

Holly Academy

Holly, Michigan

**Annual Financial Statements
and
Auditors' Report**

June 30, 2011

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Holly Academy
Members of the Board of Directors and Administration
June 30, 2011

Members of the Board of Directors

Mrs. Stacie Bommersbach	President
Mr. Matthew Barcey	Vice President
Mrs. Diane Wujciak	Secretary - FOIA Officer
Mr. Paul Fuhs	Treasurer
Mrs. Michelle Eisert	Trustee
Ms. Kay Hollar	Trustee
Mr. Fritz Esch	Trustee

Administration

Ms. Julie Kildee	Academy Director
Mrs. Lisa Leimeister	Deputy Director
Mr. Ken Kander	Finance Director
Mr. Jeremy Brown	Dean of Students



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Independent Auditors' Report

To the Board of Directors
Holly Academy
Holly, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Holly Academy as of and for the year ended June 30, 2011, which collectively comprise the Academy's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Holly Academy'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, each major fund, and the aggregate remaining fund information of Holly Academy as of June 30, 2011, 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.

As discussed in Note 1 to the financial statements, the Entity adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the year ended June 30, 2011.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 24, 2011, on our consideration of Holly Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental 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 the Holly Academy'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, Holly Academy's financial statements for the year ended June 30, 2010, which are not presented with the accompanying financial statements. In our report dated September 27, 2010, 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 Holly Academy's financial statements as a whole. The 2010 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 2010 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 2010 information in the comparative statements is fairly stated in all material respects in relation to the financial statements from which they have been derived.

Yeo & Yeo, P.C.

Flint, Michigan
September 24, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

HOLLY ACADEMY

Holly Academy, a K-8 Academy located in Oakland County, Michigan, is in its eighth year of implementation of the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34) with the enclosed financial statements. In addition to the statements, a comparative analysis of government-wide data will also be provided.

The Management's Discussion and Analysis, a requirement of GASB 34, is intended to be Holly Academy's discussion and analysis of the financial results for the fiscal year ended June 30, 2011. Generally Accepted Accounting Principles (GAAP) according to GASB 34 requires the reporting of two types of financial statements: District-wide Financial Statements and Fund Financial Statements.

Using this Annual Report

The accompanying financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis for State & Local Governments. The following components are required:

- Management's Discussion and Analysis
- Basic Financial Statements, including *Statement of Net Assets*, *Statement of Activities* and *Fund Financial Statements*
- Notes to the Financial Statements
- Required Supplementary Information

Management's Discussion and Analysis is a narrative insight to the past and present financial condition of Holly Academy. This summary does not take the place of the comprehensive financial statements and other supplemental information following this narrative.

Reporting the School District as a Whole

The financial statements provide information about the activities of Holly Academy, presenting both an aggregate view of the finances and a longer-term view of those finances. These statements use the full accrual basis of accounting similar to that used by companies in the private sector. The two statements are the Statement of Net Assets and the Statement of Activities, which appear first in the financial statements. The Statement of Net Assets includes all of Holly Academy's assets and liabilities, regardless if they are short-term or long-term. The Statement of Activities includes all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report Holly Academy's net assets – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the net assets – as reported in the Statement of Activities – are indicators of whether financial health is improving or deteriorating. The relationship between revenues and expenses is the operating results. However, Holly Academy's goal is to provide exceptional student services, not to generate profits. One must also consider non-financial factors, such as the quality of the education provided, to assess the overall health of Holly Academy.

Reporting Holly Academy's Most Significant Funds – Fund Financial Statements

The fund statements are similar to financial presentations of years past, but the focus is on Holly Academy's major funds rather than on fund types. The two account groups General Fixed Assets and General Long Term Debt are no longer reported. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Under this basis of accounting, revenues are recorded when received except where they are measurable and available, and thus represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and not recorded as an asset. Debt payments are recorded as expenditures in the current year, and future debt obligations are not recorded.

Holly Academy's fund financial statements provide detailed information about the most significant funds – not the School District as a whole. Funds are accounting devices that Holly Academy uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements tell how services were financed in the short-term as well as what remains for future spending. The statements provide information about Holly Academy's most significant fund – the General Fund. The other funds include Capital Projects and Debt Service, which are presented as Non-major funds. The Capital Projects Fund was established in 2010-11 for the school's renovations, scheduled to be completed in August of 2012. The Debt Service Fund was established in 2004 as a direct result of Holly Academy's purchase of the facilities. The General Fund will continue to be used primarily to account for the general education requirements of Holly Academy. The revenues for Holly Academy continue to be primarily derived from State Aid, as well as from state and federal grants.

Reporting Holly Academy's Fiduciary Responsibilities – Holly Academy as Trustee

Holly Academy is the trustee, or fiduciary, for its student activity funds. All of the fiduciary activities are reported in separate statements of fiduciary assets and liabilities. Holly Academy is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature – assets equal liabilities – and do not involve measurement of results of operations. These activities are excluded from Holly Academy's other financial statements since Holly Academy cannot use these assets to finance its operations.

