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August 28, 2012

Management and the Board of Trustees  
Honey Creek Community School  
Ann Arbor, Michigan

We have completed our audit of the financial statements of Honey Creek Community School as of and for the year ended June 30, 2012 and have issued our report dated August 28, 2012. We are required to communicate certain matters to you in accordance with auditing standards generally accepted in the United States of America that are related to internal control and the audit. The appendices to this letter set forth those communications as follows:

- I Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- II Auditors' Communication of Significant Matters with Those Charged with Governance

We discussed these matters with various personnel in the organization during the audit and we would also be pleased to meet with you to discuss these matters at your convenience.

These communications are intended solely for the information and use of management, the Board of Trustees, and others within the organization, and are not intended to be and should not be used by anyone other than those specified parties.

*Yeo & Yeo, P.C.*  
Ann Arbor, Michigan

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

Board of Trustees  
Honey Creek Community School

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Honey Creek Community School as of and for the year ended June 30, 2012, which collectively comprise Honey Creek Community School's basic financial statements and have issued our report thereon dated May 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described below, we identified certain deficiencies in internal controls over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described below to be a material weakness.

During the audit we identified an error that required a prior period adjustment. The payment of the June retirement obligation changed from a June payment to a July payment during the 2009-10 school year. The July payment should have been set up as accounts payable. In order

to correct the error a prior period adjustment reduced the July 1, 2011 beginning fund balance by \$20,434.

In order to monitor the budget and balance sheet, we recommend that payroll liabilities be verified as part of the year end close.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Honey Creek Community School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

*Yeo & Yeo, P.C.*

Ann Arbor, Michigan  
August 28, 2012

Appendix II  
Auditors' Communication of Significant Matters with Those Charged with Governance

Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated May 17, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 of the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the school during the year where there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the proper period

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. There were no significant estimates in the financial statements.

Disclosures in the financial statements are neutral, consistent and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require that the auditor accumulate all known and likely misstatements identified during the audit, other than those the auditor believes to be trivial. The adjustments identified during the audit have been communicated to management and management has posted all but district-wide adjustments.

We assisted in the journal entries to convert the financial records from the cash basis to the accrual basis. The only misstatements detected as a result of audit procedures and corrected by management that were material, either individually or in the aggregate, to the financial statements taken as a whole included journal entries 16, 17 and 18 related to payroll liabilities.

The following is a summary of the audit adjustments:

	General Fund	Endowment Fund
1 Recognize accounts receivable - Federal	\$ 24,204	\$ -
2 Recognize accounts receivable - State	332,020	-
3 Intentionally omitted		
4 Intentionally omitted		
5 Reclassify account	-	-
6 Recognize endowment activity	-	3,284
7 Recognize accounts payable	(9,246)	-
8 Adjust accounts receivable	3,361	-
9 Write off old balances	(806)	-
10 Recognize accrued payroll and related liabilities	(171,787)	-
11 Intentionally omitted		
12 Recognize deferred revenue (camp fees)	(65,035)	-
13 Add Chelsea state bank balance	2,190	-
14 Reclassify activity after 6/30/12	-	-
15 Recognize prepayment of rent	2,776	-
16 Reclassify payroll deduction accounts	21,236	-
17 Recognize pension payable	(25,295)	-
18 Pension prior period adjustment	20,434	-
Total adjustments	<u>\$ 134,052</u>	<u>\$ 3,284</u>

Management has determined that the effect of the uncorrected misstatement below is immaterial qualitatively and quantitatively, to the financial statements taken as a whole.

The prior year year-end bank reconciliation had a balance that was \$8,943 more than the general ledger. Differences were related to implementation of the new software and appear to be corrected. This difference caused an overstatement of revenues over expenditures in the current year of \$8,943.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We had no disagreements with management during the audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

#### *Management's Consultations with Other Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements,

our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Other Information in Documents Containing Audited Financial Statements*

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Honey Creek Community School**

**Ann Arbor, Michigan**

**Annual Financial Statements**

**and**

**Auditors' Report**

**June 30, 2012**

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**Honey Creek Community School**  
**Members of the Board of Trustees and Administration**  
**June 30, 2012**

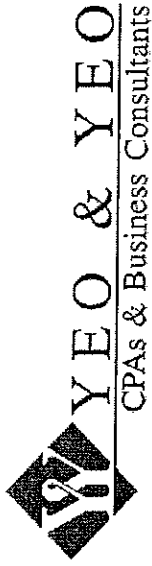
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Members of the Board of Trustees

Scott Mahler	President
Linda Knox	Vice-President
Libby Sheldon	Secretary
Brian Hockley	Treasurer
Patrick Conlin Jr.	Trustee
Kelly Krawcke	Trustee
Lisa Wozniak	Trustee
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Administration

Al Waters	Executive Director
Shellee Almqvist	Assistant Director



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## Independent Auditors' Report

To the Board of Trustees  
Honey Creek Community School  
Ann Arbor, Michigan

We have audited the accompanying financial statements of the governmental activities, major fund and the aggregate remaining fund information of Honey Creek Community School as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Honey Creek Community School's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of Honey Creek Community School as of June 30, 2012, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 28, 2012, on our consideration of the Honey Creek Community School'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* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Honey Creek Community School's financial statements as a whole. The accompanying other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and, other than the prior year information, was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Honey Creek Community School's financial statements for the year ended June 30, 2011, which are not presented with the accompanying financial statements. In our report dated September 8, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Honey Creek Community School's financial statements as a whole. The 2011 information in the comparative statements is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 information in the comparative statements is fairly stated in all material respects in relation to the financial statements from which they have been derived.

