Audited Financial Statements

The New Standard Academy

Flint, Michigan

June 30, 2025

C O N T E N T S

CBIZ CPAs P.C.

345 Diversion Street
Suite 400
Rochester, MI 48307

P: 248.659.5300

Independent Auditors' Report

Board of Directors and Management
The New Standard Academy

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2025 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Rochester, MI
December 6, 2025

CBIZ CPAs P.C.

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

To the Board of Directors and Management of
The New Standard Academy

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of The New Standard Academy (the "Academy"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated December 6, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Rochester, MI

December 6, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of The New Standard Academy's, annual financial report presents our discussion and analysis of the Academy's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the Academy's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The total cost of instruction was $5,658,388 which includes basic programs of $4,470,304 and Added Needs of $1,188,084.

- Revenues and other financing sources were at $15,163,434 while expenditures were $15,304,805 in the General Fund.

    - Blended enrollment used for state aid purposes was 765.76.

- The Academy has a positive General Fund balance of $807,638.

- The Academy invested $3,054,879 in capital assets and improvements during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

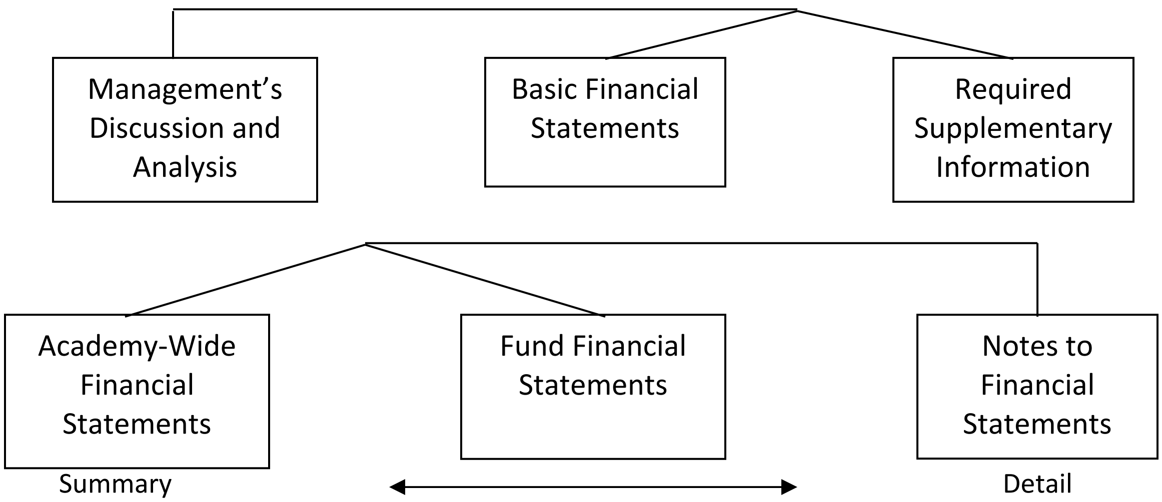
This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Academy:

- The first two statements are Academy-wide financial statements that provide both short-term and long-term information about the Academy's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the Academy, reporting the Academy's operations in more detail.

- The governmental fund statements tell how basic services like regular and special education were financed.

Figure A-1
Organization of The New Standard's Annual Financial Report



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

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

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

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

ACADEMY-WIDE STATEMENTS

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

The two Academy-wide statements report the Academy's net position and how it has changed. Net position – the difference between the Academy's assets and liabilities – are one way to measure the Academy's financial health or position.

- ❖ Over time, increases or decreases in the Academy's assets are an indicator of whether its financial position is improving or deteriorating, respectively.

- ❖ To assess the overall health of the Academy, you need to consider additional non-financial factors such as changes in the Academy's enrollment and the condition of Academy buildings and other facilities.

FUND FINANCIAL STATEMENTS

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

- ❖ *Governmental activities* – Most of the Academy's basic services are included in the general fund, such as regular and special education and administration. State foundation aid finances most of these activities.

- ❖ The Academy establishes other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues.

The Academy has one kind of fund:

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

FINANCIAL ANALYSIS OF THE ACADEMY AS A WHOLE

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

General Fund Budgetary Analysis

Over the course of the year, the Academy reviewed and amended the annual operating budget.

Financial Outlook

The New Standard Academy's financial forecast continues to be optimistic heading into the 2024/2025 Academy year.

- ❖ The Academy had a significant positive addition to the General Fund balance for the previous two years. The planned use of a portion of General Fund Balance during fiscal year 2024/2025 was included in the budget and represents board investment in the Academy.

