Uplift Michigan Online School

Financial Report
with Supplementary Information
June 30, 2026

Uplift Michigan Online School

Contents

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-6
Basic Financial Statements	
Academy-wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements -	
Governmental Fund:	
Balance Sheet	9
Reconciliation of the Balance Sheet to the Statement of Net Position	10
Statement of Revenue, Expenditures, and Changes in Fund Balance	11
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance to the Statement of Activities	12
Notes to Financial Statements	13-19
Required Supplementary Information	20
Budgetary Comparison Schedule - General Fund	21
Note to Required Supplementary Information	22
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*	23-25

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Independent Auditor's Report

To the Board of Directors
Uplift Michigan Online School

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of Uplift Michigan Online School (the "Academy") as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise Uplift Michigan Online School'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 and the major fund of Uplift Michigan Online School as of June 30, 2026 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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.

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2026 on our consideration of Uplift Michigan Online School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Uplift Michigan Online School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Uplift Michigan Online School's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 15, 2026

This section of Uplift Michigan Online School's (the "Academy") annual financial report presents our discussion and analysis of the Academy's financial performance during the year ended June 30, 2026. Please read it in conjunction with the Academy's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Uplift Michigan Online School financially as a whole. The academy-wide financial statements provide information about the activities of the whole Academy, presenting both an aggregate view of the Academy's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the Academy's operations in more detail than the academy-wide financial statements by providing information about the Academy's most significant fund, the General Fund. This report is composed of the following elements:

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

Basic Financial Statements

Academy-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

Note to Required Supplementary Information

Reporting the Academy as a Whole - Academy-wide Financial Statements

One of the most important questions asked about the Academy is, “As a whole, what is the Academy's financial condition as a result of the year's activities?” The statement of net position and the statement of activities, which appear first in the Academy's financial statements, report information on the Academy as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Academy's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position - as one way to measure the Academy's financial health or financial position. Over time, increases or decreases in the Academy's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the Academy's operating results. However, the Academy's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the Academy.

The statement of net position and the statement of activities report the governmental activities for the Academy, which encompass all of the Academy's services, including instruction, support services, and food services. Unrestricted state aid (foundation allowance revenue) and state and federal grants finance most of these activities.

Reporting the Academy's Fund Financial Statements

The Academy's fund financial statements provide detailed information about the most significant funds, not the Academy as a whole. Some funds are required to be established by state law. The governmental funds of the Academy use the following accounting approach:

Governmental Funds

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Academy and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

The Academy as a Whole

Recall that the statement of net position provides the perspective of the Academy as a whole. The following table provides a summary of the Academy's net position as of June 30, 2026 and 2025:

	Governmental Activities	
	2026	2025
	(in thousands)	
Assets	$ 3,664.6	$ 3,436.8
Liabilities - Current	1,524.2	1,621.5
Net Position - Unrestricted	**$ 2,140.4**	**$ 1,815.3**

The above analysis focuses on net position. The change in net position of the Academy's governmental activities is discussed below. The Academy's net position was approximately $2,140,000 at June 30, 2026. The total net position of approximately $2,140,000 was unrestricted.

The approximately $2,140,000 in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The unrestricted net position balance enables the Academy to meet working capital and cash flow requirements and to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the Academy as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2026 and 2025:

	Governmental Activities	
	2026	2025
	(in thousands)	
Revenue		
Program revenue - Operating grants	$ 2,061.9	$ 1,514.2
General revenue:		
State aid not restricted to specific purposes	6,970.1	5,939.5
Other	4.2	1.1
Total revenue	9,036.2	7,454.8
Expenses		
Instruction	3,620.8	3,339.1
Support services	4,960.5	4,353.9
Community services	129.8	111.6
Total expenses	8,711.1	7,804.6
Change in Net Position	325.1	(349.8)
Net Position - Beginning of year	1,815.3	2,165.1
Net Position - End of year	**$ 2,140.4**	**$ 1,815.3**

As reported in the statement of activities, the cost of all of our governmental activities this year was approximately $8,711,100. Certain activities were partially funded from those who benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions of approximately $2,061,900. We paid for the remaining public benefit portion of our governmental activities with approximately $6,974,300 in state foundation allowance and other revenue (i.e., interest and general entitlements).

