

**Audited Financial Statements**

# **White Pine Academy**

Leslie, Michigan

**June 30, 2018**

## CONTENTS

	<u>Page</u>
<b>Independent Auditor's Report</b>	i - ii
<b>Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b>	iii - iv
<b>Management's Discussion and Analysis</b>	v - x
<b>Basic Financial Statements</b>	
Statement of Net Position	1
Statement of Activities	2
Combined Balance Sheet – All Governmental Funds	3
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	4
Statement of Revenues, Expenditures and Changes in Fund Balance – All Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	6
Statement of Fiduciary Net Position	7
Notes to Financial Statements	8 - 19
<b>Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund	20
Schedule of Revenues – General Fund	21
Schedule of Expenditures – General Fund	22 – 23

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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, 2018, and the related notes to the financial statements, which collectively comprise White Pine Academy's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of White Pine Academy as of June 30, 2018, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and the 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise White Pine Academy's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and schedules of revenues and expenditures, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedules of revenues and expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedules of revenues and expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2018, on our consideration of White Pine 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 White Pine 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 White Pine Academy's internal control over financial reporting and compliance.



Croskey Lanni, PC

**INDEPENDENT AUDITOR'S 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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of White Pine Academy, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise White Pine Academy's basic financial statements, and have issued our report thereon dated October 8, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered White Pine Academy's internal control over financial reporting (internal control) to determine the 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 White Pine Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of White Pine Academy's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether White Pine 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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

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

Croskey Lanni, PC

October 8, 2018  
Rochester, Michigan

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

This section of White Pine Academy’s “WPA”, annual financial report presents our discussion and analysis of the school’s financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the school’s financial statements, which immediately follow this section.

