term rates of return are net of administrative expenses and 2.3% inflation.*

Greater Heights Academy

Notes to the Financial Statements

June 30, 2025

Rate of Return

For the plan year ended September 30, 2024, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 15.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Academy's Proportionate Share of the Net OPEB Liability or Asset to Changes in the Discount Rate

The following presents the Academy's proportionate share of the net OPEB liability calculated using the discount rate of 6.00%, as well as what the Academy's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
\$ -	\$ -	\$ -

Sensitivity of the Academy's Proportionate Share of the Net OPEB Liability or Asset to Healthcare Cost Trend Rate

The following presents the Academy's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the Academy's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ -	\$ -	\$ -

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2024 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the Academy.

Note 12 - Management Company

The Academy has a management agreement with Phalen Leadership Academies (PLA). Under the terms of this agreement, PLA provides a variety of services including management, curriculums, education programs and teacher training. The Academy is obligated to pay PLA twelve percent of its applicable revenues from the General Fund. The total charged for these services amounted to approximately \$367,319 for the year ended June 30, 2025.

Greater Heights Academy
Notes to the Financial Statements
June 30, 2025

Note 13 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the Academy expect such amounts, if any, to be immaterial.

Note 14 - Changes Within the Financial Reporting Entity

During the year ended June 30, 2025, a fund that was previously reported as non-major in the prior year was required to be presented as major in the current year. The fund balance as of June 30, 2024 was \$0, therefore, the change had no effect on beginning fund balances between major and non-major governmental funds.

REQUIRED SUPPLEMENTARY INFORMATION

Greater Heights Academy
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
Revenues				
Local sources	\$ -	\$ 27,252	\$ 49,398	\$ 22,146
State sources	3,058,588	2,765,393	2,769,369	3,976
Federal sources	353,113	315,051	331,817	16,766
Interdistrict sources	-	-	2,622	2,622
Total revenues	3,411,701	3,107,696	3,153,206	45,510
Expenditures				
Instruction				
Basic programs	980,123	793,942	752,354	(41,588)
Added needs	391,591	371,859	398,345	26,486
Supporting services				
Pupil	184,422	168,545	162,594	(5,951)
Instructional staff	131,390	242,786	236,968	(5,818)
General administration	518,904	521,936	485,521	(36,415)
School administration	357,821	288,515	285,998	(2,517)
Business	2,995	2,974	2,933	(41)
Operations and maintenance	425,984	368,004	375,931	7,927
Pupil transportation services	107,037	98,302	98,302	-
Central	65,198	80,076	82,174	2,098
Community services	9,147	14,856	19,019	4,163
Capital outlay	37,182	-	-	-
Total expenditures	3,211,794	2,951,795	2,900,139	(51,656)
Excess of revenues over expenditures	199,907	155,901	253,067	97,166
Other Financing Uses				
Transfers out	(184,551)	(252,933)	(247,703)	(5,230)
Net change in fund balance	15,356	(97,032)	5,364	102,396
Fund balance - beginning	1,521,400	1,521,400	1,521,400	-
Fund balance - ending	\$ 1,536,756	\$ 1,424,368	\$ 1,526,764	\$ 102,396

Greater Heights Academy
Required Supplementary Information
Schedule of the Academy's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Academy's proportion of the net pension liability (%)	0.0000%	0.0000%	0.0000%	0.0008%	0.0026%	0.0037%	0.0037%	0.0035%	0.0030%	0.0029%
B. Academy's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ 199,338	\$ 899,761	\$ 1,211,056	\$ 1,116,090	\$ 911,777	\$ 759,782	\$ 696,883
C. Academy's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 172,242	\$ 305,903	\$ 318,416	\$ 315,795	\$ 269,092	\$ 239,917
D. Academy's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	522.38%	395.90%	350.51%	288.72%	282.35%	290.47%
E. Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2024.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2024.

Greater Heights Academy
Required Supplementary Information
Schedule of the Academy's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Statutorily required contributions	\$ -	\$ -	\$ -	\$ -	\$ 27,028	\$ 80,151	\$ 60,502	\$ 95,564	\$ 59,583	\$ 50,950
B. Contributions in relation to statutorily required contributions	-	-	-	-	27,028	80,151	60,502	95,564	59,583	50,950
C. Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Academy's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 9,060	\$ 217,576	\$ 333,123	\$ 317,014	\$ 313,425	\$ 255,000
E. Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	298.32%	36.84%	18.16%	30.15%	19.01%	19.98%

Greater Heights Academy
Required Supplementary Information
Schedule of the Academy's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Academy's proportion of the net OPEB liability (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0020%	0.0035%	0.0038%	0.0035%		
B. Academy's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ 105,659	\$ 253,593	\$ 299,084	\$ 308,201		
C. Academy's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 172,242	\$ 305,903	\$ 318,416	\$ 315,795		
D. Academy's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	61.34%	82.90%	93.93%	97.60%		
E. Plan fiduciary net position as a percentage of total OPEB liability	143.08%	105.04%	83.09%	87.33%	59.44%	36.39%	42.95%	36.39%		

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2024.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2024.

Greater Heights Academy
Required Supplementary Information
Schedule of the Academy's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Statutorily required contributions	\$ -	\$ -	\$ -	\$ -	\$ 745	\$ 17,513	\$ 26,205	\$ 22,903		
B. Contributions in relation to statutorily required contributions	-	-	-	-	745	17,513	26,205	22,903		
C. Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
D. Academy's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 9,060	\$ 217,576	\$ 333,123	\$ 317,014		
E. Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	8.22%	8.05%	7.87%	7.22%		

OTHER REPORTS

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*

Independent Auditors' Report

Management and the Board of Directors
Greater Heights Academy
Flint, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greater Heights Academy, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Greater Heights Academy's basic financial statements, and have issued our report thereon dated September 18, 2025.

Report on Internal Control Over Financial Reporting

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

Yeo & Yeo, P.C.

Flint, Michigan
September 18, 2025

Greater Heights Academy
Schedule of Findings and Responses
June 30, 2025

Section I – Summary of Auditors’ Results

Type of report the auditor issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles:
Unmodified

Internal control over financial reporting:

- | | | | | |
|---|-------|-----|--------------|---------------|
| • Material weakness(es) identified? | _____ | yes | <u> X </u> | no |
| • Significant deficiency(ies) identified? | _____ | yes | <u> X </u> | none reported |
| Noncompliance material to financial statements noted? | _____ | yes | <u> X </u> | no |

Federal Awards: Federal expenditures were under \$750,000, therefore, no single audit was required.

Section II – Government Auditing Standards Findings

There were no *Government Auditing Standards* findings for the year ended June 30, 2025.

Section III – Summary of Prior Year Findings

Finding 2024-001- Significant Deficiency and Noncompliance – Budget Variances

Criteria:	Specific requirement; Sections 18 and 19 (MCL 141.438 and 141.439) of the Uniform Budgeting and Accounting Act state that an administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body. Additionally, the chief administrative officer, an administrative officer, or an employee of the local unit shall not apply or divert money for purposes inconsistent with those specified in the appropriations.
Status:	Corrected.