The Academy experienced an increase in net position of approximately $325,100, which is explained primarily in *The Academy's Fund* section below.

As discussed above, the net cost shows the financial burden that was placed on the State by each of these functions. Since unrestricted state aid constitutes the vast majority of academy operating revenue sources, the board of directors and administration must annually evaluate the needs of the Academy and balance those needs with state-prescribed available unrestricted resources.

The Academy's Fund

As we noted earlier, the Academy uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the Academy is being accountable for the resources the State and others provide to it and may provide more insight into the Academy's overall financial health.

In the General Fund, the Academy's only fund, the fund balance increased by $326,027 from the prior year. The primary factors contributing to this increase included an increase in student enrollment of 112 students compared to the prior year, resulting in additional state foundation allowance revenue, as well as increased grant funding available to support the needs of at-risk students. The additional funding provided the Academy with greater resources to support instructional programming, student interventions, and other educational services. Management continued to monitor revenue and expenditures throughout the fiscal year to ensure that available resources were aligned with student needs and the Academy’s operating priorities. The increase in fund balance strengthens the Academy’s financial position and provides additional resources to support ongoing operations and address future financial needs.

Currently Known Facts, Decisions, or Conditions

Our elected officials and administration consider many factors when setting the Academy's 2026-2027 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2026-2027 budget was adopted in June 2026 based on an estimate of students who will enroll in September 2026. Approximately 86.0 percent of total General Fund revenue is from the foundation allowance. Under state law, the Academy cannot access additional property tax revenue for general operations. As a result, the Academy's funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2026-2027 school year, we anticipate that the fall student count will not exceed the estimates used in creating the 2026-2027 budget. Once the final student count and related per pupil funding are validated on the December Status report management will provide an updated proposed budget to the Board for approval. State law requires the Academy to amend the budget if actual academy resources are not sufficient to fund original appropriations.

Since the Academy's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the Academy. The State periodically holds a Revenue Estimating Conference to estimate revenue. Based on the results of the most recent conference, there will be an increase of approximately $250 per pupil. The Academy adopted its 2026-2027 budget, including a $250 per pupil increase, based on the estimate from the State.

Uplift Michigan Online School

Statement of Net Position

June 30, 2026

	Governmental Activities
Assets	
Cash and investments (Note 4)	$ 1,873,050
Receivables:	
Other receivables	39,550
Due from other governments	1,572,043
Prepaid expenses and other assets	179,935
Total assets	3,664,578
Liabilities	
Accounts payable	303
Accrued liabilities and other	977,353
Unearned revenue (Note 5)	546,528
Total liabilities	1,524,184
Net Position - Unrestricted	**$ 2,140,394**

See notes to financial statements.

Uplift Michigan Online School

Statement of Activities

Year Ended June 30, 2026

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Primary government - Governmental activities:				
Instruction	$ 3,620,770	$ -	$ 1,178,572	$ (2,442,198)
Support services	4,960,531	-	748,103	(4,212,428)
Community services	129,833	-	135,265	5,432
Total primary government	**$ 8,711,134**	**$ -**	**$ 2,061,940**	(6,649,194)
General revenue:				
State aid not restricted to specific purposes				6,970,077
Interest and investment earnings				3,962
Other local revenue				285
Total general revenue				6,974,324
Change in Net Position				325,130
Net Position - Beginning of year				1,815,264
Net Position - End of year				**$ 2,140,394**

See notes to financial statements.