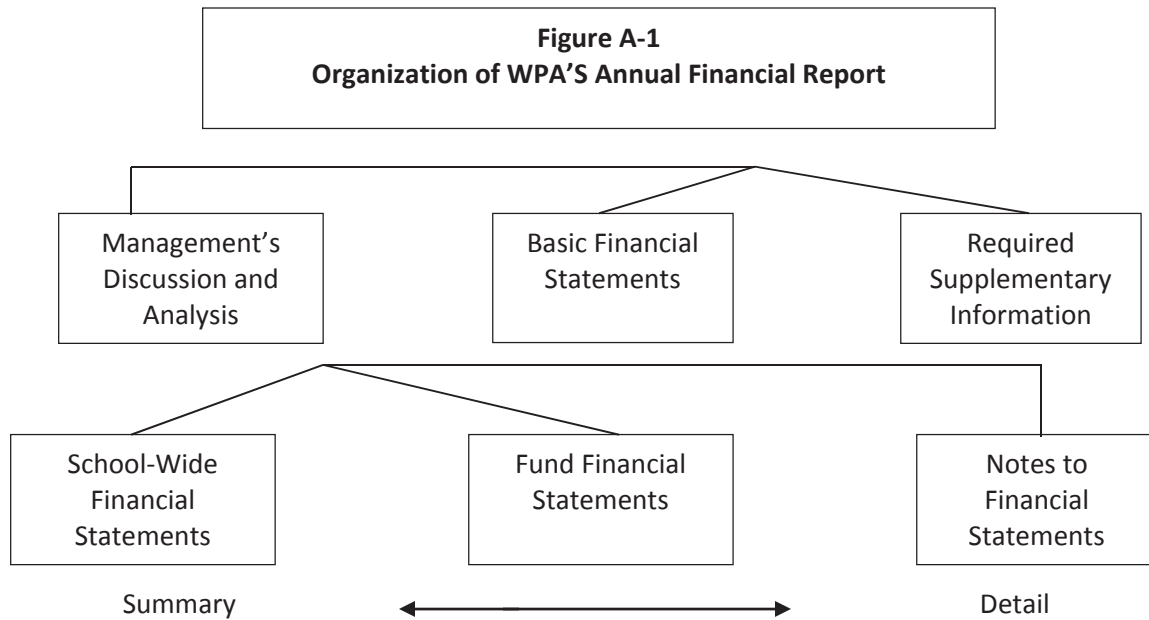
### **FINANCIAL HIGHLIGHTS**

- ❖ The school’s general fund balance decreased this year by \$31,928.
- ❖ The total cost of basic programs was \$240,520.
- ❖ Revenues were at \$634,660 while expenditures were \$657,188 in the General Fund.
  - Blended enrollment used for state aid purposes was 68.64 compared to 71.55 last year.
- ❖ The school decreased its outstanding long term debt by \$100,545.
- ❖ The school has a positive fund balance in the General Fund of \$62,032.

### **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 school:

- ❖ The first two statements are school-wide financial statements that provide both short-term and long-term information about the school’s overall financial status.
- ❖ The remaining statements are fund financial statements that focus on individual parts of the school, reporting the schools operations in more detail.
- ❖ The governmental fund statements tell how basic services like regular and special education were financed.
- ❖ Fiduciary funds statements provide information about the financial relationships in which the school acts solely as a trustee or agent for the benefit of others. These consist of student activity funds held by the school on behalf of the student group.



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 school'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 School-Wide and Fund Financial Statements**

	School-Wide Statements	Government Funds	Fiduciary Funds
Scope	Entire school (except fiduciary funds)	The activities of the school that are not proprietary or fiduciary, such as special education and building maintenance.	Instances in which the school administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	*Statement of net position *Statement of activities	*Balance sheet *Statement of revenues, expenditures and changes in fund balances	*Statement of fiduciary net position *Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources	Accrual accounting and economic resources focus
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	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the 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	All additions and deductions during the year, regardless of when cash is received or paid



Figure A-2 summarizes the major features of the school's financial statements, including the portion of the school'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.

## **SCHOOL-WIDE STATEMENTS**

The school-wide statements report information about the school as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the school's assets, deferred outflows, liabilities, and deferred inflows. 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 school wide statements report the school's net position and how it has changed. Net position – the difference between the school's assets, deferred outflows, liabilities, and deferred inflows – are one way to measure the school's financial health or position.

- ❖ Over time, increases or decreases in the school's position is an indicator of whether its financial position is improving or deteriorating, respectively.
- ❖ To assess the overall health of the school, you need to consider additional non-financial factors such as changes in the school's enrollment and the condition of school buildings and other facilities.

## **FUND FINANCIAL STATEMENTS**

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

- ❖ *Governmental activities* – Most of the school'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 school 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 school has two kinds of funds:

- ❖ *Governmental funds* – Most of the school'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 school's programs. Because this information does not encompass the additional long-term focus of the school-wide statements, we provide additional information with governmental funds statements that explains the relationship (or differences) between them.
- ❖ *Fiduciary funds* – The school is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the school-wide financial statements because the school cannot use these assets to finance its operations.

## **FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE**

The comparison of current year to prior year financial information is on the following pages. See figures A-3, A-4, and A-5.

The school's financial position is the product of many factors. Due to little or no increases in state aid for the seventh straight year, there were no new asset purchases for the year in the general fund.

### **School Governmental**

The stability of the school's finances is a result of the following measures:

- ❖ A strong fund balance had been accumulated over the years; however, in recent years the fund balance has been used to offset the costs of operations. While the current year saw the use of existing fund balance to cover operational costs, the balance remains approximately 9% of the annual budget which is a stable amount.
- ❖ WPA consistently curtails excessive spending which helped to control the annual deficit resulting from a low enrollment and a decrease in State Aid during the 2017/2018 school year.

### **General Fund Budgetary Analysis**

Over the course of the year, the school reviewed the annual operating budget several times and amended it once.

### **Financial Outlook**

White Pine Academy's financial forecast is cautiously optimistic heading into the 2018/2019 school year. Over the last year White Pine Academy has invested in a marketing strategy to increase the visibility of the school to the surrounding communities. As a result of this marketing strategy White Pine Academy has seen an increase in interest in the school which we expect to result in stabilizing the student population. In addition, state aid revenues are expected to increase by \$200 per student.

