

West Village Academy

**Financial Report
with Supplemental Information
June 30, 2016**

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, 2016 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, 2016 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

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, the schedule of West Village Academy's proportionate share of the net pension liability for MPSERS determined as of the plan year ended September 30, and the schedule of West Village Academy's contributions to 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 August 23, 2016 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, 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 & Moran, PLLC

August 23, 2016

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, 2016. 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, 2016 and 2015:

TABLE I	Governmental Activities	
	June 30	
	2016	2015
	(in thousands)	
Assets		
Current and other assets	\$ 1,240.3	\$ 1,066.3
Capital assets	30.0	38.6
Total assets	1,270.3	1,104.9
Deferred Outflows of Resources - Deferred outflows related to pensions	33.2	20.6
Total assets and deferred outflows of resources	1,303.5	1,125.5
Liabilities		
Current liabilities	585.4	773.6
Net pension liability	342.9	384.6
Total liabilities	928.3	1,158.2
Deferred Inflows of Resources - Deferred inflows related to pensions	74.5	28.3
Total liabilities and deferred inflows of resources	1,002.8	1,186.5
Net Position		
Net investment in capital assets	30.0	38.6
Restricted - Food Service	-	4.9
Unrestricted	270.7	(104.5)
Total net position	<u>\$ 300.7</u>	<u>\$ (61.0)</u>

The above analysis focuses on the net position (see Table I). The change in net position (see Table 2) of the Academy's governmental activities is discussed below. The Academy's net position was approximately \$300,700 at June 30, 2016. Capital assets, net of related debt, totaling approximately \$30,000, 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 \$270,700 was unrestricted.

West Village Academy

Management's Discussion and Analysis (Continued)

The \$270,700 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.

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 2016 and 2015.

TABLE 2

	Governmental Activities	
	Year Ended June 30	
	2016	2015
	(in thousands)	
Revenue		
Program revenue:		
Charges for services	\$ 10.6	\$ 10.6
Operating grants and contributions	1,526.5	1,482.5
General revenue:		
State foundation allowance	3,543.8	3,173.5
Other	5.6	19.5
Total revenue	5,086.5	4,686.1
Functions/Program Expenses		
Instruction	2,050.5	1,925.6
Support services	2,308.4	2,409.5
Athletics	17.7	13.8
Food services	328.1	354.0
Community services	11.5	13.3
Depreciation - Unallocated	8.6	18.1
Total functions/program expenses	4,724.8	4,734.3
Increase (Decrease) in Net Position	361.7	(48.2)
Net Position - Beginning of year	(61.0)	(12.8)
Net Position - End of year	<u>\$ 300.7</u>	<u>\$ (61.0)</u>

West Village Academy

Management's Discussion and Analysis (Continued)

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 \$3.5 million in state foundation allowance.

The Academy experienced an increase in net position of approximately \$361,700. The key reasons for the change in net position were due to controlled expenditures and enrollment growth which increased state revenue.

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 \$654,900, which is an increase of approximately \$362,100 from last year. The primary reasons for the increase were increased pupil counts and corresponding state aid while managing expenditures.

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

Our Special Revenue Fund fund balance decreased from the prior year and had no remaining fund balance at June 30, 2016.

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 with significant changes to the budgeted expenditures for basic program instruction based on positions added due to elevated enrollment from original budgeted figures. 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.

West Village Academy

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2015, the Academy had \$29,998 invested in capital assets relating to leasehold improvements and furniture and equipment.

No major capital projects are planned for the 2016-2017 fiscal year.

Debt

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

Economic Factors and Next Year's Budgets and Rates

Our administration considers many factors when setting the Academy's 2016-2017 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 2017 fiscal year is 10 percent and 90 percent of the February 2016 and October 2016 student counts, respectively. The 2017 budget was adopted in June 2016 based on an estimate of students that will be enrolled in September 2016. 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 2017 school year, we anticipate that the fall student count will exceed 450 students, which is the estimate used in creating the 2017 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, 2016

	<u>Governmental Activities</u>
Assets	
Cash (Note 3)	\$ 189,987
Receivables:	
Accounts receivable	1,687
Due from other governmental units	990,634
Prepaid costs and other assets	58,000
Capital assets - Net (Note 5)	<u>29,998</u>
Total assets	1,270,306
Deferred Outflows of Resources - Deferred outflows related to pensions (Note 11)	<u>33,178</u>
Total assets and deferred outflows of resources	1,303,484
Liabilities	
Accounts payable	63,443
Accrued payroll-related liabilities	241,444
State aid anticipation note (Note 10)	146,620
Other accrued liabilities	61,371
Unearned revenue (Note 4)	72,515
Noncurrent - Net pension liability (Note 11)	<u>342,954</u>
Total liabilities	928,347
Deferred Inflows of Resources - Deferred inflows related to pensions (Note 11)	<u>74,478</u>
Total liabilities and deferred inflows of resources	<u>1,002,825</u>
Net Position	
Net investment in capital assets	29,998
Unrestricted	<u>270,661</u>
Total net position	<u><u>\$ 300,659</u></u>