Uplift Michigan Online School

Governmental Fund Balance Sheet

June 30, 2026

	General Fund
Assets	
Cash and investments (Note 4)	$ 1,873,050
Receivables:	
Other receivables	39,550
Due from other governments	1,572,043
Prepaid expenses and other assets	179,935
Total assets	**$ 3,664,578**
Liabilities	
Accounts payable	$ 303
Accrued liabilities and other	977,353
Unearned revenue (Note 5)	546,528
Total liabilities	1,524,184
Fund Balance	
Nonspendable	179,935
Unassigned	1,960,459
Total fund balance	2,140,394
Total liabilities and fund balance	**$ 3,664,578**

Uplift Michigan Online School

Governmental Fund
Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2026

Fund Balance Reported in Governmental Fund	$ 2,140,394
Net Position of Governmental Activities	**$ 2,140,394**

Uplift Michigan Online School

Governmental Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2026

	General Fund
Revenue	
Local sources	$ 4,247
State sources	8,403,737
Federal sources	523,894
Interdistrict sources	105,283
Total revenue	9,037,161
Expenditures	
Current:	
Instruction:	
Basic programs	2,291,571
Added needs	1,329,199
Support services:	
Pupil	659,552
Instructional staff	360,497
General administration	1,665,397
School administration	514,092
Business	286,763
Operations and maintenance	26,519
Pupil transportation services	2,616
Central	1,445,095
Community services	129,833
Total expenditures	8,711,134
Net Change in Fund Balance	326,027
Fund Balance - Beginning of year	1,814,367
Fund Balance - End of year	**$ 2,140,394**

See notes to financial statements.

Uplift Michigan Online School

Governmental Fund
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance to the Statement of Activities

Year Ended June 30, 2026

Net Change in Fund Balance Reported in Governmental Fund	$	326,027
Amounts reported for governmental activities in the statement of activities are different because:		
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available		(897)
Change in Net Position of Governmental Activities	**$**	**325,130**

See notes to financial statements.

Note 1 - Nature of Business

Uplift Michigan Online School d/b/a Uplift Michigan Academy (the "Academy") is an academy in the state of Michigan that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The Academy follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the Academy:

Reporting Entity

The Academy was formed as a charter 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, on April 13, 2017, and began full school operations in July 2018.

The Academy operates under a contract with Stephenson Area Public Schools Board of Education to charter a public school academy. The contract requires the Academy to act exclusively as a governmental agency and not undertake any action inconsistent with its status as an entity authorized to receive state school aid funds pursuant to the state constitution. The Stephenson Area Public Schools Board of Education 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 underwent a reauthorization process to extend the charter to June 30, 2031.

The Academy pays the Stephenson Area Public Schools Board of Education 3.0 percent of state aid as administrative fees. The total administrative fees for the year ended June 30, 2026 to the Stephenson Area Public Schools Board of Education were approximately $251,000.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the academy-wide perspective and the fund-based perspective. The academy-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Academy. The academy-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Unrestricted intergovernmental receipts and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the academy-wide financial statements.

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

Note 2 - Significant Accounting Policies (Continued)

Fund Accounting

Governmental Fund

The governmental fund includes all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Academy reports the following fund as the major and only governmental fund:

- **General Fund** - The General Fund is the primary operating fund. It accounts for all financial resources of the Academy.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the Academy has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Academy considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash includes cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Investments are stated at fair value except for investments in external investment pools, which are valued at amortized cost.

Receivables and Payables

In general, outstanding balances between funds are reported as due to/from other funds. The Academy considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Prepaid Items

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both academy-wide and fund financial statements, when applicable.

Note 2 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets are defined by the Academy as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The Academy does not have infrastructure-type assets.

Net Position

Net position of the Academy is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and amortization and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The Academy will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the academy-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Academy's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The Academy itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Note 2 - Significant Accounting Policies (Continued)

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

Grants and Contributions

The Academy receives federal, state, and local grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as noncapital subsidies revenue. Amounts restricted to capital acquisitions are reported as other nonoperating revenue.