The Board has adopted budgets for 2018-19 that reflect its commitment to a balanced budget while ensuring quality education to all students.

**Figure A-3  
White Pine Academy's Net Position**

	<u>2018</u>	<u>2017</u>
Current assets	\$ 131,822	\$ 150,684
Capital assets, net	<u>1,166,217</u>	<u>1,270,649</u>
Total assets and deferred outflows	<u>1,298,039</u>	<u>1,421,333</u>
Current liabilities	191,004	177,850
Long term liabilities	<u>1,780,670</u>	<u>1,881,303</u>
Net Position:		
Net investment in capital assets	(735,667)	(731,780)
Unrestricted	<u>62,032</u>	<u>93,960</u>
Total net position	<u>\$ (673,635)</u>	<u>\$ (637,820)</u>

**Figure A-4  
Changes in White Pine Academy's Net Position**

	<u>2018</u>	<u>2017</u>
Revenues:		
Program revenues:		
Federal and state categorical grants	\$ 71,547	\$ 74,500
Charges for service	<u>2,757</u>	<u>31,539</u>
Total program revenues	<u>74,304</u>	<u>106,039</u>
General revenues:		
State aid - unrestricted	521,136	535,684
Other	<u>55,682</u>	<u>8,449</u>
Total general revenues	<u>576,818</u>	<u>544,133</u>
Total revenues	<u>651,122</u>	<u>650,172</u>
Expenses:		
Instruction	294,441	261,171
Support and community services	275,483	254,145
Unallocated depreciation	104,432	104,432
Unallocated interest	<u>12,581</u>	<u>58,917</u>
Total expenses	<u>686,937</u>	<u>678,665</u>
Change in net position	<u>\$ (35,815)</u>	<u>\$ (28,493)</u>

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

By the end of 2018, the school had invested \$1,166,217 in capital assets, including facility, computers and software, net of accumulated depreciation. This amount represents a net decrease of \$104,432 from last year after depreciation. (More detailed information about capital assets can be found in Note 5 to the financial statements.)

The school's fiscal year 2019 budget anticipates no additions in capital assets.

	<b>Balance June 30, 2018</b>	<b>Balance June 30, 2017</b>
Land	\$ 62,500	\$ 62,500
Building and improvements	2,382,931	2,382,931
Computers, furniture, and equipment	240,843	240,843
Total cost	2,686,274	2,686,274
Less accumulated depreciation	1,520,057	1,415,625
Net book value	<u>\$ 1,166,217</u>	<u>\$ 1,270,649</u>

### Long-Term Debt

At year end the school had debt of \$1,901,884 consisting of a capital land contract and a capital lease for equipment.

- The Academy reduced its long term debt by \$100,545.

### FACTORS BEARING ON THE SCHOOL'S FUTURE

- Improvement of enrollment trends
- State aid foundation stabilized with federal funds
- Stabilized staffing
- Renewed school purpose

### CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

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

White Pine Academy, 510 Russell Street, Leslie, MI 49251

# WHITE PINE ACADEMY

## STATEMENT OF NET POSITION JUNE 30, 2018

### ASSETS AND DEFERRED OUTFLOWS

#### Current Assets

Cash and cash equivalents	\$	27,911
Accounts Receivable		44
Due from other governmental units		<u>103,867</u>
Total current assets		131,822

#### Capital Assets - Net of Accumulated Depreciation

1,166,217

Total assets and deferred outflows \$ 1,298,039

### LIABILITIES, DEFERRED INFLOWS AND NET POSITION

#### Current Liabilities

Accounts payable	\$	5,199
Notes payable		30,002
Other accrued expenses		34,589
Long-term debt - current portion		<u>121,214</u>
Total current liabilities		191,004