- ❖ Enrollment has been budgeted to increase approximately 67 students for the 2025-2026 Academy year.

Table A-3
The New Standard Academy's Net Position

	2025	2024
Current and other assets	$ 5,328,289	$ 5,673,151
Capital assets	3,220,369	1,227,072
Total assets	8,548,658	6,900,223
Deferred outflows	70,862	-
Long-term debt outstanding	1,646,558	4,785,858
Other liabilities	4,918,674	1,691
Total liabilities	6,565,232	4,787,549
Deferred inflows	53,606	-
Net position:		
Net investment in capital assets	1,083,008	1,019,154
Restricted for food operations	129,280	144,511
Unrestricted	805,392	949,009
Total net position	$ 2,017,680	$ 2,112,674

Table A-4
Changes in The New Standard Academy's Net Position

	2025	2024
Revenues:		
Program revenues:		
Charges for services	$ 4,015	$ 32,876
Federal and state operating grants	4,505,219	3,632,418
General revenues:		
State aid - unrestricted	8,945,623	7,769,522
Miscellaneous	33,174	36,108
Total revenues	13,488,031	11,470,924
Expenses:		
Instruction	5,658,388	5,318,472
Support services	6,686,980	5,231,447
Interest on long-term debt	176,075	23,829
Unallocated depreciation / amortization	1,061,582	936,996
Total expenses	13,583,025	11,510,744
Change in net position	$ (94,994)	$ (39,820)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2025, the Academy had invested $6,096,600 in capital assets, including computers and software. These assets are generally subject to amortization/depreciation. See Table A-5 below for a listing of capital assets, and the accumulated depreciation/amortization.

Table A-5
The New Standard Academy's Capital Assets

	Balance June 30, 2025	Balance June 30, 2024
Right to use - assets	$ 3,501,018	$ 2,356,523
Equipment	254,046	155,316
Furniture	309,162	285,863
Technology equipment	952,186	771,276
Other	1,080,188	914,120
Subtotal	6,096,600	4,483,098
Less: accumulated depreciation / amortization	2,876,231	3,256,026
Net book value of assets	$ 3,220,369	$ 1,227,072

Long-Term Debt

The Academy owed $2,137,361 on two long term lease obligations as of June 30, 2025. See Note 7 to the financial statements for more information.

FACTORS BEARING ON THE ACADEMY'S FUTURE

- State aid foundation grant stability
- Maintenance of current enrollment and staffing levels
- Aligning expenditures with available revenue sources

CONTACTING THE ACADEMY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our students, parents and creditors with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report or need additional information, contact the management office at:

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

THE NEW STANDARD ACADEMY

STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS AND DEFERRED OUTFLOWS	
Current Assets	
Cash and cash equivalents	$ 2,047,148
Accounts receivable	7,508
Deposits	13,549
Due from other governmental units	3,025,674
Prepaid expenses	217,304
Total current assets	5,311,183
Capital Assets - Net of Accumulated Depreciation / Amortization	3,220,369
Net Other Post Employment Benefit Asset	17,106
Total assets	8,548,658
Deferred Outflows	
Related to pension	58,345
Related to other post employment benefits	12,517
Total deferred outflows	70,862
Total assets and deferred outflows	$ 8,619,520
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Current Liabilities	
Accounts payable	$ 2,494,158
Notes payable	186,483
Unearned revenue	743,613
Other accrued liabilities	950,011
Long-term debt - current portion	490,803
Total current liabilities	4,865,068
Long-Term Debt - Long-Term Portion	1,646,558
Net Pension Liability - Long-Term Portion	53,606
Deferred Inflows	
Related to pension	14,814
Related to other post employment benefits	21,794
Total deferred inflows	36,608
Total liabilities and deferred inflows	6,601,840
Net Position	
Net investment in capital assets	1,083,008
Restricted for food operations	129,280
Unrestricted	805,392
Total net position	2,017,680
Total liabilities, deferred inflows, and net position	$ 8,619,520