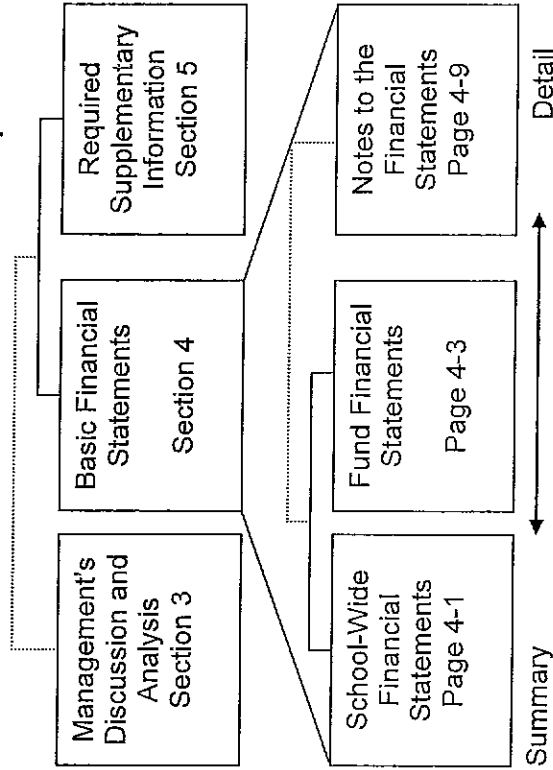
*Geo & Geo, P.C.*  
Ann Arbor, Michigan  
August 28, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# Honey Creek Community School Management's Discussion and Analysis Year Ended June 30, 2012

This financial report is presented in the format required by the Governmental Accounting Standards Board (GASB). The overall organization of this report is shown in Figure A-1.

**Figure A-1  
Honey Creek Community School  
Organization of Annual Financial Report**



## School –Wide Financial Statements

The School-wide statements provide a perspective of the School as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two School-wide statements: The Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets (page 4-1) combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless of whether they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities (page 4-2) accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various School services.

When analyzed together, the two statements help the reader determine whether the School is financially stronger or weaker as a result of the year's activities.

## Fund Financial Statements

The fund financial statements focus on individual parts of the School, reporting the School's operation in more detail than the School-wide statements. The fund level statements are reported on a *modified accrual basis*. Only those assets that are "*measurable*" and "*currently available*" are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources.

**Honey Creek Community School  
Management's Discussion and Analysis  
Year Ended June 30, 2012**

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's *Public School Accounting Manual*. In the State of Michigan, the School's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds.

Honey Creek Community School is the fiduciary for the Child Care Connection School Age Care Endowment Fund. This fiduciary activity is reported in separate statements of fiduciary net assets and changes in fiduciary net assets. They are excluded from the other financial statements because the School may not use the net assets to finance its operations. The School is responsible for ensuring that the net assets reported in this fund are used for their intended purpose.

**Financial Analysis of the School as a Whole**

**Summary of Net Assets**

	Governmental Activities	
	June 30, 2012	June 30, 2011 (restated)
<b>Assets</b>		
Current Assets	\$ 788,069	\$ 754,521
Capital Assets	33,687	33,687
Less accumulated depreciation	(33,687)	(33,687)
<b>Total Assets</b>	<b>788,069</b>	<b>754,521</b>
<b>Liabilities</b>		
Current Liabilities	281,900	249,134
Long-term Liabilities	-	-
<b>Total Liabilities</b>	<b>281,900</b>	<b>249,134</b>
<b>Net Assets</b>		
Restricted	38,969	24,244
Unrestricted	467,200	481,143
<b>Total Net Assets</b>	<b>\$ 506,169</b>	<b>\$ 505,387</b>

Unrestricted net assets are similar but not identical to fund balance. The restricted net assets currently include donations specifically identified for use by staff and students for special trips such as Camp Tamarack as well as donations for class trips. Nearly \$38,000 in fundraising monies is available to use for curriculum needs. A reconciliation of the difference between increased net assets and an increase in fund balance is on page 4-6.

# Honey Creek Community School Management's Discussion and Analysis Year Ended June 30, 2012

The net assets for the School increased \$782 during the 2011-12 school year. The *Statement of Net Assets from Operating Results* (below) shows the details of this change.

## Statement of Net Assets from Operating Results

<b>Revenues</b>				
Program revenues				Governmental Activities 2012
Charges for services	\$	199,812	\$	183,428
Operating grants and contributions		388,772		429,948
Capital grants and contributions				
General revenues				Governmental Activities 2011 (restated)
State foundation allowance		1,699,201		1,665,727
Interest and investment earnings		199		168
Other		27,209		23,002
<b>Total revenues</b>		<u>2,315,193</u>		<u>2,302,273</u>
<b>Expenses</b>				
Instruction		1,339,983		1,285,504
Support services		780,132		750,259
Community Services		194,296		167,304
<b>Total expenses</b>		<u>2,314,411</u>		<u>2,203,067</u>
<b>Increase in net assets</b>	\$	782	\$	99,206

## The School's Fund

The School increased the fund balance by \$782.