#### Long-Term Debt - Long-Term Portion

1,780,670

#### Net Position

Net investment in capital assets		(735,667)
Unrestricted		<u>62,032</u>
Total net position		<u>(673,635)</u>
Total liabilities, deferred inflows and net position	\$	<u>1,298,039</u>

See accompanying notes to financial statements

## WHITE PINE ACADEMY

### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

		Program Revenues		Net (Expense) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Government Type Activities
<b>Functions</b>				
Instructions				
Basic sources	\$ 240,520	\$ -	\$ 4,360	\$ (236,160)
Added needs	53,921	-	42,240	(11,681)
Support services				
Instructional staff support services	11,955	-	11,242	(713)
General administration	33,457	-	-	(33,457)
School administration	95,258	-	-	(95,258)
Business support services	27,473	-	-	(27,473)
Operations and maintenance	66,742	-	-	(66,742)
Central support services	11,386	-	-	(11,386)
Food services	25,862	2,757	13,705	(9,400)
Community services	3,350	-	-	(3,350)
Unallocated depreciation	104,432	-	-	(104,432)
Unallocated interest	12,581	-	-	(12,581)
Total primary government	\$ 686,937	\$ 2,757	\$ 71,547	(612,633)
<b>General Purpose Revenues</b>				
State school aid - unrestricted				521,136
Miscellaneous revenues				55,682
Total general purpose revenues				576,818
Change in net position				(35,815)
Net position - July 1, 2017				(637,820)
Net position - June 30, 2018				\$ (673,635)

See accompanying notes to financial statements

## WHITE PINE ACADEMY

### COMBINED BALANCE SHEET – ALL GOVERNMENTAL FUNDS JUNE 30, 2018

#### ASSETS

Cash and cash equivalents	\$	27,911
Accounts receivable		44
Due from other governmental units		<u>103,867</u>
Total assets	\$	<u><u>131,822</u></u>

#### LIABILITIES AND FUND BALANCE

##### Liabilities

Accounts payable	\$	5,199
Notes payable		30,002
Other accrued expenses		<u>34,589</u>
Total liabilities		69,790

##### Fund Balance

Unassigned		<u>62,032</u>
Total liabilities and fund balance	\$	<u><u>131,822</u></u>

## WHITE PINE ACADEMY

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2018

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

<b>Total Governmental Fund Balances</b>	\$ 62,032
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$2,686,274 and the accumulated depreciation is \$1,520,057.	1,166,217
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,901,884)</u>
<b>Net Position of Governmental Activities</b>	<u>\$ (673,635)</u>



## WHITE PINE ACADEMY

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ALL GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Non-Major Special Revenue</u>	<u>Total</u>
<b>Revenues</b>			
Local sources	\$ 55,682	\$ 2,757	\$ 58,439
State sources	548,375	551	548,926
Federal sources	30,603	13,154	43,757
	<hr/>	<hr/>	<hr/>
Total governmental fund revenues	634,660	16,462	651,122
<b>Expenditures</b>			
Instructions			
Basic programs	240,520	-	240,520
Added needs	53,921	-	53,921
Support services			
Instructional staff support services	11,955	-	11,955
General administration	33,457	-	33,457
School administration	95,258	-	95,258
Business support services	27,473	-	27,473
Operations and maintenance	66,742	-	66,742
Central support services	11,386	-	11,386
Food services	-	25,862	25,862
Community services	3,350	-	3,350
Debt principal and interest	113,126	-	113,126
	<hr/>	<hr/>	<hr/>
Total governmental fund expenditures	657,188	25,862	683,050
Excess (deficiency) of revenues over expenditures	(22,528)	(9,400)	(31,928)
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	-	9,400	9,400
Operating transfers out	(9,400)	-	(9,400)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(9,400)	9,400	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(31,928)	-	(31,928)
Fund balance - July 1, 2017	93,960	-	93,960
	<hr/>	<hr/>	<hr/>
Fund balance - June 30, 2018	\$ 62,032	\$ -	\$ 62,032
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements

## WHITE PINE 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, 2018

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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ (31,928)
---	-------------

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.