See accompanying notes to financial statements

THE NEW STANDARD ACADEMY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues		Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Government Type Activities
Functions				
Instruction				
Basic programs	$ 4,470,304	$ -	$ 1,244,639	$ (3,225,665)
Added needs	1,188,084	-	1,048,829	(139,255)
Support services				
Pupil support services	394,116	-	336,991	(57,125)
Instructional staff support services	415,334	-	415,334	-
General administration	1,114,791	-	-	(1,114,791)
School administration	656,060	-	-	(656,060)
Business support services	51,533	-	-	(51,533)
Operations and maintenance	1,645,135	-	382,294	(1,262,841)
Pupil transportation services	513,536	-	36,000	(477,536)
Central support services	99,410	-	1,325	(98,085)
Student activities	225,863	4,015	52,391	(169,457)
Athletic activities	561,766	-	-	(561,766)
Food services	925,700	-	911,995	(13,705)
Community services	83,736	-	75,421	(8,315)
Unallocated depreciation / amortization	1,061,582	-	-	(1,061,582)
Unallocated interest	176,075	-	-	(176,075)
Total primary government	$ 13,583,025	$ 4,015	$ 4,505,219	(9,073,791)
General Purpose Revenues				
State school aid - unrestricted				8,945,623
Miscellaneous revenues				33,174
Total general purpose revenues				8,978,797
Change in net position				(94,994)
Net position - July 1, 2024				2,112,674
Net position - June 30, 2025				$ 2,017,680

See accompanying notes to financial statements

THE NEW STANDARD ACADEMY

COMBINED BALANCE SHEET – ALL GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS

	General	Non Major Special Revenue - Food Services	Total
Cash and cash equivalents	$ 2,047,148	$ -	$ 2,047,148
Accounts receivable	7,508	-	7,508
Deposits	13,549	-	13,549
Due from other governmental units	3,025,674	-	3,025,674
Due from other funds	-	129,280	129,280
Prepaid expenses	217,304	-	217,304
Total assets	$ 5,311,183	$ 129,280	$ 5,440,463

LIABILITIES AND FUND BALANCE

	General	Non Major Special Revenue - Food Services	Total
Liabilities			
Accounts payable	$ 2,494,158	$ -	$ 2,494,158
Notes payable	186,483	-	186,483
Due to other funds	129,280	-	129,280
Unearned revenue	743,613	-	743,613
Other accrued expenses	950,011	-	950,011
Total liabilities	4,503,545	-	4,503,545
Fund Balance			
Nonspendable	217,304	-	217,304
Restricted	-	129,280	129,280
Unassigned	590,334	-	590,334
Total fund balance	807,638	129,280	936,918
Total liabilities and fund balance	$ 5,311,183	$ 129,280	$ 5,440,463

See accompanying notes to financial statements

THE NEW STANDARD ACADEMY

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

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

Total Governmental Fund Balances		$ 936,918
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $6,096,600 and the accumulated depreciation / amortization is $2,876,231.		3,220,369
Deferred Outflows of Resources:		
Related to pension payments	$ 58,345	
Related to OPEB payments	12,517	70,862
Deferred Inflows of Resources:		
Related to pension investment returns	$ (14,814)	
Related to OPEB investment returns	(21,794)	(36,608)
Net pension obligations are not due and payable in the current period and are not reported as fund liabilities.		(53,606)
Net OPEB obligations are not due and payable in the current period and are not reported as fund liabilities.		17,106
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(2,137,361)
Net Position of Governmental Activities		$ 2,017,680

See accompanying notes to financial statements

THE NEW STANDARD ACADEMY

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

	General	Non-Major Special Revenue - Food Services	Total
Revenues			
Local sources	$ 37,189	$ -	$ 37,189
State sources	11,524,960	8,474	11,533,434
Federal sources	781,261	901,995	1,683,256
Interdistrict sources	234,152	-	234,152
Total governmental fund revenues	12,577,562	910,469	13,488,031
Expenditures			
Instruction			
Basic programs	4,470,304	-	4,470,304
Added needs	1,188,084	-	1,188,084
Support services			
Pupil support services	394,116	-	394,116
Instructional staff support services	415,334	-	415,334
General administration	1,114,791	-	1,114,791
School administration	653,814	-	653,814
Business support services	51,533	-	51,533
Operations and maintenance	1,645,135	-	1,645,135
Pupil transportation services	513,536	-	513,536
Central support services	99,410	-	99,410
Student activities	225,863	-	225,863
Athletic activities	561,766	-	561,766
Food services	-	925,700	925,700
Community services	83,736	-	83,736
Capital outlay	3,054,879	-	3,054,879
Debt principal and interest	832,504	-	832,504
Total governmental fund expenditures	15,304,805	925,700	16,230,505
Excess (deficiency) of revenues over expenditures	(2,727,243)	(15,231)	(2,742,474)
Other Financing Sources (Uses)			
Proceeds from long-term debt	2,585,872	-	2,585,872
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(141,371)	(15,231)	(156,602)
Fund balance - July 1, 2024	949,009	144,511	1,093,520
Fund balance - June 30, 2025	$ 807,638	$ 129,280	$ 936,918

