

West Village Academy

**Financial Report
with Supplemental Information
June 30, 2015**

West Village Academy

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Independent Auditor's Report

To the Board of Directors
West Village Academy

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the remaining fund information of West Village Academy (the "Academy"), as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise West Village 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 judgment, 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, the major fund, and the remaining fund information of West Village Academy as of June 30, 2015 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.

To the Board of Directors
West Village Academy

Emphasis of Matter

As discussed in Note I to the basic financial statements, effective July 1, 2014, the Academy adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The Academy's Unrestricted Net Position has been restated as of July 1, 2014 as a result of this change in accounting principle.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major fund budgetary comparison schedule, schedule of West Village Academy's proportionate share of the net pension liability MPSERS determined as of plan year ended September 30, and schedule of West Village Academy's contributions MPSERS determined as of the year ended June 30 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, 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 supplemental 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 Month XX, YEAR on our consideration of West Village 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 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 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 West Village Academy's internal control over financial reporting and compliance.

Plante & Morse, PLLC

October 19, 2015

West Village Academy

Management's Discussion and Analysis

This section of West Village Academy's (the "Academy") annual financial report presents our discussion and analysis of the Academy's financial performance during the year ended June 30, 2015. Please read it in conjunction with the Academy's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand West Village Academy financially as a whole. The government-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, as well as what remains for future spending. The fund financial statements look at the Academy's operations in more detail than the government-wide financial statements by providing information about the Academy's most significant fund, the General Fund, with the other fund presented in one column as the nonmajor Food Services Fund.

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

Basic Financial Statements

Government-wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplemental Information)

Budgetary Information for Major Fund

Pension Information

Reporting the Academy as a Whole - Government-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 and liabilities, 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.

West Village Academy

Management's Discussion and Analysis (Continued)

These two statements report the Academy's net position - the difference between assets and deferred outflows of resources and liabilities and 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, athletics, community services, and food services. Unrestricted state aid (foundation allowance revenue) and state and federal grants finance most of these activities.

Reporting the Academy's Most Significant Funds - 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 and by bond covenants. However, the Academy establishes other funds to help it control and manage money for particular purposes (the Food Services Fund is an example) or to show that it is meeting legal responsibilities for using grants and other money. The governmental funds of the Academy use the following accounting approach:

Governmental Funds - All of the Academy's services are reported in 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 you 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.

West Village Academy

Management's Discussion and Analysis (Continued)

The Academy as a Whole

Recall that the statement of net position provides the perspective of the Academy as a whole. Table I provides a summary of the Academy's net position as of June 30, 2015 and 2014:

TABLE I	Governmental Activities	
	June 30	
	2015	2014
	(in thousands)	
Assets		
Current and other assets	\$ 1,066.3	\$ 1,127.0
Capital assets	<u>38.6</u>	<u>39.4</u>
Total assets	1,104.9	1,166.4
Deferred Outflows of Resources - Deferred outflows related to pensions	<u>20.6</u>	<u>20.0</u>
Total assets and deferred outflows of resources	1,125.5	1,186.4
Liabilities		
Current liabilities	773.6	790.3
Net pension liability	<u>384.6</u>	<u>408.9</u>
Total liabilities	1,158.6	1,199.2
Deferred Inflows of Resources - Deferred inflows related to pensions	<u>28.3</u>	<u>-</u>
Total assets and deferred inflows of resources	<u>1,186.9</u>	<u>1,199.2</u>
Net Position		
Net investment in capital assets	38.6	39.4
Restricted - Food Service	4.9	-
Unrestricted	<u>(104.5)</u>	<u>(52.2)</u>
Total net position - As restated	<u>\$ (61.0)</u>	<u>\$ (12.8)</u>

West Village Academy

Management's Discussion and Analysis (Continued)

The above analysis focuses on the net position (see Table 1). The change in net position (see Table 2) of the Academy's governmental activities is discussed below. The Academy's net position was approximately (\$61,000) at June 30, 2015. Capital assets, net of related debt, totaling approximately \$38,600, compares the original cost less depreciation of the Academy's capital assets to long-term debt used to finance the acquisition of those assets. Of the remaining net position, approximately (\$104,500) was unrestricted.