Depreciation and amortization expense	(104,432)
---------------------------------------	-----------

The governmental funds report loan proceeds as an other financing source, while repayment of loan 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:

Repayment of loan principal	<u>100,545</u>
-----------------------------	----------------

<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (35,815)</u></u>
--	---------------------------

**WHITE PINE ACADEMY**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2018

**ASSETS**

Cash and cash equivalents	<u>\$ 665</u>
Total assets	<u><u>\$ 665</u></u>

**LIABILITIES**

Due to student groups	<u>\$ 665</u>
Total liabilities	<u><u>\$ 665</u></u>

See accompanying notes to financial statements

# WHITE PINE ACADEMY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of White Pine 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

White Pine 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, on May 26, 2000, and began operation in July 2000.

In July 2015, the Academy entered into a two-year contract with the Saginaw Valley State University Board of Control to charter a public school academy. The contract has been subsequently renewed through June, 2019. 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, 2018 were approximately \$15,600.

In July 2016 the Academy entered into a one-year agreement with American Charter Education Services, Inc., “ACES”. Under the terms of this agreement, ACES will provide a variety of financial services. The contract has been subsequently renewed through June, 2019. Under the contract the Academy was obligated to pay ACES a flat fee of \$19,500 for the year ended June 30, 2018. This was renegotiated during the year and the total paid for these services amounted to \$17,250 for the year ended June 30, 2018.

In July 2014, the Academy entered into a three-year agreement with Axios Charter HR, LLC, “Axios”, through June 30, 2017. This agreement has been extended through June 2020. Axios will provide staffing, payroll, and benefits administration to the Academy and will receive three and one half percent of total gross pay of all covered Axios employees assigned to the Academy. The total paid for these services amounted to approximately \$11,000 for the year ended June 30, 2018.

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.

#### Funding

The Academy’s operations and primary revenue source is derived from State Aid revenues on a per pupil basis received from the Michigan Department of Education. The Academy has experienced a decline in its student population over the past years and as such a similar reduction in its state sourced funding. If the Academy continues to experience a reduction in the student population it may be required to take action to remain a going concern. The Academy believes that it currently has sufficient cash and short term liquidity to meet its operational needs for the foreseeable future.

## WHITE PINE ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### 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 this report, into generic fund types in two broad fund categories.

#### Governmental Funds

A governmental fund is a fund through which most Academy functions typically are financed. 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** - 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.

**Fiduciary Fund** - The fiduciary fund is used to account for assets held by the Academy in a trustee capacity or as an agent. The agency fund is custodial in nature and does not involve the measurement of results of operations.

**Activity (Agency) Fund** - The Academy presently maintains an activity fund to record the transactions of a student group for school and school-related purposes. The fund is segregated and held in trust for the students.

## WHITE PINE ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES— Continued

Governmental and agency 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 inventorable 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.

#### 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 brief 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 business-type activities 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.

## **WHITE PINE ACADEMY**

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Net position should be reported as restricted when constraints placed on net position's use is 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.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government - wide financial statements.

#### **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, 2018. 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.

#### **Receivables**

Receivables at June 30, 2018 consist primarily of state school aid due from the State of Michigan and the federal government. All receivables are expected to be fully collected in July and August of 2018 and are considered current for the purposes of these financial statements.

#### **Prepaid Assets**

Payments made to vendors for services that will benefit periods beyond June 30, 2018, 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.

# WHITE PINE ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### 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, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is 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 Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities 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. However, the non-current portion of capital leases that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial 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.

### Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. 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.

### Fund Equity

The Academy has 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.

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.



## WHITE PINE ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 constrained to specific purposes by the Board; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes action to remove or change the constraint.
- 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 are available for any purpose; these amounts are reported only in 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.

#### 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.

### 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 general fund and special revenue fund budgets. During the year ended June 30, 2018 the budget was amended in a legally permissible manner. Actual results as compared to the budget are detailed on page 20 of these financial statements.

## **WHITE PINE ACADEMY**

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

### **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, 2018, the Academy did not have any 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.

