

DULUTH PUBLIC SCHOOLS ACADEMY
CHARTER SCHOOL NO. 4020
STATEMENT OF NET ASSETS
June 30, 2011

Statement 1

	<u>Governmental Activities</u>
Assets:	
Cash and temporary cash investments	\$1,763,369
Cash and investments held by trustee	10,769,744
Accounts receivable	28,314
Due from Minnesota Department of Education	3,488,541
Prepays	2,614
Deferred charges	449,878
Capital assets (net of accumulated depreciation):	
Nondepreciable	9,685,476
Depreciable	176,680
Total assets	<u>26,364,616</u>
Liabilities:	
Accounts and contracts payable	3,732,199
Due to EdisonLearning, Inc.	4,392,636
Deferred revenue - unearned	5,669
Accrued interest payable	175,091
Long-term debt:	
Due in more than one year	17,764,450
Total liabilities	<u>26,070,045</u>
Net assets:	
Invested in capital assets, net of related debt	(414,871)
Unrestricted	709,442
Total net assets	<u>\$294,571</u>

The accompanying notes are an integral part of these financial statements.

DULUTH PUBLIC SCHOOLS ACADEMY
CHARTER SCHOOL NO. 4020
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2011

Statement 2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
District support services	\$2,086,978	\$ -	\$ -	(\$2,086,978)
Regular instruction	3,460,943	-	277,304	(3,183,639)
Special education	3,431,673	1,122	2,935,448	(495,103)
Community education and services	144,249	104,954	-	(39,295)
Instructional support services	189,733	-	-	(189,733)
Pupil support services	1,446,143	127,836	317,064	(1,001,243)
Site, building and equipment	1,164,160	-	576,894	(587,266)
Fiscal and other fixed costs	54,534	-	-	(54,534)
Interest and fiscal charges on long-term liabilities	699,640	-	-	(699,640)
Total governmental activities	\$12,678,053	\$233,912	\$4,106,710	(8,337,431)
General revenues:				
Local sources				370,246
State sources				7,307,709
Federal sources				376,781
Investment income				2,154
Total general revenues				8,056,890
Change in net assets				(280,541)
Net assets - beginning				575,112
Net assets - ending				\$294,571

The accompanying notes are an integral part of these financial statements.

DULUTH PUBLIC SCHOOLS ACADEMY
CHARTER SCHOOL NO. 4020
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

Statement 3

	General Fund	Food Service	Community Service	Tischer Creek	Totals
Assets:					
Cash and temporary cash investments	\$1,651,664	\$34,907	\$42,622	\$34,176	\$1,763,369
Cash and investments held by trustee	-	-	-	10,769,744	10,769,744
Accounts receivable	10,595	9,676	8,043	-	28,314
Due from Minnesota Department of Education	3,325,706	-	-	-	3,325,706
Due from Federal Government through Minnesota Department of Education	162,835	-	-	-	162,835
Prepaid items	2,225	-	-	389	2,614
Total assets	<u>\$5,153,025</u>	<u>\$44,583</u>	<u>\$50,665</u>	<u>\$10,804,309</u>	<u>\$16,052,582</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts and contracts payable	\$ -	\$ -	\$ -	\$3,732,199	\$3,732,199
Due to EdisonLearning, Inc.	4,187,058	74,834	130,744	-	4,392,636
Deferred revenue	-	4,088	1,581	-	5,669
Total liabilities	<u>4,187,058</u>	<u>78,922</u>	<u>132,325</u>	<u>3,732,199</u>	<u>8,130,504</u>
Fund balance:					
Nonspendable - prepaid items	2,225	-	-	389	2,614
Restricted for capital and debt service	-	-	-	7,037,545	7,037,545
Unassigned	963,742	(34,339)	(81,660)	34,176	881,919
Total fund balance	<u>965,967</u>	<u>(34,339)</u>	<u>(81,660)</u>	<u>7,072,110</u>	<u>7,922,078</u>
Total liabilities and fund balance	<u>\$5,153,025</u>	<u>\$44,583</u>	<u>\$50,665</u>	<u>\$10,804,309</u>	<u>\$16,052,582</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balance reported above	\$7,922,078
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	9,862,156
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Deferred charges	449,878
Discount on bonds payable	635,550
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(18,400,000)
Accrued interest payable	(175,091)
Net assets of governmental activities (Statement 1)	<u>\$294,571</u>

The accompanying notes are an integral part of these financial statements.

DULUTH PUBLIC SCHOOLS ACADEMY

CHARTER SCHOOL NO. 4020

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For The Year Ended June 30, 2011

Statement 4

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	General Fund	Food Service	Community Service	Tischer Creek	Totals
Revenues:					
Local sources	\$371,368	\$127,836	\$104,954	\$109,563	\$713,721
State sources	10,627,326	27,840	-	-	10,655,166
Federal sources	846,810	289,224	-	-	1,136,034
Investment income	828	72	54	1,200	2,154
Total revenues	11,846,332	444,972	105,008	110,763	12,507,075
Expenditures:					
Current:					
District support services	2,086,978	-	-	-	2,086,978
Regular instruction	3,460,943	-	-	-	3,460,943
Special education	3,431,673	-	-	-	3,431,673
Community education and services	-	-	144,249	-	144,249
Instructional support services	189,733	-	-	-	189,733
Pupil support services	954,119	492,024	-	-	1,446,143
Site, building and equipment	1,348,273	-	-	5,139	1,353,412
Fiscal and other fixed costs	54,534	-	-	-	54,534
Capital outlay	-	-	-	9,671,144	9,671,144
Debt service:					
Interest and fiscal charges	-	-	-	499,010	499,010
Bond issuance costs	-	-	-	460,463	460,463
Total expenditures	11,526,253	492,024	144,249	10,635,756	22,798,282
Revenues over (under) expenditures	320,079	(47,052)	(39,241)	(10,524,993)	(10,291,207)
Other financing sources (uses):					
Bonds issued	-	-	-	18,400,000	18,400,000
Discount on bonds	-	-	-	(650,504)	(650,504)
Total other financing sources (uses)	0	0	0	17,749,496	17,749,496
Net change in fund balance	320,079	(47,052)	(39,241)	7,224,503	7,458,289
Fund balance (deficit) - beginning	645,888	12,713	(42,419)	(152,393)	463,789
Fund balance (deficit) - ending	<u>\$965,967</u>	<u>(\$34,339)</u>	<u>(\$81,660)</u>	<u>\$7,072,110</u>	<u>\$7,922,078</u>

The accompanying notes are an integral part of these financial statements.

DULUTH PUBLIC SCHOOLS ACADEMY
CHARTER SCHOOL NO. 4020
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2011

Statement 4
Page 2 of 2

Amounts reported for governmental activities in the statement of activities are different because:

Revenues over (under) expenditures reported on previous page \$7,458,289

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:

Capital outlay	9,753,747
Depreciation	(2,914)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets:

Issuance of bonds	(18,400,000)
Bond discount	650,504
Bond issue costs	460,463

Some expenses reported in the statement of activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:

Change in accrued interest	(175,091)
Amortization of bond discount	(14,954)
Amortization of bond issue costs	(10,585)

Change in net assets of governmental activities (Statement 2)	<u><u>(\$280,541)</u></u>
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DULUTH PUBLIC SCHOOLS ACADEMY
CHARTER SCHOOL NO. 4020
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2011

Statement 5

	<u>Agency Funds</u>
Assets:	
Cash and temporary cash investments	<u>\$25,405</u>
Liabilities:	
Due to student groups	<u>\$25,405</u>

The accompanying notes are an integral part of these financial statements.