As required by the Government Accounting Standards Board (GASB), the Academy adopted GASB 68 and 71. These standards required the inclusion of the Academy's proportionate share of the Michigan Public School Employees Retirement Plan within the Academy's financial statements, effective July 1, 2014. The effect of the adoption was to decrease July 1, 2014 beginning net position by \$388,921 and the inclusion of the obligation, and related deferred inflows and outflows, in the June 30, 2015 financial statements. All governments participating in the retirement plan were required to adopt these new standards.

The (\$104,500) 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 as well as 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. Due to the implementation of a new accounting standard for the allocation of net pension liability from the MPSERS retirement system, the Academy possesses a net deficit balance at June 30, 2015 and 2014.

West Village Academy

Management's Discussion and Analysis (Continued)

The results of this year's operations for the Academy as a whole are reported in the statement of activities (see Table 2), which shows the changes in net position for fiscal years 2015 and 2014.

TABLE 2

	Governmental Activities	
	Year Ended June 30	
	2015	2014
	(in thousands)	
Revenue		
Program revenue:		
Charges for services	\$ 10.6	\$ 7.5
Operating grants and contributions	1,482.5	1,423.5
General revenue:		
State foundation allowance	3,173.5	3,144.4
Other	19.5	7.5
Total revenue	<u>4,686.1</u>	<u>4,582.9</u>
Functions/Program Expenses		
Instruction	1,925.6	1,841.7
Support services	2,409.5	2,282.4
Athletics	13.8	9.3
Food services	354.0	313.0
Community services	13.3	25.8
Depreciation - Unallocated	18.1	29.3
Total functions/program expenses	<u>4,734.3</u>	<u>4,501.5</u>
(Decrease) Increase in Net Position	(48.2)	81.4
Net Position - Beginning of year - As restated	(12.8)	294.7
Impact of GASB Statement No. 68 and 71	-	(388.9)
Net Position - End of year	<u><u>\$ (61.0)</u></u>	<u><u>\$ (12.8)</u></u>

As reported in the statement of activities, the cost of all of our governmental activities this year was approximately \$4.7 million. Certain activities were partially funded by other governments and organizations that subsidized certain programs with grants and contributions of approximately \$1.5 million. We paid for the remaining "public benefit" portion of our governmental activities with approximately \$3.2 million in state foundation allowance.

The Academy experienced a decrease in net position of approximately \$48,200. The key reason for the change in net position was due to increased expenses relating to property taxes and building repairs.

West Village Academy

Management's Discussion and Analysis (Continued)

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 the Academy's 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 Funds

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 taxpayers and others provide to it and may provide more insight into the Academy's overall financial health.

As the Academy completed this year, the governmental funds reported a combined fund balance of approximately \$292,700, which is a decrease of approximately \$44,000 from last year. The primary reason for the decrease were unexpected property tax bills and capital expenditures related to HVAC repairs.

General Fund fund balance is available to fund costs related to allowable school operating purposes.

Our Special Revenue Fund fund balance increased slightly from the prior year and had a fund balance of \$4,960 at June 30, 2015.

General Fund Budgetary Highlights

Over the course of the year, the Academy revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was actually adopted just before year end. A schedule showing the Academy's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2015, the Academy had \$38,596 invested in capital assets relating to leasehold improvements and furniture and equipment.

No major capital projects are planned for the 2015-2016 fiscal year.

Debt

At the end of this year, the Academy had no long-term debt outstanding.