See accompanying notes to financial statements

THE NEW STANDARD ACADEMY

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

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

Net Change in Fund Balances - Total Governmental Funds		$ (156,602)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period:		
Capital outlay	$ 3,054,879	
Depreciation and amortization expense	(1,061,582)	1,993,297
Change in expense related to pension		(10,075)
Change in expense related to OPEB		7,829
The governmental funds report loan proceeds and leases issued as an other financing source, while repayment of principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general loan obligations is as follows:		
Leases issued	$ (2,585,872)	
Repayment of principal	656,429	(1,929,443)
Change in Net Position of Governmental Activities		$ (94,994)

See accompanying notes to financial statements

THE NEW STANDARD ACADEMY

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The New Standard Academy was formed as a public-school academy pursuant to the Michigan School Code of 1976, as amended by Act No. 362 of the Public Acts of 1993 and Act No. 416 of the Public Acts of 1994. The Academy filed articles of incorporation as a nonprofit corporation pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, as amended, and began operation in May 2012.

In July 2024, the Academy extended an existing contract with the Saginaw Valley State University Board of Control to charter a public-school academy through June 30, 2029. The contract requires the Academy to act exclusively as a governmental agency and not undertake any action inconsistent with its status as an entity authorized to receive state school aid funds pursuant to the State constitution. The University's Board of Control 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 the Saginaw Valley State University Board of Control three percent of state aid as administrative fees. Total administrative fees paid for the year ended June 30, 2025 were approximately $241,400.

In July 2024, the Academy extended their agreement with The Romine Group, Inc. to run coterminously with the authorizer agreement through June 30, 2029. Under the terms of this agreement, The Romine Group, Inc. provides a variety of services including financial management, educational programs and consulting, as well as teacher training. The Academy is obligated to pay The Romine Group, Inc. ten percent of its state school aid revenue and all other governmental revenue sources. Total compensation in no event shall be less than $450,000 and no more than $850,000 in any fiscal year. The total paid for these services amounted to approximately $802,500 for the year ended June 30, 2025.

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

Fund Financial Statements

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

Basis of Presentation – Fund Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Governmental Funds

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

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

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

Debt Service Fund - The debt service fund, which the Academy does not currently maintain, is used to record certain revenue and the payment of interest, principal and other expenditures on long-term debt.

Capital Projects Fund - The capital projects fund, which the Academy does not currently maintain, accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities.

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

a. Revenue that is both measurable and available for use to finance operations is recorded as revenue when earned. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.

b. Payments for inventoriable types of supplies, which are not significant at year end, are recorded as expenditures at the time of purchase.

c. Principal and interest of general long-term debt are not recorded as expenditures until their due dates.

d. The State of Michigan utilizes a foundation allowance funding approach, which provides for specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenue from state sources is primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the State's School Aid Fund and is recognized as revenue in accordance with state law. A major portion of the Academy's revenue is derived from this state aid. As such, the Academy is considered to be economically dependent on this aid. The Academy's existence is dependent upon qualification for such aid.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with explanations to better identify the relationships between the government-wide statements and the statements for governmental funds.

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

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

Cash and Cash Equivalents

The Academy's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition. The Academy reports its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and GASB No. 40, Deposit and Investment Risk Disclosures. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the Academy intends to hold the investment until maturity. The Academy held no investments during the year ended June 30, 2025. State statutes authorize the Academy to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, saving accounts, deposit accounts, and or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Academy is also authorized to invest in U.S. Government or Federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables

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

Prepaid Expenses

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

Capital Assets and Depreciation

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

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

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

Accrued Expenses and Long-Term Obligations

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

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 School Employees Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Postemployment Benefits Other Than Pensions

For purposes of measuring the net OPEB asset, 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 School Employees Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. 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.

Net Position

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

Net position is displayed in the following three components:

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

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

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

Fund Balance

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

a. *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

b. *Committed fund balance* – amounts that can only be used for specific purposes pursuant to specific purposes imposed by formal action of the Academy's highest level of decision-making authority, the Board. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.

c. *Assigned fund balance* – amounts the Board intends to use for a specific purpose; intent can be expressed by the Board or by an official or committee to which the Board delegates the authority.

d. *Unassigned fund balance* – amounts that include the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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

Leases

Leases and Subscription Based IT Arrangements (SBITA)

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- The Academy uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Academy generally uses its estimated incremental borrowing rate as the discount rate for leases/SBITA.