Financial Analysis of Holly Academy as a Whole

The statement of net assets provides the perspective of Holly Academy as a whole. Table 1 provides a summary of Holly Academy's net assets as of June 30, 2011, including a liability and asset comparison to fiscal year 2010.

Table 1 – Summary of Net Assets:

Fiscal Year – 2011

Assets	
Current and other assets	\$5,181,371
Capital assets not being depreciated	670,000
Capital assets – net of accumulated depreciation	3,832,824
Total Assets	9,684,195
Liabilities	
Current liabilities	835,107
Noncurrent—Due within one year	7,347
Noncurrent—Due in more than one year	5,816,924
Total Liabilities	6,659,378
Net Assets	
Invested in capital assets, net of related debt	1,289,277
Restricted for debt	57,087
Unrestricted	1,678,453
Total Net Assets	\$3,024,817

Fiscal Year – 2010

Assets

Current and other assets	\$2,862,023
Capital assets not being depreciated	670,000
Capital assets – net of accumulated depreciation	3,825,986
Total Assets	7,358,009

Liabilities

Current liabilities	749,161
Noncurrent—Due within one year	139,079
Noncurrent—Due in more than one year	3,185,000
Total Liabilities	4,073,240

Net Assets

Invested in capital assets, net of related debt	1,171,907
Restricted for debt	126,629
Unrestricted	1,986,233
Total Net Assets	\$3,284,769

Net Capital Assets are a combination of funds available for capital assets, plus capital assets at original cost, less accumulated depreciation and related debt. The accumulated depreciation is the accumulation of depreciation expense since acquisition. As of June 30, 2011, Holly Academy's net capital assets were \$1,278,100, restricted net assets were \$57,087, and the remaining amount of net assets of \$1,689,630 was unrestricted. These unrestricted net assets represent the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on change in unrestricted net assets from year to year.

Statement of Activities

The results of this year's operations for Holly Academy are reported in the statement of activities, and in a more condensed format in Table 2; revenue and expense comparison to fiscal year 2010 is also reported.

Table 2 – Results of Operations:

Fiscal Year - 2011

Net Revenues:

General Revenues:		
State Aid – Unrestricted	\$5,444,139	
Investment earnings	8,414	
Miscellaneous	5,313	
Total		\$5,457,866

Net Expenses:

Instruction	\$3,563,517	
Support Services	1,529,864	
Interest on long-term debt	624,437	
Total		\$5,717,818

Change in net assets	(259,952)
Net assets – beginning	3,284,769
Net assets – ending	\$3,024,817

Fiscal Year - 2010

Net Revenues:

General Revenues:		
State Aid – Unrestricted	\$4,949,214	
Investment earnings	2,355	
Miscellaneous	3,838	
Total		\$4,955,407

Net Expenses:

Instruction	\$2,994,539	
Support Services	1,398,626	
Athletic Activities	12,533	
Interest on long-term debt	278,245	
Total		\$4,683,943

Change in net assets	\$ 271,464
Net assets – beginning	3,013,305
Net assets – ending	\$3,284,769

Analysis of Financial Position:

A few of the significant factors affecting net assets during the year are as follows:

- **General Fund Operations**

Holly Academy generated a net reduction of \$349,273.

- **Capital Outlay**

Actual acquisitions totaled \$212,960.

- **Depreciation Expense**

Depreciation expense is recorded on a straight-line basis over the estimated useful life of the asset. In accordance with generally accepted accounting principles, depreciation expense is recorded based on the original cost of the asset less an estimated salvage value. For the fiscal year ended June 30, 2011, the net depreciation expense was \$206,122.

- **Debt Principal Payments**

Holly Academy made additions and reductions to principal balances on long-term debt obligations that changed the amount of long-term liabilities as follows:

<u>Principal Balance</u>	<u>06/30/10</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/11</u>
<u>Konica Copiers</u>	14,079	--	14,079	0
<u>Xerox Copiers</u>	0	44,380	2,279	42,101
<u>Facilities</u>	3,310,000	5,750,000	3,310,000	5,750,000
Totals:	\$ 3,324,079	\$ 5,794,380	\$3,326,358	\$ 5,792,101

Holly Academy's Funds

As Holly Academy completed this year, the governmental funds reported a combined fund balance of \$4,086,343, which is an increase of \$2,031,757.

A few of the significant factors affecting the total governmental fund balance are the following:

General Operating Fund

Holly Academy's expenditures from General Fund Operations exceeded revenues by \$349,273 for the fiscal year ended June 30, 2011.

Debt Service Fund

The Debt Service Fund had an ending fund balance of \$108,980. This consisted of a beginning balance of \$229,353, less net debt service of \$120,373.

Capital Projects Fund

The Capital Projects Fund that was established in 2010-11 for renovations has a fund balance of \$2,501,403.