West Village Academy

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

Our administration considers many factors when setting the Academy's 2015-2016 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 blended count for the 2016 fiscal year is 10 percent and 90 percent of the February 2015 and October 2015 student counts, respectively. The 2016 budget was adopted in June 2015, based on an estimate of students that will be enrolled in September 2015. Approximately 74 percent of total General Fund revenue is from the foundation allowance. Under state law, the Academy cannot assess additional property tax revenue for general operations. As a result, academy funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2016 school year, we anticipate that the fall student count will exceed 450 students, the estimates used in creating the 2016 budget. Once the final student count and related per-pupil funding are validated, 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 academies. The State periodically holds a revenue-estimating conference to estimate revenue. Based on the results of the most recent conference, it is uncertain whether state funds are sufficient to fund the appropriation.

West Village Academy

Statement of Net Position June 30, 2015

	<u>Governmental Activities</u>
Assets	
Cash (Note 3)	\$ 244,713
Receivables:	
Accounts receivable	1,547
Due from other governmental units	817,460
Prepaid costs and other assets	2,640
Capital assets - Net (Note 5)	<u>38,596</u>
Total assets	1,104,956
Deferred Outflows of Resources - Deferred outflows related to pensions (Note 11)	<u>20,603</u>
Total assets and deferred outflows of resources	1,125,559
Liabilities	
Accounts payable	297,120
Accrued payroll-related liabilities	242,972
State aid anticipation note (Note 10)	128,293
Other accrued liabilities	70,091
Unearned revenue (Note 4)	35,133
Noncurrent - Net pension liability (Note 11)	<u>384,594</u>
Total liabilities	1,158,203
Deferred Inflows of Resources - Deferred inflows related to pensions (Note 11)	<u>28,326</u>
Total liabilities and deferred inflows of resources	1,186,529
Net Position	
Net investment in capital assets	38,596
Restricted - Food service	4,960
Unrestricted	<u>(104,526)</u>
Total net position	<u><u>\$ (60,970)</u></u>

West Village Academy

Statement of Activities Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenue		Governmental
		Charges for Services	Operating Grants and Contributions	Activities
				Net (Expense) Revenue and Changes in Net Position
Primary government - Governmental activities:				
Instruction	\$ 1,925,600	\$ -	\$ 889,219	\$ (1,036,381)
Support services	2,409,458	-	215,479	(2,193,979)
Athletics	13,822	-	-	(13,822)
Food services	354,016	10,618	364,539	21,141
Community services	13,325	-	13,325	-
Depreciation expense (unallocated)	18,144	-	-	(18,144)
Total primary government	<u>\$ 4,734,365</u>	<u>\$ 10,618</u>	<u>\$ 1,482,562</u>	(3,241,185)
General revenues:				
State aid not restricted to specific purposes				3,173,465
Other sources				<u>19,500</u>
Total general revenues				<u>3,192,965</u>
Change in Net Position				(48,220)
Net Position - As restated - Beginning of year (Note 1)				<u>(12,750)</u>
Net Position - End of year				<u>\$ (60,970)</u>

West Village Academy

Governmental Funds Balance Sheet June 30, 2015

	General Fund	Nonmajor Food Services Fund	Total Governmental Funds
Assets			
Cash (Note 3)	\$ 244,713	\$ -	\$ 244,713
Receivables:			
Accounts receivable	1,547	-	1,547
Due from other governmental units	817,460	-	817,460
Due from other funds (Note 6)	-	73,988	73,988
Prepaid costs and other assets	2,640	-	2,640
	<u>\$ 1,066,360</u>	<u>\$ 73,988</u>	<u>\$ 1,140,348</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 211,527	\$ 69,028	\$ 280,555
Accrued payroll-related liabilities	242,972	-	242,972
State aid anticipation note (Note 10)	128,293	-	128,293
Other accrued liabilities	70,091	-	70,091
Due to other funds (Note 6)	90,553	-	90,553
Unearned revenue (Note 4)	35,133	-	35,133
	<u>778,569</u>	<u>69,028</u>	<u>847,597</u>
Fund Balances			
Nonspendable - Prepaid costs	2,640	-	2,640
Restricted - Food service	-	4,960	4,960
Unassigned	285,151	-	285,151
	<u>287,791</u>	<u>4,960</u>	<u>292,751</u>
Total liabilities and fund balances	<u>\$ 1,066,360</u>	<u>\$ 73,988</u>	<u>\$ 1,140,348</u>