- The lease/SBITA term includes the noncancelable period of the lease/subscription. Lease/SBITA payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase option price that the Academy is reasonably certain to exercise.

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

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

Estimates

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

Implemented and Upcoming Accounting Pronouncements

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

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

a. Management's discussion and analysis (MD&A);
    i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
        1) Overview of the Financial Statements,
        2) Financial Summary,
        3) Detailed Analyses,
        4) Significant Capital Asset and Long-Term Financing Activity,
        5) Currently Known Facts, Decisions, or Conditions;
    ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
    iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;

b. Unusual or infrequent items;

THE NEW STANDARD ACADEMY

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
   i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
   ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;

d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;

e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

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

In September 2024, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the Academy to have its budget in place by July 1. Expenditures in excess of amounts budgeted is a violation of Michigan Law. The Academy is required by law to adopt a general fund budget. During the year ended June 30, 2025 the budget was amended in a legally permissible manner. During the year ended June 30, 2025 the Academy performed against its budget, as referenced in the table of contents to these financial statements.

NOTE 3 - DEPOSITS AND INVESTMENTS

Interest Rate Risk

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

Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2025, the Academy held no investments.

Concentration of Credit Risk

The Academy will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Academy's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. As of June 30, 2025, the Academy held no investments.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. As of June 30, 2025, $1,987,171 of the Academy's cash was exposed to credit risk as it was not covered by federal deposit insurance. All cash balances were uncollateralized as of June 30, 2025.

Custodial Credit Risk - Investments

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

The Academy will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Academy will do business. As of June 30, 2025, the Academy held no investments.

Foreign Currency Risk

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

NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

Fair Value

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

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

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Academy has the ability to access.

b. Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.

c. Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The observable inputs should be developed based on the best information available in the circumstances and may include the Academy's own data.)

The Academy does not have any investments that are subject to fair value measurement.

NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of the following:

Local sources	$ 474,227
State sources	1,805,944
Federal sources	745,503
Total	$ 3,025,674

THE NEW STANDARD ACADEMY

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

NOTE 5 - CAPITAL ASSETS

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

	Balance July 1, 2024	Additions	Disposals	Balance June 30, 2025
Capital assets subject to depreciation / amortization				
Right to use - building	$ 1,441,377	$ 2,512,867	$ 1,441,377	$ 2,512,867
Right to use - equipment	591,748	73,005	-	664,753
Right to use - subscription-based IT	323,398	-		323,398
Equipment	155,316	98,730	-	254,046
Furniture	285,863	23,299	-	309,162
Technology equipment	656,816	295,370	-	952,186
Improvements	1,028,580	51,608	-	1,080,188
Total asset cost basis	4,483,098	3,054,879	1,441,377	6,096,600
Accumulated depreciation / amortization				
Right to use - building	1,441,377	502,573	1,441,377	502,573
Right to use - equipment	392,916	215,500	-	608,416
Right to use - subscription-based IT	215,598	107,800	-	323,398
Equipment	145,906	13,723	-	159,629
Furniture	249,689	12,238	-	261,927
Technology equipment	547,961	127,068	-	675,029
Improvements	262,579	82,680	-	345,259
Sub-total	3,256,026	1,061,582	1,441,377	2,876,231
Total net capital assets	$ 1,227,072	$ 1,993,297	$ -	$ 3,220,369

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

NOTE 6 – NOTES PAYABLE

Notes payable as of June 30, 2025 can be summarized as follows:

Loan Information

	Interest Rate	Maturity Date	Other
SAAN 24-25	5.90%	August, 2025	Issued to provide the Academy with funds to finance its operations; secured by future state aid payments

Loan Activity

	Balance July 1, 2024	Additions	Retirements and Payments	Balance June 30, 2025
SAAN 24-25	$ -	$ 1,000,000	$ 813,517	$ 186,483

NOTE 7 – OTHER ACCRUED LIABILITIES

Other accrued liabilities may be summarized as follows:

Purchased services - payroll and benefits	$ 722,640
Management fee	154,545
University oversight fee	43,910
Other accrued expenses	28,916
Total other accrued liabilities	$ 950,011

NOTE 8 – LONG TERM OBLIGATIONS

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

Loan Information

	Interest Rate	Maturity Date	Other
Direct borrowing - building	7.9%	June, 2029	Payable at approximately $50,000 monthly
Direct borrowing - equipment	3% - 7%	July, 2027	School buses and copiers

NOTE 8 – LONG TERM OBLIGATIONS - Continued

Loan Activity

	Balance July 1, 2024	Additions	Retirements and Payments	Balance June 30, 2025	Due Within One Year
Direct borrowing - building	$ -	$ 2,512,867	$ 433,087	$ 2,079,780	$ 465,338
Direct borrowing - equipment	207,918	73,005	223,342	57,581	25,465
	$ 207,918	$ 2,585,872	$ 656,429	$ 2,137,361	$ 490,803

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

	Principal	Interest
2026	$ 490,803	$ 138,316
2027	525,740	101,680
2028	543,588	62,867
2029	577,230	22,772

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan and a fiduciary component unit of 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 school 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 School 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.