Revenues by Sources – All Funds

State of Michigan Unrestricted Aid (State Foundation Grant)

The foundation allowance is determined annually by the State of Michigan using the following variables:

- State of Michigan State Aid Act per student foundation allowance
- Student enrollment blended at 75% of current year fall count and 25% of prior year winter count
- Proration that reduces foundation allowance due to state shortfall

Per Student Foundation Allowance:

Holly Academy's blended student enrollment (State Aid Membership) for the 2010-2011 school year was 766.00. Preliminary total student enrollment for the 2011-2012 school year fall count is projected to be 825 students.

Changes from Original to Final Budget

The Uniform Budget Act of the State of Michigan requires that the Holly Academy Board of Directors approve the original budget prior to July 1st, the start of the fiscal year. A schedule showing Holly 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.

General Fund -	<u>Original Budget</u>	<u>Final Budget</u>	<u>Change</u>
Revenues	\$5,486,227	\$6,145,176	\$658,949
Expenditures	\$5,484,812	\$6,525,824	\$1,041,012

Economic Factors and Next Year's Budgets and Rates

The administration considered many factors when determining Holly Academy's 2012 fiscal year budget. One of the most important factors is the student count, since the state foundation revenue is determined by the blended student count that was discussed earlier. Approximately 94% of total General Fund revenues are from State Sources. Revenues are thus heavily dependent on the State's ability to fund local operations. When the fall student count is completed and the related per pupil funding is validated, the budget for Holly Academy will be amended to reflect the revised numbers. Since Holly Academy's revenue depends on State funding and the health of the State School Aid fund, the actual revenue received therefore depends on the State's ability to collect revenues to fund its appropriations to Districts. The State periodically holds revenue-estimating conferences to evaluate its ability to fund obligations. Should state revenues fall below previous estimates, a statewide proration of the Foundation Allowance to Districts could occur. If a reduction in State Aid funding resulted, an appropriate budget adjustment would be made to reflect the revised financial situation.

Contacting Holly Academy's Financial Management

This financial report is designed to provide a general overview of Holly Academy's finances, and to demonstrate Holly Academy's accountability for the money it receives. If there are any questions about this report, or if additional financial information is needed, contact Holly Academy's Finance Department at 820 Academy Road in Holly, Michigan 48442.

BASIC FINANCIAL STATEMENTS

Holly Academy
Statement of Net Assets
June 30, 2011

	Governmental Activities
Assets	
Cash	\$ 3,866,328
Due from other governmental units	1,002,270
Prepaid items	959
Other assets	311,814
Capital assets not being depreciated	670,000
Capital assets - net of accumulated depreciation	3,832,824
Total assets	9,684,195
 Liabilities	
Accounts payable	146,912
Accrued expenditures	51,893
Accrued salaries payable	636,302
Noncurrent liabilities	
Due within one year	7,347
Due in more than one year	5,816,924
Total liabilities	6,659,378
 Net Assets	
Invested in capital assets, net of related debt	1,289,277
Restricted for:	
Debt service	57,087
Unrestricted	1,678,453
Total net assets	\$ 3,024,817

See Accompanying Notes to Financial Statements

Holly Academy
Statement of Activities
For the Year Ended June 30, 2011

	Program Revenues				
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets	
Functions/Programs					
Governmental activities					
Instruction	\$ 3,953,852	\$ -	\$ 390,335	\$ -	\$ (3,563,517)
Supporting services	1,837,825	10,191	297,770	-	(1,529,864)
Interest on long-term debt	624,437	-	-	-	(624,437)
Total governmental activities	\$ 6,416,114	\$ 10,191	\$ 688,105	\$ -	(5,717,818)
General revenues					
State aid - unrestricted					5,444,139
Interest and investment earnings					8,414
Other					5,313
Total general revenues					5,457,866
Change in net assets					(259,952)
Net assets - beginning					3,284,769
Net assets - ending					\$ 3,024,817

See Accompanying Notes to Financial Statements

Holly Academy
Governmental Funds
Balance Sheet
June 30, 2011

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash	\$ 1,255,945	\$ 108,980	\$ 2,501,403	\$ 3,866,328
Due from other governmental units	1,002,270	-	-	1,002,270
Prepaid items	959	-	-	959
Total assets	\$ 2,259,174	\$ 108,980	\$ 2,501,403	\$ 4,869,557
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 146,912	\$ -	\$ -	\$ 146,912
Accrued salaries payable	636,302	-	-	636,302
Total liabilities	783,214	-	-	783,214
Fund Balance				
Non-spendable				
Prepaid items	959	-	-	959
Restricted for:				
Debt service	-	108,980	-	108,980
Capital projects	-	-	2,501,403	2,501,403
Unassigned	1,475,001	-	-	1,475,001
Total fund balance	1,475,960	108,980	2,501,403	4,086,343
Total liabilities and fund balance	\$ 2,259,174	\$ 108,980	\$ 2,501,403	\$ 4,869,557