West Village Academy

Governmental Funds **Reconciliation of the Balance Sheet of Governmental Funds to the** **Statement of Net Position** **Year Ended June 30, 2015**

Fund Balance Reported in Governmental Funds	\$	292,751
Amounts reported for governmental activities in the statement of net position are different because capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of capital assets	\$	373,642
Accumulated depreciation	<u>(335,046)</u>	<u>38,596</u>
Deferred outflows related to pension payments made subsequent to the measurement date		20,603
Net pension obligations do not present a claim on current financial resources and are not reported as fund liabilities		(384,594)
Deferred inflows related to pension investment returns and changes in assumptions are not reported in the governmental funds		<u>(28,326)</u>
Net Position of Governmental Activities	\$	<u>(60,970)</u>

West Village Academy

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2015

	General Fund	Nonmajor Food Services Fund	Total Governmental Funds
Revenue			
Local sources	\$ 19,500	\$ 10,618	\$ 30,118
State sources	3,389,326	8,187	3,397,513
Federal sources	902,162	356,352	1,258,514
Total revenue	4,310,988	375,157	4,686,145
Expenditures			
Current:			
Instruction	1,925,600	-	1,925,600
Support services	2,406,062	-	2,406,062
Athletics	13,822	-	13,822
Food services	-	354,016	354,016
Community services	13,325	-	13,325
Capital outlay	17,319	-	17,319
Total expenditures	4,376,128	354,016	4,730,144
Excess of Revenue (Under) Over Expenditures	(65,140)	21,141	(43,999)
Other Financing Sources (Uses)			
Transfers in (Note 6)	16,181	-	16,181
Transfers out (Note 6)	-	(16,181)	(16,181)
Net Change in Fund Balances	(48,959)	4,960	(43,999)
Fund Balances - Beginning of year	336,750	-	336,750
Fund Balances - End of year	\$ 287,791	\$ 4,960	\$ 292,751

West Village Academy

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ (43,999)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	\$ (18,144)
Capitalized capital outlay	<u>17,319</u> (825)
Change in pension expense related to deferred items	<u>(3,396)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (48,220)</u></u>

West Village Academy

Fiduciary Fund Statement of Fiduciary Assets and Liabilities June 30, 2015

	<u>Agency Funds</u>
Assets - Due from other funds (Note 6)	<u>\$ 16,565</u>
Liabilities	
Accounts payable	\$ 2,902
Due to student activities	<u>13,663</u>
Total liabilities	<u>\$ 16,565</u>

Note I - Nature of Business and Significant Accounting Policies

The accounting policies of West Village Academy (the "Academy") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. 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 provides education for students grades K through 8.

The Academy obtained reauthorization of its charter from Central Michigan University for a term not to exceed five years beginning July 1, 2014. 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 Central Michigan University board of trustees 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 Central Michigan University board of trustees 3.0 percent of state aid as administrative fees. The administrative fees for the year ended June 30, 2015 paid to the Central Michigan University board of trustees totaled approximately \$95,000.

The accompanying basic 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 Academy. Based on application of the criteria, the entity does not contain component units.

Government-wide and Fund 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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the Academy's government-wide activities are considered governmental activities.

Note I - Nature of Business and Significant Accounting Policies (Continued)

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. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Intergovernmental payments and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

When an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available, the Academy's policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the Academy's policy to spend funds in this order: committed, assigned, and unassigned.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all unrestricted state aid.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Revenue not meeting this definition is classified as a deferred inflow of resources. For this purpose, the Academy considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Academy.

The Academy reports the following major governmental fund:

General Fund - The General Fund is the Academy's primary operating fund. It accounts for all financial resources of the Academy, except those required to be accounted for in another fund.

