

**Academy of Flint**

**Flint, Michigan**

**Annual Financial Statements  
and  
Auditors' Report**

**June 30, 2012**

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**Academy of Flint**  
**Members of the Board of Education and Administration**  
**June 30, 2012**

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Members of the Board of Education

Daniel Hall	President
Samuel Warren	Vice President
Yolanda Urquhart-Williams	Treasurer/Secretary

Administration

Elnora Crutchfield	Chief Administrative Officer
April Jackson	Chief Financial Officer



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## Independent Auditors' Report

To the Board of Education  
Academy of Flint  
Flint, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Academy of Flint as of and for the year ended June 30, 2012, which collectively comprise the Academy's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Academy of Flint'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 opinion.

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 Academy of Flint 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 November 8, 2012, on our consideration of the Academy of Flint'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 the Academy of Flint'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, the Academy of Flint's financial statements for the year ended June 30, 2011, which are not presented with the accompanying financial statements. In our report dated October 11, 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 the Academy of Flint'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.

*Yeo & Yeo, P.C.*

Flint, Michigan  
November 8, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Academy of Flint  
Management's Discussion & Analysis  
June 30, 2012**

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Within this section of the Academy of Flint's annual financial report, the Academy's management is providing a narrative discussion and analysis of the financial activities of the Academy for the fiscal year that has ended on June 30, 2012. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section.

**Overview of the Financial Statements**

Management's Discussion and Analysis introduces the Academy's basic financial statements. The basic financial statements include the following: 1) government-wide financial statements, 2) fund financial information, 3) notes to the financial statements. The Academy also includes in this report additional information to supplement the basic financial statements.

***Government-Wide Financial Statements***

The Government-Wide Financial Statements are designed to provide the reader a broad overview of the Academy's finances. Although this is a government entity, the manner in which they are presented is similar to a private-sector business.

The *statement of net assets* presents information on all of the Academy's assets and liabilities, with the difference between the two reported as *net assets*. As the Academy continues to operate, increases and decreases in net assets will occur and may serve as a useful indicator of whether the financial position of the Academy is improving or deteriorating.

The *statement of activities* demonstrates information on how the Academy's net assets changed during the current fiscal year. The design of this statement is to show the financial reliance of the Academy's distinct activities or functions on the revenues generated by the Academy.

Both government-wide financial statements distinguish governmental activities of the Academy that are intended to recover all or a significant portion of their costs through contributions, user fees, and charges. The Academy's financial reporting includes all the funds that the Academy is accountable for.

***Fund Financial Statements***

A fund is an accountable unit used to maintain control over resources segregated for specific activities or objectives. The Academy uses funds to ensure and demonstrate compliance with finance-related laws and regulation.

**Academy of Flint  
Management's Discussion & Analysis  
June 30, 2012**

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The Academy's fund financial statements provide detailed information about the most significant funds - not the Academy as a whole. Some funds are required to be established by state law and by bond covenants. However, the Academy establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. All of the Academy's services are reported in governmental funds. *Governmental funds* are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

***Notes to the Financial Statement***

The accompanying notes to the Financial Statements provide information essential to a full understanding of both the government-wide and fund financial statements.

***Other information***

This report includes Statement of Net Assets. Along with the Assets, this statement includes all liabilities both current and non-current of the Academy.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

Other supplementary information includes detail by fund for receivables, payables, transfers and payments within the reporting entity.

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

The Academy's net assets at the end of the fiscal year 2012 were \$ 1,754,935. This is a \$ 66,769 decrease over the 2011 fiscal year that ended at \$ 1,821,704.



**Academy of Flint  
Management's Discussion & Analysis  
June 30, 2012**

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The following tables provide a summary of the Academy's financial activities in the net assets:

**Summary of Net Assets**

	Governmental Activities	
	2012	2011
<b>Assets</b>		
Current and other assets	<b>\$1,696,180</b>	\$1,857,140
Capital assets	<b>763,461</b>	599,921
Total assets	<b>2,459,641</b>	2,457,061
<b>Liabilities - Current liabilities</b>	<b>704,706</b>	635,357
<b>Net Assets</b>		
Invested in capital assets	<b>696,500</b>	599,921
Unassigned	<b>1,058,435</b>	1,221,783
Total net assets	<b>\$1,754,935</b>	\$1,821,704

**Academy of Flint  
Management's Discussion & Analysis  
June 30, 2012**

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**Summary of Changes in Net Assets**