Accounting Changes

Adoption of New Accounting Pronouncement

During the current year, the Academy adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The new accounting standard impacted the organization and disclosure requirements of management's discussion and analysis and budgetary comparison disclosures in the required supplementary information. The implementation of this standard did not result in a significant change to the Academy's financial statements.

Upcoming Accounting Pronouncement

In December 2025, the Governmental Accounting Standards Board issued Statement No. 105, *Subsequent Events*, which improves financial reporting requirements for subsequent events by clarifying the subsequent events time frame and the distinction between recognized and nonrecognized events. This statement also establishes specific note disclosure requirements and requires disclosure of the date through which subsequent events have been evaluated. The provisions of this statement are effective for the Academy's financial statements for the year ending June 30, 2027.

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

An annual budget is adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the Academy to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits academies to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. Amendments were made during the year to refine enrollment and related spending projections.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Note 4 - Deposits and Investments

State statutes and the Academy's investment policy authorize the Academy to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The Academy is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The Academy's deposits and investments are in accordance with statutory authority.

The Academy has designated one bank for the deposit of its funds.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost except for the Michigan Liquid Asset Fund, which has a 1-day minimum investment period, and investments may not be redeemed for at least 14 calendar days with the exception of direct investments of funds distributed by the State of Michigan. Redemptions made prior to the end of the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount so redeemed.

The Academy's cash is subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Academy's deposits may not be returned to it. The Academy evaluates its depositories, and only those with an acceptable risk level are used for the Academy's deposits. At year end, the Academy had bank deposits totaling $1,202,812 (a singular checking account) that were uninsured and uncollateralized. The Academy believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

At year end, the Academy's deposits were reported in the basic financial statements as cash of $1,369,088.

Custodial Credit Risk of Investments

Custodial credit risk 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's investment policy states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Academy will do business using the criteria established in the investment policy. At June 30, 2026, the Academy does not have investments with custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Academy's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

Note 4 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Academy has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
Primary Government			
MILAF - Cash Management Class	$ 503,962	AAAm	S&P

Concentration of Credit Risk

The Academy places no limit on the amount it may invest in any one issuer. The Academy's investment policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. At June 30, 2026, all of the Academy's investments were all in MILAF investment pools.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the Academy's investment policy prohibit investments in foreign currency.

Note 5 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned.

At June 30, 2026, the Academy had no unavailable revenue and $546,528 of unearned revenue primarily related to grant and categorical aid payments received prior to meeting all eligibility requirements.

Note 6 - Management Agreement

Effective July 1, 2024, the Academy entered into a management services agreement with NextLvl Management Consulting, LLC (NextLvl) to provide educational, administrative, and operational management services. The agreement extends through June 30, 2031, unless terminated or amended in accordance with its provisions. Under the agreement, the Academy is required to pay a management fee equal to 15 percent of total revenue received by or accrued to the Academy, as defined in the agreement. During the year ended June 30, 2026, the Academy incurred management fee expense of approximately $1,400,000 payable to NextLvl.

Effective July 1, 2024, the Academy also entered into a separate Human Resources and Financial Services Agreement with Summit Management Consulting, LLC (Summit). Under this agreement, Summit provides financial services, including accounting system maintenance, budgeting, financial reporting, payroll accounting, audit preparation, and related business office services. The Academy pays Summit a fee equal to 3 percent of all revenue received by or accrued to the Academy for these financial services.

The Summit agreement also provides staffing and human resource services, including employer-of-record responsibilities, recruitment, personnel administration, payroll processing, benefits administration, regulatory reporting, and compliance services. The Academy pays Summit a fee equal to 5 percent of all revenue received by or accrued to the Academy for these staffing and human resource services.

Note 6 - Management Agreement (Continued)

During the year ended June 30, 2026, the Academy incurred financial services fees of approximately $271,000 and human resource services fees of approximately $452,000 payable to Summit.