See Accompanying Notes to Financial Statements

Holly Academy
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2011

Total fund balances for governmental funds	\$ 4,086,343
Total net assets for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	670,000
Capital assets - net of accumulated depreciation	3,832,824
Other long-term assets are not deferred in the governmental funds.	311,814
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(51,893)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Compensated absences	(32,170)
Bonds payable	(5,750,000)
Other loans payable and liabilities	<u>(42,101)</u>
Net assets of governmental activities	<u>\$ 3,024,817</u>

See Accompanying Notes to Financial Statements

Holly Academy
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2011

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Local sources	\$ 15,504	\$ 5	\$ 8,409	\$ 23,918
State sources	5,511,832	-	-	5,511,832
Federal sources	528,916	-	-	528,916
Interdistrict sources	91,496	-	-	91,496
Total revenues	<u>6,147,748</u>	<u>5</u>	<u>8,409</u>	<u>6,156,162</u>
Expenditures				
Current				
Education				
Instruction	3,512,598	-	-	3,512,598
Supporting services	1,904,983	-	-	1,904,983
Capital outlay	179,758	-	-	179,758
Debt service				
Principal	-	3,310,000	-	3,310,000
Interest and other expenditures	-	647,246	-	647,246
Bond issuance costs	-	319,820	-	319,820
Total expenditures	<u>5,597,339</u>	<u>4,277,066</u>	<u>-</u>	<u>9,874,405</u>
Excess (deficiency) of revenues over expenditures	<u>550,409</u>	<u>(4,277,061)</u>	<u>8,409</u>	<u>(3,718,243)</u>
Other Financing Sources (Uses)				
Proceeds from issuance of bonds	-	3,261,806	2,488,194	5,750,000
Transfers in	-	894,882	4,800	899,682
Transfers out	(899,682)	-	-	(899,682)
Total other financing sources (uses)	<u>(899,682)</u>	<u>4,156,688</u>	<u>2,492,994</u>	<u>5,750,000</u>
Net change in fund balance	(349,273)	(120,373)	2,501,403	2,031,757
Fund balance - beginning	<u>1,825,233</u>	<u>229,353</u>	<u>-</u>	<u>2,054,586</u>
Fund balance - ending	<u>\$ 1,475,960</u>	<u>\$ 108,980</u>	<u>\$ 2,501,403</u>	<u>\$ 4,086,343</u>

See Accompanying Notes to Financial Statements

Holly Academy
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, 2011

Net change in fund balances - Total governmental funds	\$ 2,031,757
Total change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(206,122)
Capital outlay	224,137
Sale of capital assets (net book value)	(11,177)
Expenses are recorded when incurred in the statement of activities.	
Interest	22,809
Compensated absences	(32,170)
Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Debt issued	(5,750,000)
Repayments of long-term debt	3,310,000
Amortization bond issuance costs	<u>150,814</u>
Change in net assets of governmental activities	<u>\$ (259,952)</u>

Holly Academy
Fiduciary Funds
Statement of Fiduciary Assets and Liabilities
June 30, 2011

	<u>Agency Funds</u>
Assets	
Cash	\$ 25,100
Total assets	<u>\$ 25,100</u>
Liabilities	
Due to agency fund activities	<u>\$ 25,100</u>
Total liabilities	<u>\$ 25,100</u>

See Accompanying Notes to Financial Statements

Holly Academy
Notes to Financial Statements
June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Academy is governed by an appointed seven-member Board of Directors. 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 Academy's reporting entity, and which organizations are legally separate component units of the Academy. The Academy has no component units.

Academy-wide Financial Statements

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

The statement of net assets presents governmental activities on a consolidated basis, 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 Academy'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 Academy first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the Academy's functions. The functions are also supported by general government revenues (certain intergovernmental revenues, investments and earnings, etc.). 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 Academy does not allocate indirect costs. In creating the Academy-wide financial statements the Academy has eliminated interfund transactions.

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

Holly Academy
Notes to Financial Statements
June 30, 2011

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Academy-wide financial statements. Major individual governmental funds are reported as separate columns in the 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. For this purpose, the Academy 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.

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 government.

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

The Academy reports the following major governmental funds:

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

Debt Service Fund – The debt service fund is used to record the payment of interest, principal, and other expenditures on long-term debt.

Capital Projects Fund – The Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

Additionally, the Academy reports the following fund types:

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the Academy in a trustee capacity or as an agent. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. This fund is used to record the transactions of student groups for school and school-related purposes.

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.

The Academy considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Prepaid Items – Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are capitalized as prepaid items in both academy-wide and fund financial statements.

Holly Academy
Notes to Financial Statements
June 30, 2011

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 Academy defines capital assets as assets with an initial individual cost in excess of \$2,500. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The Academy does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-50 years
Site improvements	10-20 years
Equipment and furniture	5-10 years
Buses and other vehicles	5-10 years

Long-term Obligations – In the Academy-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

In the Academy's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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.