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
<b>Revenue</b>		
Program revenue:		
Charges for services	\$ 18,191	\$ 41,479
Operating grants	1,200,607	1,237,771
Capital grants	-	14,105
General revenue:		
State grants	3,267,570	3,869,219
Other	18,375	3,502
	<u>4,504,743</u>	<u>5,166,076</u>
<b>Functions/Program Expenses</b>		
Instruction	1,681,579	1,922,644
Support services	2,444,293	2,506,152
Community services	45,073	34,640
Food services	397,915	311,325
Interest and other expenditures on long-term debt	2,652	-
	<u>4,571,512</u>	<u>4,774,761</u>
<b>Change in Net Assets</b>	<u>\$ (66,769)</u>	<u>\$ 391,315</u>

The Academy experienced a decline of \$ 601,649 in state grants received, which is primarily due to a decline in enrollment of about 69 students.

**Academy of Flint  
Management's Discussion & Analysis  
June 30, 2012**

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**Financial Analysis of the Academy's Funds**

The Academy uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the Academy is being accountable for the resources the State and others provide to it and may provide more insight into the Academy's overall financial health.

As the Academy completed this year, the governmental funds reported a combined fund balance of \$ 1,076,454, which is a decrease of \$ 145,329 from last year.

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

Our Special Revenue Fund remains the same as prior years, in that it maintains a \$ 0 fund balance. Excess of expenditures over revenues are funded through a fund balance transfer from the General Fund.

**General Fund Budgetary Highlights**

Over the course of the year, the Academy revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment for the budget was adopted just before year end. A schedule showing the Academy's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information to these financial statements. During the course of the year, the budget was amended to reflect additional revenues and expenditures over the initial estimates, which were conservative due to the uncertainty of student counts at the time the original budget was adopted. The largest budget overage was for capital outlay due to the fact that copier equipment purchased during the year was recorded as a capital lease, which requires the entire amount of expected future payments to be recorded as an expenditure in the year of inception of the lease. This overage was offset by the revenue (proceeds from capital lease), which was over budget due to the same circumstance.

**Academy of Flint  
Management's Discussion & Analysis  
June 30, 2012**

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**Capital Asset and Debt Administration**

As of June 30, 2012, the Academy had approximately \$ 1,519,298 invested in capital assets, including construction in progress, building improvements, portable classrooms, and furniture and equipment. This amount represents a net increase of \$ 309,645.

	<b>2012</b>	<b>2011</b>
Construction in progress	\$ 23,858	\$ 18,695
Building improvements	369,486	277,848
Portable classrooms	279,330	279,330
Furniture and equipment	846,624	633,780
Total capital assets	<b>\$ 1,519,298</b>	<b>\$ 1,209,653</b>

Additions of copier equipment during the year were financed through a capital lease. No other debt was issued for the current year additions; the General Fund balance was sufficient to cover these additions.

At the end of the current year, the Academy did not have any outstanding debt other than normal trade payables, which are recorded on an accrual basis, and the capital lease payable reported on the government-wide statements.

**Economic Conditions and Future Activities**

Approximately 84 percent of the Academy's total General Fund revenue is from the State of Michigan. As a result, the Academy funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2012 school year, we anticipate that the fall student count will be in excess of the estimates used in creating the 2013 budget. Once the final student count and related per pupil funding is validated, state law requires the Academy to amend the budget if actual Academy resources are not sufficient to fund original appropriations.

Since the Academy's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to academies. The State periodically holds a revenue-estimating conference to estimate revenues. If the State estimates funds are not sufficient to fund the appropriation,

**Academy of Flint  
Management's Discussion & Analysis  
June 30, 2012**

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the legislature must revise the appropriation or proration of state aid will occur. The impact on the Academy of the State's projected revenue shortfall is not known.

**Contacting the Academy's Financial Management**

This report was designed to provide a general overview of the Academy's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information, please contact the Academy of Flint at 4058 North Linden Road, Suite F, Flint, Michigan 48504.

## BASIC FINANCIAL STATEMENTS

**Academy of Flint**  
**Statement of Net Assets**  
**June 30, 2012**

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 936,800
Due from other governmental units	729,700
Prepaid items	29,680
Capital assets not being depreciated	23,858
Capital assets - net of accumulated depreciation	<u>739,603</u>
 Total assets	 <u>2,459,641</u>
 <b>Liabilities</b>	
Accounts payable	53,493
Accrued expenditures	99,669
Accrued salaries payable	175,553
Deferred revenue	309,030
Noncurrent liabilities	
Due within one year	30,825
Due in more than one year	<u>36,136</u>
 Total liabilities	 <u>704,706</u>
 <b>Net Assets</b>	
Invested in capital assets	696,500
Unrestricted	<u>1,058,435</u>
 Total net assets	 <u>\$ 1,754,935</u>