#### **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, 2018, none of the Academy's cash was exposed to custodial credit risk because it was uninsured. All cash balances were uncollateralized as of June 30, 2018.

#### **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.

#### **Foreign Currency Risk**

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

## WHITE PINE ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

### 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 the fair value measurement.

### NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of the following:

State sources	\$ 101,848
Federal sources	<u>2,019</u>
Total	<u>\$ 103,867</u>

## WHITE PINE ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

### NOTE 5 - CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets not subject to depreciation				
Land	\$ 62,500	\$ -	\$ -	\$ 62,500
Capital assets subject to depreciation				
Building	2,380,902	-	-	2,380,902
Equipment	240,843	-	-	240,843
Improvements	2,029	-	-	2,029
Sub-total	2,686,274	-	-	2,686,274
Accumulated depreciation				
Building	1,175,588	103,334	-	1,278,922
Equipment	238,008	1,098	-	239,106
Improvements	2,029	-	-	2,029
Sub-total	1,415,625	104,432	-	1,520,057
Total net capital assets	<u>\$ 1,270,649</u>	<u>\$ (104,432)</u>	<u>\$ -</u>	<u>\$ 1,166,217</u>

Depreciation and amortization expense was not charged to 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, 2018 can be summarized as follows:

#### Loan Information

	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Other</u>
SAAN 16/17	2.15%	August, 2017	Paid in full
SAAN 17/18	6.00%	August, 2018	Issued to provide the Academy with funds to finance operations before first state aid payment is received; secured by future state aid payments.

## WHITE PINE ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

### NOTE 6 – NOTES PAYABLE - Continued

#### Loan Activity

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Retirements and Payments</u>	<u>Balance June 30, 2018</u>
SAAN 16/17	\$ 22,028	\$ -	\$ 22,028	\$ -
SAAN 17/18	-	120,000	89,998	30,002
Total loan activity	<u>\$ 22,028</u>	<u>\$ 120,000</u>	<u>\$ 112,026</u>	<u>\$ 30,002</u>

### NOTE 7 – OTHER ACCRUED EXPENSES

Other accrued expenses may be summarized as follows:

Purchased services - payroll and benefits	\$ 31,750
University oversight fee	<u>2,839</u>
Total other accrued expenses	<u>\$ 34,589</u>

### NOTE 8 - LONG-TERM OBLIGATIONS PAYABLE

Long-term obligations as of June 30, 2018 can be summarized as follows:

#### Loan Information

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Other</u>
Land contract	Variable	November, 2034	Payable monthly at \$11,000, including interest at \$1,000 per month.
Capital lease	7.50%	February, 2020	Payable monthly at \$110. Secured by Academy equipment.

## WHITE PINE ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

### NOTE 8 - LONG-TERM OBLIGATIONS PAYABLE - Continued

#### Loan Activity

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u> <u>and Payments</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due Within</u> <u>One Year</u>
Land contract	\$ 1,999,337	\$ -	\$ 99,418	\$ 1,899,919	\$ 120,000
Capital lease	3,092	-	1,127	1,965	1,214
 Total loan activity	 <u>\$ 2,002,429</u>	 <u>\$ -</u>	 <u>\$ 100,545</u>	 <u>\$ 1,901,884</u>	 <u>\$ 121,214</u>

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

	<u>Principal</u>	<u>Interest</u>
2019	\$ 121,214	\$ 12,106
2020	120,751	12,019
2021	120,000	12,000
2022	120,000	12,000
2023	120,000	12,000
2024 - 2028	600,000	60,000
2029 - 2033	600,000	60,000
2034	99,919	10,000

Following are minimum future lease agreements under capital leases for the next two years and in total:

2019	\$ 1,320
2020	<u>770</u>
Subtotal	2,090
Less amount representing interest	<u>125</u>
Present value of minimum lease payments	<u>\$ 1,965</u>

## WHITE PINE ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2018

### NOTE 9 – INTERFUND TRANSFERS

During the normal course of the school year the Academy transferred amounts between its funds as follows:

	<u>General</u>	<u>School Service</u>
Transfer In	-	9,400
Transfer Out	9,400	-

The general fund subsidizes the Special Revenue Fund lunch activities. The above transaction accounts for the major activity in the Academy's interfund transfer accounts.