West Village Academy

Statement of Activities Year Ended June 30, 2016

	Expenses	Program Revenue		Governmental
		Charges for Services	Operating Grants and Contributions	Activities
				Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Primary government - Governmental activities:				
Instruction	\$ 2,050,580	\$ -	\$ 1,010,930	\$ (1,039,650)
Support services	2,308,408	-	195,602	(2,112,806)
Athletics	17,699	-	-	(17,699)
Food services	328,102	10,589	308,473	(9,040)
Community services	11,494	-	11,494	-
Depreciation expense (unallocated)	8,598	-	-	(8,598)
Total primary government	<u>\$ 4,724,881</u>	<u>\$ 10,589</u>	<u>\$ 1,526,499</u>	(3,187,793)
General revenue:				
State aid not restricted to specific purposes				3,543,844
Other sources				5,578
Total general revenue				<u>3,549,422</u>
Change in Net Position				361,629
Net Position - Beginning of year (Note 1)				<u>(60,970)</u>
Net Position - End of year				<u>\$ 300,659</u>

West Village Academy

Governmental Funds Balance Sheet June 30, 2016

	General Fund	Nonmajor Food Services Fund	Total Governmental Funds
Assets			
Cash (Note 3)	\$ 189,987	\$ -	\$ 189,987
Receivables:			
Accounts receivable	1,687	-	1,687
Due from other governmental units	990,634	-	990,634
Due from other funds (Note 6)	-	5	5
Prepaid costs and other assets	58,000	-	58,000
	<u>\$ 1,240,308</u>	<u>\$ 5</u>	<u>\$ 1,240,313</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 34,441	\$ 5	\$ 34,446
Accrued payroll-related liabilities	241,444	-	241,444
State aid anticipation note (Note 10)	146,620	-	146,620
Other accrued liabilities	61,371	-	61,371
Due to other funds (Note 6)	29,002	-	29,002
Unearned revenue (Note 4)	72,515	-	72,515
	<u>585,393</u>	<u>5</u>	<u>585,398</u>
Fund Balances			
Nonspendable - Prepaid costs	58,000	-	58,000
Unassigned	596,915	-	596,915
	<u>654,915</u>	<u>-</u>	<u>654,915</u>
Total fund balances	<u>654,915</u>	<u>-</u>	<u>654,915</u>
Total liabilities and fund balances	<u>\$ 1,240,308</u>	<u>\$ 5</u>	<u>\$ 1,240,313</u>

West Village Academy

Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2016

Fund Balance Reported in Governmental Funds	\$	654,915
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>(343,644)</u>	29,998
Deferred outflows related to pension payments made subsequent to the measurement date		22,983
Deferred outflow related to pensions		10,195
Net pension obligations do not present a claim on current financial resources and are not reported as fund liabilities		(342,954)
Deferred inflows related to pension investment returns and changes in assumptions are not reported in the governmental funds		<u>(74,478)</u>
Net Position of Governmental Activities	\$	<u>300,659</u>

West Village Academy

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2016

	General Fund	Nonmajor Food Services Fund	Total Governmental Funds
Revenue			
Local sources	\$ 5,578	\$ 10,589	\$ 16,167
State sources	3,821,574	1,456	3,823,030
Federal sources	949,418	307,017	1,256,435
Total revenue	4,776,570	319,062	5,095,632
Expenditures - Current:			
Instruction	2,050,580	-	2,050,580
Support services	2,325,593	-	2,325,593
Athletics	17,699	-	17,699
Food services	-	328,102	328,102
Community services	11,494	-	11,494
Total expenditures	4,405,366	328,102	4,733,468
Excess of Revenue Over (Under) Expenditures	371,204	(9,040)	362,164
Other Financing Sources (Uses)			
Transfers in (Note 6)	-	4,080	4,080
Transfers out (Note 6)	(4,080)	-	(4,080)
Net Change in Fund Balances	367,124	(4,960)	362,164
Fund Balances - Beginning of year	287,791	4,960	292,751
Fund Balances - End of year	<u>\$ 654,915</u>	<u>\$ -</u>	<u>\$ 654,915</u>