NOTE 9 – DEFINED BENEFIT PENSION PLAN - Continued

The System's financial statements are available on the ORS website at Michigan.gov/ORSSchools.

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 school 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 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 fiscal year ended September 30, 2024.

Pension Contribution Rates

Benefit Structure	Member	Academy
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

Required contributions to the pension plan from the Academy were $9,154 for the year ended September 30, 2024.

NOTE 9 – DEFINED BENEFIT PENSION PLAN - Continued

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

At June 30, 2025, the Academy reported a liability of 53,606 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 .00021896 percent, which was an increase of 100 percent from its proportion measured as of September 30, 2023.

For the year ending June 30, 2025, the Academy recognized pension expense of $19,229. At June 30, 2025, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,454	$ 582
Changes of assumptions	5,589	3,928
Net difference between projected and actual earnings on pension plan investments	-	10,230
Changes in proportion and differences between Academy contributions and proportionate share of contributions	51,302	74
Total	$ 58,345	$ 14,814

NOTE 9 – DEFINED BENEFIT PENSION PLAN - Continued

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2025	$ 13,164
2026	15,160
2027	11,033
2028	4,174

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Academy 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 Academy 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 Programs	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 (including wage inflation at 2.75%):	2.75 – 11.55%
Cost-of-Living Pension Adjustments	3% Annual Non-Compounded for MIP Members

NOTE 9 – DEFINED BENEFIT PENSION PLAN - Continued

Mortality

Retirees: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Active Members: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Notes

Assumption changes as a result of an experience study for the periods 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 in years: 4.4612

Recognition period for assets in years: 5.0000

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

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, 2023, are summarized in the following table:

NOTE 9 – DEFINED BENEFIT PENSION PLAN - Continued

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
Total	100.0 %	

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

Rate of Return

For the fiscal 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, 6.00% for the Pension Plus 2 plan, 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, 6.00% 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.

NOTE 9 – DEFINED BENEFIT PENSION PLAN - Continued

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, 6.0% 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 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
$ 78,587	$ 53,606	$ 32,804

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

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

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employers, state-wide, defined benefit public employee retirement plan and a fiduciary component unit of 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 School 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 Michigan.gov/ORSSchools.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

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 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 Jan. 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 School 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.

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 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.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

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

Benefit Structure	Member	Academy
Premium Subsidy	3.00 %	8.31 %
Personal Healthcare Fund (PHF)	0.00	7.06

Required contributions to the OPEB plan from the Academy were $3,303 for the year ended September 30, 2024.

OPEB (Asset)/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the Academy reported an asset of $(17,106) for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2023. The Academy's proportion of the net OPEB asset was determined by dividing each employers 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 .00039740 percent, which was an increase of 100 percent from its proportion measured as of October 1, 2023.

For the year ending June 30, 2025, the Academy recognized OPEB expense (benefit) of ($4,524). 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
Differences between expected and actual experience	$ -	$ 18,127
Changes of Assumptions	3,736	429
Net difference between projected and actual earnings on OPEB plan investments	-	3,238
Changes in proportion and differences between Academy contributions and proportionate share of contributions	8,781	-
Total	$ 12,517	$ 21,794

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

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:

Year Ended June 30,	Amount
2025	$ (4,212)
2026	(1,871)
2027	(1,807)
2028	(1,480)
2029	(53)
Thereafter	146

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Academy 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 Academy 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 (including wage inflation at 2.75%):	2.75 - 11.55 %
Healthcare Cost Trend Rate:	
	Pre-65: 7.75% Year 1 graded to 3.5% Year 15
	Post-65: 6.5% Year 1 graded to 3.5% Year 15

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

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 Members: 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 one or more dependents

Notes

Assumption changes as a result of an experience study for the periods 2017 through 2022 have been adopted by the System for use in the annual OPEB 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 in years: 6.2834

Recognition period for assets in years: 5.0000.