See Accompanying Notes to Financial Statements

**Academy of Flint  
Statement of Activities  
For the Year Ended June 30, 2012**

	<u>Program Revenues</u>			Net (Expense) Revenue and Changes in Net Assets
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Functions/Programs</b>				
Governmental activities				
Instruction	\$ 1,681,579	\$ -	\$ 779,310	\$ (902,269)
Supporting services	2,444,293	17,666	49,094	(2,377,533)
Food services	397,915	525	372,203	(25,187)
Community services	45,073	-	-	(45,073)
Interest and other expenditures on long-term debt	<u>2,652</u>	<u>-</u>	<u>-</u>	<u>(2,652)</u>
Total governmental activities	<u>\$ 4,571,512</u>	<u>\$ 18,191</u>	<u>\$ 1,200,607</u>	<u>(3,352,714)</u>
General revenues				
State aid - unrestricted				3,267,570
Other				<u>18,375</u>
Total general revenues				<u>3,285,945</u>
Change in net assets				(66,769)
Net assets - beginning				<u>1,821,704</u>
Net assets - ending				<u>\$ 1,754,935</u>

See Accompanying Notes to Financial Statements



**Academy of Flint  
Governmental Funds  
Balance Sheet  
June 30, 2012**

	General Fund	Nonmajor Governmental Funds	Governmental Activities
<b>Assets</b>			
Cash	\$ 936,800	\$ -	\$ 936,800
Due from other funds	4,378	-	4,378
Due from other governmental units	724,691	5,009	729,700
Prepaid items	29,680	-	29,680
	<u>1,695,549</u>	<u>5,009</u>	<u>1,700,558</u>
Total assets	<u>\$ 1,695,549</u>	<u>\$ 5,009</u>	<u>\$ 1,700,558</u>
<b>Liabilities and Fund Balance</b>			
Liabilities			
Accounts payable	\$ 52,862	\$ 631	\$ 53,493
Due to other funds	-	4,378	4,378
Accrued expenditures	99,669	-	99,669
Accrued salaries payable	175,553	-	175,553
Deferred revenue	291,011	-	291,011
	<u>619,095</u>	<u>5,009</u>	<u>624,104</u>
Total liabilities	<u>619,095</u>	<u>5,009</u>	<u>624,104</u>
<b>Fund Balance</b>			
Non-spendable			
Prepaid items	29,680	-	29,680
Assigned to balance 2012-2013 budget	176,409	-	176,409
Unassigned	870,365	-	870,365
	<u>1,076,454</u>	<u>-</u>	<u>1,076,454</u>
Total fund balance	<u>1,076,454</u>	<u>-</u>	<u>1,076,454</u>
Total liabilities and fund balance	<u>\$ 1,695,549</u>	<u>\$ 5,009</u>	<u>\$ 1,700,558</u>

See Accompanying Notes to Financial Statements

**Academy of Flint**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets**  
**June 30, 2012**

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<b>Total fund balances for governmental funds</b>	\$ 1,076,454
Total net assets for governmental activities in the statement of net assets is different because:	
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Other governmental units	(18,019)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	23,858
Capital assets - net of accumulated depreciation	739,603
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Other loans payable and liabilities	<u>(66,961)</u>
<b>Net assets of governmental activities</b>	<u>\$ 1,754,935</u>

See Accompanying Notes to Financial Statements

**Academy of Flint  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2012**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Local sources	\$ 36,041	\$ 1,588	\$ 37,629
State sources	3,499,298	13,970	3,513,268
Federal sources	590,587	357,170	947,757
Interdistrict sources	24,108	-	24,108
	<u>4,150,034</u>	<u>372,728</u>	<u>4,522,762</u>
<b>Expenditures</b>			
Current			
Education			
Instruction	1,683,060	-	1,683,060
Supporting services	2,446,446	-	2,446,446
Food services	-	398,264	398,264
Community services	45,073	-	45,073
Capital outlay	159,557	-	159,557
Debt service			
Principal	17,898	-	17,898
Interest and other expenditures	2,652	-	2,652
	<u>4,354,686</u>	<u>398,264</u>	<u>4,752,950</u>
Total expenditures			
	<u>(204,652)</u>	<u>(25,536)</u>	<u>(230,188)</u>
<b>Other Financing Sources (Uses)</b>			
Capital leases	84,859	-	84,859
Transfers in	-	25,536	25,536
Transfers out	(25,536)	-	(25,536)
	<u>59,323</u>	<u>25,536</u>	<u>84,859</u>
Total other financing sources (uses)			
Net change in fund balance	(145,329)	-	(145,329)
Fund balance - beginning	1,221,783	-	1,221,783
Fund balance - ending	<u>\$ 1,076,454</u>	<u>\$ -</u>	<u>\$ 1,076,454</u>