The School's actual general fund revenues were less than the revised budget by \$37,656, a variance of 1.6%.

The School's actual general fund expenditures were less than the revised budget by \$90,941, a variance of 3.8%.

## Foundation Allowance

Seventy nine percent of the School's revenues are received from state sources. The net state foundation grant is based on two variables:

1. The State of Michigan State Aid Act per student foundation allowance
2. Student enrollment calculated by blending 90 percent of the current year's fall count and 10 percent of the prior year's winter count

Annually, the State of Michigan establishes the per student foundation allowance. The Honey Creek Community School foundation allowance for 2011-12 was \$7,110 per student, a .05% decrease from 2010-11 allocation of \$7,147 and a 6.2% decrease from 2009-2010. For 2011-2012, the legislature granted a MPERS cost offset which provided \$24,944. They also offered the opportunity to gain \$23,200 by offering proof of Best Practices (listed on the web page). It turns out that a few Education Jobs dollars remained from returned allocations and the Honey Creek Community School allocated amount was \$3,413; we used those dollars to give small bonuses to our teachers.

The Honey Creek student enrollment for the fall count of 2011-2012 was 239 students. We continue to move toward our goal of 250 students with an increase in students during 2012-2013. The following summarizes fall student enrollments in the past five years:



**Honey Creek Community School  
Management's Discussion and Analysis  
Year Ended June 30, 2012**

**Enrollment History**

	Student FTE	FTE Change from Prior Year
2011/12	239	7
2010/11	232	13
2009/10	219	30
2008/09	189	8
2007/08	181	22

Preliminary student enrollment projections for 2012-2013 indicate that enrollment is likely to increase from the school year 2011-2012 by 6 students.

**Capital Assets**

At June 30, 2012, the School had \$33,687 invested in capital assets including furniture, and equipment.

	2012	2011
Furniture and equipment	\$ 33,687	\$ 33,687
Less accumulated depreciation	\$ 33,687	\$ 33,687
	<u>\$ -</u>	<u>\$ -</u>

**Long-Term Debt**

The School did not have any long-term obligations during the 2011-12 school year.

**Original versus Revised Budget**

The Uniform Budget Act of the State of Michigan requires that a local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. The budget for 2012 was approved on June 22, 2011 and amended on June 27, 2012.

**General Fund Revenues**

Total Revenues Revised Budget	<u>2011-12</u> \$ 2,352,849
Total Revenues Original Budget	<u>2,231,784</u> \$ <u>121,065</u>

The change reflects adjustments to revenues and an increase in fund balance.

**General Fund Expenditures**

Total Expenditures Revised Budget	<u>2011-12</u> \$ 2,405,352
Total Expenditures Original Budget	<u>2,287,444</u> \$ <u>117,908</u>

## Honey Creek Community School Management's Discussion and Analysis Year Ended June 30, 2012

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The change in expenditures reflects a clear picture of revenues available from federal and state sources and the assignment of matching expenditures. Special education needs continue to impact our budget with increasing numbers of evaluations, extended school year needs and smaller percentage reimbursement from Washtenaw Intermediate School District. Our board continued the task of strategic planning this year minimally impacting the cost of doing business.

### *Economic Factors and Next Year's Budget and Rates*

Most of the School's revenue is derived from the per pupil foundation allowance, so student enrollment as reported in the *blended count* is one of the key factors in forecasting revenue. Once the final student count is known in late September, State law requires the School to amend the budget if actual revenues will vary significantly from those originally appropriated.

Actual revenue received depends on the State's ability to collect revenues to fund its appropriation to schools. Honey Creek Community School received \$7,110 per pupil in 2011-12 year based on the blended count formula.

### *Requests for Information*

This financial report is designed to give our citizens, taxpayers, parents, students, investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Questions concerning this report or requests for additional information should be addressed to Shellee Almquist, Assistant Director at 734-994-2636 ext 2220.

## BASIC FINANCIAL STATEMENTS

**Honey Creek Community School**  
**Statement of Net Assets**  
**June 30, 2012**

	<b>Governmental</b>
	<b>Activities</b>
<b>Assets</b>	
Cash	\$ 400,085
Accounts receivable	28,984
Due from other governmental units	356,224
Prepaid items	2,776
Total assets	788,069
<b>Liabilities and net assets</b>	
Liabilities	
Accounts payable	34,337
Payroll deductions and withholdings	10,741
Accrued expenditures	46,142
Accrued salaries payable	125,645
Unearned revenue	65,035
Total liabilities	281,900
Net assets	
Restricted for:	
Phoenix Rising Projects	38,048
8th grade class trip	402
Middle school camp	519
Unrestricted	467,200
Total net assets	\$ 506,169

See Accompanying Notes to Financial Statements  
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**Honey Creek Community School**  
**Statement of Activities**  
**For the Year Ended June 30, 2012**

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services	Operating Grants and Contributions	
Functions/Programs			
Governmental activities			
Instruction	\$ -	\$ 388,772	\$ (951,211)
Supporting services	780,132	-	(780,132)
Community services	194,296	-	5,516
<b>Total governmental activities</b>	<b>\$ 199,812</b>	<b>\$ 388,772</b>	<b>(1,725,827)</b>