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, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 362,164
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	(8,598)
Revenue in support of pension contributions made subsequent to measurement date	(9,122)
Change in pension expense related to deferred items	<u>17,185</u>
Change in Net Position of Governmental Activities	<u>\$ 361,629</u>

West Village Academy

Fiduciary Fund Statement of Fiduciary Assets and Liabilities June 30, 2016

	<u>Agency Funds</u>
Assets - Due from other funds (Note 6)	\$ 28,997
Liabilities	
Accounts payable	\$ 49
Due to student activities	<u>28,948</u>
Total liabilities	<u>\$ 28,997</u>

Note 1 - 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, 2016 paid to the Central Michigan University board of trustees totaled approximately \$106,000.

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 net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 has two items that qualify for reporting in this category. Both deferred outflows relate to the pension plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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 directors for use for specific purposes. Commitments are made and can be rescinded only via resolution of the board of directors.

Note 1 - 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, 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 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.

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

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, 2016. 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.

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, 2016, 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.

West Village Academy

Notes to Financial Statements June 30, 2016

Note 3 - Deposits and Investments (Continued)

The Academy's cash is 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 \$417,037 had \$167,037 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.

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 \$72,515 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:

	Balance July 1, 2015	Additions	Disposals	Balance June 30, 2016
Governmental Activities				
Capital assets being depreciated:				
Leasehold improvements	\$ 200,000	\$ -	\$ -	\$ 200,000
Furniture and equipment	173,642	-	-	173,642
Subtotal	373,642	-	-	373,642
Accumulated depreciation:				
Leasehold improvements	200,000	-	-	200,000
Furniture and equipment	135,046	8,598	-	143,644
Subtotal	335,046	8,598	-	343,644
Net capital assets	<u>\$ 38,596</u>	<u>\$ (8,598)</u>	<u>\$ -</u>	<u>\$ 29,998</u>

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

West Village Academy

Notes to Financial Statements June 30, 2016

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 \$5 and \$28,997, 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 from the General Fund to the Food Services Fund represent payments to subsidize operations of the Food Services Fund in the amount of \$4,080.

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 \$660,000 for the year ended June 30, 2016. 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, 2016 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 \$5,200.

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

Years Ending June 30	Amount
2017	\$ 672,363
2018	67,363
2019	7,375
2020	7,158
Total	<u>\$ 754,259</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 \$63,158 for the year ended June 30, 2016. The agreement was renewed during June 2016 through June 30, 2017.

Note 10 - Notes Payable

During the year ended June 30, 2016, the Academy borrowed \$816,000 on a state aid anticipation note. The note requires monthly payments of \$75,569 for principal and interest at 3.2 percent interest through August 22, 2016. The outstanding balance of \$146,620 was fully repaid subsequent to year end.

Subsequent to year end, the Academy borrowed an additional \$626,000 on a state aid anticipation note that will be repaid in monthly payments of \$57,992, including interest at 3.3 percent, through August 21, 2017.

Note 11 - Michigan Public School Employees' Retirement System

Plan Description - The Academy participates in the Michigan Public School Employees' Retirement System (MPSERS 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 postemployment healthcare 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 postemployment healthcare 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.

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

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.

The 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

October 1, 2014 - September 30, 2015	18.76% - 23.07%
October 1, 2015 - June 30, 2016	14.56% - 18.95%

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, 2016 and 2015 were \$28,606 and \$40,319, respectively. Contributions include approximately \$9,000 and \$14,000 of revenue received from the State of Michigan to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate for the years ended June 30, 2016 and 2015, respectively.

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.

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

Members are eligible for nonduty 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.

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, 2016, the Academy reported a liability of \$342,954 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, 2014 which used updated procedures to roll forward the estimated liability to September 30, 2015. 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, 2015 and 2014, the Academy's proportion was 0.00140 and 0.00175 percent, respectively.

For the year ended June 30, 2016, the Academy recognized pension expense of \$19,534 exclusive of payments to the System to fund the MPSERS UAAL Stabilization Rate. At June 30, 2016, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

West Village Academy

Notes to Financial Statements June 30, 2016

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

	Deferred Outflows of Resources	Net Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,136
Changes of assumptions	8,444	-
Net difference between projected and actual earnings on pension plan assets	1,751	-
Changes in proportion and differences between Academy's contributions and proportionate share of contributions	-	64,220
Academy's contributions subsequent to the measurement date	22,983	-
Total	<u>\$ 33,178</u>	<u>\$ 65,356</u>

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	\$ 16,322
2017	16,322
2018	16,779
2019	5,738
Thereafter	-
Total	<u>\$ 55,161</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.