Additionally, the Academy reports the following fund types:

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The Academy's Special Revenue Fund includes the Food Services Fund. Revenue sources for the Food Services Fund include sales to customers, as well as grants received from state and federal sources. Any operating deficit generated by these activities is the responsibility of the General Fund.

Student Activities Fund - The Student Activities Fund is the Academy's only fiduciary fund and accounts for assets held by the Academy in a trustee capacity or as an agent.

Assets, Liabilities, and Net Position or Equity

Cash - Cash includes cash on hand and demand deposits.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

Trade receivables are shown net of an allowance for uncollectible amounts. The Academy considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Prepaid Costs - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid costs in both government-wide and fund financial statements.

Capital Assets - Capital assets are defined by the Academy as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Furniture and fixtures are depreciated using the straight-line method over the useful life of the capitalized asset. Leasehold improvements were fully depreciated at year end. Furniture and equipment are depreciated using the straight-line method over the useful lives of five to seven years.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and so will not be recognized as an outflow of resources until then. The Academy only has one item that qualifies for reporting in this category. It is the deferred outflow related to the pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The Academy has one type of deferred inflow related to the pension plan.

Fund Balance - Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are comprised of the following - nonspendable, restricted, committed, assigned, and unassigned.

In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions or enabling legislation for use for a specific purpose.
- **Committed:** Amounts that have been formally set aside by the Board of Education for use for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Board of Directors.

Note I - Nature of Business and Significant Accounting Policies (Continued)

- Assigned: Intent to spend resources on specific purposes expressed by the board of directors, which is authorized to make assignments
- Unassigned: Amounts that do not fall into any other category above. This is the residual classification for amounts in the general fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes in the general fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed or assigned to those purposes.

Use of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Comparative Data - Comparative data is not included in the Academy's financial statements.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Adoption of New Standard - The GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 71 is a clarification to GASB Statement No. 68 requiring a government to recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The statements also enhance accountability and transparency through revised note disclosures and required supplemental information (RSI). In accordance with the statement, the School District has reported a Net Pension Liability of \$408,884 million and a beginning deferred outflow for pension contributions of \$19,963 made subsequent to the September 30, 2013 measurement date, as a change in accounting principle adjustment to unrestricted net position as of July 1, 2014.

Net position at June 30, 2014	\$ 376,171
Net pension liability	(408,884)
Deferred outflow for pension contributions	<u>19,963</u>
Net position at June 30, 2014 - as restated	<u>\$ (12,750)</u>

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and the Special Revenue Fund, except that capital outlay expenditures are reported in other expenditure categories. All annual appropriations lapse at fiscal year end.

The Academy formally adopted a General Fund budget by line item and a Special Revenue Fund budget by function for the fiscal year ended June 30, 2015. 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, as well as adjustment for amendments made to federal grants.

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds - The Academy did not have significant expenditure to budget variances.

Note 3 - 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, commercial paper rated prime at the time of purchase that matures not 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 are in accordance with statutory authority. As of June 30, 2015, the Academy does not have any investments.

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

The investment policy adopted by the board in accordance with state statutes has authorized investment in bonds and securities of the United States government; obligations, the principal and interest of which are fully guaranteed by the United States; obligations of the State; certificates of deposit issued by financial institutions organized and authorized to operate in this state; commercial paper rated prime 1 or prime 2 at the time of purchase and maturing not more than 270 days after the date of purchase; and Michigan Investment Liquid Asset Fund Plus (MILAF) investment pools, but not the remainder of state statutory authority as listed above.

The Academy's cash are subject to custodial credit risk, which is 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's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level be used for the Academy's deposits for custodial credit risk. At year end, the Academy's deposit balance of \$274,710 had \$24,710 of bank deposits 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. As a result, the Academy evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

West Village Academy

Notes to Financial Statements June 30, 2015

Note 4 - 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 the end of the current fiscal year, the Academy had unearned revenue of \$35,133 related to categorical aid payments received prior to meeting all eligibility requirements.