See Accompanying Notes to Financial Statements

**Academy of Flint**  
**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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<b>Net change in fund balances - Total governmental funds</b>	\$ (145,329)
Total change in net assets reported for governmental activities in the statement of activities is different because:	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Operating grants	(18,019)
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	(146,105)
Capital outlay	309,645
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	(84,859)
Repayments of long-term debt	<u>17,898</u>
<b>Change in net assets of governmental activities</b>	<b><u>\$ (66,769)</u></b>

**Academy of Flint**  
**Notes to Financial Statements**  
**June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Academy of Flint (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 was established on July 13, 1999 as a public school academy pursuant to the Michigan School Code of 1976, as amended, and administered by Central Michigan University. The original charter was renewed July 1, 2010. The Academy is located in the Flint area providing education for approximately 475 students from kindergarten through grade eight.

Academy of Flint was organized on a non-stock, directorship basis, as a Michigan nonprofit corporation.

The accompanying basic financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining various governmental organizations to be included in the reporting entity. These criteria include significant operational or financial relationships with the Academy. Based on application of the criteria, the Academy does not contain 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.

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.). 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.

**Fund Financial Statements**

Separate financial statements are provided for governmental funds. 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 of Flint**  
**Notes to Financial Statements**  
**June 30, 2012**

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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.

The Academy reports the following major governmental funds:

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

Additionally, the Academy reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Academy's Special Revenue Fund is the Food Service Fund. Operating deficits generated by these activities are generally covered by a transfer from the General Fund.

**Assets, Liabilities and Equity**

Deposits – Cash includes cash on hand and demand deposits.

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.

Prepaid Items – Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the Academy follows the purchase method, and they therefore are expensed when paid in both the Academy-wide and fund financial statements.

Capital Assets – capital assets, which include building improvements, portable classrooms, equipment and furniture, are reported in the applicable governmental column in the Academy-wide financial statements. The Academy defines capital assets as assets with an initial individual cost in excess of \$ 1,000 and an estimated useful life in excess of 3 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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.

Leasehold improvements, portable classrooms, and equipment and furniture are depreciated using the straight-line method over the following useful lives:

Leasehold improvements	20-50 years
Portable classrooms	20-50 years
Equipment and furniture	3-10 years

**Academy of Flint**  
**Notes to Financial Statements**  
**June 30, 2012**

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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 education. A fund balance commitment may be established, modified, or rescinded by a resolution of the board of education.

Assigned – amounts intended to be used for specific purposes, as determined by the board of education. 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 expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Academy's policy is to consider restricted funds spent first.

When 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.

**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.

**Economic Dependency**

The Academy received approximately 84% of their General Fund revenue from the Michigan Department of Education. Due to the significance of this revenue source, the Academy is considered to be economically dependent on the Michigan Department of Education.

**Academy of Flint**  
**Notes to Financial Statements**  
**June 30, 2012**

**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 Items Previously Reported as Assets and Liabilities*. The new 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.

**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 Chief Administrative Officer is authorized to transfer budgeted amounts within functions in 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 appropriations.

**Excess of Expenditures over Appropriations**

The Academy's significant expenditure budget variances are as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances Over (Under)
General Fund			
Pupil transportation services	276,331	287,260	10,929
Capital outlay	109,985	159,557	49,572

**NOTE 3 - DEPOSITS AND INVESTMENTS**

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

	Governmental Activities
Cash	<u>\$ 936,800</u>

*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.



**Academy of Flint**  
**Notes to Financial Statements**  
**June 30, 2012**

*Credit risk* – State statutes 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. The Academy has no investment policy that would further limit its investment choices.

*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, \$ 615,375 of the Academy’s bank balance of \$ 970,205 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
<b>Governmental activities</b>				
Capital assets not being depreciated				
Construction in progress	\$ 18,695	\$ 23,858	\$ 18,695	\$ 23,858
Capital assets being depreciated				
Leasehold improvements	277,848	91,638	-	369,486
Portable classrooms	279,330	-	-	279,330
Equipment and furniture	633,780	212,844	-	846,624
Total capital assets being depreciated	<u>1,190,958</u>	<u>304,482</u>	<u>-</u>	<u>1,495,440</u>
Less accumulated depreciation	<u>609,732</u>	<u>146,105</u>	<u>-</u>	<u>755,837</u>
Net capital assets	<u>\$ 599,921</u>	<u>\$ 182,235</u>	<u>\$ 18,695</u>	<u>\$ 763,461</u>