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

Assigned – amounts intended to be used for specific purposes, as determined by the board of directors. The board of directors has granted the Academy Director the authority to assign funds. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

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 District'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 District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Holly Academy
Notes to Financial Statements
June 30, 2011

Eliminations and Reclassifications

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standard

The Government Accounting Standards Board issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which the District adopted effective July 1, 2010. The new standard changes fund balance classifications to depict the relative strength of the spending constraints and clarifies the definitions of various governmental fund types. The standard includes a new definition of special revenue funds, and athletic funds no longer meet that definition. As a result, balances and activities previously reported under the athletic fund are combined with the general fund. There was no effect from this change on beginning fund balances.

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 and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby cancel all encumbrances. These appropriations are reestablished at the beginning of the year.

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

The business manager is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.

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

Excess of Expenditures over Appropriations

The Academy did not have significant expenditure budget variances.

Holly Academy
Notes to Financial Statements
June 30, 2011

NOTE 3 - DEPOSITS AND INVESTMENTS

The Academy's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash	<u>\$ 3,866,328</u>	<u>\$ 25,100</u>	<u>\$ 3,891,428</u>

The breakdown between deposits and investments for the Academy is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	<u>\$ 3,891,428</u>
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Interest rate risk – The Academy 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 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 an office 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.

Concentration of credit risk – The Academy 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 Academy's deposits may not be returned to it. The Academy does not have a deposit policy for custodial credit risk. As of year end, \$1,004,432 of the Academy's bank balance of \$4,036,435 was exposed to custodial credit risk because it was uninsured and uncollateralized.

NOTE 4 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	<u>\$ 670,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 670,000</u>
Capital assets being depreciated				
Buildings and additions	4,317,130	81,923	-	4,399,053
Equipment and furniture	913,869	142,214	42,679	1,013,404
Buses and other vehicles	<u>16,627</u>	<u>-</u>	<u>-</u>	<u>16,627</u>
Total capital assets being depreciated	<u>5,247,626</u>	<u>224,137</u>	<u>42,679</u>	<u>5,429,084</u>
Less accumulated depreciation for				
Buildings and additions	698,189	144,618	-	842,807
Equipment and furniture	719,888	59,129	31,502	747,515
Buses and other vehicles	<u>3,563</u>	<u>2,375</u>	<u>-</u>	<u>5,938</u>
Total accumulated depreciation	<u>1,421,640</u>	<u>206,122</u>	<u>31,502</u>	<u>1,596,260</u>
Net capital assets being depreciated	<u>3,825,986</u>	<u>18,015</u>	<u>11,177</u>	<u>3,832,824</u>
Net capital assets	<u>\$ 4,495,986</u>	<u>\$ 18,015</u>	<u>\$ 11,177</u>	<u>\$ 4,502,824</u>

Holly Academy
Notes to Financial Statements
June 30, 2011

Depreciation was charged to activities of the Academy as follows:

Governmental activities		
Instruction	\$	133,643
Support services		<u>72,479</u>
Total governmental activities	\$	<u>206,122</u>

The assets acquired through capital leases are as follows:

Assets		
Copiers	\$	44,380
Modulars		<u>52,000</u>
Subtotal		96,380
Less accumulated depreciation		<u>12,513</u>
Total	\$	<u>83,867</u>

NOTE 5 – LEASES

Capital Leases

Equipment leases

The Academy currently leases equipment under various lease/purchase agreements for operating purposes as follows:

- Copiers are being leased for monthly payments totaling \$ 959 for 60 months. The lease expires in February 2016 and has an interest rate of 10.71%.

Future minimum lease payments on these leases are:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 7,347	\$ 4,156	\$ 11,503
2013	8,173	3,330	11,503
2014	9,093	2,410	11,503
2015	10,117	1,386	11,503
2016	7,371	299	<u>7,670</u>
Total minimum lease payments			53,682
Less amount representing interest			<u>11,581</u>
			<u>\$ 42,101</u>

NOTE 6 - LONG-TERM DEBT

The Academy issues notes, and other contractual commitments to provide for the acquisition of certain equipment.