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

Actuarial Assumptions - The total pension liability as of September 30, 2015 is based on the results of an actuarial valuation date of September 30, 2014 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 to 12.30 percent, including wage inflation of 3.50 percent
Mortality basis	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB

Additionally, actuarial assumptions include a cost of living pension adjustment of 3.00 percent annual noncompounded for MIP members.

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 to 8.00 percent depending on the plan option. 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, 2016

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 %	5.9 %
Private Equity Pools	18 %	9.2 %
International Equity Pools	16 %	7.2 %
Fixed Income Pools	10 %	0.9 %
Real Estate and Infrastructure Pools	10 %	4.3 %
Real Return, Opportunistic, and Absolute Pool	16 %	6.0 %
Short Term Investment Pools	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. The following also reflects 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 Percent)	Current Discount Rate (8.00 Percent)	1.00 Percent Increase (9.00 Percent)
\$ 442,156	\$ 342,954	\$ 259,323

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, 2016, the Academy had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

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 from July 1, 2014 through September 30, 2014, from 2.20 percent to 2.71 percent of covered payroll for the period from October 1, 2014 to September 30, 2015, and from 6.40 percent to 6.83 percent of covered payroll for the period from October 1, 2015 through June 30, 2016 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 403(b) account.

The Academy's required and actual contributions to the plan for retiree healthcare benefits for the years ended June 30, 2016, 2015, and 2014 were \$5,609, \$5,162, and \$10,681, respectively. In addition, a portion ranging from 35 to 100 percent of the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate is considered a contribution to the retiree healthcare plan.

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue				
Local sources	\$ 8,408	\$ 6,100	\$ 5,578	\$ (522)
State sources	3,538,081	3,848,759	3,821,574	(27,185)
Federal sources	927,643	960,339	949,418	(10,921)
Total revenue	4,474,132	4,815,198	4,776,570	(38,628)
Expenditures - Current				
Instruction:				
Basic program	1,291,139	1,444,407	1,402,468	(41,939)
Added needs	641,038	695,152	648,112	(47,040)
Total instruction	1,932,177	2,139,559	2,050,580	(88,979)
Support services:				
Pupil	229,351	203,254	199,293	(3,961)
Instructional staff	171,808	173,290	164,242	(9,048)
General administration	288,650	259,069	256,528	(2,541)
School administration	432,116	409,308	409,574	266
Business	12,869	65,939	69,539	3,600
Operations and maintenance	1,102,920	1,080,461	1,038,413	(42,048)
Pupil transportation services	169,934	166,250	169,128	2,878
Central	17,320	19,447	18,876	(571)
Total support services	2,424,968	2,377,018	2,325,593	(51,425)
Athletics	13,768	17,699	17,699	-
Community services	14,219	11,999	11,494	(505)
Other	500	500	-	(500)
Total expenditures	4,385,632	4,546,775	4,405,366	(141,409)
Excess of Revenue Over Expenditures	88,500	268,423	371,204	102,781
Other Financing Uses - Transfers out	(62,999)	(34,222)	(4,080)	30,142
Net Change in Fund Balance	25,501	234,201	367,124	132,923
Fund Balance - Beginning of year	287,791	287,791	287,791	-
Fund Balance - End of year	<u>\$ 313,292</u>	<u>\$ 521,992</u>	<u>\$ 654,915</u>	<u>\$ 132,923</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

	2015	2014
Academy's proportion of the net pension liability	0.00140 %	0.00175 %
Academy's proportionate share of the net pension liability	\$ 342,954	\$ 384,594
Academy's covered employee payroll	97,356	158,049
Academy's proportionate share of the net pension liability as a percentage of its covered employee payroll	352.00000 %	243.33846 %
Plan fiduciary net position as a percentage of the total pension liability	62.92000 %	66.20000 %

West Village Academy

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

	<u>2016</u>		<u>2015</u>
Statutorily required contribution	\$ 28,608	\$	26,149
Contributions in relation to the statutorily required contribution	28,608		26,149
Academy's covered employee payroll	97,529		131,342
Contributions as a percentage of covered employee payroll	29.33 %		19.91 %

West Village Academy

Note to Pension Required Supplemental Information Schedules Year Ended June 30, 2016

Benefit Changes - There were no changes of benefit terms for the plan year ended September 30, 2015.

Changes in Assumptions - There were no changes of benefit assumptions for the plan year ended September 30, 2015.