Depreciation expense for the fiscal year end amounted to \$ 146,105. The Academy allocated depreciation to the various governmental funds as follows:

<b>Governmental activities</b>	
Instruction	\$ 54,310
Support services	78,943
Food services	<u>12,852</u>
Total governmental activities	<u>\$ 146,105</u>

**Academy of Flint**  
**Notes to Financial Statements**  
**June 30, 2012**

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**NOTE 5 - TRANSFERS**

Interfund transfers were made during the year from the General Fund to the Food Service fund in the amount of \$ 25,536. These transfers were made to cover operating losses of the fund.

**NOTE 6 - 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 Academy reported deferred revenue as follows:

Grant and state aid revenue recognized as receivable but not received until after 60 days	\$	18,019
Grant and categorical aid payments received prior to meeting all eligibility requirements		291,011
Total	\$	309,030

**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 all other claims. Settled claims relating to commercial insurance have not exceeded the amount of coverage since inception.

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 for the year. The Academy had \$ 74,632 of unemployment compensation expense for the year. No provision has been made for possible future claims.

**NOTE 8 - LEASE**

The Academy has an operating lease for its facility with a Michigan nonprofit corporation, Academy of America, whose officers are also stockholders of Charter School Administration Services, Inc., the previous management agent for the Academy. The future minimum lease payments are as follows:

	For the year ended June 30,	
2013	\$	327,816
2014		327,816
2015		27,318
	\$	682,950

**Academy of Flint**  
**Notes to Financial Statements**  
**June 30, 2012**

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The Academy has a capital lease for copiers and related equipment. Future principal and interest requirements are as follows:

<u>For the year ended June 30,</u>	
2013	\$ 30,825
2014	30,825
2015	<u>10,275</u>
Total minimum lease payments	71,925
Less amount representing interest	<u>(4,964)</u>
Present value of minimum lease payments	<u><u>66,961</u></u>
Assets	
Equipment and furniture	84,859
Less accumulated depreciation	<u>(18,858)</u>
Net book value	<u><u>\$ 66,001</u></u>

**NOTE 10 – SUBSEQUENT EVENTS/GOING CONCERN**

Subsequent to June 30, 2012, the Academy was notified by Central Michigan University that the charter, which expires June 30, 2013, would not be renewed for the following year. Management plans to aggressively pursue authorization from other providers in order to ensure no disruption in operations.

**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 ended June 30, 2012.

## REQUIRED SUPPLEMENTAL INFORMATION

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**Academy of Flint**  
**Required Supplemental Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
<b>Revenues</b>				
Local sources	\$ 33,050	\$ 31,009	\$ 36,041	\$ 5,032
State sources	3,745,845	3,497,446	3,499,298	1,852
Federal sources	-	599,734	590,587	(9,147)
Interdistrict sources	24,982	23,932	24,108	176
Total revenues	<u>3,803,877</u>	<u>4,152,121</u>	<u>4,150,034</u>	<u>(2,087)</u>
<b>Expenditures</b>				
Instruction				
Basic programs	1,403,341	1,343,275	1,333,911	(9,364)
Added needs	77,939	347,668	349,149	1,481
Supporting services				
Pupil	154,987	228,142	227,245	(897)
Instructional staff	266,697	424,537	422,937	(1,600)
General administration	434,935	343,882	340,132	(3,750)
School administration	143,793	152,256	149,153	(3,103)
Business	122,184	121,387	121,467	80
Operations and maintenance	822,941	775,311	770,070	(5,241)
Pupil transportation services	223,600	276,331	287,260	10,929
Central	140,925	152,346	127,902	(24,444)
Athletic Activities	-	-	280	280
Community services	46,199	45,327	45,073	(254)
Capital outlay	-	109,985	159,557	49,572
Total expenditures	<u>3,837,541</u>	<u>4,320,447</u>	<u>4,354,686</u>	<u>34,239</u>
Deficiency of revenues over expenditures	<u>(33,664)</u>	<u>(168,326)</u>	<u>(204,652)</u>	<u>(36,326)</u>

**Academy of Flint**  
**Required Supplemental Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources (Uses)</b>				
Capital leases	-	-	84,859	84,859
Transfers in	56,000	-	-	-
Transfers out	-	(24,961)	(25,536)	(575)
	<u>56,000</u>	<u>(24,961)</u>	<u>59,323</u>	<u>84,284</u>
Total other financing sources (uses)				
Net change in fund balance	22,336	(193,287)	(145,329)	47,958
Fund balance - beginning	<u>1,221,783</u>	<u>1,221,783</u>	<u>1,221,783</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,244,119</u>	<u>\$ 1,028,496</u>	<u>\$ 1,076,454</u>	<u>\$ 47,958</u>