Note 5 - Capital Assets

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

Governmental Activities	Balance July 1, 2014	Additions	Disposals	Balance June 30, 2015
Capital assets being depreciated:				
Leasehold improvements	\$ 200,000	\$ -	\$ -	\$ 200,000
Furniture and equipment	156,323	17,319	-	173,642
Subtotal	356,323	17,319	-	373,642
Accumulated depreciation:				
Leasehold improvements	200,000	-	-	200,000
Furniture and equipment	116,902	18,144	-	135,046
Subtotal	316,902	18,144	-	335,046
Net capital assets being depreciated	39,421	(825)	-	38,596
Net capital assets	<u>\$ 39,421</u>	<u>\$ (825)</u>	<u>\$ -</u>	<u>\$ 38,596</u>

Depreciation expense was not charged to activities as the Academy considers its assets to impact multiple activities and allocation is not practical.

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Interfund balances include amounts due from the General Fund to the Food Services Fund and the Fiduciary Fund of \$73,988 and \$16,565, respectively. These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Transfers to the General Fund from the Food Services Fund represent reimbursements for operational expenditures of the Food Services Fund paid by the General Fund in the amount of \$16,181.

West Village Academy

Notes to Financial Statements June 30, 2015

Note 7 - Operating Leases

The Academy has entered into an operating lease agreement for its facility with a company owned by an affiliate of its former management company. The Academy extended the lease to July 31, 2017, with monthly payments of \$55,000. The Academy incurred rent expense in connection with its building leases of \$656,333 for the year ended June 30, 2015. The lease has an option to extend for two additional periods of three years.

The Academy has also entered into an operating lease agreement for office equipment. The lease term extends through June 30, 2020 with monthly payments of \$596. Equipment lease expense incurred for the year ended June 30, 2015 was approximately \$7,200.

Additionally, the Academy has entered into an operating lease agreement for telephone equipment. The lease term extends through July 15, 2019 with monthly payments of \$434. Telephone lease expense incurred for the year ended June 30, 2015 was approximately \$4,900.

The future minimum payments on the initial lease terms of the operating leases are as follows:

Years Ending <u>June 30</u>	<u>Amount</u>
2016	\$ 672,363
2017	672,363
2018	67,363
2019	7,375
2020	<u>7,158</u>
Total	<u>\$ 1,426,622</u>

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 Academy has purchased commercial insurance for all claims. Settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 9 - Management Agreement

Effective July 31, 2009, the Academy entered into a management agreement with a for-profit corporation. The management company is responsible for all human resources, personnel, payroll, benefits, and related administrative functions for the Academy. The Academy subcontracted most employees from the management company and reimburses the management company for operating costs. The operating costs charged to the Academy by the management company were \$62,205 for the year ended June 30, 2015. The agreement was renewed during June 2015 through June 30, 2016.

Note 10 - Notes Payable

During the year ended June 30, 2015, the Academy borrowed \$713,000 on a state aid anticipation note. The note requires monthly payments of \$65,890 for principal and interest at 2.8 percent interest through August 20, 2015. The outstanding balance of \$128,293 was fully repaid subsequent to year end.

Subsequent to year end, the Academy borrowed an additional \$816,000 on a state aid anticipation note that will be repaid in monthly payments of \$75,569, including interest at 3.2 percent through August 22, 2016.

Note 11 - Michigan Public School Employees' Retirement System

Plan Description - The Academy participates in the Michigan Public School Employees' Retirement System (MPERS or the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covered two employees of the Academy during the fiscal year. The system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides post-employment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and post-employment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>, or by writing to the Office of Retirement System (ORS) at 7150 Harris Drive, P.O. Box 30171, Lansing MI 48909.

Contributions - Public Act 300 of 1980, as amended, required the Academy to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature. Under these provisions, the Academy's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Academy's contributions are determined based on employee elections. There are seven different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS.

