

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors of White Pine Academy

We have audited the accompanying financial statements of White Pine Academy for the year ended June 30, 2011. Our audit was made for the purpose of forming an opinion on the financial statements as a whole. The additional information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of White Pine Academy. This information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements as a whole.

Croskey Lanni, PC

August 29, 2011
Rochester, Michigan

WHITE PINE ACADEMY

REQUIRED SUPPLEMENTAL INFORMATION BUDGETARY COMPARISON SCHEDULE – ALL GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2011

See Independent Auditor's Report on Supplemental Information

	General Fund		
	Original Budget	Final Budget	Actual
Revenues			
Local sources	\$ 24,500	\$ 17,500	\$ 16,844
State sources	1,156,969	967,399	967,371
Federal sources	111,897	142,184	131,189
Total governmental fund revenues	1,293,366	1,127,083	1,115,404
Expenditures			
Elementary school	449,435	481,587	473,797
Special education	62,114	49,906	49,952
Compensatory education	70,230	76,272	74,008
Pupil support services	6,500	3,000	2,900
Instructional staff support services	2,597	12,340	1,193
General administration	10,000	9,300	7,446
Executive administration	61,351	55,480	55,423
School administration	293,822	231,060	227,216
Business support services	1,000	78,194	78,135
Operations and maintenance	78,738	79,957	79,194
Food services	-	-	-
Community services	9,252	8,040	8,123
Capital outlay	-	925	923
Debt principal and interest	237,610	237,600	237,600
Total governmental fund expenditures	1,282,649	1,323,661	1,295,910
Excess (deficiency) of revenues over expenditures	10,717	(196,578)	(180,506)
Other Financing Sources (Uses)			
Payments from (to) intermediate school district	-	13,500	13,475
Operating transfers in	-	5,750	-
Operating transfers out	(2,165)	-	-
Total other financing sources (uses)	(2,165)	19,250	13,475
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	8,552	(177,328)	(167,031)
Fund balance - July 1, 2010	177,485	177,485	177,485
Fund balance - June 30, 2011	\$ 186,037	\$ 157	\$ 10,454

School Service Fund

<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
\$ -	\$ 15,000	\$ 11,948
-	635	633
-	15,000	14,521
-	30,635	27,102
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	24,884	24,495
-	-	-
-	-	-
-	-	-
-	-	-
-	24,884	24,495
-	5,751	2,607
-	-	-
2,165	-	-
-	(5,750)	-
2,165	(5,750)	-
2,165	1	2,607
-	-	-
\$ 2,165	\$ 1	\$ 2,607

WHITE PINE ACADEMY

SCHEDULE OF REVENUES – ALL GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2011

See Independent Auditor's Report on Supplemental Information

	General	School Service
Local Sources		
Authorizer grant	\$ 1,000	\$ -
School lunch	-	11,948
Other local revenues	15,844	-
Total local sources	16,844	11,948
State Sources		
At risk	17,838	-
School lunch	-	633
Special education	(44,681)	-
State aid	994,214	-
Total state sources	967,371	633
Federal Sources		
ARRA stabilization funds	74,358	-
IDEA and ARRA IDEA	5,621	-
National school lunch	-	14,521
Title I and ARRA Title I	22,626	-
Title II A	120	-
Title II D	538	-
Other program revenue	27,926	-
Total federal sources	131,189	14,521
Total governmental fund revenues	\$ 1,115,404	\$ 27,102

WHITE PINE ACADEMY

SCHEDULE OF EXPENDITURES – ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011
See Independent Auditor’s Report on Supplemental Information

	General	School Service
Elementary School		
Purchased services	\$ 451,027	\$ -
Rentals	4,441	-
Supplies and materials	18,271	-
Other expenditures	58	-
	473,797	-
 Special Education		
Purchased services	49,952	-
 Compensatory Education		
Purchased services	74,008	-
 Pupil Support Services		
Social work services	2,900	-
 Instructional Staff Support Services		
Purchased services	1,193	-
 General Administration		
Purchased services	7,446	-
 Executive Administration		
Management fees	25,556	-
University oversight	29,867	-
	55,423	-
 School Administration		
Purchased services	223,250	-
Supplies and materials	2,638	-
Other expenditures	1,328	-
	227,216	-
Total elementary school	473,797	-
Total special education	49,952	-
Total compensatory education	74,008	-
Total pupil support services	2,900	-
Total instructional staff support services	1,193	-
Total general administration	7,446	-
Total executive administration	55,423	-
Total school administration	227,216	-

WHITE PINE ACADEMY

SCHEDULE OF EXPENDITURES – ALL GOVERNMENTAL FUNDS - Continued FOR THE YEAR ENDED JUNE 30, 2011

See Independent Auditor's Report on Supplemental Information

Business Support Services

Purchased services	67,444	-
Other expenditures	10,691	-
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Total business support services	78,135	-

Operations and Maintenance

Purchased services	67,388	-
Repairs and maintenance	9,492	-
Supplies and materials	2,314	-
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Total operations and maintenance	79,194	-

Food Services

Purchased services	-	3,691
Supplies and materials	-	20,172
Other expenditures	-	632
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Total food services	-	24,495

Community Services

Purchased services	8,123	-
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Capital Outlay

923	-
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Debt Principal and Interest

237,600	-
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\$ 1,295,910	\$ 24,495
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**INDEPENDENT AUDITOR'S REPORT OF COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**To the Board of Directors
of White Pine Academy**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of White Pine Academy as of and for the year ended June 30, 2011, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated August 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered White Pine Academy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinions on the effectiveness of White Pine Academy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the White Pine Academy's internal control over financial reporting.

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 controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether White Pine Academy's financial statements are free of 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as finding 2011-1.

This report is intended solely for the information and use of management, the board of directors, the Michigan Department of Education, and others within the entity and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in blue ink that reads "Croskey Lanni, PC". The signature is written in a cursive style.

Croskey Lanni, PC

August 29, 2011
Rochester, Michigan

WHITE PINE ACADEMY

SCHEDULE OF FINDING AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2011

FINANCIAL STATEMENT FINDINGS

<u>Reference Number</u>	<u>Findings</u>
2011-1	<p>Program Name - CFDA # 84.367: Title II A</p> <p>Pass-Through Entity - Michigan Department of Education</p> <p>Finding Type - Noncompliance</p> <p>Criteria - The Michigan School Auditing Manual indicates that Academies may request a cash draw down only after the amount was expended.</p> <p>Condition - The Academy did not have sufficient expenditures to cover the amount of one draw down.</p> <p>Questioned - NONE</p> <p>Cause / Effect - The Academy violated its compliance with the principles of cash management by requesting federal money without first incurring enough expenditures to cover the amount of one request.</p> <p>Recommendation - The Academy should implement additional review processes to ensure that the required expenditures exist before requesting a draw down of federal money.</p> <p>Auditee Response - The Academy agrees with the finding. All necessary corrective actions have been implemented and monitored in accordance with applicable policies and procedures.</p>