## OTHER SUPPLEMENTAL INFORMATION

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**Academy of Flint  
Other Supplemental Information  
General Fund  
Comparative Balance Sheet  
June 30, 2012**

	2012	2011
<b>Assets</b>		
Cash	\$ 936,800	\$ 811,922
Accounts receivable	-	12,762
Due from other funds	4,378	-
Due from other governmental units	724,691	979,243
Prepaid items	29,680	53,213
Total assets	\$ 1,695,549	\$ 1,857,140
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable and other liabilities	\$ 52,862	\$ 126,329
Accrued expenditures	99,669	142,449
Accrued salaries payable	175,553	215,109
Deferred revenue	291,011	151,470
Total liabilities	619,095	635,357
<b>Fund Balance</b>		
Non-spendable		
Prepaid items	29,680	53,213
Assigned to balance 2012-2013 budget	176,409	-
Unassigned	870,365	1,168,570
Total fund balance	1,076,454	1,221,783
Total liabilities and fund balance	\$ 1,695,549	\$ 1,857,140



**Academy of Flint**  
**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	\$ 1,150	\$ 1,800	\$ 1,920	\$ 120
Student activities	1,400	782	782	-
Other local revenues	<u>30,500</u>	<u>28,427</u>	<u>33,339</u>	<u>4,912</u>
Total revenues from local sources	<u>33,050</u>	<u>31,009</u>	<u>36,041</u>	<u>5,032</u>
<b>Revenues from state sources</b>				
Grants - unrestricted	3,712,878	3,267,570	3,267,570	-
Grants - restricted	<u>32,967</u>	<u>229,876</u>	<u>231,728</u>	<u>1,852</u>
Total revenues from state sources	<u>3,745,845</u>	<u>3,497,446</u>	<u>3,499,298</u>	<u>1,852</u>
<b>Revenues from federal sources</b>				
Grants	<u>-</u>	<u>599,734</u>	<u>590,587</u>	<u>(9,147)</u>
<b>Interdistrict sources</b>				
Other	<u>24,982</u>	<u>23,932</u>	<u>24,108</u>	<u>176</u>
<b>Other financing sources</b>				
Capital leases	-	-	84,859	84,859
Transfers in	<u>56,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>\$ 3,859,877</u>	<u>\$ 4,152,121</u>	<u>\$ 4,234,893</u>	<u>\$ 82,772</u>

**Academy of Flint**  
**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	\$ 598,134	\$ 600,635	\$ 600,845	\$ 210
Employee benefits	240,314	219,193	219,893	700
Purchased services	50,921	51,710	40,991	(10,719)
Supplies and materials	9,000	7,192	7,192	-
Total elementary	<u>898,369</u>	<u>878,730</u>	<u>868,921</u>	<u>(9,809)</u>
<b>Basic program - middle school</b>				
Salaries	351,027	301,617	301,617	-
Employee benefits	114,894	88,965	88,991	26
Purchased services	34,051	22,529	17,051	(5,478)
Supplies and materials	5,000	8,523	8,523	-
Total middle school	<u>504,972</u>	<u>421,634</u>	<u>416,182</u>	<u>(5,452)</u>
<b>Basic program - summer school</b>				
Salaries	-	35,589	40,777	5,188
Employee benefits	-	2,990	3,517	527
Purchased services	-	1,255	1,437	182
Supplies and materials	-	3,077	3,077	-
Total summer school	<u>-</u>	<u>42,911</u>	<u>48,808</u>	<u>5,897</u>

**Academy of Flint**  
**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 - special education</b>				
Salaries	54,994	82,744	82,744	-
Employee benefits	21,157	37,478	37,528	50
Purchased services	1,788	3,283	3,283	-
Supplies and materials	-	10,428	10,428	-
	<u>77,939</u>	<u>133,933</u>	<u>133,983</u>	<u>50</u>
<b>Added needs - compensatory education</b>				
Salaries	-	156,262	156,262	-
Employee benefits	-	24,789	24,789	-
Purchased services	-	7,676	9,251	1,575
Supplies and materials	-	25,008	24,864	(144)
	<u>-</u>	<u>213,735</u>	<u>215,166</u>	<u>1,431</u>
<b>Pupil - guidance services</b>				
Salaries	32,000	31,594	31,594	-
Employee benefits	12,779	13,876	13,882	6
Purchased services	1,040	1,139	1,139	-
	<u>45,819</u>	<u>46,609</u>	<u>46,615</u>	<u>6</u>