The range of rates are as follows:

School District/Academy

July 1, 2013 - September 30, 2013	12.78% - 16.25%
October 1, 2013 - September 30, 2014	15.44% - 18.34%
October 1, 2014 - June 30, 2015	18.76% - 23.07%

Depending on the plan selected, plan member contributions range from 0 percent up to 7.0 percent of gross wages. Plan members electing into the defined contribution plan are not required to make additional contributions.

The Academy's required and actual contributions to the plan for the years ended June 30, 2015 and 2014 were \$40,319 and \$33,600, respectively. Contributions include approximately \$14,000 of revenue received from the State of Michigan to fund the MPERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate for the year ended June 30, 2015.

Benefits Provided - Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of service times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension, but is permanently reduced 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Members are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation with an increase of 2 percent each year thereafter.

West Village Academy

Notes to Financial Statements June 30, 2015

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Benefits may transfer to a beneficiary upon death, and are determined in the same manner as retirement benefits, but with an actuarial reduction.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. For some members that do not receive an annual increase, they are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

Net Pension Liability, Deferrals, and Pension Expense - At June 30, 2015, the Academy reported a liability of \$384,594 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2013 which used update procedures to roll forward the estimated liability to September 30, 2014. The Academy's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2014, the Academy's proportion was 0.00175 percent, which, in the year of adoption, is unchanged from the proportion measured as of September 30, 2013.

For the year ended June 30, 2015, the Academy recognized pension expense of \$30,514 exclusive of payments to the System to fund the MPSERS UAAL stabilization rate. At June 30, 2015, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Subsequent to the Measurement Date	Net Deferred Inflows (Outflows) of Resources as of the Measurement Date
Changes of assumptions	\$ -	\$ (14,191)
Net difference between projected and actual earnings on pension plan assets	-	42,517
Academy's contributions subsequent to the measurement date	20,603	-
Total	<u>\$ 20,603</u>	<u>\$ 28,326</u>

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ 6,939
2017	6,939
2018	6,939
2019	7,509
Thereafter	-
Total	<u>\$ 28,326</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

Actuarial Assumptions - The total pension liability as of September 30, 2014 is based on the results of an actuarial valuation date of September 30, 2013 and rolled forward:

Actuarial cost method	Entry age normal cost actuarial cost method
Assumed rate of return	7.00 to 8.00 percent, net of investment and administrative expenses based on the groups
Rate of pay increases	3.50 percent
Mortality basis	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB

The actuarial assumptions used for the September 30, 2013 valuation were based on the results of an actuarial experience study for the period October 1, 2007 to September 30, 2012. As a result of this study, the actuarial assumptions were adjusted to more closely reflect actual experience.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 - 8.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

West Village Academy

Notes to Financial Statements June 30, 2015

Note 11 - Michigan Public School Employees' Retirement System (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity Pools	28 %	4.8 %
Private Equity Pools	18 %	8.5 %
International Equity Pools	16 %	6.1 %
Fixed Income Pools	10 %	1.5 %
Real Estate & Infrastructure Pools	10 %	5.3 %
Real Return, Opportunistic, and Absolute Pool	16 %	6.3 %
Short Term Investment Pools	2 %	(0.2)%
Total	100 %	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Academy, calculated using the discount rate of 7.00 to 8.00 percent depending on the plan option, as well as what the Academy's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (7.00 percent) or 1.00 percentage point higher (9.00 percent) than the current rate:

1.00 percent decrease (7.00/6.00 percent)	Current Discount Rate (8.00/7.00 percent)	1.00 percent increase (9.00/8.00 percent)
\$ 507,053	\$ 384,594	\$ 281,420

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan - At June 30, 2015, the Academy had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

Note 11 - Michigan Public School Employees' Retirement System (Continued)

Postemployment Benefits Other Than Pensions (OPEB) - Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS Board of trustees annually sets the employer contribution rate to fund the benefits on a pay as you go basis. Participating employers are required to contribute at that rate. The employer contribution rate ranged from 5.52 percent to 6.45 percent of covered payroll for the period July 1, 2014 to September 30, 2014, and from 2.20 percent to 2.71 percent of covered payroll for the period October 1, 2014 through June 30, 2015 dependent upon the employee's date of hire and plan election as noted above. Members can choose to contribute 3 percent of their covered payroll to the Retiree Healthcare Fund and keep this premium subsidy benefit, or they can elect not to pay the 3 percent contribution and instead choose the Personal Healthcare Fund, which can be used to pay healthcare expenses in retirement. Members electing the Personal Healthcare Fund will be automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date and create a 2 percent employer match into the employee's 403B account.