Long-term obligation activity can be summarized as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amount Due</u> <u>Within One</u> <u>Year</u>
Bonds	\$ 3,310,000	\$ 5,750,000	\$ 3,310,000	\$ 5,750,000	\$ -
Copier lease	14,079	44,380	16,358	42,101	7,347
Compensated absences	<u>-</u>	<u>32,170</u>	<u>-</u>	<u>32,170</u>	<u>-</u>
Total	<u>\$ 3,324,079</u>	<u>\$ 5,826,550</u>	<u>\$ 3,326,358</u>	<u>\$ 5,824,271</u>	<u>\$ 7,347</u>

Bonds payable at June 30, 2011 consist of the following:

\$ 5,750,000 serial bond, issued through the Michigan Finance Authority on April 27, 2011, due in annual installments of \$ 50,000 to \$ 490,000 through October 1, 2040; interest at 6.50% to 8.00%	<u>\$ 5,750,000</u>
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Holly Academy
Notes to Financial Statements
June 30, 2011

Future principal and interest requirements for bonded debt are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 414,125	\$ 414,125
2013	-	446,363	446,363
2014	50,000	444,738	494,738
2015	70,000	440,838	510,838
2016	75,000	436,125	511,125
2017 - 2021	450,000	2,098,563	2,548,563
2022 - 2026	635,000	1,906,906	2,541,906
2027 - 2031	950,000	1,603,688	2,553,688
2032 - 2036	1,415,000	1,143,000	2,558,000
2037 - 2041	2,105,000	448,200	2,553,200
Total	<u>\$ 5,750,000</u>	<u>\$ 9,382,546</u>	<u>\$ 15,132,546</u>

NOTE 7 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The Academy has purchased commercial insurance for general liability, property and casualty and health and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

The Academy is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the Academy must reimburse the Employment Commission for all benefits charged against the Academy. The Academy had no unemployment compensation expense for the year. No provision has been made for possible future claims.

For risk retention situations (other than commercial coverage or risk sharing pools), the Academy estimates the liability for workers' compensation, medical claims, and life insurance that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported.

NOTE 8 - PENSION PLANS AND POST EMPLOYMENT BENEFITS

Plan Description

The Academy 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 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>.

Holly Academy
Notes to Financial Statements
June 30, 2011

In 2010 MPSERS 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 Academy is required by the School Finance Reform Act to contribute to MPSERS an actuarially determined percentage of payroll for all participating employees. The Academy'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 MPSERS contribution is allocated to cover health, dental and vision benefits. The following table discloses pertinent information relative to MPSERS pension retirement plan funding for the three-year period beginning July 1, 2008 through June 30, 2011.

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Funding percentage range	8.63 - 12.16%	9.73 - 10.13%	9.73 - 10.17%
Total payroll	\$ 3,070,043	\$ 3,070,043	\$ 2,989,552
Total covered payroll	3,286,340	2,759,875	2,960,410
School pension contributions	624,290	502,046	491,180
Employee MIP contributions	200,703	107,884	104,399
Tax deferred payment program	5,050	7,150	6,650

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 Academy 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 Academy and participants during the year ended June 30, 2011, were:

	<u>School District</u>	<u>Participants</u>
Contributions to the Pension Plus Savings Plan	<u>\$ 411</u>	<u>\$ 823</u>

Post Employment Benefits

In addition to the pension benefits described above, the School Finance Reform Act requires the Academy to provide post-retirement health care, dental, and vision benefits for retirees and beneficiaries through Michigan Public School Employees Retirement System (MPSERS). 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 Academy's actual contributions match the required contributions.

The following table discloses pertinent information relative to MPSERS post employment benefits funding for the three-year period beginning July 1, 2008 through June 30, 2011.

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Funding percentage range	6.81 - 8.5%	6.81%	6.55-6.81%
School post employment benefits contributions	\$ 254,199	\$ 204,237	\$ 197,299

Holly Academy
Notes to Financial Statements
June 30, 2011

NOTE 9 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the Academy expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2011.

REQUIRED SUPPLEMENTAL INFORMATION

Holly Academy
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Revenues				
Local sources	\$ 23,000	\$ 12,800	\$ 15,504	\$ 2,704
State sources	5,029,805	5,511,964	5,511,832	(132)
Federal sources	347,000	528,916	528,916	-
Interdistrict sources	86,422	91,496	91,496	-
	<u>5,486,227</u>	<u>6,145,176</u>	<u>6,147,748</u>	<u>2,572</u>
Total revenues				
Expenditures				
Instruction				
Basic programs	3,010,712	3,167,480	3,164,956	(2,524)
Added needs	267,814	350,206	347,642	(2,564)
Supporting services				
Pupil	158,148	163,111	155,004	(8,107)
Instructional staff	407,241	446,262	442,058	(4,204)
General administration	166,923	181,512	180,823	(689)
School administration	292,172	394,344	390,776	(3,568)
Business	177,943	187,328	186,697	(631)
Operations and maintenance	458,100	458,581	452,795	(5,786)
Central	76,100	76,225	76,025	(200)
Athletic activities	20,159	20,987	20,805	(182)
Capital outlay	125,000	179,988	179,758	(230)
	<u>5,160,312</u>	<u>5,626,024</u>	<u>5,597,339</u>	<u>(28,685)</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>325,915</u>	<u>519,152</u>	<u>550,409</u>	<u>31,257</u>