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

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

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, 2023, 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
Total	100.0 %	

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

Rate of Return

For the fiscal 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 Academy 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.

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - Continued

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

The following presents the Academy's proportionate share of the net OPEB asset calculated using the discount rate of 6.95%, as well as what the Academy's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
$ (13,219)	$ (17,106)	$ (20,466)

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

The following presents the Academy's proportionate share of the net OPEB asset calculated using assumed trend rates, as well as what the Academy's proportionate share of net OPEB asset 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
$ (20,466)	$ (17,106)	$ (13,502)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2023 MPSERS CAFR, available on the ORS website at www.michigan.gov/orsschools.

NOTE 11 - RETIREMENT PLAN

All leased employees of the Academy are eligible to participate in a retirement plan established by the Academy's management company (the employer) which qualifies under the provisions of Section 401(k) of the Internal Revenue Code. The Academy, under this plan, will reimburse the employer's contribution of 4% of salaries regardless of the amount the employee contributes. The Academy will additionally reimburse the employer's match up to 4% of employee contributed funds. Eligible employees may contribute up to 15% of their salaries under the terms of this plan.

NOTE 12 - RISK MANAGEMENT

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

REQUIRED SUPPLEMENTARY INFORMATION

THE NEW STANDARD ACADEMY

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

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local sources	$ 69,600	$ 46,504	$ 37,189	$ (9,315)
State sources	11,159,686	12,546,630	11,524,960	(1,021,670)
Federal sources	3,218,400	889,926	781,261	(108,665)
Interdistrict sources	-	173,188	234,152	60,964
Total general fund revenues	14,447,686	13,656,248	12,577,562	(1,078,686)
Expenditures				
Instruction				
Basic programs	4,649,696	4,485,403	4,470,304	(15,099)
Added needs	1,633,858	1,945,479	1,188,084	(757,395)
Support services				
Pupil support services	92,871	335,120	394,116	58,996
Instructional staff support services	417,732	531,376	415,334	(116,042)
General administration	1,143,162	1,165,900	1,114,791	(51,109)
School administration	550,370	700,603	653,814	(46,789)
Business support services	35,000	33,900	51,533	17,633
Operations and maintenance	1,382,612	1,805,588	1,645,135	(160,453)
Pupil transportation services	448,803	465,278	513,536	48,258
Central support services	126,000	114,186	99,410	(14,776)
Student activities	595,348	217,677	225,863	8,186
Athletic activities	-	603,957	561,766	(42,191)
Community services	5,700	86,097	83,736	(2,361)
Capital outlay	2,512,900	3,008,015	3,054,879	46,864
Debt principal and interest	811,940	811,940	832,504	20,564
Total general fund expenditures	14,405,992	16,310,519	15,304,805	(1,005,714)
Excess (deficiency) of revenues over expenditures	41,694	(2,654,271)	(2,727,243)	(72,972)
Other Financing Sources (Uses)				
Leases issued	-	2,512,900	2,585,872	72,972
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	41,694	(141,371)	(141,371)	-
Fund balance - July 1, 2024	949,009	949,009	949,009	-
Fund balance - June 30, 2025	$ 990,703	$ 807,638	$ 807,638	$ -

THE NEW STANDARD ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NEW STANDARD ACADEMY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY MICHIGAN PUBLIC SCHOOL EMPLOYEE'S RETIREMENT SYSTEM
DETERMINED AS OF THE PLAN YEAR ENDED SEPTEMBER 30, 2024

		2024
Academy's proportion of net pension liability (%)		0.00021896%
Academy's proportionate share of net pension liability	$	53,606
Academy's covered-employee payroll	$	39,750
Academy's proportionate share of net pension liability as a percentage of its covered-employee payroll		135%
Plan fiduciary net position as a percentage of total pension liability		74.44%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years which information is available.

THE NEW STANDARD ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NEW STANDARD ACADEMY'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEE'S RETIREMENT SYSTEM
DETERMINED AS OF THE YEAR ENDED JUNE 30, 2025

		2025
Statutorily required contributions	$	1,785
Contributions in relation to statutorily required contributions		1,785
Contribution deficiency/(excess)	$	-
Academy's covered-employee payroll	$	7,750
Contributions as a percentage of covered-employee payroll		23.03%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years which information is available.