The Academy's required and actual contributions to the plan for retiree health care benefits for the years ended June 30, 2015, 2014, and 2013 were \$5,162, \$10,681, and \$13,988, respectively.

Note 12 - Upcoming Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Academy to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the MPSERS plan. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Academy is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Academy's financial statements for the year ending June 30, 2018.

Required Supplemental Information

West Village Academy

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue				
Local sources	\$ 39,426	\$ 19,583	\$ 19,500	\$ (83)
State sources	3,373,201	3,422,398	3,389,326	(33,072)
Federal sources	907,129	977,376	902,162	(75,214)
Total revenue	4,319,756	4,419,357	4,310,988	(108,369)
Expenditures - Current				
Instruction:				
Basic program	1,439,074	1,463,243	1,373,494	(89,749)
Added needs	539,996	583,759	552,106	(31,653)
Total instruction	1,979,070	2,047,002	1,925,600	(121,402)
Support services:				
Pupil	231,911	222,651	222,280	(371)
Instructional staff	141,037	158,000	152,872	(5,128)
General administration	300,018	296,291	294,135	(2,156)
School administration	418,334	440,724	438,054	(2,670)
Business	39,869	12,889	12,216	(673)
Operations and maintenance	1,004,714	1,086,863	1,107,940	21,077
Pupil transportation services	134,481	180,503	175,717	(4,786)
Central	23,800	24,280	20,167	(4,113)
Total support services	2,294,164	2,422,201	2,423,381	1,180
Athletics	9,420	13,824	13,822	(2)
Community services	14,200	14,218	13,325	(893)
Other	2,500	500	-	(500)
Total expenditures	4,299,354	4,497,745	4,376,128	(121,617)
Excess of Revenue Over (Under)				
Expenditures	20,402	(78,388)	(65,140)	13,248
Other Financing Uses - Transfers out	(19,795)	(62,577)	16,181	78,758
Net Change in Fund Balance	607	(140,965)	(48,959)	92,006
Fund Balance - Beginning of year	336,750	336,750	336,750	-
Fund Balance - End of year	<u>\$ 337,357</u>	<u>\$ 195,785</u>	<u>\$ 287,791</u>	<u>\$ 92,006</u>

West Village Academy

Required Supplemental Information Schedule of West Village Academy's Proportionate Share of the Net Pension Liability Michigan Public School Employee's Retirement System Determined as of the Plan Year Ended September 30

	<u>2014</u>
Academy's proportion of the net pension liability	0.00175 %
Academy's proportionate share of the net pension liability	\$ 384,594
Academy's covered employee payroll	158,049
Academy's proportionate share of the net pension liability as a percentage of its covered employee payroll	243.33906 %
Plan fiduciary net position as a % of the total pension liability	66.20000 %

West Village Academy

Required Supplemental Information Schedule of West Village Academy's Contributions Michigan Public School Employee's Retirement System Determined as of the Year Ended June 30

	<u>2015</u>
Statutorily required contribution	\$ 26,149
Contributions in relation to the statutorily required contribution	26,149
Academy's covered employee payroll	131,342
Contributions as a percentage of covered employee payroll	19.91 %

West Village Academy

Note to Pension Required Supplemental Information Schedules Year Ended June 30, 2015

Benefit Changes – There were no changes of benefit terms in 2015.

Changes in Assumptions – There were no changes of benefit assumptions in 2015.