

**HILLSDALE COUNTY INTERMEDIATE  
SCHOOL DISTRICT**

**WILL CARLETON ACADEMY'S MONITORING REPORT**

**FOR THE YEAR ENDED JUNE 30, 2018**



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INDEPENDENT ACCOUNTANT'S REPORT  
 ON APPLYING AGREED-UPON PROCEDURES

To the Board  
 Hillsdale County Intermediate School District  
 Hillsdale, Michigan

We have performed the procedures enumerated below, which were agreed to by the District, solely to assist you in monitoring the financial accountability of Will Carleton Academy, for the period July 1, 2017 through June 30, 2018. The District is responsible for monitoring the financial accountability of Will Carleton Academy. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

**Charter Agreement**

1. We reviewed the Agreement between Hillsdale County Intermediate School District and Will Carleton Academy to identify significant responsibilities of the Charter School.

**Subcontract Agreements**

1. We documented the following Subcontract Agreement and determined the Academy's future obligation as follows:

Choice Schools Associates, LLC – management, consulting, business  
 Contract through June 30, 2023

The contract fee is as follows:

July 1, 2018 through June 30, 2019	\$81,900
July 1, 2019 through June 30, 2020	10% of all gross revenues
July 1, 2020 through June 30, 2021	10% of all gross revenues
July 1, 2021 through June 30, 2022	10% of all gross revenues
July 1, 2022 through June 30, 2023	10% of all gross revenues

**Comparative financial information**

1. We compared the June 30, 2018 General Fund revenues and expenditures to June 30, 2017 and to the June 30, 2018 budget to note any unexpected variances based on our preliminary expectations.

	Actual 6-30-17	Actual 6-30-18	Budget 6-30-18
Revenues	\$ 2,543,562	\$ 2,126,818	\$ 2,136,316
Expenditures	\$ 2,615,327	\$ 2,242,216	\$ 2,341,176

We found no exceptions as a result of the procedures.

*Donna J. Hecht / Stephen W. Bisher / Jason M. Wade*

## Debt Agreements

1. We cited the documentation regarding the following debt issues and agreed outstanding balances to the June 30, 2018 audited financial statements.

- A) Revenue & refunding bonds - \$2,200,000, Series 2010  
June 30, 2018 outstanding balance - \$1,940,000  
Installments ranging from \$204,800 to \$205,600, including interest at 8% until June 30, 2036  
Subject to minimum unrestricted net asset covenants.
- B) John Deere Financial – Equipment  
June 30, 2018 outstanding balance - \$16,764  
Monthly installments of \$365, including interest at 0% until April, 2022

The District applied for and was granted approval for the issuance of State Aid Anticipated notes and long-term bonds as described above.

We found no exceptions as a result of the procedures.

## General Expenditures

1. We systematically selected 25 disbursements from the 2017-2018 General Fund check register for testing. We reviewed the supporting documentation for each disbursement to determine if the amount paid agreed to the invoice, the expenditure was authorized according to the District's approval process, and the account classifications were reasonable based on the description of the product or service.

We found no exceptions as a result of our tests.

## Section 31a – At-Risk Expenditures

1. We tested all of the expenditures charged to the District's At-Risk Program to determine if costs charged to the Program were allowable based on the criteria outlined in the *Michigan School Auditing Manual 2017 - 18*.

We found no exceptions as a result of our tests.

## Examination of current policies and documents

1. We obtained and viewed the attached list of items to verify their existence, relative to the 2017-18 school year. Not applicable (N/A) signifies the policy and/or document does not apply to the District.

We found no exceptions as a result of the procedures.

This Agreed-Upon Procedures Engagement was conducted in accordance with Attestation Standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the above subject matter. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and management of Hillsdale County Intermediate School District and is not intended to be and should not be used by anyone other than these specified parties.

**CHBW & Co., P.C.**  
Certified Public Accountants

Hillsdale, Michigan  
March 4, 2019

## ATTACHMENT

- Board adopted School Calendar / School Day Schedule
- Anti-Bullying Policy, in accordance with Matt's Safe School Law
- Annual Organizational Meeting Minutes
- Board Resolution appointing Chief Administrative Officer
- Board Designated Legal Counsel
- Board adopted Annual Calendar of Regularly Scheduled Meetings
- Organizational Chart
- Board approved Student Handbook
- Board approved Headmaster Contract
- Annual Nonprofit Corporation Information Update
- Michigan Highly Qualified Teacher Verification Report
- Notice of Open Enrollment & Lottery Process or Open Enrollment & Lottery Process Board Policy
- Certificate of Boiler Inspection – N/A
- Log of emergency drills, including date, time and results
- Charter Board Meeting Record of Postings – cancellations, changes, special meetings, emergency, etc.
- Charter Academy Board Meeting Minutes and Resolutions of regular, special & emergency Board Meetings.
- Oath of Office and written acceptance for each board member
- Articles of Incorporation
- Board of Director Bylaws
- Education Service Provider Agreements/Amendments
- Office of Fire Safety (OFS-40) – original Occupancy Permit and permits for renovations / additions, etc.
- Lease, Deed of Premises or Rental Agreement and subsequent amendments (includes modular units)
- Asbestos Hazardous Emergency Response Act (AHERA) Management Plan, if applicable. A copy of the “acceptance” letter sent by MIOSHA, if applicable
- Job descriptions for all employee groups