Approximately $513,000 of accrued liabilities in the accompanying financial statements are amounts due related to management fees.

Note 7 - Related Party Transactions

Summit Management Consulting, LLC and NextLvl Management Consulting, LLC provide financial and management services, respectively, to the Academy as described in Note 6. The Academy's chief acting officer (the "CAO") is also a member/owner of Summit Management Consulting, LLC and NextLvl Management Consulting, LLC. The board of directors is directly responsible for appointing the management company, and the CAO is not eligible to vote for this appointment.

Note 8 - Risk Management

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The risk of employee injuries and medical benefits for employees of the management company is covered by the insurance held by the management company. The Academy has purchased commercial insurance for all other claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage since inception.

Note 9 - Retirement Plan

The Academy participates in a defined contribution 401(k) plan sponsored by Summit Management Consulting, LLC for eligible employees. The plan permits employee salary deferrals and provides for a safe harbor nonelective employer contribution equal to 3 percent of eligible compensation. The plan also permits discretionary employer matching and profit-sharing contributions. Employer contribution expense incurred by the Academy under the plan was approximately $141,000 for the year ended June 30, 2026.

Required Supplementary Information

Uplift Michigan Online School

Required Supplementary Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Over (Under) Original Budget	Actual	Over (Under) Final Budget
Revenue					
Local sources	$ -	$ 2,717	$ 2,717	$ 4,247	$ 1,530
State sources	7,802,915	8,403,371	600,456	8,403,737	366
Federal sources	383,561	514,774	131,213	523,894	9,120
Interdistrict sources	1,200	96,200	95,000	105,283	9,083
Total revenue	8,187,676	9,017,062	829,386	9,037,161	20,099
Expenditures					
Current:					
Instruction:					
Basic programs	2,198,958	2,366,222	167,264	2,291,571	(74,651)
Added needs	1,288,608	1,440,271	151,663	1,329,199	(111,072)
Total instruction	3,487,566	3,806,493	318,927	3,620,770	(185,723)
Support services:					
Pupil	541,526	680,488	138,962	659,552	(20,936)
Instructional staff	301,420	376,640	75,220	360,497	(16,143)
General administration	1,543,848	1,671,023	127,175	1,665,397	(5,626)
School administration	536,977	528,858	(8,119)	514,092	(14,766)
Business	249,722	287,371	37,649	286,763	(608)
Operations and maintenance	35,401	32,250	(3,151)	26,519	(5,731)
Pupil transportation services	1,044	3,004	1,960	2,616	(388)
Central	1,352,273	1,458,051	105,778	1,445,095	(12,956)
Total support services	4,562,211	5,037,685	475,474	4,960,531	(77,154)
Community services	118,619	127,224	8,605	129,833	2,609
Total expenditures	8,168,396	8,971,402	803,006	8,711,134	(260,268)
Net Change in Fund Balance	19,280	45,660	26,380	326,027	280,367
Fund Balance - Beginning of year	1,814,367	1,814,367	-	1,814,367	-
Fund Balance - End of year	**$ 1,833,647**	**$ 1,860,027**	**$ 26,380**	**$ 2,140,394**	**$ 280,367**

See note to required supplementary information.

Budgetary Information

Significant variances between original and amended budget - The Academy had significant variances between the original and amended budget related to state source revenue. State source revenue increased as fall enrollment projections were higher than originally anticipated, resulting in an increase in enrollment-driven state funding.

Significant variances between final budget and actual amounts - The Academy did not have significant variances between the amended budget and actual results.

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*

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

Independent Auditor's Report

To Management and the Board of Directors
Uplift Michigan Online School

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Uplift Michigan Online School (the "Academy") as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated October 15, 2026.

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 have not been 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*.

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To Management and the Board of Directors
Uplift Michigan Online School

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.

Plante & Moran, PLLC

October 15, 2026