General revenues	1,699,201
State aid - unrestricted	199
Interest and investment earnings	27,209
Other	-
Total general revenues	1,726,609
Change in net assets	782
Net assets - beginning (as restated)	505,387
<b>Net assets - ending</b>	<b>\$ 506,169</b>

See Accompanying Notes to Financial Statements  
4 - 2

**Honey Creek Community School**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2012**

	General Fund
<b>Assets</b>	
Cash	\$ 400,085
Accounts receivable	28,984
Due from other governmental units	356,224
Prepaid items	2,776
<b>Total assets</b>	\$ 788,069
<b>Liabilities and fund balance</b>	
<b>Liabilities</b>	
Accounts payable	\$ 34,337
Payroll deductions and withholdings	10,741
Accrued expenditures	46,142
Accrued salaries payable	125,645
Deferred revenue	65,035
<b>Total liabilities</b>	281,900
Fund balance	
Nonexpendable	
Prepaid items	2,776
Restricted for:	
Phoenix Rising Projects	
8th grade class trip	38,048
Middle school camp	402
Assigned to:	
Scheibar Foundation special projects	17,392
2012-13 budget	264,818
Unassigned	182,214
<b>Total fund balance</b>	506,169
<b>Total liabilities and fund balance</b>	\$ 788,069

See Accompanying Notes to Financial Statements  
4 - 3

**Honey Creek Community School**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets**  
**June 30, 2012**

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Total fund balances for governmental funds	<u>\$ 506,169</u>
Net assets of governmental activities	<u>\$ 506,169</u>

See Accompanying Notes to Financial Statements  
4 - 4

**Honey Creek Community School**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2012**

	General Fund
<b>Revenues</b>	
Local sources	\$ 266,917
State sources	1,830,172
Federal sources	100,767
Interdistrict sources	117,337
<b>Total revenues</b>	<b>2,315,193</b>
<b>Expenditures</b>	
Current	
Education	
Instruction	1,339,883
Supporting services	756,929
Community services	194,296
Capital outlay	23,303
<b>Total expenditures</b>	<b>2,314,411</b>
Excess of revenues over expenditures	782
Fund balance - beginning (as restated)	505,387
<b>Fund balance - ending</b>	<b>\$ 506,169</b>

See Accompanying Notes to Financial Statements  
4 - 5



**Honey Creek Community School**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2012**

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Net change in fund balances - Total governmental funds

\$ 782

Change in net assets of governmental activities

\$ 782

**Honey Creek Community School**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Assets**  
**June 30, 2012**

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<b>Assets</b>		<b>Private Purpose Trust Funds</b>
Cash	\$ 15,580	
Ann Arbor Area Community Foundation endowment	56,927	
<b>Total assets</b>	<b>\$ 72,507</b>	
<b>Net assets</b>		
Assets held for endowment fund	56,927	
Assets held for child care program	15,580	
<b>Total net assets</b>	<b>\$ 72,507</b>	

See Accompanying Notes to Financial Statements  
4 - 7

**Honey Creek Community School**  
**Fiduciary Funds**  
**Private Purpose Trust Funds**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2012**

	Private Purpose Trust Funds
<b>Additions</b>	
Interest and investment earnings (loss)	\$ 3,284
<b>Deductions</b>	
Change in net assets	3,284
Net assets - beginning	69,223
<b>Net assets - ending</b>	<b>\$ 72,507</b>

See Accompanying Notes to Financial Statements  
 4 - 8

# Honey Creek Community School

## Notes to Financial Statements

June 30, 2012

### Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Honey Creek Community School (School) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School's significant accounting policies:

#### Reporting Entity

Honey Creek Community School is governed by an eight-member Board of Trustees. The School was granted a contract to operate a public school academy under the authority of Washtenaw Intermediate School District, as granted by the State of Michigan. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School's reporting entity, and which organizations are legally separate component units of the School. The School has no component units.

#### School-wide Financial Statements

The School's basic financial statements include both district-wide (reporting for the district as a whole) and fund financial statements (reporting the School's major funds). The school-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School's activities are classified as governmental activities.

The statement of net assets presents governmental activities using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School's net assets are reported in three parts (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets. The School first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the School's functions. The functions are also supported by general government revenues (contributions, intergovernmental revenues and fees). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (state sources and federal sources, interest income, etc.). The School does not allocate indirect costs.

The school-wide focus is on the sustainability of the School as an entity and the change in the School's net assets resulting from current year activities.

#### Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide 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. For this purpose, the School considers revenues to be available if they are 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. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Honey Creek Community School**  
**Notes to Financial Statements**  
**June 30, 2012**

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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 school.

Fiduciary fund statements also are reported using the economic resources measurement focus and the accrual basis of accounting.

The School reports the following major governmental funds:

General Fund – The General Fund is used to record the general operations of the School pertaining to education and those operations not required to be provided for in other funds.

Additionally, the School reports the following fund types:

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the School in a trustee capacity or as an agent.

The Child Care Connection School Age Care Endowment Fund is used to support the continued provision and development of parent-guided school age child care at the School. The funds are to be used to fund scholarships and curriculum development of the School's school age programs.