THE NEW STANDARD ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NEW STANDARD ACADEMY'S PROPORTIONATE SHARE OF THE NET OPEB (ASSET)/LIABILITY MICHIGAN PUBLIC SCHOOL EMPLOYEE'S RETIREMENT SYSTEM
DETERMINED AS OF THE PLAN YEAR ENDED SEPTEMBER 30, 2024

		2024
Academy's proportion of net OPEB asset (%)		0.00039740%
Academy's proportionate share of net OPEB asset	$	(17,106)
Academy's covered-employee payroll	$	39,750
Academy's proportionate share of net OPEB asset as a percentage of its covered-employee payroll		-43.03%
Plan fiduciary net position as a percentage of total OPEB asset		143.08%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years which information is available.

THE NEW STANDARD ACADEMY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NEW STANDARD ACADEMY'S PROPORTIONATE SHARE OF THE NET OPEB (ASSET)/LIABILITY MICHIGAN PUBLIC SCHOOL EMPLOYEE'S RETIREMENT SYSTEM
DETERMINED AS OF THE YEAR ENDED JUNE 30, 2025

		2025
Statutorily required OPEB contributions	$	644
OPEB Contributions in relation to statutorily required contributions		644
Contribution deficiency/(excess)	$	-
Academy's covered-employee payroll	$	7,750
OPEB Contributions as a percentage of covered-employee payroll		8.31%

NOTES TO SCHEDULE:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those years which information is available.

THE NEW STANDARD ACADEMY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES FOR THE YEAR ENDED JUNE 30, 2025

Defined Benefit Pension Plan

Benefit Changes – See Note 9 to the financial statements for discussion of benefit terms and assumptions.

Changes in Assumptions – See Note 9 to the financial statements for discussion of benefit terms and assumptions.

Postemployment Benefits Other Than Pensions (OPEB)

Benefit Changes – See Note 10 to the financial statements for discussion of benefit terms and assumptions.

Changes in Assumptions – See Note 10 to the financial statements for discussion of benefit terms and assumptions.

SUPPLEMENTARY INFORMATION

THE NEW STANDARD ACADEMY

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

Local Sources	
Student activities	$ 4,015
Other local revenues	33,174
Total local sources	37,189
State Sources	
At risk	1,760,031
Great start readiness program	769,402
Special education	49,904
State aid	8,945,623
Total state sources	11,524,960
Federal Sources	
IDEA	111,904
Title I	496,518
Title II A	62,741
Title IV	34,305
Other program revenue	75,793
Total federal sources	781,261
Interdistrict Sources	234,152
Total general fund revenues	$ 12,577,562

THE NEW STANDARD ACADEMY

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

Basic Programs	
Purchased services	$ 4,223,106
Supplies and materials	148,516
Other expenditures	98,682
Total basic programs	4,470,304
Added Needs	
Purchased services	1,170,611
Supplies and materials	17,473
Total added needs	1,188,084
Pupil Support Services	
Health services	40,000
Psychological services	15,450
Speech pathology and audiology	31,675
Other pupil services	306,991
Total pupil support services	394,116
Instructional Staff Support Services	
Purchased services	375,040
Supplies and materials	40,294
Total instructional staff support services	415,334
General Administration	
Purchased services	63,010
Management fees	802,510
University oversight	241,398
Other expenditures	7,873
Total general administration	1,114,791

THE NEW STANDARD ACADEMY

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

School Administration	
Purchased services	592,505
Supplies and materials	33,435
Other expenditures	27,874
Total school administration	653,814
Business Support Services	
Purchased services	19,153
Other expenditures	32,380
Total business support services	51,533
Operations and Maintenance	
Purchased services	851,441
Repairs and maintenance	324,109
Rentals	202,510
Supplies and materials	241,229
Non-depreciable capital assets	24,430
Other expenditures	1,416
Total operations and maintenance	1,645,135
Pupil Transportation Services	
Purchased services	426,596
Repairs and maintenance	42,746
Supplies and materials	40,224
Other expenditures	3,970
Total pupil transportation services	513,536
Central Support Services	
Purchased services	18,511
Repairs and maintenance	80,899
Total central support services	99,410

THE NEW STANDARD ACADEMY

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

Student Activities	
Purchased services	87,894
Supplies and materials	18,045
Other expenditures	119,924
Total student activities	225,863
Athletic Activities	
Purchased services	187,130
Other purchased services	70,247
Supplies and materials	225,258
Other expenditures	79,131
Total athletic activities	561,766
Community Services	
Purchased services	70,863
Supplies and materials	5,178
Other expenditures	7,695
Total community services	83,736
Capital Outlay	3,054,879
Debt Principal and Interest	832,504
Total general fund expenditures	$ 15,304,805