### NOTE 10 - 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 fiscal years.

# SUPPLEMENTARY INFORMATION



## WHITE PINE ACADEMY

### REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local sources	\$ 50,212	\$ 46,500	\$ 55,682	\$ 9,182
State sources	585,588	542,415	548,375	5,960
Federal sources	23,232	28,551	30,603	2,052
	<hr/>	<hr/>	<hr/>	<hr/>
Total general fund revenues	659,032	617,466	634,660	17,194
<b>Expenditures</b>				
Instruction				
Basic programs	228,483	239,802	240,520	718
Added needs	51,723	53,326	53,921	595
Support services				
Instructional staff support services	5,820	12,000	11,955	(45)
General administration	26,999	33,364	33,457	93
School administration	96,703	99,603	95,258	(4,345)
Business support services	30,150	42,441	27,473	(14,968)
Operations and maintenance	180,961	159,511	66,742	(92,769)
Central support services	17,120	16,820	11,386	(5,434)
Community services	4,554	4,554	3,350	(1,204)
Debt principal and interest	-	-	113,126	113,126
	<hr/>	<hr/>	<hr/>	<hr/>
Total general fund expenditures	642,513	661,421	657,188	(4,233)
Excess of revenues over expenditures	16,519	(43,955)	(22,528)	21,427
<b>Other Financing Sources (Uses)</b>				
Operating transfers out	-	-	(9,400)	(9,400)
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	16,519	(43,955)	(31,928)	12,027
Fund balance - July 1, 2017	93,960	93,960	93,960	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance - June 30, 2018	\$ 110,479	\$ 50,005	\$ 62,032	\$ 12,027
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## WHITE PINE ACADEMY

### SCHEDULE OF REVENUES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2018

#### Local Sources

Authorizer grant	\$ 6,155
Other local revenues	<u>49,527</u>
Total local sources	55,682

#### State Sources

At risk	22,840
Special education	4,399
State aid	<u>521,136</u>
Total state sources	548,375

#### Federal Sources

Title I	17,068
Title II A	2,293
Other program revenue	<u>11,242</u>
Total federal sources	<u>30,603</u>
Total general fund revenues	<u>\$ 634,660</u>

## WHITE PINE ACADEMY

### SCHEDULE OF EXPENDITURES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2018

#### Basic Programs

Purchased services	\$	232,556
Rentals		903
Supplies and materials		5,884
Non-depreciable capital assets		<u>1,177</u>
Total basic programs		240,520

#### Added Needs

Purchased services		53,908
Supplies and materials		<u>13</u>
Total added needs		53,921

#### Instructional Staff Support Services

Purchased services		10,000
Supplies and materials		<u>1,955</u>
Total instructional staff support services		11,955

#### General Administration

Purchased services		17,875
University oversight		<u>15,582</u>
Total general administration		33,457

#### School Administration

Purchased services		93,517
Supplies and materials		772
Other expenditures		<u>969</u>
Total school administration		95,258

#### Business Support Services

Other expenditures		27,473
--------------------	--	--------

## WHITE PINE ACADEMY

### SCHEDULE OF EXPENDITURES – GENERAL FUND - Continued FOR THE YEAR ENDED JUNE 30, 2018

#### **Operations and Maintenance**

Purchased services	29,156
Repairs and maintenance	2,456
Other purchased services	5,484
Supplies and materials	<u>29,646</u>

Total operations and maintenance 66,742

#### **Central Support Services**

Purchased services	11,386
--------------------	--------

#### **Community Services**

Purchased services	3,350
--------------------	-------

#### **Debt Principal and Interest**

113,126

Total general fund expenditures \$ 657,188