**Assets, Liabilities and Equity**

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as "due from/to other funds". These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade receivables are shown net of an allowance for uncollectible amounts. The School considers all accounts receivable to be fully

collectible; accordingly, no allowance for uncollectible amounts is recorded.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The School defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School does not have infrastructure assets. Equipment is depreciated using the straight-line method over 3 – 5 years.

Long-term Obligations – In the school-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

The School is able to issue bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation notes are direct obligations and pledge the full faith and credit of the School. Other long-term obligations may include compensated absences, claims and judgments, termination benefits, and certain risk liabilities.

There are no long-term liabilities as of June 30, 2012.

Fund Equity – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable - assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

**Honey Creek Community School**  
**Notes to Financial Statements**  
**June 30, 2012**

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Committed – amounts constrained on use imposed by the District's highest level of decision-making, its board of trustees. A fund balance commitment may be established, modified, or rescinded by a resolution of the board of trustees.

Assigned – amounts intended to be used for specific purposes, as determined by the Executive Director.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

The School has adopted a minimum fund balance policy, as follows: the school will maintain a 20% fund balance.

**Upcoming Accounting and Reporting Changes**

The Government Accounting Standards Board has issued Statements 63 and 65, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and standards provide guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures. These statements will be adopted for the fiscal year ending June 30, 2013.

The Government Accounting Standards Board has issued Statements 67, *Financial Reporting for Pensions Plans* and 68 *Accounting and Financial Reporting for Pensions*. Statement 67

changes how public employee pension plans calculate and report their total pension liability. Statement 68 requires governments participating in public employee pension plans to recognize their portion of the long-term obligation for the pension benefits as a liability and to measure the annual costs of the pension benefits. The effect of these changes has not been determined. Statement 67 is effective for the year ending June 30, 2014 and Statement 68 is effective for the year ending June 30, 2015.

**Note 2 - Stewardship, Compliance, and Accountability**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General Fund. All annual appropriations lapse at fiscal year end, thereby cancel all encumbrances. These appropriations are reestablished at the beginning of the year.

The appropriation level adopted by the Board is the level of control authorized under the Act. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School to have its budget in place by July 1. A school is not considered in violation of the law if reasonable procedures are in use by the School to detect violations.

The Executive Director is authorized to transfer budgeted amounts within functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.

Budgeted amounts are as originally adopted or as amended by the Board of Trustees throughout the year. Individual amendments were not material in relation to the original appropriations.

**Honey Creek Community School**  
**Notes to Financial Statements**  
**June 30, 2012**

**Excess of Expenditures over Appropriations**

During the year, the school incurred expenditures in certain functions, which were in excess of the amount budgeted, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Instructional staff	\$ 116,990	\$ 119,666	\$ 2,676
Community services	183,934	194,296	10,362

**Deposits and Investments**

The School's deposits were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total	
			Primary	Government
Cash	\$ 400,085	\$ 15,580	\$	415,665

*Interest rate risk* – The District does not have a formal investment policy to manage its exposure to fair value losses arising from changes in interest rates.

*Credit risk* – State statutes and the School's investment policy authorize the School to make deposits in the accounts of federally insured banks and credit unions, and savings and loan associations that have an office in Michigan; the School 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.

*Concentration of credit risk* – The District has no policy that would limit the amount that may be invested with any one issuer.

*Custodial credit risk – deposits* – In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to it. In accordance with the School's policy, a local bank is used for deposits. As of June 30, 2012, \$127,149 of the School's bank balance of \$427,626 was exposed to custodial credit risk.

*Custodial credit risk – investments* – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**Note 3 - Ann Arbor Community Foundation Endowment**

As of June 30, 2012, the School has an endowment of \$ 56,927 held by Ann Arbor Area Community Foundation. The original \$50,000 provided by the school will remain as principal. Investment income will be available as permitted by the Ann Arbor Community Foundation spending plan. The assets are recognized in a private purpose trust fund.

**Honey Creek Community School**  
**Notes to Financial Statements**  
**June 30, 2012**

**Note 4 - Capital Assets**

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Furniture and equipment	\$ 33,687	\$ -	\$ -	\$ 33,687
Less accumulated depreciation for furniture and equipment	<u>33,687</u>	<u>-</u>	<u>-</u>	<u>33,687</u>
Net capital assets	\$ -	\$ -	\$ -	\$ -

All capital assets have been depreciated; therefore there is no depreciation expense in the current year.

**Note 5 - Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

School Age Camp	<u>Unearned</u>
	<u>\$ 65,035</u>

**Note 6 - Leases**

**Operating Leases**

The School leases 1 Sharp copier under a noncancelable operating lease. Total costs for the lease were \$ 2,484 for the year. The future minimum lease payments for the lease are \$1,035 for the year ending June 30, 2013.

See Note 9 Related Party Transactions for information about the operating lease for office and classroom space.

**Note 7 - Risk Management**

The School is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as benefits provided to employees. The School has purchased commercial insurance for health, dental, life and disability benefits for employees, and participates in SET-SEG (risk pool) for claims related to workers' compensation, general liability, and property. The shared risk program in which the school participates operates as a common risk-sharing management program for schools in Michigan; member premiums are used to purchase commercial excess insurance and to pay member claims in excess of deductible amounts.

**Note 8 - Pension Plans and Post Employment Benefits**

**Plan Description**

The School District has a defined benefit pension plan covering substantially all employees. The plan is operated by the State of Michigan's Public School Employees Retirement System (MPSERS), which is a cost-sharing multiple-employer public employee retirement system (PERS).