Holly Academy
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources (Uses)				
Transfers out	<u>(324,500)</u>	<u>(899,800)</u>	<u>(899,682)</u>	<u>118</u>
Total other financing sources (uses)	<u>(324,500)</u>	<u>(899,800)</u>	<u>(899,682)</u>	<u>118</u>
Net change in fund balance	1,415	(380,648)	(349,273)	31,375
Fund balance - beginning	<u>1,825,233</u>	<u>1,825,233</u>	<u>1,825,233</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,826,648</u>	<u>\$ 1,444,585</u>	<u>\$ 1,475,960</u>	<u>\$ 31,375</u>

OTHER SUPPLEMENTAL INFORMATION

Holly Academy
Other Supplemental Information
General Fund
Comparative Balance Sheet
June 30, 2011

	2011	2010
Assets		
Cash	\$ 1,255,945	\$ 1,471,247
Accounts receivable	-	85,519
Due from other governmental units	1,002,270	913,654
Prepaid items	959	1,250
Total assets	\$ 2,259,174	\$ 2,471,670
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 146,912	\$ 96,720
Accrued salaries payable	636,302	549,717
Total liabilities	783,214	646,437
Fund Balance		
Non-spendable		
Prepaid items	959	1,250
Unassigned	1,475,001	1,823,983
Total fund balance	1,475,960	1,825,233
Total liabilities and fund balance	\$ 2,259,174	\$ 2,471,670

Holly Academy
Other Supplemental Information
General Fund
Schedule of Revenues Compared to Budget
For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue from local sources				
Earnings on investments	\$ 1,000	\$ 200	\$ -	\$ (200)
Student activities	8,000	8,000	10,191	2,191
Community service activities	10,000	600	51	(549)
Other local revenues	<u>4,000</u>	<u>4,000</u>	<u>5,262</u>	<u>1,262</u>
Total revenues from local sources	<u>23,000</u>	<u>12,800</u>	<u>15,504</u>	<u>2,704</u>
Revenues from state sources				
Grants - unrestricted	4,913,250	5,370,494	5,370,494	-
Grants - restricted	<u>116,555</u>	<u>141,470</u>	<u>141,338</u>	<u>(132)</u>
Total revenues from state sources	<u>5,029,805</u>	<u>5,511,964</u>	<u>5,511,832</u>	<u>(132)</u>
Revenues from federal sources				
Grants	<u>347,000</u>	<u>528,916</u>	<u>528,916</u>	<u>-</u>
Total revenues from federal sources	<u>347,000</u>	<u>528,916</u>	<u>528,916</u>	<u>-</u>
Interdistrict sources				
Intermediate School District	<u>86,422</u>	<u>91,496</u>	<u>91,496</u>	<u>-</u>
Total interdistrict sources	<u>86,422</u>	<u>91,496</u>	<u>91,496</u>	<u>-</u>
Total revenue	<u>\$ 5,486,227</u>	<u>\$ 6,145,176</u>	<u>\$ 6,147,748</u>	<u>\$ 2,572</u>

Holly Academy
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Basic program - elementary				
Salaries	\$ 1,512,680	\$ 1,617,848	\$ 1,619,216	\$ 1,368
Employee benefits	623,494	662,820	662,518	(302)
Purchased services	13,000	15,000	14,274	(726)
Supplies and materials	50,100	50,100	50,090	(10)
Other	1,200	1,200	943	(257)
	<u>2,200,474</u>	<u>2,346,968</u>	<u>2,347,041</u>	<u>73</u>
Basic program - middle school				
Salaries	531,460	540,613	539,610	(1,003)
Employee benefits	245,078	246,999	245,949	(1,050)
Purchased services	3,350	3,900	3,771	(129)
Supplies and materials	30,350	29,000	28,585	(415)
	<u>810,238</u>	<u>820,512</u>	<u>817,915</u>	<u>(2,597)</u>
Added needs - special education				
Salaries	123,860	166,495	165,520	(975)
Employee benefits	55,856	77,374	76,539	(835)
Purchased services	1,000	1,250	943	(307)
Supplies and materials	4,000	4,000	3,553	(447)
	<u>184,716</u>	<u>249,119</u>	<u>246,555</u>	<u>(2,564)</u>

Holly Academy
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Added needs - compensatory education				
Salaries	65,400	79,165	79,165	-
Employee benefits	<u>17,698</u>	<u>21,922</u>	<u>21,922</u>	-
Total compensatory education	<u>83,098</u>	<u>101,087</u>	<u>101,087</u>	-
Pupil - health services				
Salaries	11,500	12,456	12,456	-
Employee benefits	<u>3,122</u>	<u>3,536</u>	<u>3,495</u>	(41)
Total health services	<u>14,622</u>	<u>15,992</u>	<u>15,951</u>	(41)
Pupil - psychological services				
Purchased services	<u>7,000</u>	<u>7,000</u>	<u>4,700</u>	(2,300)
Pupil - speech services				
Salaries	85,848	86,571	82,831	(3,740)
Employee benefits	25,505	26,793	25,404	(1,389)
Supplies and materials	<u>1,500</u>	<u>1,500</u>	<u>1,445</u>	(55)
Total speech services	<u>112,853</u>	<u>114,864</u>	<u>109,680</u>	(5,184)

