Grattan Academy Financial Administrative Review
September 30, 2016, Quarterly Report

Grattan Academy made the hard choice to consolidate into one building this year. All grades (K-12) are now offered at 9481 Jordan Road in Greenville.

In addition, in their re-branding efforts, they are in the process of changing their name to Flat River Academy.

A new management company has been sought and is in place.

Marketing strategies are ongoing. The bond holders, Municipal Capital Markets Group, Inc., have taken an active role in marketing as well.

Administrative Review Authorizer Recommendations
Grattan Academy

Recommendations and Conclusions:

Based on the attached independent accountant's report on applying agreed-upon procedures for Grattan Academy, the following conclusions and recommendation are noted:

Over the past four years, Grattan Academy has incurred a gradual loss of students. With student enrollment at 296 students in 2012, to 223 students during the 2015-16 school year, the reduction has impacted Grattan's ability to maintain a stable financial standing. Additionally, Grattan Academy has a significantly large debt service amount of approximately $300,000. The financing of both school buildings, coupled with declining student enrolment requires a plan of action to stabilize student numbers and immediate review of financing options.

To remedy the student enrollment needs, Grattan Academy shall establish a targeted growth plan, including the review of mission, vision, branding, and other components of their strategic plan. Grattan Academy shall also seek refinancing the loan structure, to address the large debt service concern.

Also, please find attached the transportation recommendations for Grattan Academy compiled as part of the Administrative Review. The School University Partnership Office at Saginaw Valley State University (SUPO) will continue providing oversight and monitoring Grattan Academy's financial position, complying with the requirements set by the Michigan Department of Treasury.

David A. Lewis, Director
July 28, 2016