The pension plan provides retirement, survivor and disability benefits to plan members and their beneficiaries.

MPSERS operates within the Michigan Department of Technology, Management and Budget, Office of Retirement Services who has the authority to establish and amend benefit provisions. The Michigan Department of Technology, Management and Budget issues a publicly available financial report that includes financial statements and required supplementary information for MPSERS. The report provides information for the plan as a whole and information helpful for understanding the scale of the information presented relative to



**Honey Creek Community School**  
**Notes to Financial Statements**  
**June 30, 2012**

the School. That report may be obtained by writing Office of Retirement Services, P.O. Box 30171, Lansing, Michigan 48909-7671, calling 800-381-5111 or on the web at <http://www.michigan.gov/orsschools>.

In 2010 MPERS created a new Pension Plus plan. All Michigan public school employees who begin work on or after July 1, 2010, are enrolled in the Pension Plus plan. The Pension Plus plan includes two components: (a) a defined benefit pension component, and (b) a defined contribution savings component.

**Funding Policy**

The School is required by the School Finance Reform Act to contribute to MPERS an actuarially determined percentage of payroll for all participating employees. The School's actual contributions match the required contributions. Additionally, employees participating in the Member Investment Plan contributed 3% to 6.4% of their covered wages through payroll deduction. In addition to retirement benefits, a portion of the total MPERS contribution is allocated to cover health, dental and vision benefits. The following table discloses pertinent information relative to MPERS pension funding for the three-year period beginning July 1, 2009 through June 30, 2012.

	2012	2011	2010
Funding percentage range	10.66 - 15.96%	8.63 - 12.16%	9.73 - 10.13%
Total payroll	\$ 1,367,071	\$ 1,307,738	\$ 1,204,868
Total covered payroll	1,187,099	1,163,444	1,083,066
School pension contributions	183,017	134,274	108,721
Employee MIP contributions	41,191	41,700	37,126
Tax deferred payment program	5,040	5,040	-

**Defined Contribution Savings Plan**

For the Pension Plus savings plan, participants are automatically enrolled and 2% of their pay is withheld and deposited into the account. Participants may elect to not contribute, or may elect to increase their personal contribution up to the annual limits

established by the IRS. The District matches 50 percent of the employee contributions into the Pension Plus savings plan, up to 1 percent. Participants opting to not contribute receive no employer matching contribution. Contributions by the District and participants during the year ended June 30, 2012, were:

	School	Participants
Contributions to the Pension Plus Savings Plan	\$ 1,074	\$ 2,148

**Post Employment Benefits**

In addition to the pension benefits described above, the School Finance Reform Act requires the School District to provide post-retirement health care, dental, and vision benefits for retirees and beneficiaries through Michigan Public School Employees Retirement System (MPERS). Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health care, dental and vision coverage at the time of receiving the benefits. The School's actual contributions match the required contributions.

The following table discloses pertinent information relative to MPERS post employment benefits funding for the three-year period beginning July 1, 2009 through June 30, 2012.

	2012	2011	2010
Funding percentage range	8.50%	6.81 - 8.50%	6.81%
Employer contributions	\$ 106,296	\$ 96,174	\$ 73,757
Employee contributions	36,172	28,674	-

**Note 9 - Related Party Transactions**

The School renewed its contract with Washtenaw Intermediate School District (WISD) on June 10, 2009 for an additional five years to operate a public school academy.

**Honey Creek Community School**  
**Notes to Financial Statements**  
**June 30, 2012**

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The School currently leases their premises on a three-year lease with WISD which ended on June 30, 2006. The lease currently operates on a monthly basis until a new lease agreement is reached. The amount paid during fiscal year 2011-12 was \$150,000. The lease amount during the next year will be calculated by WISD. It is anticipated that the annual amounts will remain consistent with the current year.

The School currently pays WISD 3% of its state aid as an administration fee. The amount paid during fiscal year 2011-12 was \$50,584. There is a balance due of \$ 9,246 at year end.

**Note 10 - Prior Period Adjustment**

The prior period was corrected for a payable of \$20,434 as of June 30, 2011. Both the beginning net assets and fund balance were decreased by \$20,434. A similar payable was omitted as of June 30, 2010 therefore the change in net assets and fund balance for the 2010-11 school year was insignificant.

**REQUIRED SUPPLEMENTAL INFORMATION**

**Honey Creek Community School**  
**Required Supplemental Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
<b>Revenues</b>				
Local sources	\$ 219,407	\$ 242,700	\$ 266,917	\$ 24,217
State sources	1,769,905	1,825,014	1,830,172	5,158
Federal sources	102,558	140,082	100,767	(39,315)
Interdistrict sources	139,914	145,053	117,337	(27,716)
Total revenues	2,231,784	2,352,849	2,315,193	(37,656)
<b>Expenditures</b>				
Instruction				
Basic programs	1,088,272	1,110,067	1,089,532	(20,535)
Added needs	294,649	264,652	250,351	(14,301)
Supporting services				
Pupil				
Instructional staff	74,712	143,436	115,471	(27,965)
General administration	102,463	116,990	119,666	2,676
School administration	189,313	193,781	181,172	(12,609)
Business	137,724	141,038	132,363	(8,675)
Operations and maintenance	69,904	75,704	61,248	(14,456)
Pupil transportation services	141,700	141,250	141,022	(228)
Central	5,000	6,000	5,068	(932)
Community services	945	1,000	919	(81)
Capital outlay	165,812	183,934	194,296	10,362
	16,950	27,500	23,303	(4,197)
Total expenditures	2,287,444	2,405,352	2,314,411	(90,941)
Net change in fund balance	(55,660)	(52,503)	782	53,285
Fund balance - beginning (as restated)	505,387	505,387	505,387	-
<b>Fund balance - ending</b>	<b>\$ 449,727</b>	<b>\$ 452,884</b>	<b>\$ 506,169</b>	<b>\$ 53,285</b>