Holly Academy
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Pupil - social work services				
Salaries	18,458	19,515	19,274	(241)
Employee benefits	5,015	5,540	5,399	(141)
Supplies and materials	200	200	-	(200)
Total social work services	<u>23,673</u>	<u>25,255</u>	<u>24,673</u>	<u>(582)</u>
Instructional staff - improvement of education				
Salaries	104,138	117,151	117,151	-
Employee benefits	39,201	43,156	43,169	13
Purchased services	25,300	34,066	33,609	(457)
Supplies and materials	13,000	6,269	6,269	-
Total improvement of education	<u>181,639</u>	<u>200,642</u>	<u>200,198</u>	<u>(444)</u>
Instructional staff - educational media services				
Salaries	11,443	11,900	9,558	(2,342)
Employee benefits	3,127	3,390	2,665	(725)
Supplies and materials	1,000	1,000	917	(83)
Total educational media services	<u>15,570</u>	<u>16,290</u>	<u>13,140</u>	<u>(3,150)</u>

Holly Academy
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Instructional staff - technology assisted instruction				
Salaries	82,840	86,974	86,974	-
Employee benefits	29,610	31,170	30,984	(186)
Purchased services	800	800	755	(45)
Supplies and materials	8,500	13,774	13,649	(125)
	<u>121,750</u>	<u>132,718</u>	<u>132,362</u>	<u>(356)</u>
Instructional staff - supervision and direction of instructional staff				
Salaries	65,282	67,242	67,242	-
Employee benefits	22,600	28,960	28,706	(254)
Purchased services	400	410	410	-
	<u>88,282</u>	<u>96,612</u>	<u>96,358</u>	<u>(254)</u>
General administration - board of education				
Purchased services	166,923	181,512	180,823	(689)
School administration - office of the principal				
Salaries	165,638	213,920	211,169	(2,751)
Employee benefits	64,534	86,024	84,799	(1,225)
Purchased services	10,950	21,200	21,151	(49)
Supplies and materials	47,050	64,000	64,459	459
Other	4,000	9,200	9,198	(2)
	<u>292,172</u>	<u>394,344</u>	<u>390,776</u>	<u>(3,568)</u>

Holly Academy
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Business - fiscal services				
Salaries	122,017	127,544	127,546	2
Employee benefits	48,926	51,524	51,267	(257)
Purchased services	4,000	4,000	4,004	4
Supplies and materials	200	200	200	-
Total fiscal services	<u>175,143</u>	<u>183,268</u>	<u>183,017</u>	<u>(251)</u>
Business - other				
Other	<u>2,800</u>	<u>4,060</u>	<u>3,680</u>	<u>(380)</u>
Operations and maintenance - operating building services				
Salaries	156,942	161,400	160,129	(1,271)
Employee benefits	91,158	89,680	89,116	(564)
Purchased services	110,000	113,501	108,386	(5,115)
Supplies and materials	100,000	94,000	95,164	1,164
Total operating building services	<u>458,100</u>	<u>458,581</u>	<u>452,795</u>	<u>(5,786)</u>
Central - communication services				
Salaries	-	360	360	-
Employee benefits	-	103	103	-
Purchased services	11,400	14,650	14,650	-
Supplies and materials	6,500	7,262	7,262	-
Total communication services	<u>17,900</u>	<u>22,375</u>	<u>22,375</u>	<u>-</u>

Holly Academy
Other Supplemental Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Central - staff/personnel services				
Salaries	31,500	34,144	34,144	-
Employee benefits	8,500	9,666	9,666	-
Purchased services	17,000	9,100	9,100	-
Other	1,200	940	740	(200)
Total staff/personnel services	<u>58,200</u>	<u>53,850</u>	<u>53,650</u>	<u>(200)</u>
Athletic activities				
Salaries	9,310	9,716	9,716	-
Employee benefits	2,549	2,771	2,704	(67)
Purchased services	8,300	8,500	8,385	(115)
Total Athletic Activities	<u>20,159</u>	<u>20,987</u>	<u>20,805</u>	<u>(182)</u>
Capital outlay				
Basic program - middle school	-	1,350	1,150	(200)
Instructional staff - technology assisted instruction	-	68,102	68,291	189
Business - fiscal services	-	14,036	14,036	-
Operations and maintenance - operating building services	125,000	96,500	96,281	(219)
Total capital outlay	<u>125,000</u>	<u>179,988</u>	<u>179,758</u>	<u>(230)</u>
Other financing uses				
Transfers out	324,500	899,800	899,682	(118)
Total expenditures and financing uses	<u>\$ 5,484,812</u>	<u>\$ 6,525,824</u>	<u>\$ 6,497,021</u>	<u>\$ (28,803)</u>