**Academy of Flint**  
**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>Pupil - health services</b>				
Purchased services	10,000	20,000	19,097	(903)
Supplies and materials	2,300	230	230	-
Total health services	<u>12,300</u>	<u>20,230</u>	<u>19,327</u>	<u>(903)</u>
<b>Pupil - psychological services</b>				
Purchased services	<u>10,000</u>	<u>95,085</u>	<u>93,491</u>	<u>(1,594)</u>
<b>Pupil - speech services</b>				
Purchased services	<u>35,000</u>	<u>15,169</u>	<u>16,763</u>	<u>1,594</u>
<b>Pupil - social work services</b>				
Salaries	35,853	43,603	43,603	-
Employee benefits	14,849	5,873	5,873	-
Purchased services	<u>1,166</u>	<u>1,573</u>	<u>1,573</u>	<u>-</u>
Total social work services	<u>51,868</u>	<u>51,049</u>	<u>51,049</u>	<u>-</u>
<b>Instructional staff - improvement of education</b>				
Salaries	-	43,199	43,199	-
Employee benefits	184	6,206	6,207	1
Purchased services	6,000	94,963	94,963	-
Supplies and materials	<u>-</u>	<u>1,121</u>	<u>1,121</u>	<u>-</u>
Total improvement of education	<u>6,184</u>	<u>145,489</u>	<u>145,490</u>	<u>1</u>

**Academy of Flint**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Budget**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>Instructional staff - educational media services</b>				
Salaries	28,500	32,166	32,166	-
Employee benefits	13,974	4,953	4,960	7
Purchased services	927	1,926	1,926	-
Supplies and materials	-	746	746	-
	<u>43,401</u>	<u>39,791</u>	<u>39,798</u>	<u>7</u>
<b>Instructional staff - technology assisted instruction</b>				
Purchased services	-	5,757	4,182	(1,575)
Supplies and materials	-	113,653	113,653	-
	<u>-</u>	<u>119,410</u>	<u>117,835</u>	<u>(1,575)</u>
<b>Instructional staff - supervision and direction of instructional staff</b>				
Salaries	151,752	53,319	53,675	356
Employee benefits	51,928	9,797	9,831	34
Purchased services	4,932	30,291	30,304	13
Supplies and materials	-	1,440	1,440	-
	<u>208,612</u>	<u>94,847</u>	<u>95,250</u>	<u>403</u>
<b>Instructional staff - academic student assessment</b>				
Purchased services	8,500	25,000	24,564	(436)

**Academy of Flint**  
**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 - board of education</b>				
Purchased services	116,524	82,018	87,622	5,604
Supplies and materials	5,000	3,204	3,204	-
Other	-	170	170	-
	<u>121,524</u>	<u>85,392</u>	<u>90,996</u>	<u>5,604</u>
<b>General administration - executive administration</b>				
Salaries	115,384	118,069	118,768	699
Employee benefits	20,083	13,140	13,197	57
Purchased services	127,944	114,717	104,607	(10,110)
Other	-	2,856	2,856	-
	<u>263,411</u>	<u>248,782</u>	<u>239,428</u>	<u>(9,354)</u>
<b>General administration - grant writer/grant procurement</b>				
Purchased services	50,000	9,708	9,708	-
<b>School administration - office of the principal</b>				
Salaries	62,522	71,222	71,222	-
Employee benefits	28,932	30,993	30,993	-
Purchased services	14,089	17,728	14,291	(3,437)
Supplies and materials	15,000	12,538	12,771	233
Other	2,100	1,953	1,953	-
	<u>122,643</u>	<u>134,434</u>	<u>131,230</u>	<u>(3,204)</u>

**Academy of Flint**  
**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>School administration - other</b>				
Supplies and materials	21,150	17,822	17,923	101
<b>Business - fiscal services</b>				
Salaries	101,000	87,600	87,620	20
Employee benefits	10,814	10,933	10,937	4
Purchased services	7,970	6,254	6,260	6
Other	600	15,162	15,212	50
Total fiscal services	120,384	119,949	120,029	80
<b>Business - other</b>				
Other	1,800	1,438	1,438	-
<b>Operations and maintenance - operating building services</b>				
Salaries	106,663	93,006	93,094	88
Employee benefits	32,223	49,964	49,960	(4)
Purchased services	537,377	512,285	510,563	(1,722)
Supplies and materials	105,000	80,271	76,950	(3,321)
Other	12,276	12,228	12,228	-
Total operating building services	793,539	747,754	742,795	(4,959)