**OTHER SUPPLEMENTAL INFORMATION**

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**Honey Creek Community School**  
**Other Supplemental Information**  
**General Fund**  
**Comparative Balance Sheet**  
**June 30, 2012**

	2012	2011 (restated)
<b>Assets</b>		
Cash	\$ 400,085	\$ 364,318
Accounts receivable	28,984	18,127
Due from other governmental units	356,224	352,076
Prepaid items	2,776	20,000
<b>Total assets</b>	<b>\$ 788,069</b>	<b>\$ 754,521</b>
<b>Liabilities and fund balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 34,337	\$ 30,564
Payroll deductions and withholdings	10,741	9,790
Accrued expenditures	46,142	39,587
Accrued salaries payable	125,645	112,102
Deferred revenue	65,035	57,091
<b>Total liabilities</b>	<b>281,900</b>	<b>249,134</b>
<b>Fund balance</b>		
Nonexpendable		
Prepaid items	2,776	20,000
Restricted for:		
Phoenix Rising Projects	38,048	23,276
8th grade class trip	402	449
Middle school camp	519	519
Assigned to:		
Bank of Ann Arbor award special projects	-	10,000
Book fair special projects	17,392	358
2012-13 budget	264,818	93,895
Unassigned	182,214	356,890
<b>Total fund balance</b>	<b>506,169</b>	<b>505,387</b>
<b>Total liabilities and fund balance</b>	<b>\$ 788,069</b>	<b>\$ 754,521</b>

**Honey Creek Community School**  
**Other Supplemental Information**  
**General Fund**

**Schedule of Revenues Compared to Budget**  
**For the Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenue from local sources</b>				
Earnings on investments	\$ 250	\$ 200	\$ 199	\$ (1)
Community service activities	170,500	173,150	199,812	26,662
Other local revenues	48,657	69,350	66,906	(2,444)
Total revenues from local sources	<u>219,407</u>	<u>242,700</u>	<u>266,917</u>	<u>24,217</u>
<b>Revenues from state sources</b>				
Grants - unrestricted	1,681,515	1,694,313	1,694,313	-
Grants - restricted	88,390	130,701	135,859	5,158
Total revenues from state sources	<u>1,769,905</u>	<u>1,825,014</u>	<u>1,830,172</u>	<u>5,158</u>
<b>Revenues from federal sources</b>				
Grants	<u>102,558</u>	<u>140,082</u>	<u>100,767</u>	<u>(39,315)</u>
<b>Interdistrict sources</b>				
ISD collected millage	<u>139,914</u>	<u>145,053</u>	<u>117,337</u>	<u>(27,716)</u>
<b>Total revenue</b>	<u>\$ 2,231,784</u>	<u>\$ 2,352,849</u>	<u>\$ 2,315,193</u>	<u>\$ (37,656)</u>

**Honey Creek Community School**  
**Other Supplemental Information**  
**General Fund**

**Schedule of Expenditures Compared to Budget**  
**For the Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Basic program - elementary</b>				
Salaries	\$ 504,266	\$ 513,411	\$ 498,175	\$ (15,236)
Employee benefits	195,607	199,015	205,396	6,381
Purchased services	11,174	17,854	14,966	(2,888)
Supplies and materials	18,900	19,000	18,971	(29)
Total elementary	<u>729,947</u>	<u>749,280</u>	<u>737,508</u>	<u>(11,772)</u>
<b>Basic program - middle school</b>				
Salaries	230,625	227,864	221,440	(6,424)
Employee benefits	85,336	85,240	86,236	996
Purchased services	25,080	31,929	29,480	(2,449)
Supplies and materials	14,650	13,100	12,216	(884)
Total middle school	<u>355,691</u>	<u>358,133</u>	<u>349,372</u>	<u>(8,761)</u>
<b>Basic program - summer school</b>				
Salaries	2,000	2,000	2,000	-
Employee benefits	634	654	652	(2)
Total summer school	<u>2,634</u>	<u>2,654</u>	<u>2,652</u>	<u>(2)</u>
<b>Added needs - special education</b>				
Salaries	196,080	173,152	170,466	(2,686)
Employee benefits	52,754	41,467	38,324	(3,143)
Purchased services	8,500	5,300	2,993	(2,307)
Supplies and materials	4,200	5,400	6,108	708
Total special education	<u>261,534</u>	<u>225,319</u>	<u>217,891</u>	<u>(7,428)</u>



**Honey Creek Community School**  
**Other Supplemental Information**  
**General Fund**

**Schedule of Expenditures Compared to Budget**  
**For the Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Added needs - compensatory education</b>				
Salaries	\$ 28,183	\$ 34,792	\$ 26,545	\$ (8,247)
Employee benefits	4,432	2,051	3,604	1,553
Supplies and materials	500	2,490	2,311	(179)
Total compensatory education	33,115	39,333	32,460	(6,873)
<b>Pupil - speech services</b>				
Purchased services	-	65,206	34,312	(30,894)
Supplies and materials	-	500	4,533	4,033
Total speech services	-	65,706	38,845	(26,861)
<b>Pupil - social work services</b>				
Salaries	10,000	10,000	10,000	-
Employee benefits	3,213	3,213	3,213	-
Supplies and materials	-	500	500	-
Total social work services	13,213	13,713	13,713	-
<b>Pupil - other support services</b>				
Salaries	46,079	48,000	50,841	2,841
Employee benefits	15,420	16,017	12,072	(3,945)
Total other pupil support services	61,499	64,017	62,913	(1,104)
<b>Instructional staff - improvement of education</b>				
Supplies and materials	14,700	11,700	12,905	1,205

**Honey Creek Community School**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Budget**  
**For the Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Instructional staff - educational media services</b>				
Salaries	\$ 21,590	\$ 21,590	\$ 21,865	\$ 275
Employee benefits	2,005	2,005	2,403	398
Purchased services	400	550	45	(505)
Supplies and materials	4,350	2,850	3,192	342
Total educational media services	28,345	26,995	27,505	510
<b>Instructional staff - technology assisted instruction</b>				
Salaries	41,934	42,434	43,885	1,451
Employee benefits	17,184	18,140	17,813	(327)
Purchased services	300	800	638	(162)
Total technology assisted instruction	59,418	61,374	62,336	962
<b>Instructional staff - supervision and direction of instructional staff</b>				
Salaries	-	12,000	12,000	-
Employee benefits	-	4,921	4,920	(1)
Total supervision and direction of instructional staff	-	16,921	16,920	(1)
<b>General administration - board of education</b>				
Purchased services	15,000	13,805	12,384	(1,421)
Other	2,500	5,200	2,429	(2,771)
Total board of education	17,500	19,005	14,813	(4,192)

**Honey Creek Community School**  
**Other Supplemental Information**  
**General Fund**

**Schedule of Expenditures Compared to Budget**  
**For the Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>General administration - executive administration</b>				
Salaries	\$ 78,404	\$ 78,404	\$ 78,404	\$ -
Employee benefits	31,014	31,496	27,684	(3,812)
Purchased services	58,245	61,076	56,041	(5,035)
Supplies and materials	2,750	2,400	2,883	483
Other	1,400	1,400	1,347	(53)
Total executive administration	171,813	174,776	166,359	(8,417)
<b>School administration - office of the principal</b>				
Salaries	61,014	61,014	58,833	(2,181)
Employee benefits	21,777	23,297	18,752	(4,545)
Total office of the principal	82,791	84,311	77,585	(6,726)
<b>School administration - support services</b>				
Salaries	38,320	38,870	39,484	614
Employee benefits	15,413	16,557	14,056	(2,501)
Purchased services	1,200	1,300	1,238	(62)
Total support services	54,933	56,727	54,778	(1,949)
<b>Business - fiscal services</b>				
Salaries	35,049	35,049	35,049	-
Employee benefits	14,881	15,557	12,409	(3,148)
Purchased services	2,900	2,650	2,491	(159)
Total fiscal services	52,830	53,256	49,949	(3,307)

**Honey Creek Community School**  
**Other Supplemental Information**  
**General Fund**

**Schedule of Expenditures Compared to Budget**  
**For the Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Business - other</b>				
Purchased services	\$ 17,074	\$ 22,448	\$ 11,299	\$ (11,149)
<b>Operations and maintenance - operating building services</b>				
Purchased services	141,700	141,250	141,022	(228)
<b>Pupil transportation services</b>				
Purchased services	5,000	6,000	5,068	(932)
<b>Central - staff/personnel services</b>				
Employee benefits	945	1,000	919	(81)
<b>Community services - custody and care of children</b>				
Salaries	99,126	112,545	123,765	11,220
Employee benefits	35,836	39,439	39,158	(281)
Purchased services	11,450	10,550	9,582	(968)
Supplies and materials	17,900	20,200	20,055	(145)
Other	1,500	1,200	1,736	536
<b>Total custody and care of children</b>	<b>165,812</b>	<b>183,934</b>	<b>194,296</b>	<b>10,362</b>

**Honey Creek Community School**  
**Other Supplemental Information**  
**General Fund**

**Schedule of Expenditures Compared to Budget**  
**For the Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Capital outlay</b>				
Basic program - elementary	\$ 1,800	\$ 800	\$ 30	\$ (770)
Basic program - middle school	1,500	500	70	(430)
Instructional staff - educational media services	500	600	529	(71)
General administration - executive administration	8,700	1,000	1,167	167
Central - support services technology	-	20,000	19,492	(508)
Community services - custody and care of children	4,450	4,600	2,015	(2,585)
Total capital outlay	16,950	27,500	23,303	(4,197)
<b>Total expenditures</b>	<b>\$ 2,287,444</b>	<b>\$ 2,405,352</b>	<b>\$ 2,314,411</b>	<b>\$ (90,941)</b>