**Academy of Flint**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Budget**  
**For the Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>Operations and maintenance - security services</b>				
Salaries	14,807	19,591	19,349	(242)
Employee benefits	11,664	4,276	4,255	(21)
Purchased services	2,931	3,211	3,192	(19)
Supplies and materials	-	479	479	-
	<u>29,402</u>	<u>27,557</u>	<u>27,275</u>	<u>(282)</u>
<b>Total security services</b>				
	<u>29,402</u>	<u>27,557</u>	<u>27,275</u>	<u>(282)</u>
<b>Pupil transportation services</b>				
Purchased services	<u>223,600</u>	<u>276,331</u>	<u>287,260</u>	<u>10,929</u>
<b>Central - communication services</b>				
Purchased services	<u>10,000</u>	<u>10,000</u>	<u>7,359</u>	<u>(2,641)</u>
<b>Central - staff/personnel services</b>				
Salaries	-	466	466	-
Employee benefits	-	37	37	-
Purchased services	-	7,232	7,323	91
	<u>-</u>	<u>7,735</u>	<u>7,826</u>	<u>91</u>
<b>Total staff/personnel services</b>				
	<u>-</u>	<u>7,735</u>	<u>7,826</u>	<u>91</u>
<b>Central - support services technology</b>				
Purchased services	85,000	93,239	71,219	(22,020)
Supplies and materials	5,000	8,570	8,570	-
	<u>90,000</u>	<u>101,809</u>	<u>79,789</u>	<u>(22,020)</u>
<b>Total support services technology</b>				
	<u>90,000</u>	<u>101,809</u>	<u>79,789</u>	<u>(22,020)</u>



**Academy of Flint**  
**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>Central - pupil accounting</b>				
Salaries	26,000	27,276	27,344	68
Employee benefits	12,080	4,541	4,546	5
Purchased services	2,845	985	1,038	53
	<u>40,925</u>	<u>32,802</u>	<u>32,928</u>	<u>126</u>
<b>Athletic activities</b>				
Purchased services	-	-	280	280
<b>Community services - community activities</b>				
Salaries	31,000	30,043	30,003	(40)
Employee benefits	14,191	4,756	4,753	(3)
Purchased services	1,008	2,516	2,515	(1)
Supplies and materials	-	7,732	7,682	(50)
Other	-	280	120	(160)
	<u>46,199</u>	<u>45,327</u>	<u>45,073</u>	<u>(254)</u>
<b>Capital outlay</b>				
Basic program - elementary	-	345	44,893	44,548
School administration - office of the principal	-	128	14,969	14,841
Operations and maintenance - operating building services	-	6,092	6,092	-
Operations and maintenance - security services	-	4,427	4,427	-
Building acquisition and construction services	-	98,993	63,706	(35,287)
	<u>-</u>	<u>109,985</u>	<u>159,557</u>	<u>49,572</u>

**Academy of Flint**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Budget**  
**For the Year Ended June 30, 2012**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>Debt service</b>				
Principal	-	-	17,898	17,898
Interest and other expenditures	-	-	2,652	2,652
Total debt service	-	-	20,550	20,550
<b>Other financing uses</b>				
Transfers out	-	24,961	25,536	575
Total expenditures and financing uses	<u>\$ 3,837,541</u>	<u>\$ 4,345,408</u>	<u>\$ 4,380,222</u>	<u>\$ 34,814</u>

**Academy of Flint**  
**Other Supplemental Information**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

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		Special Revenue Fund
		<u>          </u>
		Food Service Fund
		<u>          </u>
<b>Assets</b>		
Due from other governmental units	\$	<u>5,009</u>
<b>Liabilities and Fund Balance</b>		
Liabilities		
Accounts payable	\$	631
Due to other funds		<u>4,378</u>
Total liabilities	\$	<u>5,009</u>
Fund Balance		
Total fund balance		<u>-</u>
Total liabilities and fund balance	\$	<u>5,009</u>

**Academy of Flint**  
**Other Supplemental Information**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2012**

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		<u>Special Revenue Fund</u>
		<u>Food Service Fund</u>
<b>Revenues</b>		
Local sources	\$	1,588
State sources		13,970
Federal sources		<u>357,170</u>
Total revenues		<u>372,728</u>
<b>Expenditures</b>		
Current		
Education		
Food services		<u>398,264</u>
Deficiency of revenues over expenditures		<u>(25,536)</u>
<b>Other Financing Sources</b>		
Transfers in		<u>25,536</u>
Net change in fund balance		-
Fund balance - beginning		<u>-</u>
Fund balance - ending	\$	<u><u>-</u></u>